Stock Code: 2616
Annual report URL:
MOPS http://mops.twse.com.tw
Company website http://www.slc.com.tw

Shan-Loong Transportation Co., Ltd.
2023 Annual Report

Published on May 17, 2024, Republic of China

I. **The name, position, telephone number, and email address of the spokesperson and deputy spokesperson of the Company**

Spokesperson: Wei-Teng Hsiao

Position: General manager

Tel: (02)2959-9611

Email address: robert.hsiao@slc.com.tw

Deputy spokesperson's Name: Wei-Hua Wu

Position: Corporate governance director

Tel: (02)2959-9611

Email address: meg.wu@slc.com.tw

II. **The addresses and telephone numbers of the head office, branches, and factories**

General Management Office

1F, No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City

Tel: (02)2959-9611

Fax: (02)2959-9441

Eastern Area Operations Office

No. 1, Ziqiang Rd., Su'ao Township, Yilan County

Telephone: (03)990-8582 Fax: (03)990-8585

Northern Area Operations Office

No. 2-10, Chaoyin Rd., Beigang Vil., Dayuan Dist., Taoyuan City

Telephone: (03)386-8833 Fax: (03)386-6375

Central Area Operations Office

No. 568, Zili Rd., Wuqi Dist., Taichung City

Tel: (04)2639-2151 Fax: (04)2639-8192

Mailiao Township Operations Office

No. 222-24, Hou'an Road, Neighborhood 12, Hou'an Vil., Mailiao Township, Yunlin County

Tel: (05)691-0283 Fax: (05)691-0631

Southern Area Operations Office

No. 26-3, Yanhai 3rd Rd., Fengming Vil., Neighborhood 1, Xiaogang Dist., Kaohsiung City

Tel: (07)871-6691~5 Fax: (07)871-7958

Please refer to II. Company Profile for the locations of gas stations

III. **Name, address, website, and telephone number of the stock transfer institution**

Name: Stock Affairs Section, Shan-Loong Transportation Co., Ltd.

Address: 3F, No. 3, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City

URL: http://www.slc.com.tw/

Tel: (02)2222-5131 Ext. 260-265

IV. **Name of the certifying CPA, CPA firm, address, website, and telephone number for the latest annual financial report**

Name of the CPA: Samuel Au Yiu Kwan, Yu-Ting Hsin

CPA firm: KPMG Taiwan

Address: 68F., No. 7, Sec. 5, Xinyi Rd., Taipei City (Taipei 101 Building)

URL: http://www.kpmg.com.tw/

Tel: (02)8101-6666

V. **Name and information of the trading venues of overseas marketable securities: None.**

VI. **Company website**

http://www.slc.com.tw/

Table of Contents

Chapter 1. Letter to Shareholders

Dear Shareholders,

The COVID-19 pandemic was completely lifted in 2023, which is expected to lead to a full recovery of the global economy. However, the war between Russia and Ukraine and the ongoing conflicts between Israel and Palestine resulted in global price hikes and inflation, and eventually a moderate recession in the global economic development. Under the increasingly harsh business environment, the annual performance of Shan-Loong remained stable and consistent thanks to the joint efforts of all employees and supplier partners.

The consolidated operating results of the Company and its subsidiaries for fiscal year 2023 are reported as follows:

Transport: The consolidated revenue in FY23 was NT$3.48382bn (the same below), a decrease of NT$1.28437bn (-26.94% YoY) from NTD4.76819bn in FY22.

Oil products: The consolidated revenue in FY23 was NT$12.94008bn, a decrease of NT$810.48mn (-5.89% YoY) from NT$13.75056bn in FY22.

In 2023, the overall consolidated revenue was NT$16.42389bn, which is a decrease of NT$2.09487bn (-11.31% YoY) from NT$18.51876bn in FY22. The annual after-tax net profit reached NT$82.66mn with EPS of NTD0.48.

Looking forward to FY24, the logistics industry plays a crucial role in today's society. There is still uncertainty about when the global economy will recover and Shan-Loong faces plenty of challenges. Nevertheless, the company also holds many opportunities. In the future, Shan-Loong will utilize technology and sustainability to consolidate the company's core operations and quickly adjust processes to respond to different changes, thereby achieving business optimization.

In Thousands of New Taiwan Dollars

	2023	2022	Increase (Decrease) Amount	Increase (decrease)%
Operating revenue	16,423,894	18,518,763	(2,094,869)	(11.31)
Operating profit	(35,697)	109,977	(145,674)	(132.46)
Net Profit After Tax	82,656	297,659	(215,003)	(72.23)

Item		2023	2022
Financial Structure	Debt Asset Ratio (%)	53.58	48.76
	Long-term Capital to Fixed Assets Ratio (%)	205.16	200.91
Solvency	Current Ratio (%)	111.95	117.24
	Quick Ratio (%)	99.48	99.64
Profitability	Return on Assets (%)	1.20	3.25
	Return on Equity (%)	1.64	5.68
	Net Profit Margin (%)	0.50	1.61
	Basic Earnings Per Share (NT$)	0.48	2.13

We hereby present outlines of the Company's annual business plan for FY24 as follows:

I. Comprehensive revenue growth:

Establish industrial self-service gas stations to ensure the Company's leading position in the diesel market, provide one-stop shipping, warehouse, and logistics service to large corporate clients, and improve service quality to generate more revenue.

II. The most efficient and effective way to operate:

Introduce a new management system to each business unit, streamline procedures with accuracy, and leave out unnecessary operating costs and expenses to increase per capita output value.

III. Creating a new cycle of benefits:

Spreads roots down to the end of the supply chain, focusing on the peripheral demands of suppliers starting with vehicles, such as vehicles, diesel, warranty, tires, financing, etc., to create extra economic benefits while in addition to strengthening collaboration ties.

IV. Activate assets:

Reduce heavy asset capital expenses, replace idle assets to save energy and lower maintenance costs, utilize resources effectively through systematic management, and optimize asset utilization efficiency.

V. Informatization with digitalization in real-time management:

The introduction of the new ERP is complemented by the management system of each business unit and quantitative management indicators, with no data "falling to the ground," so that the managerial team can learn about the company's performance in real time and make the most effective decisions, while comprehensively monitoring the company's operation.

Finally, I would like to thank all shareholders for your trust, encouragement, and advice to Shan-Loong Transportation Co., Ltd. I look forward to your continuous support and protection in the future. Here, I would like to offer my sincere thanks and wishes!

Sincerely,

Chairman

Chapter 2. Company Profile

I. Date of establishment: 6 April 1976.

Locations of Gas Stations

Area	Station	Address	Telephone
Northern Area	Chongqing Station	No. 456 Chongqing Road, Hualien City	03-8331482
Northern Area	Jichang Station	No. 121, Zhongxing Rd., Ji'an Township, Hualien County	03-8546115
Northern Area	Fuxing Station	No. 259, Sec. 3, Chunjing Rd., Luodong Township, Yilan County	03-9544677
Northern Area	Longde Station	No. 1-1, Ziqiang Rd., Su'ao Township, Yilan County	03-9909633
Northern Area	Fuxing Station	No. 252, Sec. 3, Wujie Rd., Wujie Township, Yilan County	03-9605494
Northern Area	Wanda Station	No. 207, Wanda Rd., Taipei City	02-23375690
Northern Area	Huazhong Station	No. 388, Wanda Rd., Taipei City	02-23378460
Northern Area	Guangxing Station	No. 776, Jianguo Rd., Bade Dist., Taoyuan City	03-3712497
Northern Area	Bade Station	No. 669, Guangfu Rd., Bade Dist., Taoyuan City	03-3664565
Northern Area	Dayuan Station	No. 79, Minsheng Rd., Dayuan Dist., Taoyuan City	03-3850738
Northern Area	Daxi Station	No. 105, Yongchang Rd., Daxi Dist., Taoyuan City	03-3074683
Northern Area	Puding Station	No. 191, Sec. 2, Puding Rd., Daxi Dist., Taoyuan City	03-3070668
Northern Area	Zhongli Station	No. 5-3, Jilin Rd., Zhongli Dist., Taoyuan City	03-4617151
Northern Area	Longxing Station	No. 693, Longxing Rd., Zhongli Dist., Taoyuan City	03-4375828
Northern Area	Fufeng Station	No. 1110, Kuaisu Road, Pingzhen Dist., Taoyuan City	03-4598126
Northern Area	Luzhu Station	No. 532, Sec. 2, Nankan Rd., Luzhu Dist., Taoyuan City	03-3229609
Northern Area	Guanyin Station	No. 258, Sec. Guangxing, Binhai Rd., Guanyin Dist., Taoyuan City	03-4736060
Northern Area	Linkou Station	No. 553, Sec. 2, Wenhua 2nd Rd., Linkou Dist., New Taipei City	02-86011805
Northern Area	Yingge Station	No. 28, Yonghe 2nd Street, Yingge Dist., New Taipei City	02-26709799
Northern Area	Xinglong Station	No. 628, Sec. 5, Chongxin Rd., Sanchong Dist., New Taipei City	02-29995499
Northern Area	Futai Station	No. 76, Sec. 1, Chengtai Rd., Wugu Dist., New Taipei City	02-22953510
Northern Area	Guanxi Station	No. 138-2, Shiliuzhang, Dongguangli, Guanxi Township, Hsinchu County	03-5876713
Central Area	Dadu Station	No. 247, Sec. 3, Shatian Rd., Dadu Dist., Taichung City	04-26997315
Central Area	Dali Station	No. 71, Sec. 1, Guoguang Rd., Dali Dist., Taichung City	04-24078672
Central Area	Daya Station	No. 259, Sec. 4, Zhongqing Rd., Daya Dist., Taichung City	04-2568-9565
Central Area	Wuquan Station	No. 105, Wuquan Rd., West Dist., Taichung City	04-22027088
Central Area	Shalu Station	No. 600, Sec. 7, Xiangshang Rd., Shalu Dist., Taichung City	04-26366189
Central Area	Dongshi Station	No. 706, Sec. 6, Dongguan Rd., Dongshi Dist., Taichung City	04-25771655
Central Area	Dingnan Station	No. 536-32, Zhongshan Rd., Qingshui Dist., Taichung City	04-26220166

Area	Station	Address	Telephone
Central Area	Wuqi Station	No. 725, Sec. 4, Gangbu Rd., Qingshui Dist., Taichung City	04-26276328
Central Area	Qingshui Station	No. 286, Sec. 6, Lingang Rd., Qingshui Dist., Taichung City	04-26276328
Central Area	Taichung Station	No. 571, Zili Rd., Wuqi Dist., Taichung City	04-26307220
Central Area	Zhukeng Station	No. 38, Sec. 1, Zhonghua Rd., Longjing Dist., Taichung City	04-26359009
Central Area	Zhongxing Station	No. 386, Shengfu Rd., Caotun Township, Nantou County	049-2371040
Central Area	Caotun Station	No. 642, Bo'ai Rd., Caotun Township, Nantou County	049-2304685
Central Area	Puli Station	No. 172, Sec. 4, Zhongshan Rd., Puli Township, Nantou County	049-2915022
Central Area	Pingshan Station	No. 16, Nangang 3rd Rd., Nantou City, Nantou County	049-2252513
Central Area	Tongluo Station	No. 35-1, Zhuwei, Tongluo Township, Miaoli County	037-980809
Central Area	Miaoli Station	No. 1-1, Zhonglong 1st Rd., Tongluo Township, Miaoli County	037-234529
Central Area	Toufen Station	No. 25, Sec. 1, Yongzhen Rd., Toufen City, Miaoli County	037-613101
Central Area	Wenshan Station	Miaoli County Miaoli City to Highway 596 No. 1	037-363901
Central Area	Mailiao Station	No. 651, Gongye Rd., Mailiao Township, Yunlin County	05-6910118
Central Area	Linnei Station	No. 3-5 Dapu Rd., Linnei Township, Yunlin County	05-5890850
Central Area	Guilin Station	No. 399, Sec. 1 Zhongshan Rd., Yuanlin Township, Changhua County	04-8008080
Central Area	Zhangxing Station	No. 928, Sec. 2, Zhangshui Rd., Pitou Township, Changhua County	04-8922011
Central Area	Changhua Station	No. 66, Sec. 1, Zhongshan Rd., Changhua City, Changhua County	04-7120616
Central Area	Quanxing Station	No. 262-2, Xinggong Rd., Hemei Township, Changhua County	04-7978633
Central Area	Beitun Station	No. 211, Beitun Rd., Beitun Dist., Taichung City	04-22334437
Central Area	Baozhong Station	No. 3, Zhongzheng Rd., Zhongzheng Village, Baozhong Township, Yunlin County	05-6973626
Southern Area	Liujia Station	No. 21, Guizigang, Guigang Village, Liujia Dist., Tainan City	06-6988940
Southern Area	Yongkang Station	No. 995-1, Zhonghua Rd., Yongkang Dist., Tainan City	06-2818655
Southern Area	Anding Station	No. 304-8, Sucuo, Anding Dist., Tainan City	06-5976971
Southern Area	Shanhua Station	No. 361, Xiaoxinying, Shanhua Dist., Tainan City	06-5115048
Southern Area	Gaoren Station	No. 135, Sec. 2, Zhongzheng S. Rd., Guiren Dist., Tainan City	06-2782899
Southern Area	Jiafeng Station	No. 770, Fuxing Rd., Xinying Dist., Tainan City	06-6528797
Southern Area	Qingxi Station	No. 451, Sec. 2, Hesheng Rd., Pingtung City	08-7521685
Southern Area	Zhutian Station	No. 15, Zhongyi Rd., Zhutian Township, Pingtung County	08-7712688
Southern Area	Fengming Station	No. 27, Liancheng Rd., Zhutian Township, Pingtung County	08-7896225
Southern Area	Zhongshan Station	No. 33, Sec. 4, Zhongshan Rd., Fangshan Township, Pingtung County	08-8761533
Southern Area	Donggang Station	No. 75-49, Chuantou Rd., Donggang Township, Pingtung County	08-8006178
Southern Area	Chaozhou Station	No. 583, Siwei Rd., Chaozhou Township, Pingtung County	08-7892222

Area	Station	Address	Telephone
Southern Area	Kaohsiung Station	No. 26-3, Yanhai 3rd Rd., Xiaogang Dist., Kaohsiung City	07-8716691
Southern Area	Dafa Station	No. 201, Daliao Rd., Daliao Dist., Kaohsiung City	07-7822196
Southern Area	Renwu Station	No. 153, Renlin Rd., Renwu Dist., Kaohsiung City	07-3742562
Southern Area	Benzhou Station	No. 11, Benzhou Rd., Gangshan Dist., Kaohsiung City	07-9585482
Southern Area	Military Academy Station	No. 100, Shitan Rd., Gangshan Dist., Kaohsiung City	07-6253965
Southern Area	Gangshan Station	No. 500, Gangyan Rd., Gangshan Dist., Kaohsiung City	07-6163078
Southern Area	Linyuan Station	No. 1038, Sec. 2, Fenglin Rd., Linyuan Dist., Kaohsiung City	07-6415596
Southern Area	Xiongyuan Station	No. 1-29 Zhongmen Road, Linyuan District, Kaohsiung City	07-6415389
Southern Area	Puya Station	No. 69, Ziqi Rd., Lingya Dist., Kaohsiung City	07-7610048
Southern Area	Gangshan Station	No. 683, Anzhao Rd., Yanchao Dist., Kaohsiung City	07-6163078
Southern Area	Yanchao Station	No. 730, Anzhao Rd., Yanchao Dist., Kaohsiung City	07-9585623
Southern Area	Yongfa Station	No. 160, Yancheng Avenue, Mituo Dist., Kaohsiung City	07-6106682
Southern Area	Dalin Station	No. 1-8, Linzitou, Dalin Township, Chiayi County	05-2951325
Southern Area	Jiatai Station	No. 508, Sec. 2, Beigang Rd., Taibao City, Chiayi County	05-3005199
Southern Area	Jiayi Station	No. 136, Sec. 1, Shixian Rd., Beixin All., West Dist., Chiayi City	05-2911692
Southern Area	Minxiong Station	No. 27, Minxin Rd., Minxiong Township, Chiayi County	05-2260423

II. Company History

1976 Wang-Pai Transportation Co., Ltd., the Company's predecessor, was founded.

1982 The Company changed its name into Shan-Loong Transportation Co., Ltd., mainly engaged in container transportation and bulk cargo business.

1984 The Company's Taichung plant, which engaged in the transportation and automobile repair business, was established in Taichung Harbor Related Industrial Park, covering an area of 14,869 square meters.

1987 The Company's Kaohsiung plant, which engaged in the transportation and automobile repair business, was established in Xiaogang District, Kaohsiung, covering an area of 15,950 square meters.

1990 The Company acquired 9,547 square meters of land at Zhongxing Industrial Zone in Miaoli.

1991 Shares were publicly offered.

1993 The Company's Dayuan plant, which engaged in the transportation business, was established at Dayuan Industrial Park in Taoyuan, covering an area of 15,838 square meters.

1994 Acquired the ISO 9002 certification.

1996 Acquired the SQAS certification with flying colors.

1997 Shares were listed in TWSE.

1998 The Company's first gas station was established at its Kaohsiung plant.

1999 The Company's Zhongli plant was established, covering an area of 15,384 square meters. Gas stations and vehicle supervision and inspection business were established in the Company's Zhongli and Miaoli plants, respectively.

2001 Gas stations were established at the Company's Taichung plant and Chaozhou in Pingtung, respectively.

2002 A logistics warehouse was established in Taoyuan County. Gas stations were successively established in Yilan, Luodong, Yingge, Dayuan, Guanyin, Houli, Daya, Longjing, Zhukeng, Caotun, Dalin and Zhutian. Acquired the ISO9001:2000 revised certification. Annual revenue reached NT$3bn.

2003 Acquired ISO 14001 certification. Annual revenue reached NT$4.9bn.

2004 Shan Tong Logistics Co., Ltd. was established in Shanghai. Shan-Loong Customs Brokerage Co., Ltd changed its name to Shan-Loong Shipping & Customs Brokerage Co., Ltd. The first issue of Shan-Loong Quarterly was published. Annual revenue reached NT$6.6bn. The Company's first domestic convertible corporate bonds of NT$300mn were issued.

2005 Acquired ISO14001: 2004 revised certification. Annual revenue reached NT$8.6bn.

2006 Acquired the OHSAS18001 certification. A GPS transportation management system was established. Rebranded the Company's gas stations. A total of 55 gas stations had been established as of this year. Annual revenue reached NT$9.9bn.

2007 The Company's second domestic convertible corporate bonds of NT$300mn and chip membership cards of gas stations were issued. Annual revenue reached NT$10.9bn.

2008 Introduced the TPM (total production management) system and established an e-learning system.

Participated in the Intelligent Unmanned Store Construction and Expansion Plan held by the Institute of Information Industry under the Ministry of Economic Affairs as a sponsored vendor.

Participated in the Taiwan Training Quality System (TTQS) counseling program and received an individual project subsidy for human resource upgrades. Annual revenue reached NT$11.8bn.

Passed and highly rated by Taiwan Chemical SQAS Cargo Container and Flat Cart Appraisal System (82%).

2009 Acquired the OHSAS 18001:2007 and ISO 9001:2008 revised certification.

Received a NT$1mn subsidy from "Vocational Training Now" held by the Workforce Development Agency. Introduced the Enterprise Functional Training System (ECTS). The Company's e-learning system was awarded the Learning& Service Double-A Certification by the Taiwan e-Learning and Digital Archives Program and received government subsidies.

2010 Passed the Formosa Plastic SQAS Chemical Tank Car Assessment System review with a high rating of 88%.

Establish a daily settlement system. Additional operation bases and gas stations were set up in Mailiao.

The Company's application for the Subsidy Plan for Deepening Digital Education with Enterprises organized by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs was approved.

2011 Received the Silver Medal in the 2011 TTQS review.

Passed the SQAS assessment for Year 2011.

Awarded as the Insured Unit with the Best Performance in Public-friendly Services. Shan-Loong adopted an online data declaration system in March 2007, with an e-rate of 99.74%, ranking among the top three insured units with the highest e-rates.

2012 The first electronic receipt was issued by Shan-Loong in the gas-station business community, setting a new model for energy saving and carbon reduction.

Obtained the Healthy Workplace Self-Certification - Hazard Control Label and the Premium Healthy Workplace Award.

2013 Completed the first corporate social responsibility report.
Self-refueling service by swiping cards was introduced in Shulin Station, the Company's first self-refueling station.

2014 Donated second-hand books to primary schools and established Green Libraries to spread knowledge.
Passed the SQAS review continuously.
Diversified business was launched in Shan-Loong gas stations and Lingya Convenience Store was officially opened.

2015 The Company established Shantong Oil Products Co., Ltd., and the first overseas gas station was built in Anhui.
Shan-Loong Gas Station won the 3rd place in the 12th Service Industry Award of Weekly 2015.

2016 Passed the RSQAS and AEO reviews.

2017 Purchased a piece of land named Sec. Haigan in Dauyuan District, Taoyuan City to build a logistics park.

2018 Won the 89th place in service industry among the top 2,000 enterprises in Taiwan by the Common Wealth Magazine.
Won the "Bronze Medal" in TTQS Talent Development Quality Management Review for Year 2018.

2019 Passed the three-year AEO calibration review.
Passed the annual SQAS review held by the Formosa Plastics General Management Office.
Honored by the 1111 Job Bank as a superior place for work.
Ranked the 7th place in the warehousing and cargo transportation industry of the Top 5000 Large Enterprises in Taiwan.

2020 Completed the 2018 ISO 45001 transition work.
Donated 5 Firefighting clothes and trousers each to the Yunlin County Fire Department.
Awarded the TFCA Toxicity Prevention Organization Live Rehearsal Excellence Award and Honor Award. Awarded with the Excellent Customs-declaration Achievement.
Awarded with the Excellent Customs-declaration Achievement.
The Company’s environment protection lab acquired the permit for environmental inspection and testing.

2021 Received the Excellent Operator Award from the Internal Revenue Service.
Received the Special Merit Prize of the 2021Award for Institutions and Companies with Additional Indigenous Employees.
Jiatai Station, Shan-Loong’s first fully self-service gas station, was put into operation in the Southern Area.
The Company’s plant in Taichung Port Logistics Park (Beidi Automobile Plant) was relocated to Zili Road, Wuqi District and renamed as Taichung Second Plant.
Minxiong Gas Station was established and put into operation. The total number of gas stations in Taiwan reached 80.

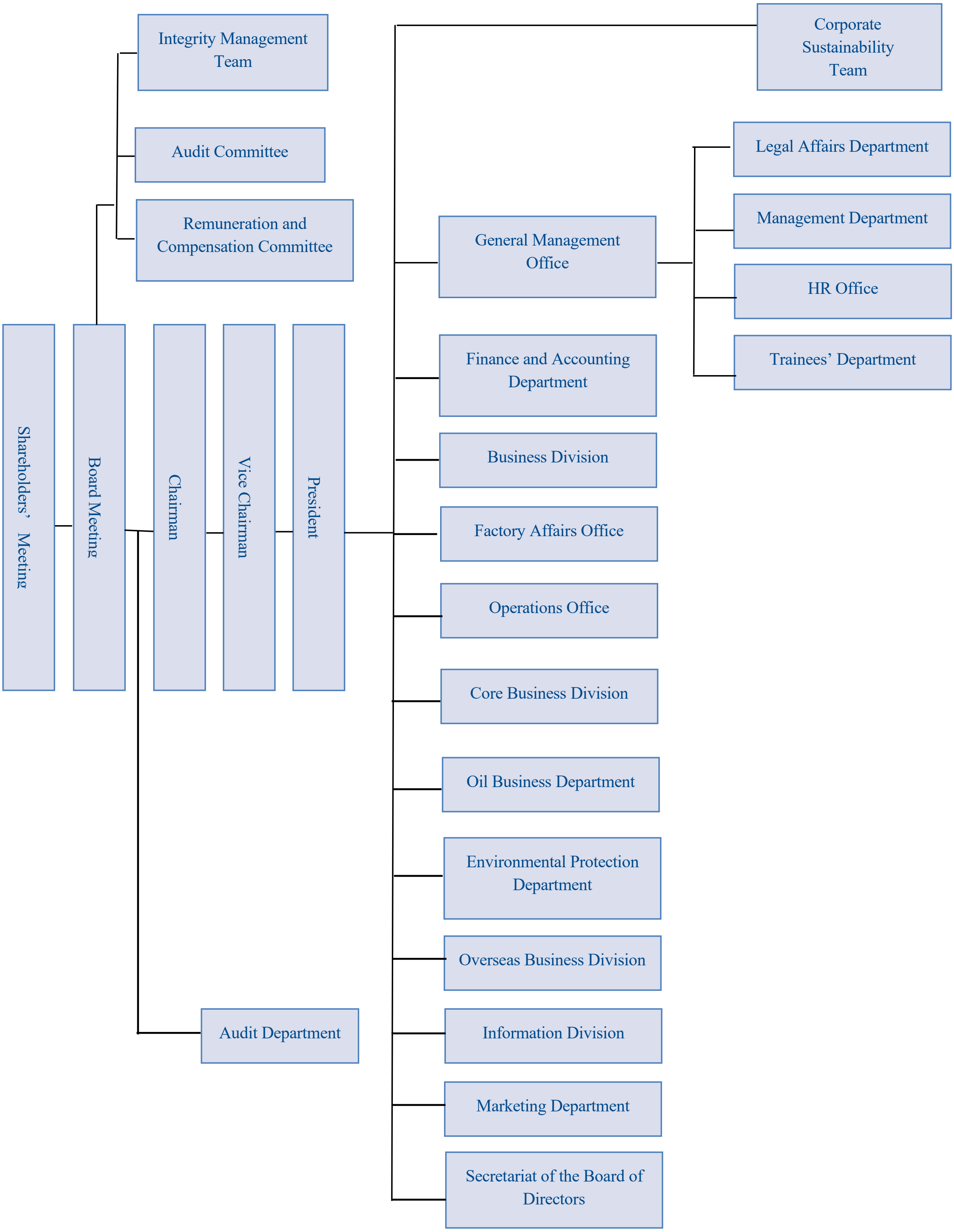
2022 Passed the ISO management review, including revisions.
Received the 2022 Award for Institutions and Companies with Additional Indigenous Employees
Xiongyuan Gas Station was put into operation in the Southern Area.
Open Baozhong Gas Station under the operation of the Central District.

2023 Passed the ISO14001: 2015, ISO45001: 2018, and ISO9001: 2015 certifications.

Chapter 3. Corporate Governance Report

I. Organization

(I) Organization Chart



(II) Business Activities of Main Divisions

General Management Office	1. Plan and execute affairs related to human resources, education and training. 2. Drafting and reviewing contract documents, handling litigation and non-litigation cases, providing legal support for business decisions, and providing legal advice or opinions of various departments. 3. Revision and maintenance of company rules and regulations. 4. Comprehensive administration of public affairs, public safety and the bidding of administrative organs of each county and city (report). 5. Summarize the planning, execution and supervision of various asset management, etc. 6. Supervises plants and gas stations to carry out labor safety and health affairs, and establish a company-wide safety and health prevention system. 7. Formulate the company's quality and environment health policies and improve plans and emergency handling standards for plants and gas stations. 8. Perform internal/irregular safety audits and coaching. 9. Promote health management and on-site services, and establish occupational disease prevention.
Finance and Accounting Division	1. Accounting operation planning and execution, financial statement preparation and analysis, budget analysis and reporting, tax planning and related project operations. 2. Coordinates the planning and management of the source and use of funds as well as the handling of share-related affairs.
Business Division	Company business development, market research and customer relationship maintenance.
Factory Affairs Office	1. Integrate and find the land where the company's business can be invested for asset integration activation. 2. Establish and introduce a new self-service business model for petrol stations to expand market share.
Operations Division	1. Reorganization and revision of the petrol station and operation management system. 2. Planning, designing, tracking and reviewing the operational performance indicators of oil stations and operations.
Core Business Division	Promote eco-services, such as waste disposal and green transport.
Oil Business Division	1. Inventory control of oil products sold at oil stations, station service management, and labor management. 2. Sales of oil products and car wash
Environmental Protection Division	1. Perform environmental testing projects on behalf of the Environmental Protection Administration. 2. Regularly maintain gas station facilities. 3. Carry out pollution risk assessment and responsive measures.
Overseas Business Division	1. Propose business targets and promote the supervision of overseas businesses. 2. Track, evaluate, and improve the performance of overseas businesses. 3. Assist, assess and improve overseas business management 4. Coordinate tasks between overseas branches and the parent company. 5. Learn and respond to important local financial laws and regulations for overseas branches. 6. Examine and evaluate overseas investment targets and new plant sites.
Information Division	1. Company information system/equipment planning and construction, database planning, management, and maintenance, and information system construction and integration. 2. Maintain and defend the company's information security.
Marketing Department	Promote and execute the Company's marketing plans and project tasks, and provide advice for improvement.
Secretariat of the Board of Directors	Convene shareholders' meetings, board of directors' meetings, and functional committee meetings.

II. Archive information of the Company's directors, president, vice presidents, associate managers, and the supervisors of all the Company's departments and branches.

(I) Director

2024.04.08

Position	Nationality/ Place of incorporation	Name	Gender/Age	Date Elected	Term (Years)	Date of election	Shares held when elected		Shares held currently		Shares held by spouse and minor children		Shares held through nominee arrangement		Primary work or academic experiences	Titles held at the Company and other companies	Other supervisors or directors who are spouses or within the second degree of kinship			Remark
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Chairman	Republic of China	Jen-Hao Cheng	Male 51~60 years old	2023.05.30	3 Years	2014.06.26	4,328,876	3.15	4,328,876	3.15	-	-	-	-	Chairman, Shan-Loong Transportation Co., Ltd. President, Shan-Loong Transportation Co., Ltd. Master of Commerce, Waseda University, Japan	Chairman, Shan-Loong Transportation Co., Ltd. Chairman, Ko Loong Industry Co., Ltd. Director, Jen Yun Co., Ltd. Director, Sun Favorite Co. Ltd. Director, Shine Far Construction Co., Ltd. Director, Shine Far Co., Ltd.	Director	Chuan-Chuan Lu	Parent	
Vice Chairman	Republic of China	Lan-Hui Yu	Male 61~70 years old	2023.05.30	3 Years	2005.06.17	304,691	0.22	304,691	0.22	16,312	0.01	-	-	Vice chairman, Shan-Loong Transportation Co., Ltd. President, Shan-Loong Transportation Co., Ltd. Yung-Ta Industrial Vocational School	Vice chairman, Shan-Loong Transportation Co., Ltd. Chairman, Shine Far Construction Co., Ltd. Chairman, Shine Far Electromechanical Co., Ltd. Vice chairman, Shine Far Construction Co., Ltd.	None	None	None	
Director	Republic of China	Cheng Loong Corporation Representative: Ching-Hui Yu	Male 71~80 years old	2023.05.30	3 Years	2023.05.30	12,690,010	9.24	12,690,010	9.24	-	-	-	-	Vice president, Cheng Loong Corporation Tamkang College of Arts and Sciences	Vice president, Cheng Loong Corporation Director, Ming Fong Plastic Co., Ltd. Director, Shanfa Long-term Care Association	None	None	None	
Director	Republic of China	Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	Female 71~80 years old	2023.05.30	3 Years	20020621	6,743,227 866,450	4.91 0.63	6,743,227 866,450	4.91 0.63	- 68,000	- 0.05	- -	- -	Director, Sun Favorite Co. Ltd. Shih Chien College of Home Economics	Director, Sun Favorite Co. Ltd. Director, Shine Far Co., Ltd. Director, Jen Yun Co., Ltd. Director, Sun Favorite Co. Ltd.	Chairman	Jen-Hao Cheng	Parent	
Director	Republic of China	Shine Far Co., Ltd. Representative: Tai-Lang Ho	Male 71~80 years old	2023.05.30	3 Years	2023.05.30	8,367,944	6.10	8,367,944	6.10	-	-	-	-	Vice president, Cheng Loong Corporation Master of management, Tamkang University	Vice President, Cheng Loong	None	None	None	

Director	Republic of China	Ken-Pei Cheng	Male 51~60 years old	2023.05.30	3 Years	2014.06.26	85,986	0.06	230,986	0.17	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Master, Northrop University	Director, Ko Loong Industry Co., Ltd. Director, Chuan Cheng Shi Jia Co., Ltd.	None	None	None	
Independent Director	Republic of China	Yao-Ming Huang	Male 71~80 years old	2023.05.30	3 Years	2017.06.22	-	-	-	-	-	-	-	-	Retired accountant at KPMG in Taiwan Accounting Division, Business Department, National Taiwan University	Member of the Audit Committee and the Remuneration and Compensation Committee, Shan-Loong Transportation Co., Ltd. Independent director of Tekcore Co., Ltd.	None	None	None	
Independent Director	Republic of China	Hsu-Feng Ho	Male 71~80 years old	2023.05.30	3 Years	2020.05.29	-	-	-	-	-	-	-	-	Vice president, Cheng Loong Corporation Chung Yuan Christian College of Science and Engineering	Member of the Audit Committee and the Remuneration and Compensation Committee, Shan-Loong Transportation Co., Ltd.	None	None	None	
Independent Director	Republic of China	Mao-Chun Wang	Male 71~80 years old	2023.05.30	3 Years	2017.06.22	50,506	0.04	50,506	0.04	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Zhong Li Commercial Senior High School	Member of the Audit Committee and the Remuneration and Compensation Committee, Shan-Loong Transportation Co., Ltd.	None	None	None	

Table 1　：Major shareholders of the institutional shareholders

2024.04.18

Name of institutional shareholders	Major shareholders of the institutional shareholders	
Cheng Loong Corporation	Sun Favorite Co., Ltd.	5.56%
	Shine Far Construction Co., Ltd.	4.60%
	Wenjing Development Co., Ltd.	4.42%
	Jen Yun Co., Ltd.	4.38%
	Fubon Life Insurance Co. Ltd.	4.33%
	Employee Welfare Committee, Cheng Loong Corporation	3.11%
	Shan-Loong Investment Co., Ltd.	2.87%
	Shine Far Co., Ltd	2.46%
	Trust share account, Cheng Loong Corporation, Taipei Fubon Bank	2.33%
	Special ESOP account of Cheng Loong Corporation entrusted in CTBC Bank	2.11%
Shine Far Construction Co., Ltd.	Jen-Ming Cheng	26.49%
	Ai-Ling Chi	26.49%
	Cheng-Lung Cheng	21.39%
	Su-Yun Cheng	15.00%
	Chiao-Yun Cheng	10.27%
	Wenjing Development Co., Ltd.	0.36%
Shine Far Co., Ltd	Sun Favorite Co., Ltd.	52.81%
	Jen Yun Co., Ltd.	23.71%
	Shine Far Construction Co., Ltd.	17.23%
	Chuan-Chuan Lu	1.53%
	Hsing-Jui Li	1.00%
	Jen-Ai Chung	0.98%
	Shan-Loong Transportation Co., Ltd.	0.87%
	Tung-Han Tsai	0.59%
	Ai-Ling Chi	0.51%
	Ming-Chuan Hsieh	0.43%

Table 2　：Major shareholders of legal entities in Table 1

Name of legal entity shareholder	Major shareholders of legal entity shareholder	
Shan-Loong Transportation Co., Ltd.	Cheng Loong Corporation	9.24%
	Shine Far Co., Ltd	6.10%
	Chiung-Miao Yeh	6.05%
	Shine Far Construction Co., Ltd.	4.91%
	Jen-Ming Cheng	4.77%
	Cheng Loong Investment Co., Ltd.	3.55%
	Jen-Hao Cheng	3.15%
	Special ESOP account of Shan-Loong Transportation Co., Ltd entrusted in CTBC Bank	2.78%
	Cheng Kuan Investment Co., Ltd.	1.65%
	Sun Favorite Co., Ltd.	1.39%
Jen Yun Co., Ltd.	Chung Win Investments Limited	23.53%
	Cheng-Lung Cheng	19.55%
	Jen-Ming Cheng	14.12%
	Su-Yun Cheng	14.12%
	Ai-Ling Chi	14.12%
	Chiao-Yun Cheng	11.76%
	Chu-Chun Hsiung	2.80%
Wenjing Development Co., Ltd.	Cheng-Lung Cheng	46.32%
	Jen-Ming Cheng	24.90%
	Su-Yun Cheng	16.04%
	Ai-Ling Chi	12.83%
Ming Fong Plastic Co., Ltd.	Cheng-Lung Cheng	19.53%
	Shine Far Construction Co., Ltd.	19.31%
	Chuan-Chuan Lu	13.91%
	Cheng Loong Corporation	8.14%
	Sun Favorite Co., Ltd.	4.64%
	Wen-Ming Cheng	4.13%
	Shine Far Co., Ltd	3.91%
	Chin-Chung Lin	3.57%
	Lu-Chu-Erh Lin	3.57%

	Hui-Chun Su	2.93%
Ko Loong Industrial Co., Ltd.	Shan-Loong Transportation Co., Ltd.	20.92%
	Cheng Loong Corporation	12.94%
	Shine Far Construction Co., Ltd.	12.35%
	Tian-You Wang	2.94%
	Ai-Ling Chi	2.55%
	San Chih Co., Ltd.	2.35%
	Cheng-Lung Cheng	2.16%
	Min-Chun Gu	2.06%
	Chiao-Yun Cheng	1.76%
	Bo-Yao Ji	1.76%
Sun Favorite Co., Ltd.	Ai-Ling Chi	22.39%
	Cheng-Lung Cheng	21.20%
	Jen-Ming Cheng	20.90%
	Chiao-Yun Cheng	17.53%
	Su-Yun Cheng	17.53%
	Jen Yun Co., Ltd.	0.45%
Shan-Loong Investment Co., Ltd.	Shan-Loong Transportation Co., Ltd.	100.00%
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd.	100.00%
Cheng Loong Corporation	Kindly refer to the annual report on page 12	
Shine Far Construction Co., Ltd.		
Shine Far Co., Ltd		

1. Disclosure of the professional qualifications of directors and supervisors and the information on the independence of independent directors:

Criteria / Name	Professional Qualification and Work Experience	Independence criteria	Number of Other Public Companies in Which the Individual Is Concurrently Serving as An Independent Director
Jen-Hao Cheng	1. More than 5 years of working experience in business and company affairs President, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Lan-Hui Yu	1. More than 5 years of working experience in business and company affairs President, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Cheng Loong Corporation Representative: Ching-Hui Yu	1. More than 5 years of working experience in business and company affairs Vice president, Cheng Loong Corporation 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	1. More than 5 years of working experience in business and company affairs Director, Shine Far Construction Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Shine Far Co., Ltd. Representative: Tai-Lang Ho	1. More than 5 years of working experience in business and company affairs Vice president, Cheng Loong Corporation 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Ken-Pei Cheng	1. More than 5 years of working experience in business and company affairs Vice president, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Yao-Ming Huang	1. With experience in business, accounting and corporate business. A certified CPA and a retired accountant at KPMG Taiwan 2. Without any conditions defined in Article 30 of the Company Act	The Company's independent directors meet the independence criteria as follows: 1. Including but not limited to the individual, spouse, or relatives within the second degree of kinship, etc., not having served as a director, supervisor or employee of the Company or its affiliated enterprises; 2. the individual, spouse, or relatives within second degrees of kinship, etc. do not hold shares in the Company; 3. Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company; 4. Has not served any positions in the last 2 years to provide business, legal, financial, accounting and other services for the remuneration received by the Company or its affiliated enterprises.	1

Hsu-Feng Ho	1. More than 5 years of working experience in business and company affairs Vice president, Cheng Loong Corporation 2. Without any conditions defined in Article 30 of the Company Act	The Company's independent directors meet the independence criteria as follows: 1. Including but not limited to the individual, spouse, or relatives within the second degree of kinship, etc., not having served as a director, supervisor or employee of the Company or its affiliated enterprises; 2. the individual, spouse, or relatives within second degrees of kinship, etc. do not hold shares in the Company; 3. Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company; 4. Has not served any positions in the last 2 years to provide business, legal, financial, accounting and other services for the remuneration received by the Company or its affiliated enterprises.	0
Mao-Chun Wang	1. More than 5 years of working experience in business and company affairs Vice president, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	The Company's independent directors meet the independence criteria as follows: 1. Including but not limited to the individual, spouse, or relatives within the second degree of kinship, etc., not having served as a director, supervisor or employee of the Company or its affiliated enterprises; 2. the individual, spouse, or relatives within second degrees of kinship, etc. do not hold shares in the Company; 3. Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company; 4. Has not served any positions in the last 2 years to provide business, legal, financial, accounting and other services for the remuneration received by the Company or its affiliated enterprises.	0

2. Diversity and Independence of the Board Meeting:

(I) Diversity Policy of the Board of Directors:

The composition of the Board of Directors should consider diversity. According to Article 20 of the Company's Code of Practice of Corporate Governance to enhance the structure of the board of directors, members of the board should generally possess the necessary knowledge, skills, and qualifications to perform their duties. To achieve the Company's corporate governance goals, the overall abilities that the board meeting should possess are as follows:

1. Operational judgment.
2. Accounting and financial analysis.
3. Business management.
4. Risk management.
5. Crisis management.
6. Industry know-hows
7. Global market views.
8. Leadership skills.
9. Decision-making skills.

(II) The diversified management goals of the board of directors: The board of directors of the Company should guide the Company's strategy, supervise management level, take responsibility for the Company and shareholders, and ensure that the board of directors exercises its powers in accordance with laws, regulations, rules of the Company's constitution, or shareholders' meeting resolutions in its various operations and arrangements for the company governance system.

The specific management objectives are as follows:

1. The Company's board meeting also emphasizes gender equity, with the board members including one female Director.
2. The Company's board meeting of places emphasis on operational judgment, business management, and crisis management, with the directors possessing the abilities in related core items.
3. The independent directors may not serve for more than three terms in order to maintain their independence. The three independent directors have served for six years and are well acquainted with the financial and business operations of the Company.
4. The backgrounds of the director members include accountants and senior industrial managerial personnel. The board meeting members have diverse backgrounds in industry and academia, and they can provide professional opinions from different perspectives, which greatly contribute to the Company's business performance and management efficiency.

(III) Board member diversification: The current board consists of 9 members, including 3 independent directors, to ensure the independence of the board meeting. There are three members who also serve as employees, accounting for 33%. And there is one female director to achieve the goal of gender equity. Among the board members, one independent director has a CPA qualification, specializing in finance and accounting. Other directors have rich experience in operation management, industry experience, and market strategy, each with a relevant professional background, and have the necessary professional knowledge to perform their duties.

The diversity of the board members is as follows:

Director	Composition								Professional competence and industry experience						
	Nationality	Gender	Age			Length of service of independent directors		Also serves as the Company's employee	1	2	3	4	5	6	7
			51 to 60	61 to 70	71 to 80	Under 3 Years	3 to 9 years		Operational judgment capability	Business management capability	Crisis management capability	Global market viewpoint	Leadership skills	Professional capabilities	Industrial Knowledge
Jen-Hao Cheng	Republic of China	Male	✓					✓	✓	✓	✓	✓	✓	International operation	Oil, electricity and gas
Lan-Hui Yu	Republic of China	Male		✓				✓	✓	✓	✓	✓	✓	Corporate management	Construction and engineering
Cheng Loong Corporation Representative: Ching-Hui Yu	Republic of China	Male			✓				✓	✓	✓	✓	✓	Finance & insurance	Paper industry
Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	Republic of China	Female			✓				✓	✓	✓	✓	✓	Corporate management	Oil, electricity and gas
Shine Far Co., Ltd. Representative: Tai-Lang Ho	Republic of China	Male			✓				✓	✓	✓	✓	✓	Financial accounting	Paper industry
Ken-Pei Cheng	Republic of China	Male	✓					✓	✓	✓	✓	✓	✓	Corporate management	Oil, electricity and gas
Yao-Ming Huang (Independent director)	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	Financial accounting	Finance
Hsu-Feng Ho (Independent director)	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	Corporate management	Paper industry
Mao-Chun Wang (Independent director)	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	Corporate management	Paper industry

(IV) Board independence:

1. Board of directors structure:

The selection of the Company's directors is open and fair, in compliance with the Company's Articles of Incorporation, Rules for Director Elections, Code of Practice of Corporate Governance, Regulations for the Appointment of Independent Directors of Public Companies and the qualifications for the appointment of independent directors stipulated in Article 14-2 of the Securities Exchange Act. The current composition of the board of directors is divided into 33% for three independent directors and 67% for six non-independent directors. Among them, three directors who are employees and managers account for 33%. Among the directors, only Jen-Hao Cheng and Juan Juan Lu have a parent-child relationship. The Company's current board has one female director among nine directors, accounting for 11%.

2. The board meeting has independence:

To safeguard shareholders' rights and treat all shareholders equally the Company has stipulated the procedures for director elections based on fairness, justice, and transparency. It also encourages shareholder participation. The cumulative voting system is adopted in accordance with the regulations of the Company Act to fully reflect shareholders' opinions.
In accordance with the Securities Exchange Act, the number of independent directors shall not be less than two, and shall not be less than one-fifth of the total number of directors, with the audit committee being composed of all independent directors. For the overall operational policy of the Company, the board of directors is composed of 9 directors, of which 3 are independent directors, accounting for 33% of the total number of directors, which has met the requirement for the size and proportion of the directors' seats stipulated for independent directors.
The board of directors of the Company emphasizes the functions of independent operation and transparency. All directors and independent directors are independent entities. Among the nine directors, only two seats, accounting for 22%, have a parent-child relationship, which complies with the provisions of Articles 26-3 paragraph 3 and 4 of the Securities and Exchange Act. In accordance with the regulations of the competent authority, the Company stipulates in its Articles of Incorporation that the election of directors should adopt the candidate nomination system. The qualifications, educational and career backgrounds of the nominated persons are assessed carefully to ensure that there are none of the circumstances listed in Article 30 of the Company Act, and the procedures are carried out in accordance with Article 192-1 of the Company Act.

(II) Information of the President, Vice President, associate, and the chiefs of various departments and branches

2024.04.08

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse's/Minor's Shareholding		Shares held through nominee arrangement		Primary work or academic experiences	Position Held with Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
President	Republic of China	Jen-Hao Cheng	Male	2021.09.16	-	-	-	-	-	-	Chairman, Shan-Loong Transportation Co., Ltd. President of Shan-Loong Company Master of Commerce, Waseda University Graduate School, Japan	Chairman, Shan-Loong Transportation Co., Ltd. Chairman of Ko Loong Industry Co., Ltd. Director, Jen Yun Co., Ltd. Director, Sun Favorite Co. Ltd. Shine Far Construction Co., Ltd. Director Managing director, Shine Far Co., Ltd.	None	None	None	Note 1
President	Republic of China	Wei-Teng Hsiao	Male	2023.12.22	-	-	-	-	-	-	Chief operating officer, Shan-Loong Transportation Co., Ltd. Department of Accounting, Tamkang University	Supervisor, Ko Loong Industry Co., Ltd.	None	None	None	Note 2, 3
President	Republic of China	Chen-Te Wang	Male	2023.07.18	-	-	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Master of Economics, Tunghai University	None	None	None	None	Note 1, 2

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse's/Minor's Shareholding		Shares held through nominee arrangement		Primary work or academic experiences	Position Held with Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Chief information officer	Republic of China	Hung-Te Wen	Male	2022.09.30	-	-	-	-	-	-	Chief information officer, Shan-Loong Transportation Co., Ltd. Binghamton University	None	None	None	None	None
Vice president Manager	Republic of China	Yi-Nuo Chen	Male	2022.07.12	-	-	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. EMBA, University of Aalto	None	None	None	None	Note 5
Vice president Manager	Republic of China	Kuo-Nan Tsai	Male	2022.09.14	-	-	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Department of Business Administration, Chaoyang University of Technology	None	None	None	None	Note 6
Associate	Republic of China	Ken-Pei Cheng	Male	2020.12.01	230,986	0.17	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Nopsno University	Director, Ko Loong Industry Co., Ltd. Associate of Shan-Loong Company	None	None	None	None

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse's/Minor's Shareholding		Shares held through nominee arrangement		Primary work or academic experiences	Position Held with Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Audit Executive	Republic of China	Kun-Lin Wu	Male	2021.09.01	-	-	-	-	-	-	Manager, Shan-Loong Transportation Co., Ltd. Department of Industrial Management, Vanung University	None	None	None	None	None
Finance Executive	Republic of China	Ou Cheng-Chang	Male	2023.07.18	-	-	-	-	-	-	Manager and associate manager, Shan-Loong Transportation Co., Ltd. Department of Public Finance and Tax Administration, National Taipei University of Business Professional and technical personnel who have passed national examinations and obtained certificates of accountancy	None	None	None	None	Note 3

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse's/Minor's Shareholding		Shares held through nominee arrangement		Primary work or academic experiences	Position Held with Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Accounting Executive	Republic of China	Yu-Long Chen	Male	2023.07.18	-	-	-	-	-	-	Manager, Shan-Loong Transportation Co., Ltd. Department of Accounting, Soochow University Professional and technical personnel who have passed national examinations and obtained certificates of accountancy	None	None	None	None	Note 4
Accounting Executive	Republic of China	Yu-Cheng Yao	Male	2021.11.11	-	-	-	-	-	-	Associate manager, Shan-Loong Transportation Co., Ltd. Department of Accounting Information, National Taichung University of Science and Technology	None	None	None	None	Note 4

Note 1: President Jen-Hao Cheng handed the position over to Chen-Te Wang in July 2023.

Note 2: President Chen-Te Wang handed the position over to Wei-Teng Hsiao in December 2023.

Note 3: Finance executive Wei-Teng Hsiao handed the position over to Ou Cheng-Chang in July 2023.

Note 4: Accounting executive Yu-Cheng Yao handed the position over to Yu-Long Chen, in July 2023.

Note 5: Vice president Yi-Nuo Chen resigned in February 2024.

Note 6: Vice president Kuo-Nan Tsai resigned in October 2023.

(III) The remuneration paid to directors, independent directors, president, and vice president in recent years.

1. Remuneration for directors and independent directors

Unit: NT$ Thousands **December 31, 2023**

Position	Name	Remuneration Paid to Directors: Base Compensation(A)		Severance Pay and Pension (B)		Directors(C)		Business Execution Expenses(D)		Total amount and proportion to net income of items A, B, C and D		Relevant remuneration received by directors who are also employees: Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)		Employee Compensation (G)				Proportion of total after-tax net income of items A, B, C, D, E, F and G		Compensation paid to directors from an invested company other than the Company's subsidiary
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company: Cash Amount	The Company: Stock Amount	Companies in the consolidated financial statements: Cash Amount	Companies in the consolidated financial statements: Stock Amount	The Company	Companies in the consolidated financial statements	
Chairman	Jen-Hao Cheng	-	-	-	-	-	-	11,520	14,400	17.66	17.42	14,001	16,161	182	182	325	-	325	-	39.89	37.59	15,893
Vice Chairman	Lan-Hui Yu																					
Director	Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu																					
Director	Cheng Loong Corporation Representative: Yu Qinghui (Note 3)																					
Director	Shine Far Co., Ltd Representative: Tai-Lang Ho (Note 3)																					
Director	Ken-Pei Cheng																					
Director	Cheng Loong Corporation Representative: Su-Yun Cheng (Note 4)																					
Director	Yen-Ming Chen (note 4)																					
Independent Director	Yao-Ming Huang	-	-	-	-	-	-	5,760	5,760	8.83	6.97	-	-	-	-	-	-	-	-	8.83	6.97	-
Independent Director	Hsu-Feng Ho																					
Independent Director	Mao-Chun Wang																					

Note 1.	Please clarify the remuneration payment policy, system, standards and structure for independent directors, and clarify the correlation between the responsibilities, risks, time spent and other factors assumed and the amount of remuneration paid: the remuneration of independent directors of the Company is paid by the Company in accordance with the provisions of Article 16 of the Company's Articles of Incorporation regardless of the operating profit or loss. The Company shall provide wages and salaries. The compensation of all directors shall be determined by the board of directors according to the degree of their participation in the operations of the Company and the value of their contribution, taking into account the industry standards.
Note 2.	In addition to the disclosures in the table above, the remuneration received for services rendered by directors of the Company in the most recent year (e.g. acting as consultants to non-employees of the parent company/all companies in the financial statements/reinvestment business, etc.): 0.
Note 3.	Assumed office after the re-election on May 30, 2023.
Note 4.	Stepped down after the re-election on May 30, 2023.

Table of Range of Remuneration

Range of Remuneration Paid to Directors of the Company	Name of Directors			
	Total remuneration of the first four items		Total remuneration of the first seven items	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT$1,000,000	Cheng Loong Corporation representative: Tai-Lang Ho	Cheng Loong Corporation representative: Tai-Lang Ho	Cheng Loong Corporation representative: Tai-Lang Ho	Cheng Loong Corporation representative: Tai-Lang Ho
NT$1,000,000 (inclusive) to 2,000,000 (not inclusive)	Jen-Hao Cheng, Lan-Hui Yu, Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Su-Yun Cheng, Ken-Pou Cheng, Yen-Ming Chen, Yao-Ming Huang, Hsu-Feng He, Mao-Chun Wang	Lan-Hui Yu, Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Su-Yun Cheng, Ken-Pou Cheng, Yen-Ming Chen, Yao-Ming Huang, Hsu-Feng He, Mao-Chun Wang	Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Su-Yun Cheng, Yen-Ming Chen, Yao-Ming Huang, Hsu-Feng Ho, Mao-Chun Wang	Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Su-Yun Cheng, Yen-Ming Chen, Yao-Ming Huang, Hsu-Feng Ho, Mao-Chun Wang
NT$2,000,000 (inclusive) to 3,500,000 (not inclusive)	-	-		
NT$3,500,000 (inclusive) to 5,000,000 (not inclusive)	-	-	Ken-Pei Cheng	Ken-Pei Cheng
NT$5,000,000 (inclusive) to 10,000,000 (not inclusive)	-	Jen-Hao Cheng	Jen-Hao Cheng, Lan-Hui Yu	Lan-Hui Yu
NT$10,000,000 (inclusive) to 15,000,000 (not inclusive)	-	-		Jen-Hao Cheng
NT$15,000,000 (inclusive) to 30,000,000 (not inclusive)	-	-	-	-
NT$30,000,000 (inclusive) to 50,000,000 (not inclusive)	-	-	-	-
NT$50,000,000 (inclusive) to 100,000,000 (not inclusive)	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total	11	11	11	11

2. Remuneration of President and Vice President

Unit: NT$ Thousands **December 31, 2023**

<table>
<tr><th rowspan="3">Position</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance Pay and Pension (B)</th><th colspan="2">Bonuses and Allowances (C)</th><th colspan="4">Employee Compensation (D)</th><th colspan="2">Total Amount of A, B, C and D and Ratio of it to Net Income After Tax</th><th rowspan="3">Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">Companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements</th></tr>
<tr><th>Cash Amount</th><th>Stock Amount</th><th>Cash Amount</th><th>Stock Amount</th></tr>
<tr><td>President (Note 1)</td><td>Wei-Teng Hsiao</td><td rowspan="9">9,411</td><td rowspan="9">9,411</td><td rowspan="9">276</td><td rowspan="9">276</td><td rowspan="9">5,797</td><td rowspan="9">5,797</td><td rowspan="9">459</td><td rowspan="9">459</td><td rowspan="9">-</td><td rowspan="9">-</td><td rowspan="9">24.43</td><td rowspan="9">19.29</td><td rowspan="9">-</td></tr>
<tr><td>President (Note 2)</td><td>Chen-Te Wang</td></tr>
<tr><td>Chief Operating Officer (Note 1)</td><td>Wei-Teng Hsiao</td></tr>
<tr><td>Republic of China</td><td>Hung-Te Wen</td></tr>
<tr><td>Vice President (Note 1)</td><td>Wei-Teng Hsiao</td></tr>
<tr><td>Vice President</td><td>Yi-Nuo Chen</td></tr>
<tr><td>Vice President (Note 2)</td><td>Chen-Te Wang</td></tr>
<tr><td>Vice President (Note 3)</td><td>Zhang Huang Yun</td></tr>
<tr><td>Vice President (Note 4)</td><td>Kuo-Nan Tsai</td></tr>
</table>

Note 1: Vice president Wei-Teng Hsiao took office in May 2023, assumed the position of chief operating officer in July 2023, and became the president in December 2023.

Note 2: Vice president Chen-Te Wang took office in July 2023 and resigned in December 2023.

Note 3: Vice president Huang-Yun Chang took office in May 2023 and resigned in September 2023.

Note 4: Vice president Kuo-Nan Tsai resigned in October 2023.

Table of Range of Remuneration

Range of remuneration paid to the president and vice president of the Company	Name of President and Vice Presidents	
	The Company	Companies in the consolidated financial statements
Less than NT$1,000,000	Yun-Huang Zhang	Yun-Huang Zhang
NT$1,000,000 (inclusive) to 2,000,000 (not inclusive)	Wei-Teng Hsiao, Kuo-Nan Tsai	Wei-Teng Hsiao, Kuo-Nan Tsai
NT$2,000,000 (inclusive) to 3,500,000 (not inclusive)	Chen-Te Wang	Chen-Te Wang
NT$3,500,000 (inclusive) to 5,000,000 (not inclusive)	Yi-Nuo Chen	Yi-Nuo Chen
NT$5,000,000 (inclusive) to 10,000,000 (not inclusive)	Hung-Te Wen	Hung-Te Wen
NT$10,000,000 (inclusive) to 15,000,000 (not inclusive)	—	—
NT$15,000,000 (inclusive) to 30,000,000 (not inclusive)	—	—
NT$30,000,000 (inclusive) to 50,000,000 (not inclusive)	—	—
NT$50,000,000 (inclusive) to 100,000,000 (not inclusive)	—	—
Over NT$100,000,000	—	—
Total	6	6

3. Remuneration of Management Team

Unit: NT$ Thousands **December 31, 2023**

	Position	Name	Stock Amount	Cash Amount	Total	Ratio of Total Compensations to NIAT (%)
Managerial Personnel	Chairman	Jen-Hao Cheng	-	392	392	0.6
	Vice Chairman	Lan-Hui Yu				
	President	Wei-Teng Hsiao				
	Audit Executive	Kun-Lin Wu				
	Accounting Executive	Yu-Long Chen				
	Finance Executive	Ou Cheng-Chang				

(IV) Comparison of the analysis of the ratio of total remuneration paid to the director, president and vice president of the Company in the last two fiscal years to the net income after tax of parent-company-only or individual financial statements, and instructions concerning the policies, standards and combinations for the payment of remuneration, the procedures for determining remuneration, and the relationship with operational performance for the Company and all companies in the consolidated financial statements, respectively:

1. Analysis of the ratio of total remuneration paid to the directors, president and vice president of the Company in the last two fiscal years to the net income after tax:

Payee	Percentage of total compensations paid to NIAT					
	2023		2022		Difference	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	48.72%	44.56%	11.07%	12.44%	37.65%	32.12%
President and Vice President	24.43%	19.29%	2.44%	3.46%	21.99%	15.83%

2. The relationship between the policy, standards and combinations for remuneration payment, the procedures for setting remuneration, and operational performance and future risks:

The principle of the remuneration paid to the directors of the Company is determined by the board meeting and included in the Company's Articles of Incorporation for execution upon approval by the shareholders' meeting, in accordance with Article 16 of the Company's Articles of Incorporation: When a director performs the business of the Company, regardless of operating profit or loss, the Company should pay wages and salaries. The compensation of all directors shall be determined by the board of directors according to the degree of their participation in the operations of the Company and the value of their contribution, taking into account the level of the industry standards.

The remuneration of the president and vice presidents includes base salary, allowances, bonus, etc. The remuneration structure takes into account the industry standards and considers individual performance, operating performance, and future risks for evaluation, with the principle of meeting the average industry standards. The evaluation items for managers' remuneration includes the achievement of performance goals and the Company's earnings of the year. The performance evaluation link includes important items such as the progress of corporate sustainability work, cost management, and project planning. The Regulations for Employee Salary Management has been set, with pay according to rank and position. The bonus part is paid according to the Regulations for Employee Bonus Payment of the Company, based on the basic salary, job allowance, and the operating performance of the Company in the previous year.

III. Implementation of Corporate Governance

(I) Board of Directors

The 14th board meeting convened 3 times in 2023, and the 15th board meeting convened 5 times in 2023. The attendance of directors and independent directors is as follows:

Position	Name	Actual Attendance	Attendance by proxy	Percentage of Actual Attendance (%)	Remark
Chairman	Jen-Hao Cheng	8	0	100	Reappointed on 2023.05.30
Vice Chairman	Lan-Hui Yu	8	0	100	Reappointed on 2023.05.30
Director	Cheng Loong Corporation Su-Yun Cheng	3	0	100	Resigned on 2023.05.30
	Cheng Loong Corporation. Shu-Yun Cheng	5	0	100	Newly appointed on 2023.05.30
	Shine Far Construction Co., Ltd. Chuan-Chuan Lu	8	0	100	Reappointed on 2023.05.30
	Shine Far Co., Ltd. Cheng Ken-Pei	3	0	100	Resigned on 2023.05.30
	Shine Far Co., Ltd. Ho Tai-Lang	8	0	100	Newly appointed on 2023.05.30
	Ken-Pei Cheng	5	0	100	Reappointed on 2023.05.30
	Yen-Ming Chen	1	2	33	Resigned on 2023.05.30
Independent Director	Yao-Ming Huang	8	0	100	Reappointed on 2023.05.30
	Hsu-Feng Ho	8	0	100	Reappointed on 2023.05.30
	Mao-Chun Wang	8	0	100	Reappointed on 2023.05.30

Other matters to be recorded:

I. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all Independent Directors' opinions and the Company's response should be specified:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act: please refer to Page 74-75.

(II) Other than the matters mentioned above, other resolutions that are objected and reserved by the independent directors and are documented or stated: None.

The Company held a total of 8 board meetings in 2023, with both directors and independent directors achieving a 100% attendance rate, obtaining appropriate and sufficient information for reference before the meetings. Both directors and independent directors fully discussed and made resolutions. The directors and independent directors have no objections or reservations to the matters listed in Article 14-3 of the Securities Exchange Act, and unanimously agree to pass as per the case. The contents of the board meeting are recorded in the meeting minutes and are disclosed on the company website.

II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified.

The Company has in place the Rules of Procedure of the Board of Directors, Article 14 of which stipulates that a director who has an interest in the matters of the meeting with himself or a legal person on his behalf that is detrimental to the interests of the Company may make representations and answer questions, may not participate in the discussion and vote, and shall avoid the discussion and vote, and may not exercise his voting rights on behalf of other directors. If the proposal is in the name of the person himself or the legal entity he represents, all related personnel who should recuse themselves from the meeting are once again reminded before the proposal is read.

- The board meeting held on March 13, 2023:

After discussing the remuneration committee's proposal regarding distribution of managers' compensation and year-end bonus for 2022, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and director representative Ken-Pei Cheng, who have personal interests involved, may not participate in the discussion and voting on their own compensation proposals approved by the remuneration committee.

- The board meeting held on August 14, 2023:

After discussing the remuneration committee's proposal regarding distribution of managers' compensation bonus for 2022, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and director representative Ken-Pei Cheng, who have personal interests involved, may not o participate in the discussion and voting on their own remuneration proposals approved by the remuneration committee.

- The board meeting held on December 22, 2023

After discussing the remuneration committee's proposal regarding distribution of managers' compensation bonus for 2022, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. The participating Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and the director representative who have personal interest involved may not participate in the discussion and vote on their own remuneration proposals approved by the remuneration committee.

III. TWSE/TPEx Listed Companies shall disclose information including the evaluation period and duration, evaluation scope, method and evaluation content of self (or peer evaluation of the Board of Directors, and fill in the execution of the assessment by the board of director

Frequency	Period	Scope	Method	Content
Internal performance assessments are performed annually. Assessments are performed at least once every three years by an external independent professional body or a team of external experts and scholars.	Assessment of performance for the period from January 1 to December 31, 2023	Includes board of directors, individual board members and functional committees	Internal evaluation and directors' self-assessment	As shown below

(I) The aspects of the overall assessment of the board of directors for the Company include:

1. The assessment is compiled by the secretariat of the board of directors, conducted through internal self-assessment questionnaires of each evaluated unit, based on the operation of the board meeting, the participation of directors, the operation of the remuneration committee, and the audit committee B. The evaluation consists of directors' assessment of the board meeting, directors' self-assessment of their own participation, remuneration committee members' assessment of the committee operation, and audit committee members' assessment of the committee operation.

2. The results of the performance assessment will serve as a reference for the selection or nomination of the directors, and the performance assessment results of the directors and the functional committee members will be used as a reference for setting their individual remuneration.

3. After all questionnaires are reclaimed in December each year, the secretariat of the board of directors analyzes them according to the Performance Evaluation Method of Board of Directors, submits the results to the board meeting of the first quarter of the next year, and provides recommendations for improvement based on suggestions of directors.

(1) The overall board of directors

According to the performance evaluation results of the board of directors, the average score of 45 indicators in five aspects is 4.90, and each aspect is between 4.87 and 4.95. After assessing, the board meeting has fully carried out its duty to guide and supervise the Company's strategies, major businesses, and risk management, and has established appropriate internal control. The overall operation is well-rounded and meets the requirements of corporate governance.

Assessment Aspect	Rating
A. Participation in the operation of the Company (12 indicators)	4.87
B. Improvement on the quality of the Board's decisions (12 indicators)	4.92
C. Composition and structure of the Board of Directors (7 indicators)	4.95
D. Election of Directors and Continuous Improvement (7 Indicators)	4.87
E. Internal controls (7 indicators)	4.87

(2) Audit Committee

The performance evaluation result of the audit committee this time indicates that the average score of the five perspectives for a total of 22 indicators is 4.89, which is between 4.67 and 5.00 in each perspective. This shows that the overall operation of the audit committee is complete, in line with the requirements of corporate governance, effectively improving the function of the board meeting.

Assessment Aspect	Rating
A. Participation in the operation of the Company (4 Indicators)	5.00
B. Awareness of the duties of the functional committee (5 indicators)	4.73
C. Improvement of quality of decisions made by the functional committee (7 indicators)	4.76
D. Makeup of the functional committee and election of its members (3 indicators)	4.89
E. Internal controls (3 indicators)	4.67

(3) Remuneration and Compensation Committee

According to the performance evaluation results of the remuneration committee, the average score of 22 indicators across five aspects is 4.82, and the scores for each aspect range between 4.53 and 5.00. The remuneration committee fully meets the operational requirements of the Company, effectively promoting sustainable management, risk management, and long-term strategic development. It also implements the spirit of corporate governance. The overall performance rating is excellent.

Assessment Aspect	Rating
A. Participation in the operation of the Company (4 Indicators)	5.00
B. Awareness of the duties of the functional committee (6 indicators)	4.53
C. Improvement of quality of decisions made by the functional committee (7 indicators)	4.81
D. Makeup of the functional committee and election of its members (4 indicators)	5.00
E. Internal Controls	4.78

(4) Individual directors

As a result of the performance evaluation of the individual directors, the average score of the six directors for a total of 23 indicators was 4.89, and the average score in each direction was between 4.79 and 5.00. The self-assessment from the directors shows positiveness on the efficiency and effectiveness of each indicator.

Assessment Aspect	Rating
A. Alignment of the goals and missions of the Company (3 Indicators)	4.93
B. Awareness of the duties of the Directors (3 Indicators)	5.00
C. Participation in the operation of the Company (8 Indicators)	4.79
D. Management and communication of the internal relations (3 Indicators)	4.81
E. The director's professionalism and continuing improvement (3 Indicators)	5.00
F. Internal controls (3 indicators)	4.85

(II) The results of the performance evaluation of the board of directors were reported to the board on March 14, 2024.

IV. Goals of the current and the recent years to improve the functions of Board of Directors (such as establishing audit committee, improving the information disclosure) and evaluation of the implementation.

The performance assessment results of the Company's board meeting in 2023 are between excellent 5 and good 4.87. Plans will be discussed that cover aspects which need improvements according to the rated items mentioned above.

(I) In order to strengthen the functions of the board meeting, the company has set up a corporate governance executive to continually enhance the structure and operation of the board meeting in the perspective of governance. According to the regulations, various information that should be announced is reported on MOPS, and the Company regularly revises the Procedure for Handling Significant Internal Information, Principles for Sustainable Development, Code of Best Practice, Code Practice of Corporate Governance, Procedures for Board Meetings, and other methods to enhance the effective implementation of corporate governance. Furthermore, arrangements are made for each director to have further training, fully demonstrating the professionalism and independence of the board meeting.

(II) The Company' s audit committee is composed of three independent directors. It regularly reviews the company's internal control system and the execution of internal audits and significant financial business behavior every quarter, and communicates with certifying CPAs twice a year to ensure the supervision of company operations and risk control.

(III) The Company's remuneration committee is responsible for formulating and regularly reviewing the policies, systems, standards, and structures of performance evaluation and remuneration for directors and Managers, as well as regularly evaluating and determining their remuneration.

(IV) Proposed to establish the risk management committee and the sustainable development committee. The committee convenes at least twice a year and reports its implementation status to the board meeting, aiming to strengthen the functions of the board meeting and enhance the mechanisms of corporate governance and competitiveness.

(II) Audit Committee Operations

The 2nd Best Practice Operation Team held meetings 3 times in 2023, the 3rd Best Practice Operation Team held meetings 5 times in 2023, the attendance of independent directors is as follows:

Position	Name	Actual Attendance	Attendance by proxy	Percentage of Actual Attendance (%)	Remark
Convener of the Audit Committee	Yao-Ming Huang	8	0	100	Reappointed on 2023.05.30
Member of the Audit Committee	Hsu-Feng Ho	8	0	100	Reappointed on 2023.05.30
Member of the Audit Committee	Mao-Chun Wang	8	0	100	Reappointed on 2023.05.30

Other matters to be recorded:

I. With regard to the operation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act: please refer to Page 75-76.

(II) Except as otherwise disclosed above, any other proposals which failed to obtain the approval of the Audit Committee, but were approved by two-thirds of the directors: None.

II. If there were independent directors who abstained from voting due to conflict of interest, the independent directors' names, contents of the proposal, and causes of abstention should be specified:

The aforementioned proposals did not involve the interests of independent directors, hence there was no need for abstention. The proposals were unanimously approved by all independent directors.

III. The communication between the independent directors and the manager of internal audit and the CPA (including the major matters, methods and results of communication on the company's financial and business conditions):

(I) Communication between independent directors and the manager of internal audit:

Date of the meeting	Communication matters	Results
2023.03.13	I. The internal audit executive explains the internal audit to be carried out according to the audit plan from December 2022 to January 2023, and the audit items include 1. Stock Affairs. 2. Derivative Commodity Operations. 3. Securities. 4. Cashier cash receipt and payment. 5. Endorsement and Guarantee. 6. Lending funds to other parties. II. Explained 8 internal audit reports from December 2022 to January 2023.	All independent directors are informed and have no comments.
2023.04.13	I. The internal audit executive explains the internal audit to be carried out according to the audit plan for February to March 2023, and the audit items include 1. Stock Affairs. 2. Derivative Commodity Operations. 3. Preventive insider trading. 4. Treasury shares transferred to employees. II. Explained 6 internal audit reports from February to March, 2023.	All independent directors are informed and have no comments.

2023.05.12	I. The internal audit executive explains the internal audit to be carried out according to the audit plan for April 2023, and the audit items include 1. Stock Affairs. 2. Derivative Commodity Operations. 3. Endorsement and Guarantee. 4. Lending funds to other parties. 5. Access control. 6. Integrity in the management of work. 7. Data input/output. 8. Consignment processing. II. Explained 8 internal audit reports in April, 2023.	All independent directors are informed and have no comments.
2023.07.18	I. The internal audit executive explains the internal audit to be carried out according to the audit plan for May to June 2023, and the audit items include 1. Stock Affairs. 2. Derivative Commodity Operations. 3. Property management. 4. Sales invoicing. 5. Sales staff management. II. Explained 7 internal audit reports in June, 2023.	All independent directors are informed and have no comments.
2023.11.10	I. The internal audit executive explains the internal audit to be carried out according to the audit plan for July to October 2023, and the audit items include 1. Information security. 2. Use of bill seals. 3. Cashier cash receipt and payment. 4. Procurement. 5. Operational management. 6. Stock Affairs. 7. Derivative Commodity Operations. 8. Endorsement and Guarantee. 9. Lending funds to other parties. 10. Transactions with related parties. 11. Operations of current and non-current borrowings. 12. Operations of long-term and short-term investments. 13. Charging processing. 14. Salary work. 15. Precautions for online reporting of information. 16. Tasks related to customer information cards. 17. Credit management. 18. Acquisition and disposal of assets.	

	19. Audit of legal compliance. 20. Professional accounting judgment procedures for changes in accounting policies and estimates. 21. Petty cash management. 22. Repair and maintenance management. 23. Management of remuneration committee operations. 24. Audit committee operations. 25. Board meeting operations and management. 26. Logistics. 27. Gas station operations. II. Explained 57 internal audit reports from January to October, 2023.	
2023.12.22	I. The internal audit executive explains the internal audit to be carried out according to the audit plan for November 2023, and the audit items include 1. Stock Affairs. 2. Derivative Commodity Operations. 3. Applicable IFRS operations. 4. Preparation of financial statements. 5. Supervision and management of subsidiaries. II. Explained 62 internal audit reports from January to November, 2023.	

(II) Communication between the independent directors and CPAs:

2023.03.13	1. Independence 2. Responsibility of auditors to audit financial statements 3. Audit Scope 4. Audit Findings 5. Important Securities Act Updates	All independent directors are informed and have no comments.
2023.11.10	1. Independence 2. Reviewer Responsibilities for Reviewing Interim Financial Statements 3. Types of Review Conclusions 4. Scope of review 5. Review Discovery 6. Annual audit plan 7. Important Securities Exchange Act Updates	All independent directors are informed and have no comments.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Illustration	
I. Does the Company establish and disclose the "Corporate Governance Best-Practice Principles" based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		In accordance with the Principles for Corporate Governance of Listed Companies, the Company adopted the Code of Practice of Corporate Governance at the board meeting on November 10, 2016, and it has been disclosed as per regulations on the MOPS and the corporate governance section of the Company's website for reference. In accordance with the Corporate Governance Enhancement Blueprint, New Corporate Governance Blueprint, Corporate Governance 3.0 - Sustainable Development Blueprint, Sustainable Development Roadmap for Listed Companies, and Sustainable Development Action Plan for Listed Companies, continuous promotion of corporate governance is being implemented, in conjunction with the revision of the Code of Practice of Corporate Governance of the Company, which was approved by the board meeting on December 22, 2023.	In compliance with the Principles for Corporate Governance of Listed Companies
II. Shareholding structure & shareholders' rights (I) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	v		The Company has established internal control procedures for the stock affairs unit and has a spokesperson, an acting spokesperson and a stock affairs division for providing shareholder services. The dedicated personnel handles matter such as shareholders' advice, doubts or disputes.	In compliance with the Principles for Corporate Governance of Listed Companies
(II) Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders?	v		The Company has a stock affairs unit with dedicated staff managing related information, fully knowing the list of major shareholders who actually control the Company and the ultimate controllers of the major shareholders.	In compliance with the Principles for Corporate Governance of Listed Companies
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	v		The Company defines the norms of the Code of Ethical Conduct and the Guide to Business Procedures and Conduct for Best Practice and the execution of business among Affiliates. The Company has measures in place to control transactions, endorsements, guarantees, and loans between the Company and its related enterprises. In addition, in accordance with the Regulations Governing the Establishment of Internal Control Systems by Public Companies of the Financial Supervisory Commission, the Company has established standard operations for the supervision and management of subsidiaries implementing risk control mechanisms for subsidiaries.	In compliance with the Principles for Corporate Governance of Listed Companies

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Illustration	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	V		The Company has agreed on the "Measures for the Administration of Preventive Insider Trading" and the "Guidelines for the Operation Procedures and Conduct of Best Practice", which regulate that insiders of the Company may not use unpublished information on the market to buy and sell marketable securities. The relevant measures have been disclosed on the Company's website for reference. In 2023, a total of 194 new employees were admitted, and instructions on best practice operations and insider trading prevention were conducted after registration. Remind directors and insiders via E-mail not to trade their stocks 30 days before the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report. The Taiwan Stock Exchange forwarded a letter to notify the common models of violations of the Securities Exchange Act, and also reminded the directors and insiders via E-mail.	In compliance with the Principles for Corporate Governance of Listed Companies
III. Composition and Responsibilities of the Board of Directors (I) Does the Board of Directors have a diversification policy, specific management objectives and implementation plan?	V		In the Code of Practice of Corporate Governance, the Company has established a diversification policy for the composition of the board of directors. Through a rigorous selection and nomination process, the Company has established 9 directors according to the scale of the Company' s business development and the shareholding of its major shareholders, taking into account practical operational needs. Of the current 9 directors, about 33% are employees, about 33% are independent directors serving no more than 3 terms, and about 11% are female directors. Of the number of directors of the Company, 7 directors are aged between 60 to 80 years old, and the remaining 2 are aged between 51 to 60 years old. Please refer to pages 10-11 for the implementation of the diversification policy of all board members.	In compliance with the Principles for Corporate Governance of Listed Companies
(II) Does the Company voluntarily establish other functional committees in addition to the remuneration committee and the audit committee?	V		The Company has already legally established the remuneration committee. In the future, it will set up other functional committees based on the actual implementation status and legal regulations.	In compliance with the Principles for Corporate Governance of Listed Companies

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Illustration	
(III) Does the Company establish evaluation measures and methods, conduct performance evaluation regularly every year, and submit the result of performance evaluation to the Board, and use it in individual director remuneration and nominating successors for reference	V		The Company has established performance evaluation methods for the directors and the board of directors. Each year, each director carries out a self-assessment on items such as the grasp of the company's objectives and missions, recognition of duties, participation in the company's operations, management and communication of internal relations, professionalism and continuous improvement, and internal controls through the Performance Evaluation Method for the Board of Directors. The self-assessment is then handed over to the chairman's secretary office for the performance evaluation of the board of directors, where the evaluation is based on items such as the level of involvement in the company' s operations, improvement of the quality of the board's decisions, composition and structure of the board, appointment and ongoing improvement of directors, and internal controls. Please refer to pages 33-34. The performance evaluation results of individual directors of the Company are taken into consideration during the discussion on individual director remuneration at the remuneration committee, and are also provided for reference when the board meeting nominates successors.	In compliance with the Principles for Corporate Governance of Listed Companies
(IV) Does the Company regularly evaluate the independence of CPAs?	V		The Company's board meeting annually evaluates the independence, suitability and professionalism of certified public accountants in accordance with regulations such as the Certified Public Accountant Act, and obtains an independence declaration issued by the accountant (not in violation of Professional Ethics Announcement No. 10), confirming that the accountant and the Company have no other financial interests and business, except for certification and finance and tax, for the board meeting to discuss their independence. The independence assessment of the accountant has been conducted this year and was submitted to the board meeting for resolution on March 14, 2024. (Note 1 and Note 2)	In compliance with the Principles for Corporate Governance of Listed Companies

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>IV. Does the TWSE/TPEx Listed Companies assign appropriate number of administrators and designate corporate governance director to take charge of corporate governance affairs (including but not limited to providing data required by directors, supervisors implementing business, assistance of directors, supervisors in complying with laws, handling relevant matters of the board meeting and shareholders' meeting, and preparing minutes of Board of Directors and shareholders' meeting)?</td><td>V</td><td></td><td>1. The Company, as approved by the board of directors on July 18, 2023, has assigned a corporate governance executive, with associate manager of the management department, Wei-Hua Wu, as the highest executive in charge of corporate governance affairs, and has assigned appropriate staff to handle corporate governance affairs.
2. The corporate governance supervisor oversees the secretariat of the board of directors in handling matters related to corporate governance, with assistance from relevant units such as the legal affairs division. Their duties and annual business execution focuses include handling the board of directors and shareholders' meetings in accordance with the law, preparing minutes of the board of directors and shareholders' meetings, assisting directors in taking office and continuous learning, providing information necessary for directors to carry out businesses, and assisting directors in complying with the laws.
3. Corporate governance executives' advanced training in 2023:
<table>
<tr><th>Date</th><th>Institution</th><th>Course</th><th>Hours</th><th>Is it in compliance with the regulations?</th></tr>
<tr><td>2023.10.04</td><td>Taipei Bar Association</td><td>2023 Corporate Governance Forum - Governance for Enterprises</td><td>3</td><td rowspan="6">Yes</td></tr>
<tr><td>2023.10.13</td><td>Securities and Futures Institute</td><td>2023 Insider Trading Prevention Advocacy</td><td>3</td></tr>
<tr><td>2023.10.18</td><td>Taiwan Corporate Governance Association</td><td>Trends and Risk Management of Digital Technology and Artificial Intelligence.</td><td>3</td></tr>
<tr><td>2023.10.25</td><td>Taiwan Corporate Governance Association</td><td>ESG Governance - From Knowing to Doing</td><td>3</td></tr>
<tr><td>2023.11.03</td><td>Securities and Futures Institute</td><td>Listed Companies - Insight into the Derivative Financial Market towards Corporate Sustainability</td><td>3</td></tr>
<tr><td>2023.11.22</td><td>Securities and Futures Institute</td><td>2023 Compliance Advocacy for Internal Equity Trading</td><td>3</td></tr>
</table></td><td>In compliance with the Principles for Corporate Governance of Listed Companies</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</td><td>V</td><td></td><td>To implement sustainable development and respect the rights and interests of stakeholders, the Company communicates with stakeholders through various channels, understands their important issues and needs, and responds appropriately and announces their concerned corporate social responsibility issues to strengthen the content of information disclosure. The communication with stakeholders in 2023 was reported to the board meeting on December 22, 2023.

Please refer to the table below for the Company’ s stakeholder communication topics and channels:
<table>
<tr><th>Stakeholder</th><th>Issue</th></tr>
<tr><td>Employee</td><td>● Remuneration and Benefits
● Education and Career Development
● Workplace Safety and Health
● Education and Career Development
● Gender Equity</td></tr>
<tr><td>Investor</td><td>● Operating Performance
● Information Transparency
● Earnings and Dividend Distribution</td></tr>
<tr><td>Customer</td><td>● Quality of Services and Products
● Personal Data Protection
● Marketing Activities
● Transaction Safety and Fair Pricing</td></tr>
<tr><td>Procurement Vendor
Cooperative Vendor</td><td>● Credit Status
● Provide a reasonable transaction price</td></tr>
<tr><td>Competent Authority</td><td>● Legal Compliance
● Tax Payment
● Labor Rights</td></tr>
<tr><td>Banks</td><td>● Association Exchange</td></tr>
<tr><td>Community</td><td>● Traffic Safety
● Social Welfare
● Environmental Issues</td></tr>
</table>
A stakeholder section is set in the Company’s website, providing a communication window for all stakeholders.

https://w3.slc.com.tw/page/stakeholder

https://w3.slc.com.tw/contact</td><td>In compliance with the Principles for Corporate Governance of Listed Companies</td></tr>
<tr><td>VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?</td><td></td><td>V</td><td>The Company has a stock affairs unit and currently handles the affairs of the shareholders’ meeting independently. The relevant procedures are carefully planned and implemented by dedicated units such as the stock affairs, legal department, and the chairman’s secretary office, in accordance with regulations.</td><td>In compliance with the Principles for Corporate Governance of Listed Companies</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Abstract Illustration	
VII. Information Disclosure (I) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a website in both Chinese and English, and discloses related financial affairs and corporate governance information in the investors' section on the company website. The website address is: www.slc.com.tw	In compliance with the Principles for Corporate Governance of Listed Companies
(II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		1. The Company has established websites in both Chinese and English, with dedicated personnel regularly disclosing information related to finance, business, and corporate governance. 2. The Company has established a spokesperson and acting spokesperson system, and provides a contact window on the website, serving shareholders and stakeholders at any time. 3. On August 18, 2023, the Company held a corporate briefing through video conference, and the presentation and video files were placed on the Company' s website.	In compliance with the Principles for Corporate Governance of Listed Companies
(III) Does the Company publicize and declare the annual financial report within two months upon the end of the fiscal year, and Q1, Q2 and Q3 Financial Report and operation status of each month prior to the scheduled period?	V		1. The Company has not yet announced and declared the annual financial report within two months after the end of the fiscal year. However, the Company continues to publicize and declare the quarterly financial statements before the deadline, and announces significant financial figures on the day the financial statements are approved by the board meeting, and declares the complete financial report e-book before the deadline. 2. The operating status of each month is declared before the 10th day of each month (inclusive) in accordance with legal regulations for the operation of the previous month.	In compliance with the Principles for Corporate Governance of Listed Companies

Evaluation item	Yes	No	Implementation status	Deviations from the Principles and reasons
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and Supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and Supervisors)?	V		See below	In compliance with the Principles for Corporate Governance of Listed Companies

1. Employee rights and interests:
   The Company adheres to the concept of stable and sustainable operation, taking the human-oriented approach and considering its employees as important company assets. Not only does it endeavor to comply with regulations in all management systems, all regulations and implementation status related to corporate governance are also announced on the official website, ensuring its employees understand all relevant matters.
2. Employee care:
   The Company attaches great importance to employee welfare, establishes the employee welfare committee, and legally allocates funds to enrich the welfare fund. It also provides various benefits and subsidies, and pays attention to the safety and health of employees. The Company provides employees with reasonable salary remuneration, various bonuses, and benefit measures. The Company has established mutual trust and reliance with its staff.
3. Investor relations:
   The Company serves as the bridge between the Company and its shareholders through the secretariat of the board of directors and the stock affairs unit. In terms of transparency of company information, the Company has set up an investors' section on its website, and discloses the necessary reports and information immediately on the MOPS, to provide relevant information to investors. In order to maintain good relations with investors, the Company has set up a spokesperson system to provide a liaison window for shareholders and corporate investment institutions.
4. Supplier relationships:
   The Company's purchasing department is dedicated to managing affairs related to suppliers and conducting fair transactions with suppliers, and explicitly forbids bribery by suppliers. Upholding the principles of integrity and reciprocity, the Company strives to create win-win cooperation. In addition to a toll-free service line, there is a stakeholders' section on the company' s website.
5. Rights of stakeholders:
   The Company handles all important information in accordance with the relevant provisions of the TWSE Corporation Verification and Public Handling Procedures for Material Information of Listed Companies, to protect the rights and interests of shareholders, stakeholders, and investors. The Company, depending on different situations, authorizes various departments including investor relations, public relations, shareholder services, legal affairs, etc., to communicate with stakeholders, and the contact information of the spokesperson and related business departments is available on the Company' s website.
6. Advanced training of directors:
   The total number of training hours for all directors of the Company meet the requirements of Guidelines for Director and Supervisor Training of Listed Companies, and the relevant training content has been disclosed on the MOPS.
   The detailed report of directors' advanced training in 2023 is as follows:

Position	Name	Date	Organizer	Course	Hours taken in a year	Is it in compliance with the regulations?
Chairman	Jen-Hao Cheng	2023.10.25	Taiwan Corporate Governance Association	ESG Governance - From Knowing to Acting	6	Yes
		2023.10.18	Taiwan Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence		
Vice Chairman	Lan-Hui Yu	2023.08.24	Securities and Futures Market Development Foundation, Republic of	Trends in Corporate Governance and Sustainable Development	6	Yes

			China			
		2023.08.11	Securities and Futures Market Development Foundation, Republic of China	Circular Economy Benefits and Its Business Model		
Legal Representative Director	Chuan-Chuan Lu	2023.10.25	Taiwan Corporate Governance Association	ESG Governance - From Knowing to Doing	6	Yes
		2023.10.18	Taiwan Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence		
Legal Representative Director	Ching-Hui Yu	2023.04.25	Taiwan Corporate Governance Association	The Offensive and Defensive Strategies of Operational Rights Disputes and the Legal Liability of the Company Head (Independent director)	6	Yes
		2023.03.17	Taiwan Corporate Governance Association	How is a board meeting conducted? Sharing of Common Deficiencies in the Operation of Listed Companies' Board Meeting		
Legal Representative Director	Tai-Lang Ho	2023.07.31	Accounting Research and Development Foundation	Latest policy developments and internal control management related to ESG and unaudited financial reports	12	Yes
		2023.06.12	Accounting Research and Development Foundation	Promote corporate sustainability through risk management		
Director	Ken-Pei Cheng	2023.11.22	Securities and Futures Market Development Foundation, Republic of China	2023 Compliance Advocacy for Internal Equity Trading	12	Yes
		2023.11.03	Securities and Futures Market Development Foundation, Republic of China	Listed Companies - Insight into the Derivative Financial Market towards Corporate Sustainability		

		2023.10.25	Taiwan Corporate Governance Association	ESG Governance - From Knowing to Acting		
		2023.10.18	Taiwan Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence		
Independent Director	Yao-Ming Huang	2023.10.25	Taiwan Corporate Governance Association	ESG Governance - From Knowing to Acting	11	Yes
		2023.10.18	Taiwan Corporate Governance Association	Trends and Risk Management of Digital Technology and Artificial Intelligence		
		2023.09.27	Taiwan Investor Relations Institute	Empowering the Board Meeting to Make It a Key to Leading Sustainable Governance (1)		
		2023.09.27	Taiwan Investor Relations Institute	Empowering the Board Meeting to Make It a Key to Leading Sustainable Governance (2)		
Independent Director	Hsu-Feng Ho	2023.09.13	Securities and Futures Market Development Foundation, Republic of China	Key Analysis of Corporate Governance Evaluation that Directors Should Pay Attention to	9	Yes
		2023.09.07	Securities and Futures Market Development Foundation, Republic of China	Technological Development and Business Opportunities of Electric and Smart Cars		
		2023.08.23	Securities and Futures Market Development Foundation, Republic of China	How should the Director supervise corporate risk management and crisis management capability?		
Independent	Mao-Chun Wang	2023.08.23	Securities and Futures Market Development Foundation, Republic of China	How should the Director supervise corporate risk management and crisis management capability?	6	Yes

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>

		2023.08.09	Securities and Futures Market Development Foundation, Republic of China	Discussion on Remuneration for Employees and Directors-Starting from the Amendment of Article 14 of the Securities and Exchange Act		

7. Implementation of risk management policies and risk measurement standards:
   The Company's risk management policy is aimed at effectively identifying, measuring, supervising, and controlling various risks, enhancing the risk awareness of all employees, controlling possible risks within a bearable extent, and achieving a balance between reasonable risk and reward, and optimal efficiency. The Company's audit office carries out audits in accordance with the annual audit plan, implementing supervisory mechanisms and controlling various risk management.
8. Implementation of customer policies:
   The Company maintains good relations with customers and provides customer service in accordance with various internal management methods. There is a business department specifically responsible for managing customer-related businesses. It maintains stable and good relationships with customers, strictly adheres to the contracts and related regulations signed with customers, ensures customers' rights, and provides high-quality services.
9. Liability insurance that the Company has purchased for directors:
   Insurance has been purchased for Directors, and after renewal in 2023, it was reported at the most recent board meeting.
</td><td></td></tr>
</table>

IX. Please describe the improved situation regarding the results of the recent corporate governance appraisal issued by the Taiwan Stock Exchange Co., Ltd. Corporate Governance Center, and propose the priority enhancements and measures for those which have not yet improved:

For the results of the 9th Corporate Governance Evaluation issued by the Company in 2023, the priority improvements are as follows:

Number	Indicator	Improvement
1.7	Does the Company upload the shareholders' meeting manual and supplementary information 30 days before the shareholders' meeting?	The Company's annual shareholders' meeting in 2023 will be held on May 30 (Tuesday), and the shareholders' meeting manual and supplementary information will be uploaded on April 28.
1.15	Does the Company establish and disclose on its website the internal rules against insiders such as directors or employees trading with undisclosed information, including that (but not limited to) directors are not allowed to trade their stocks 30 days before the annual financial statement is announced, and 15 days before the quarterly financial statement is announced, together with the implementation?	The Company has established the Code of Practice for Corporate Governance and regularly sends out email reminders to directors and insiders. On the corporate governance section of the Company's website, it reveals the code of conduct for moral behavior, promoting the internal rules prohibiting directors, employees, and other insiders from trading securities with undisclosed information on the market.
2.2	Does the Company have a policy of diversifying the members of the board of directors, and does it disclose the specific management goals and implementation status of the diversification policy on its website and in its annual report?	The Company has disclosed relevant matters in its 2023 annual report.
2.3	Is the Company's chairman and president r or other equivalent (highest managerial personnel) not the same persons, nor are they spouses or first-degree relatives?	The Company has actively complied with various laws and regulations during the director re-election in 2023, and the current chairman and president are neither the same persons, nor are they spouses or first-degree relatives.
2.4	Does the number of directors of the Company who are spouses or relatives within the second degree of kinship not exceed two?	The Company actively complied with all regulations during the director reelection in 2023, and among the current directors, there are no more than two who are spouses or relatives within two degrees of kinship.
2.18	Does the Company conduct an annual regular internal performance evaluation of the functional committees (which should at least include the audit committee and the remuneration and compensation committee) and disclose the implementation and evaluation results on the Company's website or in its annual report?	The Company has disclosed relevant matters in its 2023 annual report.
2.21	Does the company appoint a corporate governance executive to handle corporate governance matters, and explain the scope of duties and ongoing training on the company website and in its annual reports?【If the Company's corporate governance executive is not concurrently held by an employee of another position in the Company, an additional point will be added to the total score.】	The Company has introduced a corporate governance executive.
2.22	Has the Company established the risk management policy and procedure approved by the board of directors, disclosed the risk management scope, organizational structure and its implementation status, and reported to the board meeting at least once a year?	The Company has disclosed relevant matters in its 2023 annual report and on the company website. that it reported to the board of directors on December 22, 2023.
2.23	Has the performance evaluation measures defined by the Company been confirmed by the board, clearly stating that external evaluations must be conducted at least once every three years, and had the evaluation was conducted in the year under review or in the past two years, and the implementation and evaluation results were disclosed on the Company's website or in its annual report?	The Company has disclosed relevant matters in its 2023 annual report.
2.24	Does the company establish an information security risk management framework, formulate information security policy and specific management proposals, invest in information security management resources, and disclose them on the company website or in its annual report?【If ISO27001, CNS27001 and other information security management system standards are introduced, or other systems or standards with equivalent or greater effects are adopted, and third-party certification is obtained, an additional point will be added to the total score.】	The Company has disclosed relevant matters in the annual report and on the company website in 2023.
2.27	Does the Company formulate an intellectual property management plan linked to the operating goals, disclose the implementation on the corporate website or annual report, and report it to the board meeting at least once a year?【If the Taiwan Intellectual Property Management System (TIPS), ISO56005 or similar intellectual property management system standards are introduced, and it is verified or audited by a third	The Company has disclosed relevant matters in its 2023 annual report and on the company website. that it reported to the board of directors on December 22, 2023.

Evaluation Item		Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
		Yes	No	Abstract Illustration	
	party, an additional point will be added to the total score.】				
3.2	Does the Company summon at least two earnings calls or on invitation, and the time of these two earnings calls are at least three months apart in a year? 【If in every quarter at least one earnings call is held for institutional investors, or such earnings calls are held to explain quarterly revenue/earnings, an additional point will be added to the total score.	The Company is set to hold two earnings calls for institutional investors in 2024.			
4.1	Does the Company establish a full-time (part-time) unit for promoting sustainable development, conduct risk assessment of environmental, social, or corporate governance issues related to the Company's operations in accordance with the materiality principle, formulate relevant risk management policies or strategies, and is supervised by the board meeting on the promotion of sustainable development, which is disclosed on the company website and in its annual report?	The Company has disclosed relevant matters in the annual report and on the company website in 2023.			
4.2	Does the Company establish an exclusively (or concurrently) dedicated unit for promoting corporate integrity which is responsible for the formulation and supervision of ethical management policies and prevention programs, and explain the functions and implementation of the unit on the company website and in its annual report, and also report to the board meeting at least once a year?	The Company has disclosed relevant matters in its 2023 annual report and on the company website. that it reported to the board of directors on December 22, 2023.			
4.4	Does the Company compile the sustainability report based on the GRI standards released by the Global Reporting Initiative (GRI) before the end of September and upload it to the MOPS and company website? 【If the sustainability report discloses relevant ESG information in accordance with the SASB standards, an additional point is added to the total score.】	The Company is set to disclose relevant matters in 2024.			
4.6	Does the Company refer to the International Bill of Human Rights to formulate policies and a specific management plan to safeguard human rights, and disclose them on the company website or in the annual report?	The Company has disclosed relevant matters in the annual report and on the company website in 2023.			
4.7	Does the Company upload the English version of its sustainability report on MOPS and the company website?	The Company is set to disclose relevant matters in 2024.			
4.15	Does the company website or annual report disclose the integrity management policies approved by the board of directors, clearly define specific practices and prevention programs against unethical conduct, and provide instructions on their implementation?	The Company has disclosed relevant matters in the annual report and on the company website in 2023.			
4.16	Has the Company established and disclosed in detail on its website the whistleblowing system for illegal (including corruption) and unethical behaviors by internal and external personnel?	The Company has disclosed relevant matters in the annual report and on the company website in 2023.			
4.17	Does the company website, annual report, or sustainability report disclose the established supplier management policies requiring suppliers to comply with laws and regulations on environmental protection, occupational health and safety, or labor human rights, and provide the implementation status?	The Company is set to disclose relevant matters in 2024.			
4.18	Does the Company disclose information related to governance, strategy, risk management, metrics, and targets of climate-related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework?	The Company is set to disclose relevant matters in 2024.			

Note 1: Evaluation Form for Accountants Independence

Evaluation Item	Rating
(I) Self-interest (Note: refers to financial interests obtained through audit clients or conflicts of interest with audit clients due to other interests)	
1. Any direct or significant indirect financial interest between the members of the CPAs and Audit Services Team and the Company	None
2. There are financing or assurance actions between the members of the team of accountants and audit services and the Company or its directors	None
3. Any close business relationship between the members of the CPAs and Audit Services Team and the Company	None
4. Any a potential employment relationship between the members of the CPAs and Audit Services team and the Company	None
(II) Self-assessment (Note: This refers to the report or judgment issued by a CPA in the execution of a non-audit service, as an important basis for the conclusion of the audit in the process of auditing or reviewing financial information; or a member of the audit service team has served as a director or supervisor of an audit client, or has served in a position that directly and materially affects the audit)	
1. Members of the team of accountants and audit services currently or in the last two years have served as directors, managers or positions that have had a significant impact on audit cases of the Company	None
2. Any provision of non-audit services by CPAs directly affects the important items of the audit	None
(III) Defense (Note: refers to a member of the Audit Services Team who is a defender of the audit client's position or opinion, resulting in questioning of their objectivity)	
1. Any members of the CPAs and Audit Services Team advertised or brokered any shares or other securities issued by the Company	None
2. Any member of the CPAs or Audit Service Team act as the defender of the Company or coordinates conflicts with other third parties on behalf of the Company	None
(IV) Familiarity (Note: refers to the close relationship between audit clients, directors, supervisors and managers, which causes the CPAs or Audit Services Team to focus excessively on the interests of the same-gender audit clients)	
1. The members of the team of accountants and audit services have a kinship relationship with the directors, managers or other persons whose duties have a significant impact on the audit cases of the Company	None
2. Co-practicing accountants within one year of their retirement to serve as directors, managers or positions that have a significant impact on the Company or its audit cases	None
3. Accountants and audit services team members receive gifts or gifts of significant value from the Company or its directors or managers	None
(V) Threats Note: This refers to members of the audit service team to suffer or feel threatened by their audit clients and cause the members to be unable to maintain objectivity and clarify doubts at work	
1. Disclosure of the Company's requirement on the members of the Accountants and Audit Services Team to accept inappropriate selection of accounting policies by management or inappropriate on the financial statements	None
2. In order to reduce expenses, does the Company exert pressure on the CPAs or Audit Service Team, which improperly reduces the audit work	None

Note 2: Statement issued by KPMG Taiwan

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

受文者：山隆通運股份有限公司

主 旨：聲明本會計師受託執行 貴公司民國一一三年度財務報表查核簽證工作，已符合會計師職業道德規範之相關獨立性要求。

說 明：本事務所之獨立性規範包括：所有成員之個人獨立性(財務利益、融資保證、僱用關係等)、與客戶間的商業關係、會計師輪調制度，以及非審計服務等政策與程序。茲就重要規範與遵循事項說明如下：

一、 獨立性重要規範

(一) 要求事務所、事務所人員及其他受獨立性規範之人員（包含聯盟事務所人員），依會計師職業道德規範維持獨立性。

(二) 禁止任何人員從事（直接或間接）內線交易、誤用內部訊息或任何可能造成在證券或資本市場上的誤導行為。同時每年取得事務所人員已遵循獨立性政策及程序之聲明書。

(三) 對上市（櫃）及興櫃公司財務報表之查核案件，如主辦會計師、會簽會計師、品質管制複核會計師及符合一定條件之子公司查核會計師之承辦期間已達會計師職業道德規範或法令所規定之期限，要求輪調。

(四) 對提供之服務辨認及評估可能影響獨立性之情況，採取適當措施消弭該影響，或將其降低至可接受之程度。必要時，終止該案件之委任。

二、 獨立性政策遵循之監督

(一) 所有查核人員於受指派參與案件均應簽署獨立性聲明，另透過線上年度獨立性聲明書，再次要求確認是否遵循。

(二) 以定期抽查方式查核成員個人對於獨立性遵循狀況，並透過個人投資申報系統檢視副理(含)級以上人員是否依規定申報個人投資異動情形。

(三) 監督及抽查案件會計師的輪調狀況及提供非審計服務的適當性，包含會計師的案件簽證期間以及提供的非審計服務的事前核可等。

(四) 遇有違反獨立性政策，違反的成員(包括合夥人)將交由風險與獨立性委員會依據獨立性紀律政策處理。並視違反情節及性質之輕重予以採取適當懲處行動。

綜上，本會計師受託執行 貴公司民國一一三年度之財務報表查核工作，已保持嚴謹公正之態度及超然獨立之精神，並無違反職業道德規範公報第十號所規定之情事。

安侯建業聯合會計師事務所

會計師：

區　耀　軍

辛　郁　婷

民國一一三年三月一日

(IV) Profile of members of Remuneration Committee and its operation

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Criteria / Identity / Name		Professional Qualification and Work Experience	Independence criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Yao-Ming Huang	For disclosure of the professional qualifications of directors and supervisors and the information on the independence of independent directors, please refer to Page 11.		1
Independent Director	Hsu-Feng Ho			0
Independent Director	Mao-Chun Wang			0

2. Attendance of Members at Remuneration Committee Meetings

(1) The remuneration and compensation committee of the Company consists of 3 members, all of whom are independent directors.

(2) The term of office of the members of the Fifth remuneration committee: From May 30, 2023 to May 29, 2026. Four meetings of the 2023 Fifth remuneration committee of the Company were held (A).

(3) The qualifications and attendance of members are as follows:

Position	Name	Actual Attendance (B)	Attendance by proxy	Percentage of Actual Attendance (%) (B/A)	Remark
Convener	Yao-Ming Huang	4	0	100	Reelected on 2023.05.30
Committee Member	Hsu-Feng Ho	4	0	100	Reelected on 2023.05.30
Committee Member	Mao-Chun Wang	4	0	100	Reelected on 2023.05.30

Other matters to be recorded:

I. If the board meeting does not adopt or revise the Remuneration Committee's proposals, the board meeting's date, period, motion contents, and resolution decisions as well as the method in which the Company handles the Remuneration Committee's opinions shall be disclosed in detail (e.g. if the salary rate adopted by the board committee is superior to that proposed by the Remuneration Committee, the differences and reasons shall be explained): None. (Please refer to page 77)

II. Where the resolutions of the remuneration committee include dissenting or qualified opinion which is on record or stated in a written statement, the date, session, proposal contents, opinions from every member, and actions in response to the opinions of the members shall be stated: None. (Please refer to page 77)

3. Nomination Committee Operations

The Company has not yet established a nomination committee, so there is no implementation information.

(V) Implementation of the Code of Best Practice for the Promotion of Sustainable Development and the Circumstances and Reasons for Differences from the Code of Practice for the Sustainable Development of Listed Companies

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
I. Has the company established a governance structure that promotes sustainable development, and set up a dedicated (part-time) dedicated unit to promote the sustainable development, and the Board of Directors authorized the senior management to handle the situation, and the Board of Directors supervised the promotion status?	v		The Company entrusts members of the relevant units of the general management office to form the Sustainable Development Team, which is responsible for promoting and handling various sustainable development activities. The greenhouse gas verification progress was submitted to the board meeting on March 13, August 14, and December 12, 2023. The board meeting will continue to supervise the implementation of the Company’s sustainable development to ensure that the Company pays attention to the factors of environment, society, and corporate governance while pursuing sustainable operation and profitability.	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
II. Does the Company conduct risk assessment of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	v		1. The Company has formulated the Code of Practice for Sustainable Development and follows the ISO9001, 14001 and 45001 standard provisions to fulfill its corporate social responsibility, implement the regulations in the code, and disclose the code on the MOPS and company websites. 2. Based on the ISO regulations, a significant risk identification analysis process has been established. Through the procedures of collection, review, sorting, identification, and confirmation, major sustainability issues and their associated risks are identified, and relevant management strategies are formulated. The Company sets boundaries of risk assessment and risk management policies or strategies for material topics, with the key summary as follows: (1) Major Environmental Issues: The Company has identified the risks of climate change and evaluated the relevant response measures for climate change, such as water shortage in the dry season and power restrictions in the summer. Water and electricity management processes have been established, including the regulations for water restriction and water supply interruption at the head office and factory levels, and the standard procedures for emergency power supply priorities, etc. (2) Material Social Issues: The improvement of the occupational health and safety management system is prioritized, and the existing occupational health and safety management measures and regulations are continuously revised. The company has passed the ISO45001: 2018 Occupational Health and Safety Management System Certification, and through education and advocacy, the employees' awareness and capabilities on safety and health have been enhanced. Supervisors at all levels on the field regularly review the behavior and working environment of employees and cooperative factory personnel in order to reduce exposure risk factors for employees. (3) Material corporate governance issues: To avoid violation due to the failure to respond promptly when external laws and regulations are updated, the Company has established systematic rules for the identification and management of laws and regulations.	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
III. Environmental Issues (I) Does the company establish proper environmental management systems based on the characteristics of their industries?	v		The environmental policy of the Company is “full employee participation, valuing resources, and protecting the environment,” and “environmental protection and management rules” are stipulated to implement environmental protection. In addition, the Company has passed the ISO14001:2015 Environmental Management System Certification, regularly collects information on the company’s operating environment, establishes environmental management objectives, regularly reviews its effectiveness, and takes measures for improvement. The implementation of environmental protection, waste reduction, quantity reduction, pollution prevention, and zero accidents is also in place.	No significant differences
(II) Has the company committed to improve the energy efficiency and use the renewable materials with low impact on the environment?	v		The Company also enhances the recirculation and reuse of water, electricity and other resources, installs water and electricity saving equipment, and implements reduction, resource classification, reclamation, reuse and proper disposal. It periodically promotes and advocates environmental protection concepts in quarterly publications to reduce the impact on the environment and effective energy.	No significant differences
(III) Does the Company evaluate the potential risks and chances of climate change at present and in the future and take response measures?	v		The Company has established environment, safety, and health policies and sets environment, safety and health objectives annually, employing dedicated environmental management personnel. The Company has also received ISO14001:2015 certification. Through ISO internal auditors, the Company regularly controls and manages environmental issues, analyzes potential risks and opportunities related to climate change at present and in the future, and adopts climate-related issue mitigation assessments. The Company constantly pays attention to and timely adjusts the air conditioning temperature of its office environment, while practicing energy conservation and carbon reduction. The general temperature increase caused by climate change indirectly increases the Company’s load on air conditioning equipment. During maintenance, the need for replacement is also reviewed, and the replacement of existing equipment is planned in advance to deal with the increase in carbon emissions and the decline in equipment performance, and green energy low-carbon products are purchased as much as possible.	No significant differences

<table>
<tr><th rowspan="2">Promoted Items</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>(IV) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>v</td><td></td><td>The Company began to record GHG emissions, water discharge, and total weight of waste in 2023, and the related information is disclosed as follows:
Quantity of GHG emissions
<table><tr><td>Item/Year</td><td>112 Year</td></tr><tr><td>Direct</td><td>22,818.7 tons CO2e</td></tr><tr><td>indirect</td><td>327,271.26 tons CO2e</td></tr></table>Note: As of the printing date of the annual report, it has not been approved by the board meeting and the assurance institution.

The Company’s actions related to energy conservation, carbon reduction and water resource protection are as follows:
1. More environmentally friendly and fuel-efficient models are purchased to replace old business tractor vehicles regularly, so as to reduce waste gas emissions and fuel consumption.
2. Electronic invoicing is used at gas stations to reduce paper usage and storage costs.
3. New vehicle washing machines that reduces the water consumption will be installed in the gas stations.
4. Accessible toilets that have been renovated in accordance with the law by gas stations shall be equipped with water-saving faucets and urinal buckets.
5. Replacement of LED lighting at each gas stations to reduce power consumption.
6. Virtual meetings will be held in various locations to cut business trips and reduce exhaust emissions and oil consumption.
7. Staff members are encouraged to turn off lights and computers when leaving the office or during the lunch break.</td><td>No significant differences</td></tr>
</table>

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights	v		The Company is committed to fulfilling corporate social responsibility, safeguarding the basic human rights of all colleagues, customers, and stakeholders. The Company recognizes and supports the UN's Universal Declaration of Human Rights, Global Compact and Guiding Principles on Business and Human Rights as well as the Declaration of Fundamental Principles and Rights at Work by the International Labour Organization. The Company respects internationally recognized human rights standards, ensuring zero violations to basic human rights and treats all employees with dignity and respect. The Company's human rights policy is as follows: 1. Eliminate gender discrimination in the workplace. 2. Ensure the rights and dignity of employees. 3. Provide a safe, hygienic and healthy working environment. The Company strictly complies with the labor laws and regulations and has full personnel management rules, which have been announced in public to protect the legitimate rights and interests of employees. Also allocated pension expense, there is an employee welfare committee, and all employees enjoy the same benefit measures.	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
(II) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	v		The Company values employee rights and implements corporate social responsibility to ensure the recruitment, retention and encouragement of human resources, in order to achieve the goal of sustainable operation. The Company has established salary management methods. Salaries are determined based on the differences in employees' job nature, working conditions, work environment, and required skills, referring to average salary standards in the market and organizational structure. The Company's benefit system is as follows: 1. Leave: Annual leaves are granted in accordance with the Labor Standards Act, as well as holiday leaves in line with government announcements. 2. Insurance: The Company's employees enjoy labor insurance, health insurance, new labor pension contribution, and group insurance with an NT$2 million accident insurance per person. 3. Bonus: Three festival bonuses (Dragon Boat Festival, Mid-Autumn Festival, Year-end), employee dividends, and employee stock ownership trust. 4. Others: Annual check-ups for employees, employee travel, scholarships for employees' children, birthday gifts, maternity congratulation funds, wedding allowances for employees (including their children), funeral rites for family members of the employees, emergency assistance, subsidies for further education, accident / disaster relief, medical assistance for employees and their family members, uniform distribution, condolences, and other comprehensive and sound welfare items. 5. According to Article 19 of the Articles of Incorporation, the Company shall allocate no less than 1% of the pre-tax profit for the current period before deducting the employees' remuneration. But the Company shall reserve a portion of profit to make up for accumulated losses, if any. Employees' compensation may be distributed in shares or cash, and the counterparty to whom shares or cash are distributed as employees' compensation may include the employees of its controlled or subordinate companies that meet certain criteria.	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The Company provides a safe and healthy working environment for its employees, establishes an occupational health and safety management unit and personnel, and formulates safety and health management plans, management regulations, and safety and health work rules in accordance with the relevant occupational health and safety laws and regulations. In addition to providing annual health checks, employee group insurance, employee lactation rooms, and on-site physician consultation services related to work health, the Company also conducts occupational health and safety education and training for new employees upon arrival and annually. The Company also conducts regular checks on the safety of equipment and facilities to ensure the safety of personnel, including labor safety inspections and autonomous fire equipment checks, and outsourcing checks on drinking water every quarter. In 2023, there were no major occupational disasters in the factory area. The zero-disaster goal in the factory area continues to be promoted every year. At the same time, professional abilities for occupational safety and protection are strengthened and the responsibilities of related professional personnel are implemented according to the law.	No significant differences
(IV) Does the company provide its employees with career development and training sessions?	V		The Company recruits outstanding talents in the industry and pays attention to the career development of each talent. It has a dedicated vocational training unit, which defines the employee career development training sessions according to the relevant indicators of the Training Quality System TTQS. This allows each employee to proceed towards their ideal position and provides various learning channels to help employees effectively improve their abilities to meet the job competencies required by their ideal positions.	No significant differences
(V) Does the company comply with relevant laws, regulations and international standards, and formulate relevant consumer or customer rights protection policies and appeal procedures for issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company provides products and services in accordance with relevant regulations. The Company implements superior service to ensure continuous customer satisfaction in quality and service. In addition, the customer service unit is responsible for handling customer grievances and complaints, and provides customers with sufficient channels to express their opinions and grievance needs.	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	V		Suppliers are important partners for the continuous growth of the Company. To strengthen supply chain management, the Company has purchasing management procedures and supplier management procedures, and assesses new cooperating suppliers. The qualification of suppliers with significant impacts on the environment and society and those who violate the corporate social responsibility policy, leading to poor goodwill, can be revoked. The Company has signed contracts with suppliers and contractors for long-term cooperation, and has provisions that may terminate or cancel the contract at any time in case of violation of relevant laws and regulations that affects the rights and interests of the Company or laws and regulations.	No significant differences
V. Does the Company adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports and other reports that disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?	v		The Company is expected to compile the sustainability report for 2023 in 2024, to implement corporate governance, sustainable environment development and maintenance. The agenda of social welfare and other topics are carried out in accordance with the spirit and regulations of the Code of Best Practice for the Promotion of Sustainable Development It is expected that the sustainability report for 2024 will be compiled in 2025 and will receive assurance or certification of opinion from a third-party verification institution.	No significant differences
VI. If a company has its own rules for the sustainable development in accordance with the Code of Best Practice for the Promotion of Sustainable Development, please clarify the difference between its operation and the rules. The Company has completed the establishment of sustainable development practices. Daily operations are implemented separately according to governance, sustainable environment, social welfare, and corporate sustainable information disclosure, and are promoted by various working groups in accordance with the established rules. The implementation status matches the established rules; there is no difference.				

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	

VII. Other important information assists to understand what drives sustainable development execution:

1. The Company, in order to reduce supply chain management risks and enhance the effectiveness of self-safety control, and to be in line with international trends and customer trust, introduced the relevant control measures of the Quality Enterprise Safety Certification (AEO). It received approval from the Keelung Customs, Customs Administration, Ministry of Finance in June 2016 and was awarded the AEO certificate. The Company has been maintaining the certificate's renewal operations every three years, upholding high standards of supply chain safety.
2. In order to improve the safety mechanism for the transportation of chemical products, the Company passed the European Road Transport Quality Safety Assessment System (RSQAS) in June 2016, effectively improving the Company's transportation management system.
3. For transportation drivers, the Company requires that preventive measures such as alcohol testing and blood pressure measurement be carried out before driving the vehicle, and that GPS, vehicle image recorders and other equipment be used to understand the driving dynamics of vehicles, and strengthen control over personnel and vehicles to reduce the occurrence of traffic accidents.
4. In order to undertake the transportation business of Formosa Plastics Group, the Company strengthened its ability in corporate governance, driver training and vehicle maintenance through the assessment of the "Road Transport Quality and Safety Assessment System" (SQAS) of the Group to achieve the purpose of win-win in both transportation services and transportation safety.
5. The Company cooperates with the Department of Environmental Protection in the control of diesel vehicle smoke exhaust. Each area's transportation departments sign a vehicle self-management report with the local environmental protection bureau, and conduct regular checks on the smoke exhaust of their business vehicles in accordance with the regulations, implementing the goals of environmental protection and sustainable corporate development.
6. The Company has set up a driving safety bonus system for its transportation drivers, and provided incentives for driving within a certain period of time without traffic violations and accidents, so as to shape good driving habits.
7. The Company uses the driver management system supervised by the Ministry of Transportation to periodically check the driver violation of its own drivers on a monthly basis, and strengthen the follow-up education and control of drivers with abnormalities.
8. For the gas recovery equipment of the gas stations, the gas recovery rate shall be tested every three months, which is prevail over the statutory provisions. The employees are trained to refuel in accordance with the provisions of the Five Don'ts & Five Does. The Company is awarded the Outstanding Unit of the Air Pollution Detection of the Environmental Protection Agency.
9. The Company introduced the ISO 9001 Quality Management System, the ISO 14001 Environmental Management System, and the ISO 45001 Safety and Health Management System. Every year, the Company conducts an external audit by the British Standards Institute (BSI) to ensure that the quality and safety objectives are achieved, and continuously strives to protect the environment, improve personnel, equipment and the potential risks of the environment, and promote the competitive advantage based on corporate social responsibility.
10. The Company has set up the Security Department under the General Operation Office to implement a Company-wide safety and health policy of "All Employees Participation, Safety First, Disaster Zeroing" and the environmental policy of "All Employees Participation, Valuing Resources, Protecting the Environment", to ensure the personal safety of employees, improve the awareness and performance of employees, so as to achieve the goal of sustainable operation of the Company.
11. Together with Cheng Loong Co., Ltd. and Ta-yuan CoGeneration, the Company established the 26th "paper library" in primary schools in remote rural areas in Taiwan, to raise awareness of sustainability and continues to promote events such as "used forests" and "paperback-reading" in communities.
12. Actively fulfilling corporate social responsibility for sustainable development, giving back to the society with practical actions, supporting the protection of the right to work of indigenous peoples, providing long-term stable job opportunities, promoting employment of indigenous peoples, and realizing the concept of a prosperous and good society.

Awarded the honor of 2023 Authorities (Institution) and Manufacturers Who Employ Indigenous Peoples Excessively Award".

Climate-Related Information of TWSE/TPEx Listed Companies

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr><td>1. Describe the supervision and governance of the board meeting and management level towards climate-related risks and opportunities.</td><td>(I) The Company’s board meeting is the highest governance body for climate-related issues, responsible for overseeing and managing climate-related risks and opportunities, while promoting the Company’s overall climate issue strategies.
(II) The board meeting has established the ESG Sustainability Development Promotion Organization, divided into the Governance Group, Environmental Sustainability Group, Sustainable Talent Group, and Social Inclusion Group. Each group member executes their specific tasks, demonstrating the Company’s emphasis on climate governance.
(III) The climate governance of the Company is managed by the ESG Sustainable Development Promotion Organization, which reports the progress and effectiveness of management to the board meeting.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the Company’s business, strategy, and finance (short-term, medium-term, long-term).</td><td>
<table>
<tr><th>Schedule
Item</th><th>Short-term:
(2023)</th><th>Medium-term
(2024~2026)</th><th>Long-term
(2027~2031)</th></tr>
<tr><td>Goal</td><td>1. Collect and statistically analyze internal carbon emissions data in accordance with the 14064-1 standard.
2. Propose equipment and operation process improvement plans.</td><td>1. Conduct organizational greenhouse gas inventory work in accordance with the 14064-1 standard.
2. Reduce carbon emissions by 1% annually.
3. Continually propose equipment and operation process improvement plans.</td><td>1. Conduct organizational greenhouse gas inventory operations according to the 14064-1 standard, and undergo third-party verification.
2. Reduce carbon emissions by 2% annually.
3. Continually propose equipment and operation process improvement plans.</td></tr>
<tr><td>Implementation

Plan</td><td>1. Collect data and compile carbon emissions quantity statistics for the organization.
2. Review internal equipment and submit improvement plans.</td><td>1. Conduct the organization’s greenhouse gas inventory operations.
2. Review internal equipment and submit improvement plans.</td><td>1. Conduct organizational greenhouse gas inventory operations and undergo third-party verification.</td></tr>
</table>
</td></tr>
<tr><td>3. Describe the impact of extreme weather events and transition actions on finance.</td><td>1. Abnormal climate and natural disasters such as typhoons, floods, droughts, as well as other extreme weather conditions, may lead to operational interruption. The impact on finance includes: revenue loss; increased costs.
2. Transition Risk
(1) Risks associated with carbon reduction policies and regulations.
(2) Regulation of corporate carbon footprints and GHG emission quantity.
(3) During procurement, it is necessary to evaluate whether the supply chain complies with relevant policies and regulations. The impact on finance is: Increased costs.</td></tr>
</table>

4. Explain how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	The Company's board meeting is the highest governance body for climate-related issues, responsible for overseeing and managing climate-related risks and opportunities, while promoting the Company's overall climate issue strategies. The Governance Team, Environmental Sustainability Team, Sustainable Human Resources Team, and Social Inclusion Team are responsible for managing the specific tasks by their members. The entire company, from top to bottom, participates in the implementation and monitoring of the effects of the annual sustainable development plan and projects, in addition to tracking GHG emissions, water usage, and total weight of waste. Corresponding energy-saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management policies are formulated and promoted to minimize the impact of the Company's operations on climate change.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	In accordance with the Climate-related Financial Disclosure guidelines, climate scenario analysis is used when evaluating climate-related risks and opportunities. Adopting the principles stipulated by the United Nations Intergovernmental Committee on Climate Change Adopting the most serious situations faced by two risk types: transitional and physical. Transformation scenario: The Company's internal target for carbon neutrality in 2050, that is, RCP1.9. (Increase by 1.5 Celsius degree). Physical scenario: RCP8.5 (Increase by 4 Celsius degrees). Time parameters: Short-term 2022~2025; mid-term 2026~2030; long-term 2031~2050. The analysis items are as follows: Transitional risks: Policy and regulatory risks, technological risks, market risks, and reputational risks. Physical risks: Immediate risks and long-term risks. Opportunities: Resource efficiency, energy sources, products and services, market, and resilience. The quantified financial impact is divided into 5 levels. Level 1 affects revenues below NT$100 million, and Level 5 affects revenues above NT$700 million. Utilization of tools: This includes the IPCC Sixth Climate Change Assessment Report, the National Disaster Prevention and Rescue Technology Center's 3D potential disaster map, and the TCCIP-Climate Atlas.
6. If there is a transition plan to cope with climate-related risks, the Company shall provide instructions for the content of the plan, as well as the indicators and objectives used to identify and manage physical and transitional risks.	Not yet adopted.

7.	If internal carbon pricing is used as a planning tool, the foundation of price setting should be explained.	Not yet adopted.
8.	If climate-related goals are set, the related activities, the scope of GHG emissions, the planning schedule, and the annual progress should be explained. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant objectives, the source and the number of the offset carbon volume or the number of renewable energy certificates (RECs) should be stated.	Not yet adopted.
9.	The inventory and verification of greenhouse gas and the reduction targets, strategies, and specific action plans are separately filled in 1-1.	Please refer to 1-1 for the confirmed situation of GHG emissions Quantity in 2023.

Table 1-1

Company Information	According to the disclosure requirements of the Sustainable Development Roadmap for TWSE/TPEx Listed Companies, at least the following should be disclosed.
□Companies with a capital of over NT$10 billion or those in the steel or cement industry	□ Parent Company Only Audit □ Subsidiary Audit for Consolidated Financial Report
□Companies with a capital of over NT$5 billion but less than NT$10 billion	□Assurance in Parent Company Only Financial Statements
■Companies with capital under NT$5 billion	□Confidence in Subsidiary's Consolidated Financial Reports

Direct	**Total Emissions Quantity (Metric tons of CO2e)**	**Intensity (Metric tons CO2e / NT$ million)**	**Assurance Institution (Note)**	**Assurance Status**
Parent company	22,280.85	1.43	DNV Business Assurance Co., Ltd	Estimated in 2026
Subsidiary	537.85	0.63		
Total	22,818.70	1.39		
Indirect	**Total Emissions Quantity (Metric tons of CO2e)**	**Intensity (Metric tons CO2e / NT$ million)**	**Assurance Institution (Note)**	**Assurance Status**
Parent company	327,183.31	21.01	DNV Business Assurance Co., Ltd	Estimated in 2026
Subsidiary	87.95	0.10		
Total	327,271.26	19.93		

Note: As of the printing date of the annual report, it has not been approved by the board meeting and the assurance institution.

(VI) Ethical Corporate Management and Deviations from "The Ethical Corporate Management Best-Practice Principles for TWSE/TPEx*Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company established the integrity management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and thorough implementation of such policies?	V		The Company has established the Operational Procedures and Code of Conduct for Ethical Corporate Management" approved by the board meeting, and disclosed the Company' s ethical corporate management policies in internal regulations, brochures, company website, and annual report. In 2023, a total of 194 instances of induction for new employees on ethical corporate management and prevention of insider trading were conducted. On December 22, 2023, the key points of the Operational Procedures and Code of Conduct for Ethical Corporate Management were announced to board directors and senior managerial personnel at the board meeting.	No significant differences yet
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company has established the Operational Procedures and Code of Conduct for Ethical Corporate Management and the Code of Ethical Conducts to regulate the standard operating procedures and conduct guidelines for all stakeholders in relation to best practice. The company has established relevant programs for the prevention of bad practice, covering at least the precautionary measures in each of the paragraphs of Article 7 (2) of the Principles for Ethical Corporate Management of TWES/TPEx Listed Companies.	No significant differences yet
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and reviewed the prevention programs on a regular basis?	V		The Company has clearly stipulated the relevant operational procedures, appeal system and other relevant provisions in the "Procedure and Conduct Guidelines for Best Practice" and the "Code of Ethical Conduct" regulations, and has disclosed them on the Company's website. The Company will review and revise the pre-revelation regulations in due time, depending on the revision of the positive and negative decrees and the practical needs, so as to implement the prevention of dishonest behavior. To effectively confirm whether the company's internal operation processes are conducted according to the law, an audit department is legally established, and irregular internal control audits are conducted each year based on the internal control operating procedures set by the company, as a way to establish a mutual supervision mechanism.	No significant differences yet

II. Fulfillment of Integrity Management (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		In accordance with the Operational Procedures and Code of Conduct for Ethical Corporate Management, the Company, when entering into contracts with customers and suppliers, both parties' rights and obligations are detailed in the contract, and terms of good practice are clearly defined.	No significant differences yet
(II) Does the Company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity and regularly report the implementation of the ethical corporate management policies and prevention programs against unethical conduct to it?	V		The Company's audit office is a dedicated unit for best practice. According to its authorities and scope of work, it is responsible for tasks such as formulating integrity culture regulations, education and training, grievance channels, and checking best practice risks to ensure the implementation of honest practice guidelines. It also reports the implementation to the board meeting regularly (at least once a year). The most recent report date was December 22, 2023.	
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		1. The Company has specified in the Rules of Procedure for the Board of Directors that if a director has an interest in the proposals on the agenda of the board of directors that involves himself or a legal entity on his behalf, he should disclose the significant content of the interest. If there is a risk of harming the Company's interests, he may not participate in discussions and voting, and should recuse himself during discussions and votes, and may not exercise voting rights on behalf of other directors. 2. The Company has explicitly stated in its personnel management rules that employees must strictly comply with the guidelines for conflict-of-interest avoidance, proactively report issues of ethical concern such as conflicts of interest, and has set related non-competition clauses to prevent conflicts of interest. 3. The Company has a 0800-grievance line and a feedback mailbox on the company website to accept reports of illegal situations.	
(IV) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		In order to fulfill ethical moral management, the Company has effectively established an accounting system and an internal control system. In accordance with legal requirements, we continue to revise the internal control system and check and evaluate the effectiveness of the implementation of the internal control system. The audit office formulates relevant audit plans, conducts regular audits, and reports the audit results and audit status to the audit committee and the board meeting. The company's accounting system is all set-in accordance with the requirements of laws and regulations. The certifying CPAs also conduct reviews or audits on the Company's financial statements every quarter and issue reports.	

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(V) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		The entire board of directors and senior managerial personnel of the Company completed over 6 hours of advanced courses in 2023. The Company's governance, auditing, and finance supervisors completed 12 hours of further education. The Accounting Executives (first appointment) completed 30 hours of further education. A total of 194 sessions were conducted to indoctrinate new hires about ethical business operations and prevention of insider trading. Related regulations are promoted in the quarterly bulletin. The Company enhances employees' awareness of legal compliance through education and training to reduce the risk of business conduct violations. With the behavior guidelines of senior managerial personnel, education and training are implemented from top to bottom to strengthen the Company's policy of best practice.	
III. Operation of the integrity channel (I) Has the company established a concrete whistleblowing and rewarding system, and set up accessible methods for whistleblowers, and designate appropriate and dedicated personnel to investigate the accused?	V		The Company has set up a designated section for stakeholders on its website. When the rights of stakeholders, such as shareholders, customers, suppliers, and employees are infringed, they can raise a grievance to the Company.	No significant differences yet
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	V		The Company has established standard operating procedures for investigating reported misconduct and has confidentiality agreements in place.	
(III) Does the Company provide proper whistleblower protection?	V		The Company has established the Operational Procedures and Code of Conduct for Ethical Corporate Management and relevant regulations to guarantee the anonymity of the whistleblower and protect the whistleblower from inappropriate disposal due to the whistleblowing incident.	
IV. Strengthening information disclosure Does the company disclose the ethical corporate management policies and the results of its implementation on the Company website and MOPS?	V		The Company's website discloses the Operational Procedures and Code of Conduct for Ethical Corporate Management and the implementation and effectiveness of best practice. It does so in a timely, public, and transparent manner, disclosing company information on MOPS on schedule. The Company also strictly adheres to the responsibilities of information disclosure, carefully complies with related regulations for disclosure operations, and strives to improve information transparency.	No significant differences yet

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">V. Where the Company has stipulated its own ethical corporate management best practices according to the Principles for Ethical Corporate Management of TWES/TPEx Listed Companies please describe any differences between the prescribed best practices and the actual activities taken by the Company: The Company's Operational Procedures and Code of Conduct for Ethical Corporate Management have been disclosed on the company website, and there is no difference between its actual implementation status and the guidelines.</td></tr>
<tr><td colspan="5">VI. Other important information that facilitates the understanding of the implementation of the Company's best practice: (such as review and amendment of the Company's best practice)
1. The Company, in compliance with the Company Act, the Securities Exchange Act, and rules and regulations related to TWSE and TPEx listing, and as a foundation of conducting business with integrity, has established the "Principles for Ethical Corporate Management and the Operational Procedures and Code of Conduct for Ethical Corporate Management.
2. The Company has set up sections such as the Investor Zone and Corporate Social Responsibility on its official website, providing its complete implementation of corporate governance for reference.
3. The Company regularly holds best practice advocacy, through newsletters and video conferences, to help employees familiarize themselves with the Company's internal integrity culture, ensuring that all employees implement integrity in their work.</td></tr>
</table>

(VII) Regulations of Governance and Their Disclosure:

The relevant rules of corporate governance established by the Company have been placed on the company website under the Investor Zone: Important Internal Regulations of Corporate Governance for shareholders to inquire. Please refer to the website of the Company.

https://w3.slc.com.tw/investor/download/investorCompRule

(VIII) Other material information that can enhance the understanding of the state of corporate governance at the Company:

1. Material information from the Company has all been announced on the MOPS pursuant to regulations from the competent authority.
2. The Company enforces ethical corporate governance. The implementation in FY23 is as follows:
   - Amended the Guidelines for Corporate Governance Practices and implemented the corporate governance system according to the following five principles: protecting shareholders' equity, strengthening the functions of the board meeting, exerting the functions of the audit committee, respecting the rights and interests of stakeholders, and enhancing information transparency.
   - When investigating changes in equity each month, internal rules are simultaneously propagated to insiders, prohibiting the use of undisclosed market information to buy or sell securities. This includes (but is not limited to) regulations stating that directors should not trade their stocks within 30 days prior to the announcement of the annual financial report, or within 15 days prior to the announcement of each quarter's financial report.
   - Regularly reviewed the effectiveness of the Company's internal control system to implement potential risk control operations.
   - Regularly held a legal presentation once a year.

(IX) Implementation of Internal Control

1. Internal Control System Statement

Shan-Loong Transportation Co., Ltd.
Internal Control System Statement

Date: 2023/03/14

According to the examination on internal control done by the Company in 2023, we hereby state as follows:

I. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its board of directors and managers. The Company has already established this system. The purpose of establishing the internal control system is to reasonably assure the following objectives: (a) the effectiveness and efficiency of business operation (including earnings, operation performance and the safeguard of company assets); (b) achieving the reliability, timeliness, transparency, and compliance objectives according to the relevant laws and regulations in order to provide reasonable assurances.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.

III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The Regulations are made to examine the following five factors during the management and control process: 1. Environment control, 2. Risk assessment, 3. Work control, 4. Information and Communication, and 5. Work supervision. Each element further contains several items. Please refer to the Regulations for details.

IV. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.

V. The examination result indicated that the Company's internal control system (including subsidiary governance) dated December 31, 2023 has effectively assured that the following objectives have been reasonably achieved during the assessing period: (a) The degree of effectiveness and efficiency of business operation; (b) The reliability of the financial and related reports; (c) The compliance of the relevant laws/regulations and company policies.

VI. This statement will become a major part of the content of the Company's annual report and prospectus, and will be made public. If the above disclosure is false or concealed, it will involve the legal liabilities of Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement was adopted by the board of directors of the Company on March 14, 2023, and 0 of the 9 directors presents had objections. The rest of the directors agreed with this statement and made this statement.

Shan-Loong Transportation Co., Ltd.

Chairman: Jen-Hao Cheng Signature

President: Wei-Teng Hsiao (signed)

2. If an internal control system has been reviewed by a commissioned certified public accountant team, it should be disclosed that there is such an auditor review report: None.

(X) During the most recent fiscal year and until the date of publication of the annual report, any penalty on the Company and its internal personnel according to law, or any penalty from the Company on its internal personnel for violating the provisions of the internal controls system, if the consequences of such penalties may have a significant impact on shareholder equity or the stock price, should disclose the penalty content, main defects, and improvement situations: No such situations.

(XI) Major resolutions of shareholders' meeting, the board meeting, and the audit committee for the most recent fiscal year and up to the printing date of the annual report:

1. Major resolutions of the shareholders' meeting

Date of the meeting	Matters to be resolved	Resolution	Implementation
2023.05.30	The Company's approved final accounts for FY22.	The case was approved as per the vote of the attending shareholders. For: 82,676,670 votes (including 10,746,121 votes cast electronically), accounting for 98.98% of the total voting rights. Against: 46,415 votes (of which, 46,415 votes were cast electronically), accounting for 0.05% of the total voting rights; Abstain: 798,506 votes (of which, 798,506 votes were cast electronically), accounting for 0.95% of the total voting rights. Invalid: 0 votes, representing 0% of the total voting rights.	Relevant statements and books have been filed with the competent authority for future reference, announcement and declaration in accordance with the Company Law and other relevant laws and regulations.
	The Company's earnings distribution plan for FY22.	The case was approved as per the vote of the attending shareholders. For: 82,886,949 votes (including 10,956,400 votes cast electronically), accounting for 99.24% of the total voting rights. Against: 50,171 votes (of which, 50,171 votes were cast electronically), accounting for 0.06% of the total voting rights; Abstain: 584,471 votes (of which, 584,471 votes were cast electronically), accounting for 0.69% of the total voting rights. Invalid: 0 votes, representing 0% of the total voting rights.	It is determined that August 8, 2023 is the date of ex dividend and August 31, 2023 is the date of cash dividend distribution. The cash dividend is NT$1.6 per share, with a total amount of NT$ 219,651,000.
	Proposed amendments to part of the Articles of Incorporation of the Company.	For: 82,879,341 votes (including 10,948,792 votes cast electronically), accounting for 99.23% of the total voting rights. Against: 61,179 votes (of which, 61,179 votes were cast electronically), accounting for 0.07% of the total voting rights; Abstain: 581,071 votes (of which, 581,071 votes were cast electronically), accounting for 0.69% of the total voting rights. Invalid: 0 votes, representing 0% of the total voting rights.	The Company has amended part of the Articles of Incorporation in accordance with the resolution of the shareholders' meeting.
	Proposed amendments to part of the Shareholders' Meeting Procedural Rules of the Company.	For: 82,885,541 votes (including 10,954,992 votes cast electronically), accounting for 99.23% of the total voting rights. Against: 56,375 votes (of which, 56,375 votes were cast electronically), accounting for 0.06% of the total voting rights; Abstain: 579,675 votes (of which, 579,675 votes were cast electronically), accounting for 0.69% of the total voting rights. Invalid: 0 votes, representing 0% of the total voting rights.	The Company has amended part of the Shareholders' Meeting Rules in accordance with the resolution of the shareholders' meeting.

	Election of the 15th Board of Directors (including independent directors).	List of elected directors (including independent directors):	

Position	Account Number or Uniform Identity Number	Name	Number of Voting Rights
Director	077244	Jen-Hao Cheng	114,389,198
Director	000617	Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	100,604,344
Director	000001	Cheng Loong Corporation Representative: Ching-Hui Yu	75,852,086
Director	000002	Shine Far Co., Ltd Representative: Tai-Lang Ho	74,683,334
Director	000019	Lan-Hui Yu	75,935,059
Director	000659	Ken-Pei Cheng	74,700,438
Independent Director	066998	Yao-Ming Huang	74,876,615
Independent Director	000027	Hsu-Feng Ho	74,261,656
Independent Director	000030	Mao-Chun Wang	74,575,648

2. Major Resolutions of Board of Directors

Board Meeting Date	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
20th meeting, 14th term 2023.03.13	Discussions (1) FY22 Employees Compensation Distribution Plan (2) Manager's Employee Compensation and Year-End Bonus for 2022 (3) FY22 Parent Company Only Financial Statements, Consolidated Financial Report and Business Report (4) The amount of external endorsement guarantees and funds lent to others as of the end of December 2022 (5) Proposed the application of comprehensive credit lines and commercial promissory note lines with relevant financial institutions (6) Proposed the renaming of the Code of Practice on Corporate Social Responsibility and amendment of certain articles (7) Proposed to issue a statement of the internal control system for FY22 (8) Proposed amendments to the Internal Control System for Stock Affairs Units (9) Proposed to assess the independence and suitability of the Company's CPAs (10) Proposed development of general principles for the Company's pre-approval of unsure service policies (11) FY22 Earnings Distribution Plan (12) Full re-election of directors (13) Proposed at the shareholders' meeting to lift the prohibition of competition of the next new directors and their representatives. (14) Proposed amendments to part of the Articles of Incorporation (15) Proposed Corporate Governance Director (16) The accounting policy of the Company to discuss the calculation method of inventory costs has been changed to the moving average method from January 1, 2023 (17) Discussed the time, venue and convening of the annual shareholders' meeting for Year 2023	No objection	Approved by all attending directors	None.
21st meeting, 14th term 2023.04.13	Discussions (1) Proposed to submit the list of nominated directors (including independent directors) candidates for board meeting reviews. (2) Review of Shareholders' Proposal Rights (3) Proposed amendments to the Internal Control System for Stock Affairs Units (4) Proposed amendments to part of the Rules of Procedures for Shareholders' Meetings (5) Discussed the time, venue and convening of the annual shareholders' meeting for Year 2023 (including added and modified proposals) (6) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions (7) Changes for the Spokesperson and Acting Spokesperson of the Company	No objection	Approved by all attending directors	None.
22nd meeting, 14th term 2023.05.12	Discussions 1Q23 Consolidated Financial Report	No objection	Approved by all attending directors	None.
1st meeting, 15th term 2023.05.30	election The 15th chairman	No objection	Approved by all attending directors	None.
2nd meeting, 15th term 2023.07.18	Discussions (1) Scheduled the ex-dividend date for cash dividend distribution for FY22 (2) Nominating remuneration and compensation committee Members (3) The company intended to apply for comprehensive credit lines to financial institutions (4) Company President Appointment (5) Chief Operating Officer Appointment (6) Duty Adjustment for Related Executives	No objection	Approved by all attending directors	None.

3rd meeting, 15th term 2023.08.14	Discussions (1) 2Q23 Consolidated Financial Report (2) The company intends to apply for comprehensive credit lines to financial institutions (3) FY22 Employee Compensation Allocation for Managers	No objection	Approved by all attending directors	None.
4th meeting, 15th term 2023.11.10	Discussions (1) 3Q23 Consolidated Financial Report (2) Proposed amendment to the Best Practice for Sustainable Development (3) Proposed amendments to the Rules of Procedure for Chairman Meetings (4) FY24 Audit Plan (5) Proposed donation to the Cheng Huotien Charity Foundation (6) The company intended to apply for comprehensive credit lines to financial institutions	No objection	Approved by all attending directors	None.
5th meeting; 15th term 2023.12.22	Discussions (1) FY24 Annual Operating Plan (2) Proposed the appointment of certified public accountants and their remuneration plan (3) Proposed amendments to the Best Practice Principles for Corporate Governance (4) Proposed amendments to the Articles of Incorporation (5) The Company intended to apply for comprehensive credit lines to financial institutions (6) Year-end bonus plan for the Company's managers for the Year 2023 (7) Duty Adjustments for Related Executives	No objection	Approved by all attending directors	None.
6th meeting; 15th term 2024.03.14	Discussions (1) FY23 Employee Remuneration Distribution Plan (2) FY23 Employee Remuneration and Year-end Bonus Distribution Plan for Managers (3) FY23 Parent Company Only Financial Statements, Consolidated Financial Report, and Business Report (4) The amount of external endorsement guarantees and funds lent to others by the Company as of the end of December 2023 (5) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions (6) The Company proposed to issue a statement of internal control system for FY23 (7) The Company proposed to assess the independence and suitability of its CPAs (8) FY23 Earnings Distribution Plan (9) The Company proposed amendments to part of the Procedures for Acquisition or Disposal of Assets (10) The Company was set to discuss the time, venue and convening of the FY24 Annual Shareholder Meeting	No objection	Approved by all attending directors	None.

3. Major resolutions of the Audit Committee

Date of the audit committee meeting	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
18th meeting; 2nd term 2023.03.13	Discussions (1) FY22 Parent Company Only Financial Statements, Consolidated Financial Report and Business Report (2) The amount of external endorsement guarantees and funds lent to others as of the end of December 2022 (3) Proposed the application of comprehensive credit lines and commercial promissory note lines with relevant financial institutions (4) Proposed renaming of the Code of Practice on Corporate Social Responsibility and the revision of certain sections (5) Proposed to issue a statement of internal control system for 2022	No objection	Approved by all attending directors	None

	(6) Proposed amendments to the Internal Control System for Stock Affairs Units (7) Proposed to assess the independence and suitability of the Company's CPAs (8) The accounting policy of the Company to discuss the calculation method of inventory costs has been changed to the moving average method from January 1, 2023 (9) Proposed development of general principles for the Company's pre-approval of unsure service policies			
19th meeting; 2nd term 2023.04.13	Discussions (1) Proposed amendments to the Internal Control System for Stock Affairs Units (2) Proposed amendments to part of the Rules of Procedures for Shareholders' Meetings (3) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions (4) Changes for the Spokesperson and Acting Spokesperson of the Company	No objection	Approved by all attending directors	None
20th meeting; 2nd term 2023.05.12	Discussions 1Q23 Consolidated Financial Report	No objection	Approved by all attending directors	None
1st meeting; 3rd term 2023.05.30	Election Convener of the 3rd audit committee	No objection	Approved by all attending directors	None
2nd meeting; 3rd term 2023.07.18	Discussions (1) The company intended to apply for comprehensive credit lines to financial institutions (2) Company President Appointment (3) Chief Operating Officer Appointment (4) Duty Adjustment for Related Executives	No objection	Approved by all attending directors	None
3rd meeting; 3rd term 2023.08.14	Discussions (1) 2Q23 Consolidated Financial Report (2) The company intends to apply for comprehensive credit lines to financial institutions	No objection	Approved by all attending directors	None.
4th meeting; 3rd term 2023.11.10	Discussions (1) 3Q23 Consolidated Financial Report (2) FY24 Audit Plan (3) The company intended to apply for comprehensive credit lines to financial institutions	No objection	Approved by all attending directors	None.
5th meeting; 3rd term 2023.12.22	Discussions (1) Proposed the appointment of certified public accountants and their remuneration plan (2) The Company intended to apply for comprehensive credit lines to financial institutions (3) Duty Adjustments for Related Executives	No objection	Approved by all attending directors	None.
6th meeting; 3rd term 2024.03.14	Discussions (1) FY23 Parent Company Only Financial Statements, Consolidated Financial Report and Business Report (2) The Company's amount of external endorsement guarantees and funds lent to others as of the end of December 2023 (3) The Company intended to apply for comprehensive credit lines and commercial promissory note lines to relevant financial institutions (4) The Company proposed to issue a statement of the internal control system for FY23 (5) The Company proposed to assess the independence and suitability of the certified CPAs in its financial statements (6) FY23 Earnings Distribution Plan (7) The Company proposed amendments to part of the Procedures for Acquisition or Disposal of Assets	No objection	Approved by all attending directors	None.

4. Major resolutions of the remuneration committee

Date of the remuneration committee meeting(s)	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
11th meeting; 4th term 2023.03.13	Discussions (1) FY22 Employees Compensation Distribution Plan (2) Manager's Employee Compensation and Year-End Bonus for 2022	No objection	Approved by all attending directors	None.
1st meeting; 5th term 2023.07.18	election Election of the Convener of the Fifth Remuneration and Compensation Committee	No objection	Approved by all attending directors	None.
2nd meeting; 5th term 2023.08.14	Discussions Approved the Manager's Employee Compensation Allocation Proposal for 2022	No objection	Approved by all attending directors	None.
3rd meeting; 5th term 2023.12.22	Discussions Year-end bonus plan for the Company's managers for the Year 2023	No objection	Approved by all attending directors	None.
4th meeting; 5th term 2024.03.14	Discussions (1) The Company's Distribution Plan of Employees Compensation for the Year 2023 (2) FY23 Employee Remuneration and Year-end Bonus Distribution Plan for Managers	No objection	Approved by all attending directors	None.

(XII) For the most recent year and up to the date of the annual report printing, where a director or supervisor has different opinions on an important resolution adopted by the board of directors and has a record or written statement, state the main content: None.

(XIII) Resignation or dismissal of the Company's key individuals, including the chairman, president, accounting manager, financial manager, internal audit supervisor, and R&D and chief governance officer of the most recent year and as of the date of this annual report - a summary of the situation:

Position	Name	Date of Assumption of Duty	Date of Dismissal	Reasons for Resignation or Dismissal
Accounting Executive	Yu-Cheng Yao	2021.11.12	2023.07.18	Job adjustment
President	Chen-Te Wang	2023.07.18	2023.12.22	Personal Career Planning

IV. Information Regarding the Company's Audit Fee and Independence

Unit: NT$1,000

Accounting Firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remark
KPMG Taiwan	Samuel, Au Yiu Kwan	2023/01/01-2023/12/31	4,285	30	4,315	
	Yu-Ting Hsin					

Note: Non-audit fee is provided for the audit and analysis of full-time employees who are not in charge of the position, NT $ 30,000.

(I) Where the proportion of non-audit fees paid to the endorsing CPAs, the firm to which the endorsing accountant belongs and its affiliates accounts for more than one fourth of the audit fees: as explained in the above table.

(II) Where the CPA firm is changed and the audit fee paid in the year of change is lower than that in the year before the change: None.

(III) Audit fees decreased by more than 15% compared with the previous year: None.

V. Replacement of CPA: None.

VI. The Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm:

None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than ten percent

Position	Name	2023		Current year as of March 31, 2024	
		Current shareholding Increase (Decrease)	Pledged shares Increase (Decrease)	Current shareholding Increase (Decrease)	Pledged shares Increase (Decrease)
Chairman	Jen-Hao Cheng	-	-	-	-
Director and vice chairman	Lan-Hui Yu	-	-	-	-
Director	Cheng Loong Corporation	-	-	-	-
	Representative: Ching-Hui Yu	-	-	-	-
Director	Shine Far Construction Co., Ltd.	-	-	-	-
	Representative: Chuan-Chuan Lu	-	-	-	-
Director	Shine Far Co., Ltd.	-	-	-	-
	Representative: Tai-Lang Ho	-	-	-	-
Director	Ken-Pei Cheng	135,000	-	10,000	-
Independent Director	Yao-Ming Huang	-	-	-	-
Independent	Hsu-Feng Ho	-	-	-	-

Director					
Independent Director	Mao-Chun Wang	-	-	-	-
President	Wei-Teng Hsiao	-	-	-	-
Finance Executive	Ou Cheng-Chang	-	-	-	-
Accounting Executive	Yu-Long Chen	-	-	-	-
Audit Executive	Kun-Lin Wu	-	-	-	-

Information on the counterparty of the equity transfer as a related party: None.

Information on the counterparty of the equity pledge as a related party: None.

VIII. Information on Concerned Relationship of Top Ten Major Shareholders

2024.04.08

Name	Current Shareholding		Spouse's/Minor's shareholding		Shareholding by nominee arrangement		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (or name)	Relationship	
Cheng Loong Corporation	12,690,010	9.24	-	-	-	-	Shine Far Co., Ltd. Sun Favorite Co. Ltd.	Legal Director of Cheng Loong Legal Director of Cheng Loong	
Representative: Cheng Jen-Ming	6,552,421	4.77	-	-	-	-	Cheng Loong Corporation Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Director Director Representative of the juridical director Director	
Shine Far Co., Ltd.	8,367,944	6.10	-	-	-	-	Cheng Loong Corporation Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Shan-Fa is the Representative: Cheng-Lung Cheng of Cheng Loong. Chairman is the same person. Chairman is the same person. Chairman is the same person.	
Representative: Cheng-Lung Cheng	68,000	0.05	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	
Chiung-Miao Yeh	8,311,000	6.05	-	-	-	-	Cheng Kuan Investment Co., Ltd.	Spouse of the Chairman of Cheng Kuan Investments	
Shine Far Construction Co., Ltd.	6,743,227	4.91	-	-	-	-	Shine Far Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman is the same person. Chairman is the same person. Chairman is the same person.	
Representative: Cheng-Lung Cheng	68,000	0.05	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	

Jen-Ming Cheng	6,552,421	4.77	-	-	-	-	Cheng Loong Corporation Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Director Director Representative of the juridical director Director	
Cheng Loong Investment Co., Ltd.	4,871,034	3.55	-	-	-	-	Cheng Loong Corporation	Representative of Cheng-Lung Cheng for the Investments	
Representative: Cheng-Lung Cheng	68,000	0.05	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	
Jen-Hao Cheng	4,328,876	3.15	-	-	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Sun Favorite Co. Ltd.	Director Director Director	
Special ESOP account of Shan-Loong Transportation Co., Ltd entrusted in CTBC Bank	3,814,680	2.78	-	-	-	-	-	-	
Representative: Kun-Lin Wu	-	-	-	-	-	-	-	-	
Cheng Kuan Investment Co., Ltd.	2,271,000	1.65	-	-	-	-	Chiung-Miao Yeh	Spouse of the Chairman of Cheng Kuan Investments	
Representative: Wen-Lin Lin	-	-	8,311,000	6.05	-	-	Chiung-Miao Yeh	Spouse of the Chairman of Cheng Kuan Investments	
Sun Favorite Co. Ltd.	1,906,697	1.39	-	-	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd.	Chairman is the same person. Chairman is the same person. Chairman is the same person.	
Representative: Cheng-Lung Cheng	68,000	0.05	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	

IX. Consolidated Shareholding Percentage

2024.03.31

Reinvestment business (Note)	By Company		Investments by the Directors, managers, and companies directly or indirectly controlled by the Company		Consolidated Investment	
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)
Shan-Loong Investment Co., Ltd.	40,000,000	100.00	-	-	40,000,000	100.00
Cheng Loong Corporation	19,376,137	1.75	48,135,719	4.34	67,511,856	6.09
Shan-Loong International Holdings Co., LTD	10,046,508	100.00	-	-	10,046,508	100.00
GemTech Optoelectronics Corp.	3,644,000	19.29	-	-	3,644,000	19.29
Ko Loong Industrial Co., Ltd.	2,134,000	20.92	-	-	2,134,000	20.92
Cheng Loong Investment Co., Ltd.	600,000	4.62	1,200,000	9.23	1,800,000	13.85
Shan-Loong Shipping Customs Declaration Co., Ltd.	13,100,000	100.00	-	-	13,100,000	100.00
Shan-Long Automotive Co., Ltd.	27,000,000	100.00	-	-	27,000,000	100.00
Shine Far Co., Ltd	269,752	0.87	474,100	1.53	743,852	2.40
Yueh Loong Co., Ltd.	323,278	10.78	28,586	0.95	351,864	11.73

Note: The Company's long-term investment

Chapter 4. Capital Overview

I. Capital and Shares, Corporate Bonds, Preferred Shares, Depositary Receipts Abroad, Employee Stock Option Certificates, Restricted Employee Rights New Shares, Status of Issuance of New Shares in Connection with Mergers and Acquisitions.

(I) Source of capital

The Type of Stock Issued by the Company in the Most Recent Year and up to the Date of Publication of the Annual Report.

Year and Month	Issue price (NT$)	Authorized capital		Paid-in capital		Remark		
		Number of Shares (Thousand Shares)	Amount (NT $1,000)	Number of Shares (Thousand Shares)	Amount (NT $1,000)	Source of capital	Capital increased by assets other than cash	Others
112 Year April, 2024	10	150,000	1,500,000	137,282	1,372,818	No capital increase or decrease in this year.	None	-

Unit: (in thousands)

Type of Stock	Authorized capital			Remark
	Issued shares	Unissued shares	Total	
Common stock	137,282	12,718	150,000	Listed company shares

(II) Shareholder Structure

2024.04.08

Shareholder Structure / Number	Government agencies	Financial institutions	Other institutional shareholders	Individual	Foreign institutions and individual shareholders	Total
Number of shareholders	0	8	306	159,409	107	159,830
Shares	0	3,835,434	40,976,956	88,506,091	4,954,956	137,281,827
Shareholding (%)	0	2.79	29.85	64.47	2.89	100.00

Note: The first TWSE/TPEx listed companies and the emerging market listed companies should disclose their shareholding ratio of capital from mainland area; capital from mainland area refers to the people, legal entities, groups, other institutions in the mainland or their companies investing in the third region as stipulated in Article 3 of the Measures Governing Investment Permit to the People of Mainland Area.

(III) Stock Equity Distribution Status

1. Common stock

Common shares/par value per share NT $10

2024.04.08

Shares held.			Number of shareholders (persons)	Shares	Shareholding (%)
1	To	999	142,316	1,883,355	1.37
1,000	To	5,000	15,311	25,597,196	18.65
5,001	To	10,000	1,257	9,804,206	7.14
10,001	To	15,000	380	4,792,754	3.49
15,001	To	20,000	163	2,972,276	2.17
20,001	To	30,000	146	3,716,130	2.71
30,001	To	40,000	58	2,078,003	1.51
40,001	To	50,000	38	1,743,123	1.27
50,001	To	100,000	71	5,015,180	3.65
100,001	To	200,000	48	7,039,942	5.13
200,001	To	400,000	25	6.567,036	4.78
400,001	To	600,000	2	855,247	0.62
600,001	To	800,000	1	700,000	0.51
800,001	To	1,000,000	1	866,450	0.63
		1000,001 or more	13	63,650,929	46.37
		Total	159,830	137,281,827	100

2. Preferred Share: None.

(IV) List of Major Shareholders

2023.04.08

Shares / Name of Major Shareholders	Shares	Shareholding (%)
Cheng Loong Corporation	12,690,010	9.24
Shine Far Co., Ltd	8,367,944	6.10
Chiung-Miao Yeh	8,311,000	6.05
Shine Far Construction Co., Ltd.	6,743,227	4.91
Jen-Ming Cheng	6,552,421	4.77
Cheng Loong Investment Co., Ltd.	4,871,034	3.55
Jen-Hao Cheng	4,328,876	3.15
Special ESOP account of Shan-Loong Transportation Co., Ltd entrusted in CTBC Bank	3,814,680	2.78
Cheng Kuan Investment Co., Ltd.	2,271,000	1.65
Sun Favorite Co., Ltd.	1,906,697	1.39

(V) Information on market price, net worth, earnings and dividends per share in the last two years

Item \ Year			2022	2023	Current year as of March 31st, 2023 As of the end of the current year ended March31 (Note 9)
Market price per share (Note 1)	Highest		40.50	33.25	30.05
	Lowest		31.80	29.70	26.65
	Average		35.17	31.48	29.71
Net value per share (Note 2)	Before distribution		35.59	35.07	-
	After distribution		33.47	Note 8	-
Earnings per Share	Weighted average shares (thousand shares)		135,928	135,928	135,928
	Earnings per share before adjustment (Note 3)		2.12	0.48	-
	Adjusted earnings per share (Note 3)		-	-	-
Dividends per share	Cash dividends		1.6	0.43(Note 8)	-
	Free allotment	-	-		-
		-	-		-
	Accumulated undistributed dividend (Note 4)		-	-	-
Return on investment	P/E Ratio (Note 5)		16.59	65.58	-
	P/D Ratio (Note 6)		21.98	73.21(Note 8)	-
	Yield on cash dividend (Note 7)		4.55%	1.37%	-

Note 1: List the highest and lowest market prices of ordinary shares in each year, and calculate the average market price of each year according to the transaction value and trading volume of each year.

Note 2: Please refer to the number of shares issued at the end of the year and fill in the distribution according to the resolution of the Board of Directors or the next Annual Shareholders' Meeting.

Note 3: If retroactive adjustment is required due to the situation of free allotment, etc., the earnings per share before and after adjustment shall be listed.

Note 4: If the conditions for the issuance of equity securities stipulate that the dividends not paid in the current year can be accumulated until the surplus year, the accumulated and unpaid dividends up to the current year shall be disclosed respectively.

Note 5: Price/dividend ratio = Average market price/cash dividends per share.

Note 6: Cash dividend yield rate = Cash dividends per share/average market price.

Note 7: Cash dividend yield rate = Cash dividends per share/average market price in the year.

Note 8: Adopted by the resolution of the Board of Directors on March 14, 2024. As of the date of publication of the annual newspaper, it has not yet been adopted by the regular meeting of shareholders.

Note 9: The data reviewed by the CPA for the most recent quarter of the Company is the first quarter of 2024.

(VI) Dividend Policy and Implementation Status

The Company's industrial can be combined with national economic growth, and its life cycle is in the stage of stable growth. On the basis of the Company's future capital needs and long-term financial planning, as well as the shareholders' needs for cash inflow, if the Company has any surplus after the final accounts of each year, in addition to paying profit-making enterprise income tax according to law and making up for the losses of previous years, it shall first allocate 10% of the legal reserve for the balance and special reserve for the amount of shareholder's equity deduction in the current year, and allocate more than 30% of the rest to shareholders, of which the cash dividends shall not be less than 10% of the total dividends. However, if the cash dividend per share is less than NT $ 0.1, it will not be paid, but a stock dividend. If there is a reduction in shareholders' equity accumulated in the previous year or occurred in the current year but the after-tax surplus of the current year is insufficient to be set aside, a special surplus reserve of the same amount shall be set aside from the accumulated undistributed surplus of the previous year and deducted before allocation and distribution. If the dividend and bonus per share are less than NT $0.5, the surplus distribution in the preceding paragraph may be exempted.

The Company proposed cash dividend of NT $0.43 per share of dividend distribution for 2023 and is pending for resolution of the Annual Shareholders' Meeting.

(VII) The impact of the free allotment proposed at the Shareholders' Meeting on the Company's operating performance and earnings per share

There is no proposed allotment of stock dividends in this year, so it is not applicable.

(VIII) Remuneration for employees and Directors

1. The number or scope of the remuneration of employees and Directors contained in the Company's Articles of Incorporation:

   According to Article 19 of the Articles of Incorporation, the Company shall allocate no less than 1% of the pretax profit for the current period before deducting the employee's remuneration. But the Company shall reserve a portion of profit to make up for accumulated losses, if any. Employees' compensation may be distributed in shares or cash, and the counterparty to whom shares or cash are distributed as employees' compensation may include the employees of its controlled or subordinate companies that meet certain criteria. The allocation and ration of Employee remuneration must be approved by the Board of Directors in a meeting attended by more than two-thirds of all Board members, where half of the attending Directors approve. The remuneration resolution shall be reported in the Annual Shareholders' Meeting. Where the Board of Directors has adopted a resolution in the preceding paragraph to pay remuneration to employees in the form of shares, it may adopt the same resolution to issue new shares or buy its own shares.

2. The basis for estimating the amount of employee and director remuneration listed in the valuation, the basis for calculating the number of employee remuneration distributed by shares, and the accounting treatment when the actual amount of distribution differs from the estimated amount.

   (1) The basis for estimating the amount of employee remuneration listed in the valuation, the basis for calculating the number of employee remuneration distributed by shares, and the accounting treatment when the actual amount of distribution differs from the estimated amount:

   The basis of the valuation is based on the actual operating results of the current year, in accordance with the provisions of the Articles of Incorporation and taking into account the actual distribution situation of previous years. However, if there is a difference between the amount of distribution decided by the subsequent Shareholders' Meeting and the estimated amount, it shall be regarded as a change in accounting estimation and listed as the profit and loss of the actual distribution year.

   (2) The basis for the valuation of Directors' remuneration amounts and the basis for the calculation of the number of shares distributed by shares: not applicable.

3. The approval of distribution of remuneration by the Board of Directors:

(1) The amount of employee remuneration and directors' remuneration distributed in cash or shares. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The remuneration for employees proposed by the Board of Directors: cash of NT $22,000,000; the remuneration for Directors: NT $0 and no discrepancy with the estimated amount of recognized expenses.

(2) The amount of employee remuneration to be paid in stocks and its ratio in the current individual or separate financial report in terms of net profit after tax and total employee remuneration: The Company didn't pay any employee remuneration in stocks.

4. The actual distribution of remuneration of employees and directors in the previous year:

The actual distribution of remuneration to employees and directors of the Company in the previous year did not differ from the recognized amount.

Employee remuneration - cash of NT $22,000,000, distributed on August 25, 2023; Directors' remuneration: None.

(IX) Repurchase of shares of the Company: None.

(X) Status of Corporate Bonds: None.

(XI) Status of Preferred Stocks: None.

(XII) Issuance of GDR/ADR: None.

(XIII) Employee Stock Options None.

(XIV) Issuance of New Restricted Employee Shares: None.

(XV) Status of Issuance of New Shares in Connection with Mergers and Acquisitions: None.

II. Finance Plans and Implementation: None.

Chapter 5. Operations Overview

I. Business Activities

(I) Business Scope

1. Major business of the Company

(1) G101061 Automobile Cargo Transportation Business
(2) G101081 Automobile Container Transport
(3) CD01030 Automobiles and Parts Manufacturing
(4) JA01010 Automotive Repair and Maintenance
(5) F114010 Wholesale of Automobiles
(6) F114030 Wholesale of Motor Vehicle Parts and Supplies
(7) F214010 Retail Sale of Automobiles
(8) F214030 Retail Sale of Motor Vehicle Parts and Supplies
(9) G801010 Warehousing and Storage
(10) F112010 Wholesale of Gasoline and Diesel Fuel
(11) F112040 Wholesale of Petrochemical Fuel Products
(12) F212011 Gas Stations
(13) F212050 Retail Sale of Petroleum Products
(14) J101090 Waste Disposal
(15) J101030 Waste clean-up
(16) E599010 Pipe Lines Construction
(17) F107170 Wholesale of Industrial Catalyst
(18) F113100 Wholesale of Pollution Controlling Equipment
(19) F213100 Retail Sale of Pollution Controlling Equipment
(20) F401010 International Trade
(21) I103060 Management Consulting Services
(22) I301010 Information Software Services
(23) I301020 Data Processing Services
(24) J101040 Waste management
(25) J101050 Environmental Testing Services
(26) J101060 Wastewater (Sewage) Treatment
(27) JA02051 Weights and Measuring Instruments Repair
(28) F113060 Wholesale of Measuring Instruments
(29) F213050 Retail Sale of Metrological Instruments
(30) F401181 Measuring Instruments Import
(31) I301040 Third-Party Payment Services (Note 1)
(32) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Note 1: In accordance with business needs, The Company has passed the removal of this business Item at the 15th 5th Chairman Meeting, which is still awaiting resolution at the Annual Shareholders' Meeting.

2. Operating Percentage (2023)

Main Business Activities	% of turnover
Automobile Transportation	21%
Gas Stations	79%
Total	100%

3. Main products and services

The Company is engaged in container transportation, bulk transportation, dangerous goods transportation, oil transportation, vehicle sales,

Automotive repair, vehicle inspection and Gas Stations business.

(II) Development status of the industry

1. Overview of the Gas Stations

According to the Oil Price Information Management and Analysis System of Bureau of Energy, Ministry of Economic Affairs, from 2019 to 2023, the total number of gas stations in the past five years is as follows:

Year	2019	2020	2021	2022	2023
Number of stations	2,497	2,485	2,508	2,484	2,519

Top 10 Gas Station Turnover in the Past Five Years

TOP10	2018	2019	2020	2021	2022
1	CPC Corporation, Taiwan	CPC Corporation, Taiwan	CPC Corporation, Taiwan	CPC Corporation, Taiwan	CPC Corporation, Taiwan
2	National Gas Stations	National Gas Stations	National Gas Stations	National Gas Stations	National Gas Stations
3	Formosa Oil	Formosa Oil	Formosa Oil	Formosa Oil	Formosa Oil
4	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.
5	Formosa Taffeta Co., Ltd.	Formosa Taffeta Co., Ltd.	Formosa Taffeta Co., Ltd.	Mech Smile	Formosa Taffeta Co., Ltd.
6	Mech Smile	Mech Smile	Mech Smile	Taiwan Sugar Corporation	Mech Smile
7	Taiwan Sugar Corporation	Taiwan Sugar Corporation	Taiwan Sugar Corporation	North-Star International Co., Ltd.	Taiwan Sugar Corporation
8	North-Star International Co., Ltd.	North-Star International Co., Ltd.	North-Star International Co., Ltd.	Caltex Taiwan Corporation	North-Star International Co., Ltd.
9	Evergreen International	Evergreen International	Tai Da Gas Station	Formosa Taffeta Co., Ltd.	Evergreen International
10	Tai Da Gas Station	Tai Da Gas Station	Evergreen International	Tai Da Gas Station	Songshan Gas Station

Source: CRIF Credit Information Database

The Company's Oil Products Division is situated in the downstream of the oil market. The gas station industry, supplying gasoline, diesel retail, exquisite hand car wash, automobile routine inspection, and environmental testing services among others, caters to the domestic demand and is seen as an industry related to people's livelihood. Industry fluctuations are relatively stable compared to other industries. However, in recent years, due to the saturation of gasoline stations in Taiwan (the total number of gasoline stations in the past five years is 2500±20), sites with development potential are hard to find. The competition among chain gas stations for renewing leases and renting new stations has become fierce. Along with the rising rent, land acquisition costs, basic wage increases, and labor shortages in recent years, operating costs continue to rise, and operation becomes increasingly severe. Furthermore, due to the acceleration of global energy transformation, with the popularization of renewable energy sources and electric vehicles, the gas station industry may face significant changes in the future.

The growth rate of electric vehicles is constantly increasing. According to the International Energy Agency (IEA), the number of electric vehicles in the world was only 17,000 in 2010, and by 2023, the number had grown to 13.6 million. The number of electric vehicles worldwide is expected to reach 250 million by 2030. The European Union plans to ban the sale of new gasoline and diesel vehicles by 2035, and the Taiwanese government's decision to ban the sale of fuel vehicles by 2040 has put Taiwan's gas station operators under severe challenges.

In response to the impact of major environmental changes, the company has increased the number of battery swapping stations at various gas stations to meet the needs of electric vehicle routes; comprehensively set up self-service refueling equipment and systems to solve the labor shortage dilemma; develop and integrate member app reserves and vehicle identification systems to lead the industry; properly provide consumer demand and improve self-service refueling utilization through marketing, humanized self-service refueling interface, and diversified payment methods. At the same time, the company provides routine declaration and testing requirements for peers and related industries across the foot environmental testing, more diversified services, more professional information, and more avant-garde business concepts, and establishes a new market business model to become a model in the same industry.

2. Overview of Automobile Freight

Since 2023, the consolidated financial performance of the main businesses in the industry shows that inventory depletion in the manufacturing sector has missed expectations, causing the demand for bulk goods and trade to decrease further. The performance may in fact differ depending on the business structure. Moreover, the performance of major players in the industry, such as Kerry TJ Logistics, generally declined, with the latter being the worst. Not only did its annual consolidated revenue fall by more than 10%, the consolidated profit for the first three quarters also experienced a significant decline.

In setting the tone for the economic climate of 2023, considering that the demand for goods of traditional sales and trade channels weakened in the second half of 2023, which undermined the support brought by relatively stable sectors such as consumer logistics and e-commerce, the businesses in this industry were apparently more severely affected, which is not conducive to related transportation revenue performance. The economic climate of Taiwan's automotive freight transport sector in 2023 is considered to have experienced a mild recession.

Considering that the overall economic outlook for our country's manufacturing industry is not yet clear, the negative impact on the transport demand for goods for domestic trades and overseas exports may continue. What's more, in the same period of 2023, benefiting from the recovery of various consumptions in the post-epidemic era, the demand for warehousing and transportation of various goods across channels was significantly boosted, making the current base period relatively higher. Therefore, the support from this segment of the market in the first half of 2024 is estimated to be weakened.

Since 2023, the prices of crude oil have remained sluggish, leading to suppressed domestic oil product prices. It is hoped that the cost of fuel for automobile freight operators in 2024 will not be significantly higher. The pressure from the decline in primary income stems from weakened demand in traditional bulk transport. The pessimistic sentiment of the demand side in the first half of 2024 is still heavy, and it is still difficult to maintain the profit per transportation unit. It is projected that the freight transport industry in the first half of 2024 will face a slight recession compared to the same period in 2023.

(III) Technology and R&D Overview

The Company's main business is the operation of land freight and gas stations, and there is no dedicated R&D unit. However, the Company continues to carry out digitization and mobilization, combining multi-factor authentication mechanisms to build a zero-trust environment for improving relevant information security. In addition, the Company makes full use of cloud technologies and services, utilizing the latest network technology and digital technology integration to transfer important systems to the cloud platform. It also uses its high scalability to rapidly expand hardware resources to reduce system bottlenecks. The Company also uses the high stability of cloud services to make services uninterrupted, provides flexible services so that information personnel do not need to install relevant application services from scratch, and eventually makes cloud services more secure to use, with support from in-house information security experts. In the future, the Company will continue to use the latest information technology to integrate the transportation and refueling businesses, so that employees can have a better user experience internally, and customers can get faster and more convenient services externally.

(IV) Long-term and Short-term Development Plan

1. Short-term:

(1) Comprehensive revenue growth:

Fully transition to smart gas stations, and keep data in the clouds. Enhance the competitiveness of oil products, combined with one-stop shipping, warehousing, and logistics services for large corporate customers. Improve service quality to create higher gross profit.

(2) Implement information system management:

The Company introduced a new ERP system in 2023 and continues to introduce two major systems this year, namely, the oil management system for the oil business and the transport management system for the transportation business. With quantitative management indicators and non-landing data, the management team can grasp the most real-time operational performance and make the most effective decision policies, fully controlling the company's operating conditions.

(3) Creating a new cycle of benefits:

Spreads roots down to the end of the supply chain, focusing on the peripheral demands of suppliers starting with vehicles, such as vehicles, diesel, warranty, tires, financing, etc., to create extra economic benefits while in addition to strengthening collaboration ties.

(4) Activate assets:

Reduce heavy asset capital expenses, replace idle assets to save energy and lower maintenance costs, utilize resources effectively through systematic management, and optimize asset utilization efficiency.

(5) Personnel development and training:

Design training packages according to job functions and levels, establish individual learning trajectories and development plans, enhance employees' job skills, and cultivate a second specialty. Improve services for customers and increase per capita output value of employees. Finally, improve administration efficiency to reduce waste of manpower.

2. Long-term:

(1) In terms of oil products: The continual expansion of domestic business venues ensures the Company's leading position in the diesel market. In terms of transportation, the integration of shipping, warehousing, and logistics services enhances overall operating efficiency and steadily increases profits.

(2) Streamlined and efficient operations, horizontal integration and reduction of supplier quantity, combined with the introduction of a new management system in each division, reduce excessive operating costs and redundant expenses, so that human resources can be used most efficiently to achieve the highest per capita output value.

(3) Sustainable operation and resource integration are employed to create circular benefits and address vehicle-related needs for suppliers, such as vehicles, diesel, warranty, tires, etc., which can all bring additional economic benefits and strengthen collaboration ties

(4) Activate and own assets, utilize and create the use value of idle assets and non-operating income, replace and newly purchased more effective equipment, and replace the rental cost of leased assets with the interest expense of purchased assets to achieve expense assetization.

(5) Informational real-time management: Based on hierarchical advanced data dashboards set up for each business unit, quantitative management indicators are established to provide real-time operational performance and various data for precise budget management, gaining comprehensive control of the company's operation.

II. Market and Sales Overview

(I) Market Analysis

1. The Company mainly provides transportation services such as in-island cargo containers, bulk, logistics and gas station services, all of these are domestic sales.
2. With liberal competition in the domestic oil market, price reduction and promotion, and the rise of the rental cost of gas stations, the gas-station business has entered into an era of low profits. The gas station operators have changed their marketing strategies, strengthened the alliance of different industries, and issued joint gas cards to create more revenue. At present, CPC still owns the highest shares in the domestic gas station industry. In terms of oil brands, the top ones are CPC and Formosa Petrochemical Corporation. Since the first Shan-Loong gas station was established in 1998, through continuous efforts, the Company has 77 gas stations now, which are located all over Taiwan. The oil distribution volume and market share are growing steadily. The inventory value loss due to falling oil price, originally caused by oil price fluctuation, is unaffordable to ordinary gas station channels. Because of the uncertainty, the Company has implemented inventory management to cope with positive & negative impacts from oil price fluctuations.

   The Company has engaged in transportation services for a long time. From the initial freight and container transportation to the current logistics warehousing and shipping customs declaration, the Company provides one-stop services of customs declaration, cargo handling, and transportation. The Company has obtained the ISO14001 certification, and the scope of certification includes automobile repair and gas station businesses in addition to the existing transportation and logistics businesses.
3. Competitive niches, favorable and unfavorable factors for future development, response measures

   (1) Award History

   a. The Company has strict self-requirements for quality, and has passed ISO 9001 International Quality Management System Verification, SQAS Road Transportation Safety and Quality Evaluation System Verification, ISO 14001 International Environmental Management System Verification, OHSAS18001 Occupational Safety and Health Evaluation System Verification and TTQS Training Quality Talent Development Quality Management System Appraisal for the 2018 Bronze Medal.
   b. The Winner of World Magazine's Top 2000 Survey 2018: 89th in the Service Industry
   c. In 2019, the Company passed the annual assessment of the Road Transportation Safety Quality Assessment System (SQAS) of the General Management Office of Formosa Plastics Co., Ltd. and won the seventh place in the warehousing and cargo industry of "Taiwan's Large Enterprise Ranking Top 5000".
   d. In 2020, the Company's Environmental Remediation Lab passed the Qualification Permit of the Environmental Inspection and Measurement Organization, and Shan-Loong Customs Declaration, the subsidiary, also won the recognition of Excellent Customs Declaration.
   e. 2021: Honored by the National Taxation Bureau with the Excellent Operator Award.

(2) Favorable factors

a. There are operation locations in north, central, and south of Taiwan, which provide customer service over a wide area, improve the vehicle availability, and create dual-effect travel.

b. Gas stations are located throughout the province, providing transportation oil for the same industry is also better for customer base development than other operators. By careful evaluation, the Company establishes operation locations on the basis of profit priority.

(3) Unfavorable Factors

The rise in the price of various raw materials, the increase in procurement and employment costs, as well as the increase in the cost of input equipment that should meet the standards of various environmental protection laws and regulations of the government. Moreover, due to the rising awareness of environmental protection and climate change issues, governments of various countries take reducing carbon emissions in the transportation sector as one of the important objectives, actively promote the development of electric vehicles, invest a lot of resources in building charging station equipment, and provide subsidies for the purchase of electric vehicles to replace fuel vehicles, all of which are unfavorable to the operation of gas stations.

(4) Response Measures

Looking forward to the future, more attentions will be paid to environmental protection. The Company will improve vehicle maintenance and replace the old with the new, introduce low pollution models, and set up a special unit of the environmental protection department to deal with the environmental protection business of the oil department, so as to comply with the provisions of relevant laws and regulations on environmental protection. In addition to price cuts and sales promotion, the gas stations also engage in diversified commodity sales and services, such as car washing service, charging (battery replacement) stations, etc.

(II) Important Uses of the Main Products and the Production Process

(1) Container transportation: the Company is specialized in import and export container transportation, from the terminal container yards to the customer factories, cooperate with the dispatching yard and hanging container operation in each district, integrate the transportation network all over the province and provide high-quality services.

(2) Bulk transportation: the Company is engaged in carrying raw materials and finished goods, including flat and dump trucks as well as dumping operations, providing professional services for in-island transportation.

(3) Dangerous goods transportation: the Company provides chemical tanks and various dangerous goods transportation services, and passed the SQAS European Transportation Safety and Quality Assessment Certification (Chemical Storage and Transportation).

(4) Oil transportation: the Company has built new oil tank trucks to carry the transportation For CPC Oil and Formosa Plastic Oil, expanding the new business.

(5) Sales of automobiles: Sales of DAF Vehicles.

(6) Automobile repair and inspection: Auto repair plants are established in northern, central and southern Taiwan, and inspection services are launched, too.

In addition, each of Shan-Loong’s automobiles is equipped with advanced equipment such as GPS, image recording DVRs, etc., which provides multiple protection to achieve missions for customers.

(7) The gas station business: Shan-Loong has set up direct-operated gas stations on all major transportation routes and nearby densely populated areas to provide consumers with high-quality oil products and services. The Company focuses on “pure, adequate, satisfactory, and safe” oil services for customers.

(III) Supply of Primary Raw Materials

The Company's oil products are mainly for gas station operations. The oil products are from two major domestic suppliers, CPC and Formosa Plastics, both of which have signed supply contracts. The supplies are in good condition.

(IV) List of customers who accounted for more than 10% of total sales in the last two years

1. Information of major suppliers in the most recent two fiscal years

Unit: NT$1,000

	2022				2023			
Item	Name	Amount	Percentage in annual net purchase %	Relationship with the Issuer	Name	Amount	Percentage in annual net purchase %	Relationship with the Issuer
1	CPC	10,023,928	75.07	None	CPC	9,451,153	75.41	None
2	Formosa Petrochemical	3,328,912	24.93	None	Formosa Petrochemical	3,081,970	24.59	None
	Net purchase	13,352,840	100.00		Net purchase	12,533,123	100.00	

2. The major customers in the most recent two fiscal years Unit: NT$1,000

	2022				2023			
Item	Name	Amount	Percentage in total net sales %	Relationship with the Issuer	Name	Amount	Percentage in total net sales %	Relationship with the Issuer
1	Cheng Loong and its subsidiaries, etc.	1,908,046	10.30	The company is a legal entity director of the Company	Cheng Loong and its subsidiaries, etc.	1,867,857	11.53	The company is a legal entity director of the Company
2	Others	16,610,717	89.70	-	Others	14,329,761	88.47	-
	Net sales	18,518,763	100.00		Net sales	16,197,618	100.00	

3. The reasons for the increase or decrease: None

(V) Production value table of the last two years: N/A. The company is specialized in transportation and oil service.

(VI) The Company's sales business as follows

1. The Company’s transportation business: N/A.
2. The Company’s oil products business is as follows.

Unit: KL: NT $1,000

Year / Production amount / Major products	2022				2023			
	Domestic		Overseas		Domestic		Overseas	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Premium Diesel	374,528	9,292,807	-	-	353,565	8,776,457	-	-
Unleaded Gasoline 92	32,373	873,723	-	-	30,706	824,172	-	-

Unleaded Gasoline 95	113,343	3,204,963	-	-	106,110	2,996,720	-	-
Unleaded Gasoline 98	9,018	270,801	-	-	8,373	251,727	-	-
Secondary Products	-	12,069	-	-	-	69,374	-	-
Total	529,262	13,654,363	-	-	498,754	12,918,448	-	-

III. Employee Profile

Number of Employees, Average Years of Services, Average Age and Employee Academic Background in the Previous Two Years Before the Publication of the Annual Report

Year		**2022**	**2023**	**Current year as of 2024.03.31**
Number of employees	Management staff	80	82	69
	Administrative Staff	472	421	370
	Field Staff	1,022	1,022	924
	Total	1,574	1,525	1,363
Average Age		34.62	37.23	37.3
Average year of services		6.05	6.12	6.41
% Education	PhD	-	-	-
	Master	1.21%	1.05%	0.78%
	University	40.24%	51.54%	51.10%
	High school	43.36%	35.67%	36.14%
	Below high school	15.19%	11.74%	11.97%

IV. Environmental Protection Expenditures

(I) Losses in recent years due to environmental protection: None

(II) Response Measures

The Company's security department and environmental protection department are responsible for dealing with the requirements of various environmental protection laws and regulations. The fuel dispenser is equipped with an oil and gas recovery system to reduce the oil and gas at the gas station as well as reduce the concentration of harmful substances. The company regularly monitors the soil gas of the gas stations and the liquid tightness of the oil basin of the fuel dispenser and sets up sewage treatment and recovery equipment for the car washing machine, which can effectively prevent the pollution of air, soil and water.

The tractors used by the transportation department and logistics department are inspected by the environmental protection unit and the road supervision unit at the time of purchase and can be licensed for operation only after the exhaust emission meeting the specified standards. All transportation equipment of the company shall be maintained regularly. When the driver finds any abnormal, it shall be immediately handed over to the maintenance unit for complete repair. After the inspection and meets the specified standards, it can be handed over to the dispatching department for operation. Looking forward to the future, great importance is attached to environmental protection. The Company will strengthen automobile repair and replace old vehicles with new ones, and introduce low-pollution vehicles to comply with the relevant laws and regulations on environmental protection.

The Company has passed the ISO 14001 International Environmental Management System Certification and the OHSAS18001 Occupational Health and Safety Assessment System Certification. In response to global climate change, it has developed climate change adaptation strategies to reduce and manage GHG emissions. The Company is committed to generational justice, environmental justice, and just transition, fulfilling the shared responsibility of protecting the global environment, and ensuring sustainable national development.

V. Protective Measures for Working Environment and Personal Safety of Employees

The Company is committed to providing a safe and healthy working environment for its employees, and has established the Department of Safety and Security to promote the integration of various businesses. It has obtained the ISO45001 certification, and has used various items to ensure a hyenic and safe working environment for employees. It also regularly inspects related equipment to prevent occupational hazards.

In order to ensure the safety and health of employees, the Company has established a set of safety and health rules at work, in accordance with the quality policy of “safe, economical, quick, and responsible” and the safety and health policy of “full participation of employees, safety first, and disaster zeroing.” We continuously promote safety and health management activities, create a good working environment, and provide employees with a safe, comfortable, and healthy working environment.

The Company has established relevant regulations and measures and has consistently implemented them to ensure the safety of employees and maintain a good working environment.

1. The Company has established safety and health policy management procedures.
2. The Company has established the implementation measures for staff safety and health education and training.
3. The Company has established the management procedures for employee health protection.
4. The Company has established the management methods for maternity health protection of female employees.
5. The Company has established the methods for the investigation and handling of occupational hazards and accidents.
6. The Company strictly controls the entry and exit of personnel, and has a monitoring system and gated facilities to ensure the personal safety of employees.
7. The Company conducts an annual medical examination, providing hygiene education information, personal health guidance, and follow-up check-ups.

VI. Labor Relations

(I) The Company's employee benefits for studying, training, pension systems and its implementation status as well as labor agreements and measures for preserving employee rights and interests.

1. Employee Benefits Measures and Implementation Situation

   The Company attaches considerable importance to the welfare of its employees, and has established an employee welfare committee in accordance with the regulations. The variety of welfare measures for employees include meal provisions, wedding ceremonies, funeral services, birthday celebrations, travel and recreation, and accident and disaster relief, as well as medical assistance for employees' families. There are also measures such as recognition events for outstanding employees, maternity congratulations, disability compensation for work-related injuries, labor insurance, winter and summer uniforms, and scholarships for employee's children. On January 1, 2018, the Measures for Enforcing the Employee Benefits was amended to increase the amount of employee benefits, such as wedding celebration funds for employees or their children, birth celebration funds, and funeral reliefs.

2. Employee development, training and implementation

   The Company has a vocational training team, which is responsible for arranging the Company's education and training plan and promoting the digital learning system. Regardless of the new personnel, administrators, operators and supervisors, they participate in further training on schedule.

3. Retirement system and implementation

   The Company's pension plan is handled in accordance with the relevant provisions of the Labor Standards Act. The Company makes defined contributions to its pension fund account at the Bank of Taiwan that provides pensions for employees upon retirement. Actuaries are also appointed every year to perform actuarial pension calculation.

   The new system of retirement was implemented since July 1, 2005. Under the new system, the Company allocates at least 6% of each employee's (who select the new system) monthly wages to the labor pension personal account.

4. Situation of Labor and Management Relations

   All rules and regulations regarding labor and management of the Company are in accordance with the Labor Standard Act. Various meetings are held to pay attention to employees' opinions, stabilize employees' lives and establish relatively harmonious labor and management relations through the welfare system.

5. Measures to safeguard the rights and interests of employees

   The Company passed the OHSAS18001 Occupational Safety and Health Assessment System verification in 2006.

   The Company has well-established management rules that specify the rights and obligations of colleagues and the items of benefits, and the specialized personnel unit regularly reviews and revises the benefits in order to safeguard the rights and interests of all employees.

(II) The Company’s employee education and training planning and implementation for 2023

The employee education and training planning and implementation for 2023: Even under external uncertainty, we still adhere to the design of employee training according to the Company’s annual goals. We prioritize safety and regulatory implementation courses as the primary training items, specifically including:

1. Professional driver on-the-job education:

   Invite instructors from all district supervision offices and fire associations to organize driving safety and defense driving courses as well as fire drills. These trainings not only prepare for SQAS certification but also adopt innovative methods such as using LINE groups to share fleet driving regulations and risk management of professional knowledge, to support the establishment of a big data traffic control center.

2. The training quality management manual:

   The Company’s Training Quality Management Manual is established upon the requirements of TTQS indicators and acts as the highest guiding principle for implementing education and training to ensure smooth operation of the Company’s training quality management system. Every year, the Company regularly submits reports to its Education and Training Planning Committee for reviews and amendments.

3. Training for new management and operating personnel:

   According to organizational and system updates, the training and improvement of new management personnel and webmasters are continuously carried out.

4. Training for emergency response to laws in terms of the transport of toxic substances:

   When it comes to designing training courses, the Company has developed training for emergency response to laws in terms of the transport of toxic substances. The course aims at enhancing employees’ understanding of relevant regulations and response measures and boosting their ability to handle emergencies, so as to ensure safety and effectiveness during the transport process.

5. Training on security regulations and license acquisition:

   Assist the training on security regulations and license acquisition to meet ISO and AEO core certification requirements. In addition to obtaining 333 valid licenses, the Company has obtained certifications in professional financial accounting, auditing, and PMP to enhance competitiveness. Assist the training on security regulations and license acquisition to meet ISO and AEO core certification requirements.

In conclusion, in year 2023, we planned and executed employee education and training in accordance with the PDDRO process. Despite challenges and uncertainties from the external environment, the operation of new systems, and personnel changes, we still strove to provide high-quality training to facilitate the fulfillment of organizational goals. In these training activities, we invested a total of NT$908,050 in training expenses, trained 838 personnel, with a total of 2,948 hours. These trainings not only help to improve individual skill levels, but also contribute to the achievement of the goals for each unit of the year. We will continue to provide more high-quality training and opportunities for employees to continually enhance their overall competitiveness in the organization.

Statistics of the Company's Employee Education and Training for Year 2023

Functional Category	Target	Course	Total	Total hours	Total Fee
Operational management function	Senior and middle-level supervisors	1	5	30	39,200
Core Professional Functions	Intermediate, Grassroots Colleagues	1	5	30	30,600
Grass-roots management functions	Mid-level, grass-roots management colleagues	2	2	24	16,000
Functions by Assignment	Grassroots, management colleagues	50	178	912	212,590
Regulatory Certificate Functions	Grassroots, Drivers, Gas Workers	73	143	1,952	609,660
Digital Learning Functions	Intermediate, Grassroots Colleagues	0	0	0	0
Total		127	333	2,948	908,050

(III) The loss caused by labor and management disputes (including labor inspection results in violation of the labor standards, the date of disciplinary action, disciplinary action number, disciplinary action in violation of laws and regulations, content of violation of laws and regulations, content of disciplinary action), during the latest year and up to the printing date of this annual report. The Company shall also disclose the estimated amount of current and future events and the measures to be taken, and if it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated.

Date of Punishment	Number of Punishment	Violation of the Provisions of the Law	Violation of the Content of the Law	Content of the Punishment
2023.04.14	2023 Fu-Lao-Dong-Zi No. 1123412578	Articles 24 and 32 (2) of the Labor Standards Act	The employer did not pay for extended working hours according to regulations. The employer extended the workers' working hours beyond statutory regulations.	Penalty of NT $200,000
2023.05.12	Fu-Lao-Zi-Zi No. 1120113103	Article 32 (2) of the Labor Standards Act	The extended working hours, along with regular working hours, exceed twelve hours a day. The extended working hours exceed forty-six hours a month.	Penalty of NT $20,000
2023.05.17	Government Labour Law No. 1120066898	Article 32 (2) of the Labor Standards Act; Article 34 (2) of the Labor Standards Act	The extended working hours exceed the maximum hours of overtime, and the shift hours did not meet the minimum of 11 consecutive hours of rest.	Penalty of NT $100,000
2023.06.16	Fu-Lao-Zi-Zi No. 1120140660	Article 32 (2) of the Labor Standards Act	The extended working hours, along with regular working hours, exceed twelve hours a day. The extended working hours exceed forty-six hours a month.	Penalty of NT $20,000

2023.12.06	Fu-She-Lao-Zi No. 1120241655	Article 24 (2) of the Labor Standards Act	Failure to pay overtime for working on rest days in accordance with regulations.	Penalty of NT $20,000
2023.12.19	Government Labour Law No. 1120194218	Articles 24 and 30 (6) of the Labor Standards Act	The Company extended working hours without paying extra wages according to regulations, and attendance records were not made to the minute as required by regulations.	Penalty of NT $70,000
2023.12.26	GA Labor No. 1120380784	Articles 24 and 32 (2) of the Labor Standards Act	The Company did not pay overtime wages according to the laws and the extended working hours exceeded the maximum hours of overtime.	Penalty of NT $100,000

Response Measures

1. Shan-Loong has always pay attention to the welfare and interests of employees and actively promoted the relationship between labor and management. It has indeed established working rules and various management regulations in accordance with the Labor Standard Act and relevant laws and regulations. So far, the maintenance of employee rights and interests are good. It is expected that the two parties will continue to maintain their labor relations with good communication and interaction.
2. The Company has a HR department specializing in labor standard matters, and the estimated amount that may occur in the future is 0.

VII. Information Security Management

(I) Information security management strategy and structure:

1. Information Technology Security Risk Management Framework

(1) The information security authority of the Company shall be the information office, including one information director and one information supervisor, along with a number of information professionals. They are responsible for formulating internal information security policy, planning and implementing information security operations, and promoting and implementing information security policy. The implementation status of the Company’s information security governance is regularly reported to the chairman meeting after being summarized by the highest executive in enterprise information. The most recent report date was December 22, 2024.

(2) The audit room of the Company is the supervision unit for information security supervision. The top supervisor of the audit room is an observer who holds quarterly meetings to review and resolve information security and information protection policies and policies, and implement the effectiveness of information security management measures to reduce internal information security risks.

(3) Organizational operating model - Adopt PDCA (Plan-Do-Check-Act) cycle management to ensure that reliability goals are achieved and continuously improved.

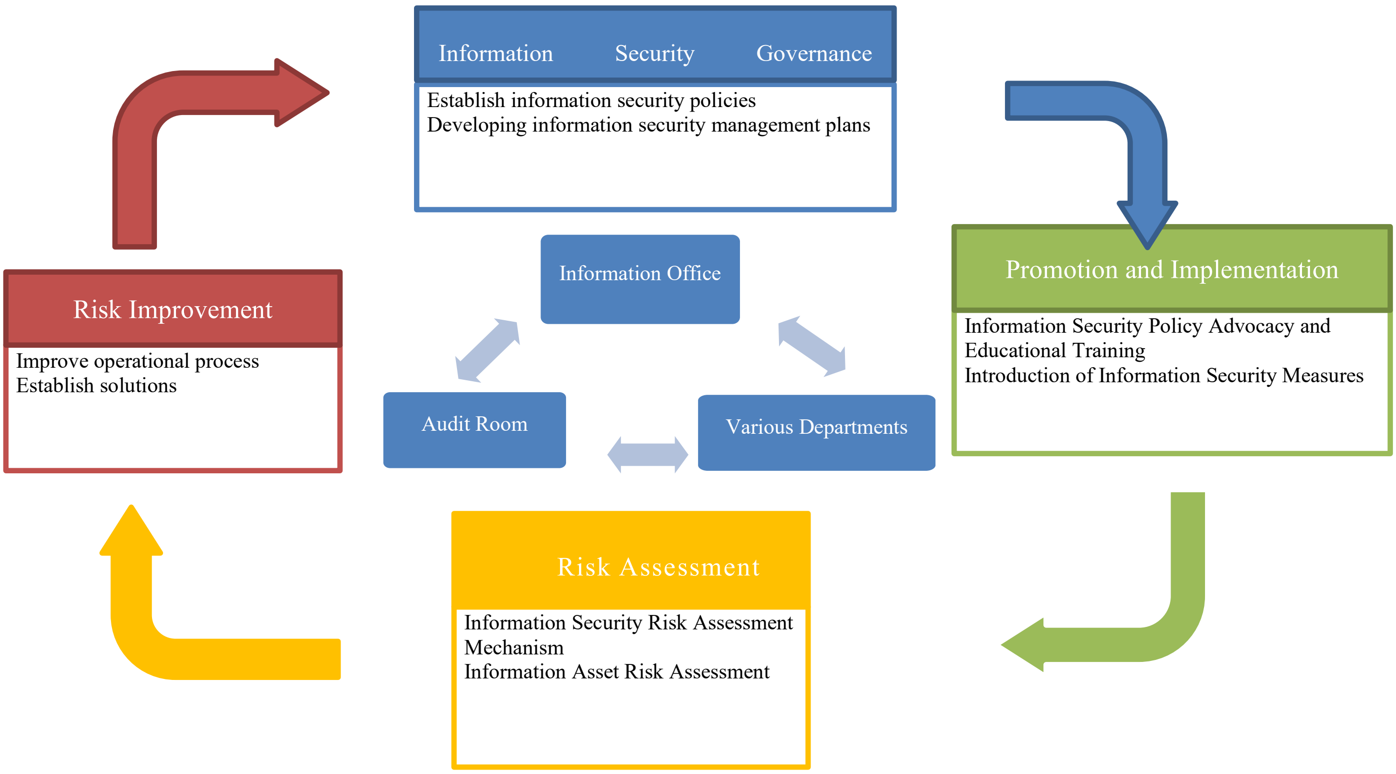
2. Information Security Policy and Specific Management Proposals

(1) The Company's information security management mechanism examines the applicability and protection measures of information security policies in accordance with the management cycle mechanism of Plan-Do-Check-Act (PDCA). Its policies include the following three aspects:

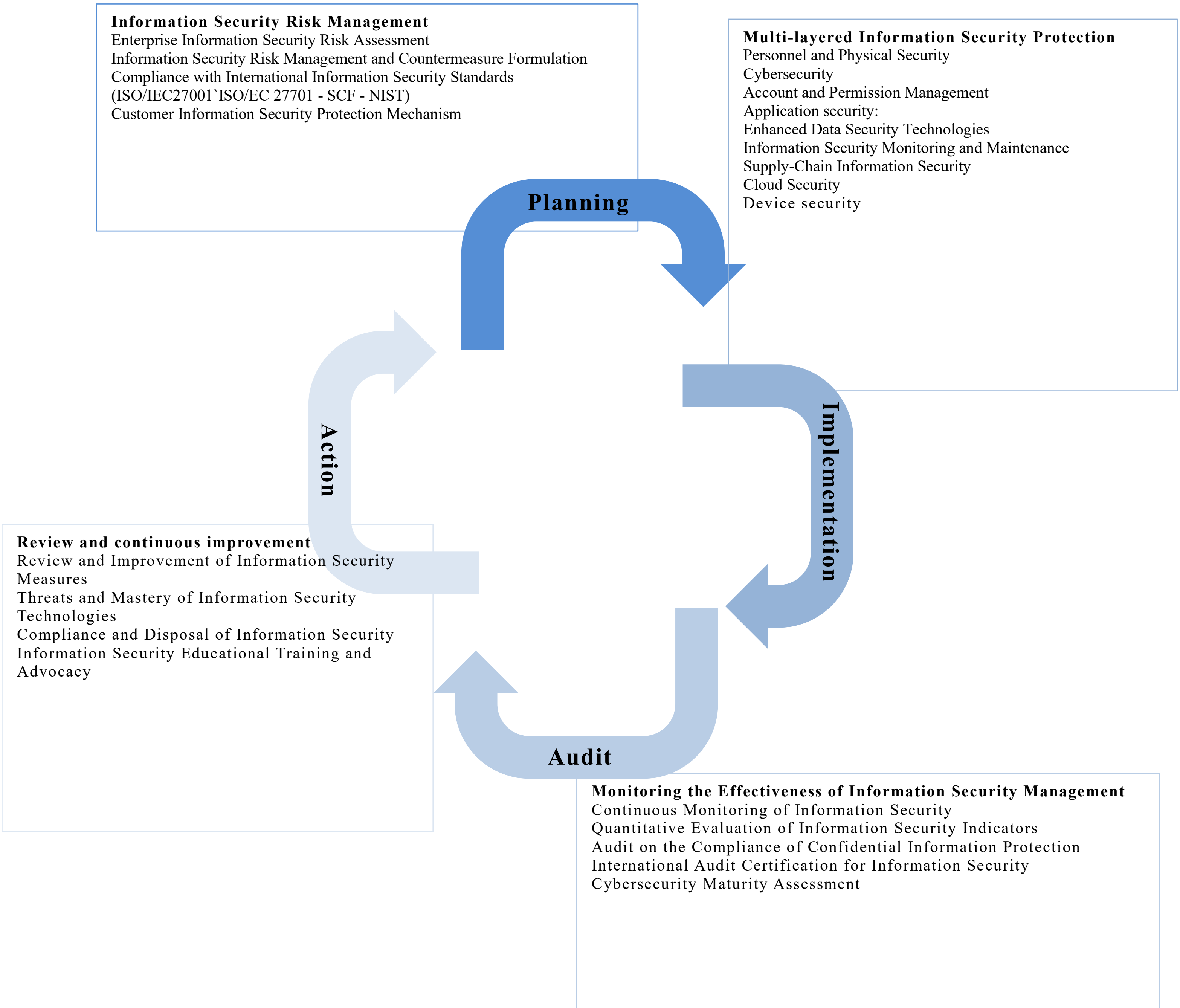
a. System specifications: formulate the company's information security management system to regulate the work behavior of personnel.

b. Science and technology application: the construction of information security management equipment, the implementation of information security management measures.

c. Personnel training: Conduct information security education and training to enhance the awareness of all colleagues.



(2) Enterprise Information Security Management Policy and Structure



(3) Specific management plan

a. Cybersecurity:

(a) Import advanced technology to perform computer scanning and system and software updates.

(b) Strengthen the network firewall and network control to prevent the spread of computer viruses across the desktop and across regions. o Device security:

b. Device security:

(a) Establish an anti-virus mechanism to prevent computers containing malware from entering the company.

(b) Establish endpoint antivirus measures by computer type to enhance malware behavior detection.

c. Application Security:

(a) Develop a development process application security checklist, assessment criteria, and improvement objectives

(b) Continuously strengthen application security controls and integrate them into development processes and platforms.

d. Enhanced Data Security Technologies:

(a) Use advanced data protection tools to strengthen document confidentiality classification and data protection with data labels.

(b) Document and data encryption controls and effective tracking.

(c) Outgoing mail control.

e. Educational Training and Advocacy:

(a) Enhance employees' awareness of email social engineering attacks and perform phishing email defense detection.

(b) Organize employee recognition exercises to improve employees' awareness of safety.

f. Cybersecurity Attack Simulation Exercise:

(a) Entrust an external professional vendor to run the company's cyberattack simulation drill.

(b) Integrate objective results and threat intelligence of third-party verification, conduct risk analysis, and review and enhance.

(4) Investing in security management resources

In response to the post-pandemic era and to further generate new forms of business office models, the overall planning for three major aspects, computer room safety, account and access management, and device security is carried out as follows:

a. Computer room safety: a new generation of computer room, strengthen the integration of fire protection and environmental control system, the use of integrated environmental control system characteristics, the power, air conditioning, temperature and fire integration in it, to effectively monitor the condition of the computer room.

b. Account and access management: Build a single sign-on (SSO) authentication solution, authenticate system accounts through one-time user authentication, log into multiple application systems or websites with access management policies, and use multi-factor authentication (MFA) to enhance the security of use.

c. Device security: Set up Endpoint Security software to conduct antivirus monitoring and intercept threats for all types of hosts, carry out application activity monitoring, network monitoring, assess the overall system health, and report detection and status information, in order to protect the hosts from intrusions and provide protection.

In addition, in order to reduce system vulnerabilities, the company also scans for vulnerabilities on important hosts to fix high- and medium-risk vulnerabilities to keep hackers from entering the system through the loopholes. At the same time, an automatic backup and backup mechanism is established for the important host system and data to ensure that personnel can restore the operation of the system smoothly in the event of a disaster.

(II) Communications Security Risks and Response Measures:

The Company has established comprehensive network and computer-related security measures, but cannot guarantee that its computer systems that control or maintain important corporate functions such as company operations and accounting can completely avoid cyberattacks from any third-party paralysis systems. These cyberattacks illegally hack into a company’s internal network system, carrying out activities such as disrupting the company’s operations and damaging the company’s reputation. In the event of a serious cyberattack, the company may lose important data, and some operations may be shut down. The Company reviews and evaluates its information security regulations and procedures on an ongoing basis to ensure their appropriateness and effectiveness, but does not guarantee that the Company will not be affected by the introduction of new risks and attacks in the face of rapidly changing information security threats. Cyberattacks may also attempt to steal trade secrets and other confidential information, such as proprietary information of customers or other stakeholders, as well as personal information of company employees.

Malicious hackers can also attempt to import computer viruses, destructive software, or ransomware into a company’s network system to disrupt the company’s operations, blackmail or extort the company, gain control of its computer system, or snoop on confidential information. These attacks may result in the company’s liability to compensate customers for losses incurred as a result of delays or disruptions to orders; or to implement remediation and improvement measures at substantial expense to strengthen the company’s cybersecurity systems; or may result in the company incurring significant legal liability in connection with legal cases or regulatory investigations resulting from the disclosure of confidential information of company employees, customers, or third parties.

In addition, the Company needs to share sensitive information with some of the third-party vendors it employs to provide the Company's services in order to enable it to provide the relevant services. Although the Company requires third-party service providers to comply with confidentiality and/or cybersecurity requirements in their service contracts, it cannot guarantee that each third-party service provider will strictly abide by these obligations. Internal network systems and external cloud computing networks (such as servers) maintained by the above-mentioned service providers and/or their contractors are also at risk of cyberattacks. Failure by the Company or its service providers to resolve the technical issues arising from these cyberattacks in a timely manner, or to ensure the data integrity and availability of the Company (and its customers or other third parties), or to control the computer systems of the Company or its service providers, may seriously undermine the Company's commitment to its customers and other stakeholders, and the Company's operating results, financial condition, prospects and reputation may also be materially and adversely affected.

(III) Major information security incidents:

The Company has no major information security incidents, but in the relevant information security reports, it is found that some users' computers are infected by computer viruses or that these users clicked on unsafe links. The endpoint protection software blocked or deleted these threats as soon as such an incident takes place, and therefore no losses were incurred. From now on, the Company will continue to strengthen its firewall and network control to prevent the spread of computer viruses across hosts and regions. Furthermore, relevant procedures to enhance the use of information technology for data protection are also underway. The Company has allocated appropriate additional budgets to enhance information technology security, but there is still no guarantee that the Company will be entirely protected from malware attacks.

VIII. Important Contract

Type of Contract	Party	Contract Duration	Main content	Restrictions
Oil Contract	CPC Oil	2021.08.01~2028.07.31	Automobile Gas Station Supply Alliance Contract	None
Oil Contract	Formosa Plastics	2021.08.01~2028.07.31	Purchase and Sales Contract of Oil Products for Gas Station	None

Chapter 6. Financial Summary

I. Five-Year Financial Summary

(I) Condensed Balance Sheet and Comprehensive Income Statement

Abbreviated Balance Sheets

In Thousands of New Taiwan Dollars

Item \ Year		Financial information in the most recent five years					Financial information as of the end of the current year ended March31 (Note 1)
		2019	2020	2021	2022	2023	
Current Assets		2,408,667	2,288,526	2,867,370	2,735,694	3,637,256	N/A
Property, plant, and equipment		3,498,819	3,725,365	3,609,511	3,710,240	3,755,114	
Intangible assets		-	-	-	-	161,863	
Other assets		3,030,250	4,029,108	3,876,316	3,341,741	3,398,963	
Total asset value		8,937,736	10,042,999	10,353,197	9,787,675	10,953,196	
Current liabilities	Before distribution	2,398,301	2,356,421	3,494,290	2,333,463	3,249,105	
	After distribution	2,645,408	2,658,441	3,837,495	2,113,812	Note 2	
Non-current liabilities		2,337,928	2,410,834	1,402,124	2,438,939	2,619,756	
Total liabilities	Before distribution	4,736,229	4,767,255	4,896,414	4,772,402	5,868,861	
	After distribution	4,983,336	5,069,275	5,239,619	4,552,751	Note 2	
Equity attributable to shareholders of the parent company		4,021,250	5,086,188	5,256,110	4,821,097	4,886,457	
Capital stock		1,372,818	1,372,818	1,372,818	1,372,818	1,372,818	
Capital surplus		577,945	580,381	583,359	586,742	588,908	
Retained earnings	Before distribution	1,676,640	1,790,142	1,944,149	1,902,158	1,741,067	
	After distribution	1,429,533	1,488,122	1,600,944	1,682,507	Note 2	
Other equity interest		425,710	1,374,710	1,387,647	991,242	1,215,527	
Treasury stock		(31,863)	(31,863)	(31,863)	(31,863)	(31,863)	
Non-controlling Interests		180,257	189,556	200,673	194,176	194,878	
Total equity	Before distribution	4,201,507	5,275,744	5,456,783	5,015,273	5,084,335	
	After distribution	3,954,400	4,973,724	5,113,578	4,795,622	Note 2	

Note 1: As of the printing date of the annual report, it has not been approved by the board of directors and audited by CPAs, and hence not applicable.

Note 2: The FY23 annual profit distribution case was approved by the board of directors on March 14, 2024, but has not yet been resolved by the shareholders' meeting.

Abbreviated Consolidated Income Statement

In Thousands of New Taiwan Dollars

Item \ Year	Financial information in the most recent five years					As of the end of the current year ended March31 Financial Information (Note)
	2019	2020	2021	2022	2023	
Operating revenue	18,012,657	15,955,500	18,812,163	18,518,763	16,423,894	N/A
Gross profit	1,480,489	1,743,676	1,785,757	1,419,897	1,218,950	
Operating profit (loss)	173,547	387,149	375,611	109,977	(35,697)	
Non-operating revenue and expenses	281,577	75,992	138,456	236,346	123,686	
Net income before tax	455,124	463,141	514,067	346,323	87,989	
Net income from continuing operations	347,900	379,889	424,560	297,659	82,656	
Loss from discontinued operations	-	-	-	-	-	
Net profit for the period	347,900	379,889	424,560	297,659	82,656	
Other Comprehensive Income	(13,119)	939,019	55,521	(378,214)	219,512	
Total comprehensive income for the period	334,781	1,318,908	480,081	(80,555)	302,168	
Net income attributable to shareholders of the parent company	290,953	371,334	415,507	288,996	65,250	
Net income attributable to non-controlling interests	56,947	8,555	9,053	8,663	17,406	
Total comprehensive income attributable to owners of the parent	284,348	1,309,609	468,964	(95,191)	289,212	
Total comprehensive income attributable to non-controlling interests	50,433	9,299	11,117	14,636	12,956	
Earnings per Share	2.14	2.73	3.06	2.13	0.48	

Note：As of the printing date of the annual report, it has not been approved by the board of directors and audited by CPAs, and hence not applicable.

Abbreviated Balance Sheet for Parent Company Only

Unit: In thousands of New Taiwan Dollars

Item \ Year		Financial information in the most recent five years					Financial information as of the end of the current year ended March31
		2019	2020	2021	2022	2023	
Current Assets		1,586,592	1,329,513	1,564,227	1,413,837	2,230,950	N/A
Property, plant, and equipment		3,476,428	3,706,229	3,577,741	3,603,153	3,657,578	
Intangible assets		-	-	-	-	161,863	
Other assets		3,497,550	4,590,309	4,652,061	4,294,238	4,503,396	
Total asset value		8,560,570	9,626,048	9,794,029	9,311,228	10,553,787	
Current liabilities	Before distribution	2,236,706	2,195,190	3,202,657	2,097,459	3,094,658	
	After distribution	2,483,813	2,497,210	3,545,862	1,877,808	Note	
Non-current liabilities		885,831	2,302,614	2,344,670	1,335,262	2,572,672	
Total liabilities	Before distribution	4,539,320	4,539,860	4,537,919	4,490,131	5,667,330	
	After distribution	4,786,427	4,841,880	4,881,124	4,270,480	Note	
Total equity		4,021,250	5,086,188	5,256,110	4,821,097	4,886,457	
Capital stock		1,372,818	1,372,818	1,372,818	1,372,818	1,372,818	
Capital surplus		577,945	580,381	583,359	586,742	588,908	
Retained earnings	Before distribution	1,676,640	1,790,142	1,944,149	1,902,158	1,741,067	
	After distribution	1,429,533	1,488,122	1,600,944	1,682,507	Note	
Other equity interest		425,710	1,374,710	1,387,647	991,242	1,215,527	
Treasury stock		(31,863)	(31,863)	(31,863)	(31,863)	(31,863)	
Total equity	Before distribution	4,021,250	5,086,188	5,256,110	4,821,097	4,886,457	
	After distribution	3,774,143	4,784,168	4,912,905	4,601,446	Note	

Note: The 2023 annual profit distribution case was approved by the board of directors on March 14, 2024, but has not yet been resolved by the shareholders' meeting.

Individual Condensed Statement of Comprehensive Income

Unit: In thousands of New Taiwan Dollars

Year / Item	Financial information in the most recent five years					Financial information as of the end of the current year ended March31
	2019	2020	2021	2022	2023	
Operating revenue	16,981,871	15,076,884	17,237,755	17,057,153	15,574,738	N/A
Gross profit	1,426,004	1,661,456	1,664,787	1,363,023	1,136,143	
Operating profit (loss)	151,100	325,986	292,996	58,932	(119,576)	
Non-operating revenue and expenses	198,903	111,920	190,003	263,540	172,970	
Net income before tax	350,003	437,906	482,999	322,472	53,394	
Net income from continuing operations	290,953	371,334	415,507	288,996	65,250	
Loss from discontinued operations	-	-	-	-	-	
Net profit for the period	290,953	371,334	415,507	288,996	65,250	
Other Comprehensive Income	(6,605)	938,275	53,457	(384,187)	223,962	
Total comprehensive income for the period	284,348	1,309,609	468,964	(95,191)	289,212	
Net income attributable to shareholders of the parent company	N/A	N/A	N/A	N/A	N/A	
Net income attributable to non-controlling interests	N/A	N/A	N/A	N/A	N/A	
Total comprehensive income attributable to owners of the parent	N/A	N/A	N/A	N/A	N/A	
Total comprehensive income attributable to non-controlling interests	N/A	N/A	N/A	N/A	N/A	
Earnings per Share	2.14	2.73	3.06	2.13	0.48	

(II) Names of auditing CPAs of the most recent five years and their audit opinions

Item	2019	2020	2021	2022	2023
Certifying CPAs:	Lo, Jui-Lan	Lo, Jui-Lan	Lo, Jui-Lan	Samuel, Au Yiu Kwan	Samuel, Au Yiu Kwan
	Wang, I-WEN	Samuel, Au Yiu Kwan	Samuel, Au Yiu Kwan	Yu-Ting Hsin	Yu-Ting Hsin
Review Comments	An Unmodified Opinion with a Paragraph of Other Stressed Matters	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

II. Financial analysis in the most recent five years

(I) Financial analysis of Shan-Loong Company and its subsidiaries

Item	Year	Financial information in the most recent five years					As of the end of the current year ended March31 Financial Information (Note)
		2019	2020	2021	2022	2023	
Financial structure	Ratio of liabilities to assets	53	47	47	49	54	N/A
	Ratio of long-term capital to property, plant, and equipment	187	206	190	201	205	
Solvency	Current ratio	100	97	82	117	112	
	Quick ratio	89	87	74	100	99	
	Times interest earned ratio	15	15	18	10	3	
Operation performance	Receivables turnover (times)	19.13	18.03	20.69	20.88	19.19	
	Average days for cash receipts	19	20	18	17	19	
	Inventory turnover ratio (times)	79.05	50.15	58.62	51.13	43.37	
	Payables turnover ratio (times)	10.12	9.78	11.54	10.92	8	
	Average days for sale of goods	5	7	6	7	8	
	Property, plant and equipment turnover rate (times)	5.34	4.42	5.13	5.06	4.4	
	Total asset turnover ratio (times)	2.02	1.59	1.82	1.89	1.5	
Profitability	Return on assets (%)	5	4	4	3	1	
	Return on equity (%)	8	8	8	6	2	
	Ratio of income before tax to paid-in capital (%)	33	33	37	25	6	
	Net profit ratio (%)	2	2	2	2	1	
	Earnings per share (NT$)	2.14	2.73	3.06	2.13	0.48	
Cash flow	Cash flow ratio (%)	(2)	53	38	26	34	
	Cash flow adequacy ratio (%)	61	84	102	106	125	
	Cash re-investment ratio (%)	(5)	18	20	4	13	
Leverage	Degree of operating leverage	14.98	7.00	9.44	27.99	(59.69)	
	Degree of financial leverage (DFL)	1.22	1.09	1.09	1.51	0.41	

Please explain the reasons for the changes in the financial ratios in the last two years: (increase or decrease up to 20%)

1. Decrease in times interest earned ratio: This is mainly due to the reduction in operating revenue and the increase in interest expenses.
2. Decrease in payables turnover ratio (times): Mainly due to the current period of the balance sheet date coinciding with holidays and the industry conventions of the main supplier, payments are made on working days, hence the decrease in the turnover times of accounts payable.
3. Decrease in total asset turnover ratio (times) and return on assets (%): This is due to the reduction in marginal contribution during the current period, and the balance sheet date is a holiday. According to the industry convention with the main supplier, payments are made on working days, leading to an increase in cash balance.
4. A decrease in return on equity (%), the ratio of income before tax to paid-in capital (%), the net profit ratio (%), and earnings per share (NT$): This is due to the decrease in marginal contribution in the current period, leading to reduced profitability.
5. An increase in the cash flow ratio (%): This is due to the decrease in revenue in this period, and the balance sheet date falls on a holiday. According to the customary practice of the main supplier, payments are made on working days, hence the increase in the cash flow ratio.
6. An increase in the cash re-investment ratio: This is mainly due to the decrease in working capital in the current period.
7. A decrease in the degree of operating and financial leverage: This is due to the decrease in operating revenue in the current period and the reduction of marginal contribution benefits.

Note: As of the printing date of the annual report, it has not been approved by the board of directors and audited by CPAs, and hence not applicable.

(II) Financial analysis of Shan-Loong Company

Item		2019	2020	2021	2022	2023	As of the end of the current year ended March31 Financial Information (Note)
		Financial information in the most recent five years					
Financial structure	Ratio of liabilities to assets (%)	53	47	46	48	54	N/A
	Ratio of long-term capital to property, plant, and equipment (%)	182	200	184	200	204	
Solvency	Current ratio (%)	71	61	49	67	72	
	Quick Ratio (%)	59	50	41	53	63	
	Times interest earned ratio	12	15	17	10	2	
Operation performance	Receivables turnover (times)	22.39	20.95	23.40	24.71	23.78	
	Average days for cash receipts	16.30	17.42	15.60	14.77	15.35	
	Inventory turnover ratio (times)	100	69	78	72	71	
	Payables turnover ratio (times)	9.56	9.25	11	11	8	
	Average days for sale of goods	3.65	5.32	4.68	5.08	5.16	
	PP&E turnover ratio (times)	5.08	4.20	4.73	4.75	4.29	
	Total asset turnover ratio (times)	1.98	1.57	1.76	1.83	1.48	
Profitability	Return on assets (%)	4	4	5	3	1	
	Return on equity (%)	7	8	8	6	1	
	Ratio of income before tax to paid-in capital (%)	26	32	35	23	4	
	Net profit ratio (%)	2	2	2	2	0	
	Earnings per share (NT$)	2.14	2.73	3.06	2.13	0.48	
Cash flow	Cash flow ratio (%)	7	53	28	29	36	
	Cash flow adequacy ratio (%)	68	90	94	102	118	
	Cash re-investment ratio (%)	(1)	13	9	3	11	
Leverage	Degree of operating leverage	10.38	5.62	6.73	27.44	(11.33)	
	Degree of financial leverage (DFL)	1.26	1.11	1.12	2.61	0.7	

Please explain the reasons for the changes in the financial ratios in the last two years: (increase or decrease up to 20%)

1. Decrease in times interest earned ratio: This is mainly due to the decrease in operating revenue and increase in interest expenses.
2. Decrease in payables turnover ratio (times): Mainly due to the current period of the balance sheet date coinciding with holidays and the industry conventions of the main supplier, payments are made on working days, hence the decrease in the turnover times of accounts payable.
3. Decrease in Return on assets (%): It is due to the decrease in marginal contributions in this period, and the balance sheet date falls on a holiday. According to the industry practices of main supplier, payments are made on working days, resulting in an increase in cash balance.
4. A decrease in return on equity (%), the ratio of income before tax to paid-in capital (%), the net profit ratio (%), and earnings per share (NT$): This is due to the decrease in marginal contribution in the current period, leading to reduced profitability.

5. An increase in the cash flow ratio (%): This is due to the decrease in revenue in this period, and the balance sheet date falls on a holiday. According to the customary practice of the main supplier, payments are made on working days, hence the increase in the cash flow ratio.
6. An increase in the cash re-investment ratio: This is mainly due to the decrease in working capital in the current period.
7. A decrease in the degree of operating and financial leverage: This is due to the decrease in operating revenue in the current period and the reduction of marginal contribution benefits.

Note: The Company did not prepare the first quarter parent-company-only financial statement, and hence not applicable.

1. Financial structure
   (1) Liability to asset ratio = Total liabilities/total assets.
   (2) Long-term capital as a proportion of property, plant and equipment = (Total equity + Non-current liabilities) / Property, plant and equipment, net.
2. Solvency
   (1) Current ratio = Current assets/current liabilities
   (2) Quick ratio = (Current assets - inventory - prepaid expenditures)/Current liabilities.
   (3) Times interest earned ratio = Income before income tax and interest expenditure/interest expenditures for the period.
3. Operation performance
   (1) Receivables turnover rate (including notes receivable resulting from accounts receivable and business operations) = Net sales/average accounts receivable in various periods (including notes receivable resulting from accounts receivable and business operations).
   (2) Average collection days = 365/receivables turnover ratio.
   (3) Inventory turnover = Sales expense/average inventory value.
   (4) Payables turnover ratio (including notes payable resulting from accounts payable and business operations) = Cost of sales/average accounts payable in various periods (including notes payable resulting from accounts payable and business operations).
   (5) Average sales days = 365/inventory turnover ratio.
   (6) PP&E turnover ratio = Net sale/average PP&E value.
   (7) Total asset turnover ratio = Net sales/average total PP&E value.
4. Profitability
   (1) Return on assets = [Net profit after taxes + Interest expenses (1 - Tax rate)] / Average total asset value.
   (2) Return on equity = Net gain (loss) after tax/average equity value.
   (3) Net profit ratio = Net gain (loss) after tax/net sales.
   (4) Earnings per share = (Gain (loss) attributable to the shareholders of the parent company - dividend for preferred shares)/Weighted average of issued shares.

5. Cash flow

(1) Cash flow ratio = Net cash from business activities/current liabilities.

(2) Net cash flow adequacy ratio = Net cash flow for business activities for the last 5 years/(Capital expenses + Additional inventory sum + Cash dividend) for the past 5 fiscal years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross amount of property, plant and equipment + Long-term investments + Other non-current assets + Working capital).

6. Leverage

(1) Degree of operating leverage (DOL) = (Net sales - Variable operating costs and expenses)/Operating profit.

(2) Degree of Financial Leverage (DFL) = Operating profit/ (Operating profit - Interest expenditures).

III. Recent Year Audit Committee's Review Report

Shan-Loong Transportation Co., Ltd.
Audit Committee's Review Report

The board of directors prepared and reported the Company’s annual financial statements for FY23, including the business report, parent company only financial report, consolidated financial report, earnings distribution proposal, etc., which were reviewed together by the audit committee and found to be true. The parent company only financial report and the consolidated financial report have also been jointly verified by Samuel, Au Yiu Kwan and Yu-Ting Hsin, two certified public accountants of KPMG Taiwan. In accordance with the provisions of Paragraph 4, Article 14 of the Securities and Exchange Act and Article 219 of the Company Act, please examine together with the audit report.

Sincerely,

2024 Shan-Loong Transportation Co., Ltd. Annual Shareholders’ Meeting

Convener of the Audit Committee: Yao-Ming Huang

2024.03.14

IV. Financial Report of the Most Recent Year

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 sheet as of December 31, 2023 and January 1 and December 31, 2022 (restated), the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2023 and January 1 and December 31, 2022 (restated), 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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:

Revenue recognition

Please refer to note (4)(o) of the financial statements for the accounting policy of revenue recognition. Information regarding the revenue is shown in note (6)(p) of the financial statements.

Description of key audit matter:

The main activities of the Company include freight transportation, container trucking, 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 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 operations, or has 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 auditor’s 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 Standards on Auditing of 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.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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 these 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 Au, Yiu-Kwan and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 (restated) Amount	%	January 1, 2022 (restated) Amount	%
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 1,198,968	11	463,988	5	513,998	5
1170	Notes and accounts receivable, net (note (6)(c))	492,957	5	394,533	4	520,683	5
1180	Notes and accounts receivable due from related parties, net (notes (6)(c) and (7))	209,055	2	213,180	2	251,985	3
1476	Other current financial assets (notes (6)(d) and (7))	59,762	-	36,525	-	28,350	-
1300	Inventories, net (note (6)(e))	181,337	2	211,933	3	203,966	2
1479	Other current assets (note (7))	88,871	1	87,311	1	39,624	1
		2,230,950	21	1,407,470	15	1,558,606	16
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(b))	693,030	7	651,841	7	806,718	8
1550	Investments accounted for using the equity method, net (note (6)(f))	2,664,996	25	2,365,400	26	2,508,995	26
1600	Property, plant and equipment (notes (6)(g)、(7) and (8))	3,657,578	34	3,603,153	39	3,577,741	36
1755	Right-of-use assets (note (6)(h))	826,775	8	960,936	10	1,067,859	11
1780	Intangible assets	161,863	2	-	-	-	-
1840	Deferred income tax assets (note (6)(m))	43,529	-	32,090	-	36,360	-
1990	Other non-current assets (notes (7) and (8))	275,066	3	283,971	3	232,129	3
		8,322,837	79	7,897,391	85	8,229,802	84
	Total assets	$ 10,553,787	100	9,304,861	100	9,788,408	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 (restated) Amount	%	January 1, 2022 (restated) Amount	%
	Current liabilities:						
2150	Notes and accounts payable (note (7))	$ 2,156,421	21	1,400,014	15	1,449,850	15
2200	Other payables (note (7))	326,957	3	357,670	4	420,053	4
2230	Current income tax liabilities	2,271	-	-	-	32,647	-
2280	Current lease liabilities (notes (6)(k) and (7))	195,567	2	198,809	2	206,661	2
2130	Current contract liabilities (note (6)(p))	35,270	-	23,940	-	21,594	-
2250	Provisions	15,140	-	11,540	-	18,863	-
2399	Other current liabilities	13,032	-	5,486	-	5,338	-
2320	Long-term borrowings, current portion (note (6)(j))	350,000	3	100,000	1	1,047,651	11
		3,094,658	29	2,097,459	22	3,202,657	32
	Non-current liabilities:						
2540	Long-term borrowings (note (6)(j))	1,700,000	16	1,379,000	15	227,049	3
2570	Deferred income tax liabilities (note (6)(m))	154,992	2	127,048	1	105,780	1
2580	Non-current lease liabilities (notes (6)(k) and (7))	648,952	6	789,807	9	885,136	9
2640	Non-current net defined benefit liability (note (6)(l))	57,224	1	84,935	1	100,185	1
2645	Guarantee deposits received	11,504	-	11,882	-	17,112	-
		2,572,672	25	2,392,672	26	1,335,262	14
	Total liabilities	5,667,330	54	4,490,131	48	4,537,919	46
	Equity: (note (6)(n))						
3110	Ordinary share	1,372,818	13	1,372,818	15	1,372,818	14
3200	Capital surplus	588,908	6	586,742	6	583,359	6
3300	Retained earnings	1,741,067	16	1,895,791	20	1,938,528	20
3400	Other equity	1,215,527	11	991,242	11	1,387,647	14
3500	Treasury shares	(31,863)	-	(31,863)	-	(31,863)	-
	Total equity	4,886,457	46	4,814,730	52	5,250,489	54
	Total liabilities and equity	$ 10,553,787	100	9,304,861	100	9,788,408	100

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD.

Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022 (restated)	
		Amount	%	Amount	%
4000	**Operating revenue** (notes (6)(p) and (7))	$ 15,574,738	100	17,057,153	100
5000	**Operating costs** (notes (6)(e), (6)(l), (7) and (12))	14,438,595	93	15,694,876	92
5900	**Gross profit from operations**	1,136,143	7	1,362,277	8
	Operating expenses (notes (6)(l), (7) and (12)):				
6100	Selling expenses	548,369	3	547,573	3
6200	Administrative expenses	707,350	5	756,518	5
		1,255,719	8	1,304,091	8
6900	**Net operating (loss) income**	(119,576)	(1)	58,186	-
	Non-operating income and expenses:				
7010	Other income (note (7))	72,094	-	67,109	1
7020	Other gains and losses, net (note (6)(k))	504	-	(439)	-
7050	Finance costs (notes (6)(k) and (7))	(51,684)	-	(36,330)	-
7100	Interest income	5,092	-	2,111	-
7130	Dividend income	24,249	-	38,636	-
7210	Gains (losses) on disposals of property, plant and equipment (note (7))	13,486	-	6,360	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method (note (6)(f))	120,236	1	197,590	1
7590	Miscellaneous disbursements	(11,007)	-	(11,497)	-
		172,970	1	263,540	2
7900	**Profit before tax**	53,394	-	321,726	2
7950	**Less: Income tax (income) expenses** (note (6)(m))	(11,856)	-	33,476	-
8200	**Profit**	65,250	-	288,250	2
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(l))	(404)	-	15,272	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	41,189	-	(154,877)	(1)
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss (note (6)(f))	214,305	2	(244,570)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	26,373	-	5,820	-
		228,717	2	(389,995)	(2)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(5,945)	-	7,260	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(m))	(1,190)	-	1,452	-
		(4,755)	-	5,808	-
8300	**Other comprehensive income (loss)**	223,962	2	(384,187)	(2)
8500	**Total comprehensive income**	$ 289,212	2	(95,937)	-
	Earnings per share (note (6)(o))				
9750	**Basic earnings per share**	$	0.48		2.12
9850	**Diluted earnings per share**	$	0.48		2.11

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD.

Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

			Retained earnings			Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	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
Balance on January 1, 2022	$ 1,372,818	583,359	481,074	1,463,075	1,944,149	(21,937)	1,409,584	1,387,647	(31,863)	5,256,110
Effects of retrospective application and retrospective restatement	-	-	-	(5,621)	(5,621)	-	-	-	-	(5,621)
Balance on January 1, 2022 as restated	1,372,818	583,359	481,074	1,457,454	1,938,528	(21,937)	1,409,584	1,387,647	(31,863)	5,250,489
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	45,602	(45,602)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(343,205)	(343,205)	-	-	-	-	(343,205)
	-	-	45,602	(388,807)	(343,205)	-	-	-	-	(343,205)
Profit (loss) for the year ended December 31, 2022 (restated)	-	-	-	288,250	288,250	-	-	-	-	288,250
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	12,218	12,218	5,808	(402,213)	(396,405)	-	(384,187)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	300,468	300,468	5,808	(402,213)	(396,405)	-	(95,937)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	3,383	-	-	-	-	-	-	-	3,383
Balance on December 31, 2022 (restated)	1,372,818	586,742	526,676	1,369,115	1,895,791	(16,129)	1,007,371	991,242	(31,863)	4,814,730
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	30,121	(30,121)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(219,651)	(219,651)	-	-	-	-	(219,651)
	-	-	30,121	(249,772)	(219,651)	-	-	-	-	(219,651)
Profit (loss) for the year ended December 31, 2023	-	-	-	65,250	65,250	-	-	-	-	65,250
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(323)	(323)	(4,755)	229,040	224,285	-	223,962
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	64,927	64,927	(4,755)	229,040	224,285	-	289,212
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	2,166	-	-	-	-	-	-	-	2,166
Balance on December 31, 2023	$ 1,372,818	588,908	556,797	1,184,270	1,741,067	(20,884)	1,236,411	1,215,527	(31,863)	4,886,457

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD.

Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	2023	2022 (restated)
Cash flows from (used in) operating activities:		
Profit before tax	$ 53,394	321,726
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	444,879	470,777
Amortization expense	10,368	-
Interest expense	51,684	36,330
Interest income	(5,092)	(2,111)
Dividend income	(24,249)	(38,636)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(120,236)	(197,590)
Loss (gain) on disposal of property, plant and equipment and others	(13,486)	(6,360)
Others	(1,841)	(10)
	342,027	262,400
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	(94,299)	164,955
Decrease (increase) in inventories	30,596	(7,967)
Decrease (increase) in other current financial assets	(23,237)	(10,590)
Decrease (increase) in other current assets	4,263	(38,936)
Increase (decrease) in notes and accounts payable	756,407	(49,836)
Increase (decrease) in contract liabilities	11,330	2,346
Increase (decrease) in provisions	3,600	(7,323)
Increase (decrease) in other payables and other current liabilities	(23,167)	(87,708)
Increase (decrease) in net defined benefit liabilities	(28,115)	22
	637,378	(35,037)
Total adjustments	979,405	227,363
Cash inflow (outflow) generated from (used in) operations	1,032,799	549,089
Dividends received	129,348	145,894
Interest paid	(51,684)	(36,330)
Interest received	5,092	2,111
Income taxes paid	(374)	(56,608)
Net cash flows from (used in) operating activities	1,115,181	604,156
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using the equity method	(72,610)	-
Acquisition of property, plant and equipment	(302,988)	(320,917)
Proceeds from disposal of property, plant and equipment	20,139	85,118
Decrease (increase) in refundable deposits	8,260	28,725
Acquisition of intangible assets	(52,711)	-
Increase in prepayments for business facilities	(107,486)	(78,152)
Net cash flows from (used in) investing activities	(507,396)	(285,226)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	1,851,000	304,300
Repayments of long-term borrowings	(1,280,000)	(100,000)
Increase (decrease) in guarantee deposits received	(378)	(5,230)
Payment of lease liabilities	(223,776)	(224,805)
Cash dividends paid	(219,651)	(343,205)
Net cash flows from (used in) financing activities	127,195	(368,940)
Net increase (decrease) in cash and cash equivalents	734,980	(50,010)
Cash and cash equivalents at beginning of period	463,988	513,998
Cash and cash equivalents at end of period	$ 1,198,968	463,988

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Shan-loong Transportation Co., Ltd. (the "Company") was incorporated in April 6, 1976 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 1F, No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City. The major business activities of the Company are freight transportation, container trucking, and gas station, etc.

(2) Approval date and procedures of the financial statements

These financial statements were authorized for issue by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS 21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value; and

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(p).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of translation. Exchange differences are recognized in profit or loss except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

·It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

·It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

·The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

·How the performance of the portfolio is evaluated and reported to the Company's management;

·The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

·The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

·Contingent events that would change the amount or timing of cash flows;

·Terms that may adjust the contractual coupon rate, including variable rate features;

·Prepayment and extension features; and

·Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

·Bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'. The counterparties of the time deposits held by the Company are the financial institutions with investment grade credit ratings. Therefore, the credit risk is considered to be low.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

·Significant financial difficulty of the borrower or issuer;

·A breach of contract such as a default or being overdue;

·The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·It is probable that the borrower will enter bankruptcy or other financial reorganization; or

·The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. The weighted moving average method has been used since 2023 and restated in the financial statements. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, whose investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of the associates, after adjustments, in order to be consistent with the Company's accounting policies, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from transactions between the Company and its associate are recognized only to the unrelated Company's interests in the associate. When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, the amounts of net income, other comprehensive income and equity attributable to shareholders of the Company in the parent-company-only financial statements are equal to those in the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings: 31~56 years

2) Building improvements: 1~27 years

3) Gasoline equipment: 1~21 years

4) Transportation equipment: 5~19 years

5) Miscellaneous equipment: 1~21 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(Continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change of its assessment on whether it will exercise an extension or termination option; or

3) there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer Software 2~10 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(Continued)

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

In accordance with the Company's applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company sells gas to clients and consumers. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Freight transportation services

The Company provides freight transportation services. Revenue from providing services is recognized in the accounting period in which the services are rendered.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries and joint arrangements and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(s) Operating segments

The operating segment information is disclosed in the consolidated financial statements. Therefore, the Company will not disclose the operating segment information in the parent-company-only financial statements.

(t) Reasons and effects of the restatement of financial statements

After the assessment of its management, the Company changed its calculation of inventory cost from weighted average method to weighted moving average method effective January 1, 2023 in order to provide reliable and more relevant information on the impact of the relevant transaction on the financial statements, financial performance or cash flow of the enterprise.

In accordance with IAS 8 accounting policy, if there are changes in accounting estimates and errors, this accounting policy should be applied retroactively. The restated comparative information and the impact of the change in accounting policy on the Company's financial report for the year ended December 31, 2022 are explained as follows:

Balance Sheet

	January 1, 2022		
Accounts	**Before restatement**	**Adjustment**	**After restatement**
Inventories	$ 209,587	(5,621)	203,966
Retained earnings	1,944,149	(5,621)	1,938,528

	December 31, 2022		
Accounts	**Before restatement**	**Adjustment**	**After restatement**
Inventories	$ 218,300	(6,367)	211,933
Retained earnings	1,902,158	(6,367)	1,895,791

Statement of Comprehensive Income

Accounts		2023	2022 Before restatement	2022 Adjustment	2022 After restatement
Operating costs	$	14,438,595	15,694,130	746	15,694,876
Basic earnings per share (NTD)		0.48	2.13	(0.01)	2.12

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these parent-company-only financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying accounting policies that have significant effects on the amounts recognized in the financial statements.

Furthermore, there are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand	$	6,184	6,127
Checking accounts and demand deposits		1,192,784	457,861
	$	1,198,968	463,988

Please refer to note (6)(r) for the interest rate risk and sensitivity analysis of the financial assets of the Company.

(b) Financial assets at fair value through other comprehensive income

		December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic markets	$	576,440	529,937
Stocks unlisted on domestic markets		116,590	121,904
	$	693,030	651,841

(i) The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

(ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of for the years ended December 31, 2023 and 2022.

(iii) For market risk of the Company, please refer to note (6)(r).

(iv) The Company had not been pledged any financial assets as collateral for its borrowings.

(c) Notes and accounts receivable (including related parties)

		December 31, 2023	December 31, 2022
Notes receivable	$	14,083	14,584
Accounts receivable		690,422	595,622
		704,505	610,206
Less: allowance for impairment		(2,493)	(2,493)
	$	702,012	607,713
Notes and accounts receivable, net	$	492,957	394,533
Notes and accounts receivable due from related parties, net	$	209,055	213,280

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including the reasonable prediction of historical credit loss experience and the future economic situation. As of December 31, 2023 and 2022, the loss allowance provisions were determined as follows:

	December 31, 2023				
	Gross carrying amount		Weighted-average loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Aging under 60 days	$ 14,083	683,478	-%	-%	-
Aging 61~90 days	-	5,585	1%	1%	56
Aging 91~120 days	-	345	5%	60%	207
Aging 121~150 days	-	-	10%	60%	-
Aging 151~180 days	-	866	10%	80%	693
Aging 181~365 days	-	-	10%	90%	-
Aging over 365 days	-	148	100%	100%	148
	$ 14,083	690,422			1,104

	December 31, 2022				
	Gross carrying amount		Weighted-average loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Aging under 60 days	$ 12,547	593,638	-%	-%	-
Aging 61~90 days	1,261	19	1%	1%	13
Aging 91~120 days	776	1,771	5%	60%	1,101
Aging 121~150 days	-	-	10%	60%	-
Aging 151~180 days	-	-	10%	80%	-
Aging 181~365 days	-	106	10%	90%	95

Aging over 365 days	-	88	100%	100%	88
	$ 14,584	595,622			1,297

The movements in the allowance for notes and accounts receivable were as follows:

	2023	2022
Balance on January 1 (same as balance on December 31)	$ 2,493	2,493

As of December 31, 2023 and 2022, the Company did not pledge any notes and accounts receivable as collateral for its borrowings.

(d) Other current financial assets

	December 31, 2023	December 31, 2022
Other receivables	$ 67,862	49,625
Less: loss allowance	(13,100)	(13,100)
	54,762	36,525
Time deposits with maturities over three months	5,000	-
	$ 59,762	36,525

For further credit risk information, please refers to note (6)(r).

(e) Inventories

	December 31, 2023	December 31, 2022 (restated)	January 1, 2022 (restated)
Premium Diesel	$ 45,682	34,715	60,529
Unleaded Gasoline #92	43,200	57,633	48,073
Unleaded Gasoline #95	65,879	84,268	66,665
Unleaded Gasoline #98	21,769	30,088	28,364
By-product and other	4,807	5,229	335
	$ 181,337	211,933	203,966

Since January 1, 2023, the Company changed its calculation of inventory cost from weighted average method to weighted moving average method, which has been applied retroactively in the financial statements. Please refer to note (4)(t) for more details.

The Company recognized as cost of sales amounted to $11,992,974 and $12,930,678 (restated), respectively, for the years ended December 31, 2023 and 2022.

The gain on physical inventory amounted to $22,629 and $42,082, respectively, which was recorded as cost of sales for the years ended December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the Company did not pledge any inventories as collateral for its borrowings.

(f) Investments accounted for using the equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

		December 31, 2023	December 31, 2022
Subsidiaries	$	2,594,509	2,300,271
Associates		70,487	65,129
	$	2,664,996	2,365,400

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) Associates

1) In April 2023, the Company acquired additional shares of Ko Loong from a non-related party for $2,610 in cash, resulting in its percentage of ownership increase from 19.75% to 20.92%. The above price has already been paid in full.

2) The Company's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

		2023	2022
Attributable to the Company:			
Profit (loss)	$	74	1,955
Other comprehensive income (loss)		2,418	(7,144)
Total comprehensive income (loss)	$	2,492	(5,189)

(iii) As of December 31, 2023 and 2022, the Company did not provide any investment accounted for using the equity method as collateral for its loans.

(g) Property, plant and equipment

The movements in the property, plant and equipment of the Company were as follows:

	Land	Buildings	Gasoline equipment	Transportation equipment	Miscellaneous equipment	Unfinished construction and equipment under installation	Total
Cost:							
Balance on January 1, 2023	$ 2,009,271	910,883	174,990	1,971,191	488,644	7,972	5,562,951
Additions	-	37,440	31,397	145,641	24,714	63,796	302,988
Disposals	-	-	-	(66,465)	-	-	(66,465)
Reclassifications	-	37,258	108,823	-	(119,112)	(38,358)	(11,389)
Balance on December 31, 2023	$ 2,009,271	985,581	315,210	2,050,367	394,246	33,410	5,788,085
Balance on January 1, 2022	$ 2,006,541	901,295	155,502	1,988,145	430,186	13,911	5,495,580
Additions	2,730	10,159	10,401	242,781	75,687	4,632	346,390
Disposals	-	(661)	(1,394)	(259,735)	(17,229)	-	(279,019)
Reclassifications	-	90	10,481	-	-	(10,571)	-
Balance on December 31, 2022	$ 2,009,271	910,883	174,990	1,971,191	488,644	7,972	5,562,951
Depreciation:							
Balance on January 1, 2023	$ -	405,537	121,157	1,104,659	328,445	-	1,959,798
Depreciation	-	37,881	18,767	138,101	35,772	-	230,521
Disposals	-	-	-	(59,812)	-	-	(59,812)
Reclassifications	-	(1,705)	87,920	-	(86,215)	-	-
Balance on December 31, 2023	$ -	441,713	227,844	1,182,948	278,002	-	2,130,507
Balance on January 1, 2022	$ -	368,635	111,360	1,137,544	300,300	-	1,917,839
Depreciation	-	37,416	11,184	148,757	44,863	-	242,220
Disposals	-	(514)	(1,387)	(181,642)	(16,718)	-	(200,261)
Balance on December 31, 2022	$ -	405,537	121,157	1,104,659	328,445	-	1,959,798
Carrying amounts:							
Balance on December 31, 2023	$ 2,009,271	543,868	87,366	867,419	116,244	33,410	3,657,578
Balance on January 1, 2022	$ 2,006,541	532,660	44,142	850,601	129,886	13,911	3,577,741
Balance on December 31, 2022	$ 2,009,271	505,346	53,833	866,532	160,199	7,972	3,603,153

(i) The Company is restricted by the law and cannot acquire any agricultural land in the name of the Company; therefore, the agricultural land located in Mailiao and Taoyuan is registered in the name of the Chairman of the Company. As of December 31, 2023 and 2022, the carrying value of the above land was both $215,304. The Company has either "Other rights certificate" of the land or an agreement with both parties to verify that the Company is the actual owner of the land.

(ii) As of December 31, 2023 and 2022, the portion of property, plant and equipment of the Company had been pledged as collateral for its credit lines of the bank. Please refer to note (8).

(h) Right-of-use assets

The Company leases many assets including land and buildings. Information about leases for which the Company as a lessee is presented below:

		Land	Buildings	Others	Total
Cost or deemed cost:					
Balance on January 1, 2023	$	287,201	1,478,038	13,697	1,778,936
Additions		-	97,408	-	97,408
Reductions		(41)	(32,088)	-	(32,129)
Balance on December 31, 2023	**$**	**287,160**	**1,543,358**	**13,697**	**1,844,215**
Balance on January 1, 2022	$	264,408	1,378,817	14,281	1,657,506
Additions		22,793	99,221	-	122,014
Reductions		-	-	(584)	(584)
Balance on December 31, 2022	**$**	**287,201**	**1,478,038**	**13,697**	**1,778,936**
Depreciation:					
Balance on January 1, 2023	$	110,523	698,496	8,981	818,000
Depreciation		36,654	175,103	2,601	214,358
Reductions		-	(14,918)	-	(14,918)
Balance on December 31, 2023	**$**	**147,177**	**858,681**	**11,582**	**1,017,440**
Balance on January 1, 2022	$	69,243	513,865	6,539	589,647
Depreciation		41,280	184,631	2,646	228,557
Reductions		-	-	(204)	(204)
Balance on December 31, 2022	**$**	**110,523**	**698,496**	**8,981**	**818,000**
Carrying amount:					
Balance on December 31, 2023	**$**	**139,983**	**684,677**	**2,115**	**826,775**
Balance on January 1, 2022	**$**	**195,165**	**864,952**	**7,742**	**1,067,859**
Balance on December 31, 2022	**$**	**176,678**	**779,542**	**4,716**	**960,936**

The Company's right-of-use assets increased resulting from the new lease contracts including gas stations and container yard; and the decrease was mainly derived from terminating the lease contract of the office located in Banqiao District, New Taipei City with Cheng Loong.

(i) Short-term borrowings

	December 31, 2023	December 31, 2022
Short-term borrowings	$ -	-
Unused short-term credit lines	$ 390,850	95,000
Range of interest rates	-%	-%

(i) The credit borrowing of the Company is the chairman of the board of directors as joint and several guarantors, please refer to note (7).

(ii) For information on interest rate risk and liquidity risk of the Company, please refer to note(6)(r).

(j) Long-term borrowings

	Currency	December 31, 2023	December 31, 2022
Secured bank loans	NTD	$ 2,050,000	1,479,000
Less: current portion		350,000	100,000
		$ 1,700,000	1,379,000
Unused long-term credit lines		$ 1,500,000	200,000
Range of interest rates		1.67%~2.45%	1%~2.17%
Maturity year		2024~2028	2023~2027

(i) Issuance and repayment of the loans

The Company's additional amounts in loans for the years ended December 31, 2023 and 2022, were $1,851,000 and $304,300, respectively; and the repayments, including prepaying the loans, were $1,280,000 and $100,000, respectively.

(ii) As of December 31, 2023, the repayment schedule for the long-term borrowings was as follows:

Period	Amount
2024.01.01~2024.12.31	$ 350,000
2025.01.01~2025.12.31	1,200,000
2026.01.01~2026.12.31	300,000
2027.01.01~2027.12.31	-
2028.01.01~2028.12.31	200,000
	$ 2,050,000

(iii) Please refer to note (6)(r) for the interest rate risk and liquidity risk information of the Company.

(iv) Please refer to note (8) for the collateral for the long-term borrowings.

(k) Lease liabilities

The lease liabilities of the Company were as follows:

	December 31, 2023	December 31, 2022
Current	$ 195,567	198,809
Non-current	$ 648,952	789,807

For the maturity analysis, please refer to note (6)(r).

The amounts recognized in profit or loss were as follows:

		2023	2022
Interest on lease liabilities	$	12,899	14,446
Variable lease payments not included in the measurement of lease liabilities	$	42,327	49,976
Expenses relating to short-term leases	$	19,110	11,287
Lease modification gains (recorded as other gains and losses)	$	(518)	(10)

The amount recognized in the statement of cash flows for the Company was as follows:

		2023	2022
Total cash outflow for leases	$	298,112	300,514

(i) Leases of land and buildings

The Company leases a number of office space, gas stations, warehouses and land. These leases typically run for a period of 2 to 27 years.

(ii) Other leases

The Company leases a number of stackers with short-term contract terms. The Company has chosen not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	(142,495)	(155,293)
Fair value of plan assets		85,271	70,358
Net defined benefit liabilities	$	(57,224)	(84,935)

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $84,410 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligations at January 1	$ (155,293)	(247,658)
Benefits paid	22,428	99,511
Pensions for employees who are transferred from affiliated companies	(4,620)	(2,588)
Current service costs and interest cost	(3,284)	(4,760)
Remeasurement in net defined benefit liabilities (assets)	(1,726)	202
Defined benefit obligations at December 31	**$ (142,495)**	**(155,293)**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 70,358	147,473
Expected return on plan assets	904	908
Remeasurement of net defined benefit liabilities (assets)	1,322	15,070
Contributions paid by the employer	35,115	6,418
Benefits paid	(22,428)	(99,511)
Fair value of plan assets at December 31	**$ 85,271**	**70,358**

4) Movements of the effect of the asset ceiling

In 2023 and 2022, there were no movements on the effect of the Company's defined benefit plans asset ceiling.

5) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2023	2022
Current service costs	$	1,343	3,243
Interest cost		1,941	1,517
Expected return on plan assets		(904)	(908)
	$	2,380	3,852
Operating cost	$	-	2,028
Administration expenses		2,380	1,824
	$	2,380	3,852

6) Remeasurement of net defined benefit liabilities (assets) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income, was as follows:

		2023	2022
Accumulated amount at January 1	$	(147,175)	(162,447)
Recognized during the period		(404)	15,272
Accumulated amount at December 31	$	(147,579)	(147,175)

7) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.250%	1.250%
Future salary increase rate	1.000%	1.000%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $2,115.

The weighted average lifetime of the defined benefits plans is 10.20 years.

8) Sensitivity analysis

In determining the present value of the defined benefit obligation, the Company's management makes judgements and estimates in determining certain actuarial assumptions of the balance sheet date, which includes discount rate and future salary increase rate. Changes in actuarial assumptions may have significant impact on the amount of defined benefit obligation.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

		Influences of defined benefit obligations	
		Increased 0.25%	**Decreased 0.25%**
December 31, 2023			
Discount rate	$	(1,504)	1,550
Future salary increasing rate		1,550	(1,512)
December 31, 2022			
Discount rate		(2,237)	2,312
Future salary increasing rate		2,312	(2,248)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company recognized the pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $44,791 and $45,286 for the years ended December 31, 2023 and 2022, respectively.

(m) Income taxes

(i) Income tax expenses

1) The components of income tax in the years 2023 and 2022 were as follows:

	2023	2022
Current tax expenses		
Current period	$ -	16,936
Adjustment for prior periods	(3,178)	(1,726)
	(3,178)	15,210
Deferred tax expenses		
Origination and reversal of temporary differences	(6,322)	19,596
Under (over) provision in prior periods	(2,356)	(1,330)
	(8,678)	18,266
Income tax (income) expenses	$ (11,856)	33,476

2) The amounts of income tax recognized directly in other comprehensive income for 2023 and 2022 were as follows:

	2023	2022
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	$ (81)	3,054
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	2,292	(8,982)
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	24,162	11,748
	$ 26,373	5,820
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	$ (1,190)	1,452

3) Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	2023	2022 (restated)
Profit before tax	$ 53,394	321,726
Income tax calculated based on local tax rate	10,678	64,494

Net gains or losses on domestic investments accounted for using the equity method	(13,959)	(21,253)
Tax-exempt income	(4,850)	(7,727)
Under (over) provision in prior periods	(5,534)	(3,056)
Non-deductible expenses and others	1,809	1,018
Income tax (income) expenses	$ (11,856)	33,476

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities: None.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

		Defined benefit plans	Exchange differences on translation	Tax losses	Others	Total
Deferred tax assets:						
Balance on January 1, 2023	$	13,065	9,447	-	9,578	32,090
Recognized in profit (loss)		(5,106)	-	16,423	(1,149)	10,168
Recognized in other comprehensive income		81	1,190	-	-	1,271
Balance on December 31, 2023	$	8,040	10,637	16,423	8,429	43,529
Balance on January 1, 2022	$	16,632	10,899	-	8,829	36,360
Recognized in profit (loss)		(513)	-	-	749	236
Recognized in other comprehensive income		(3,054)	(1,452)	-	-	(4,506)
Balance on December 31, 2022	$	13,065	9,447	-	9,578	32,090

		Unrealized gains (losses) on financial assets	Share of other comprehensive income accounted for using the equity method	Overseas investment income accounted under the equity method	Others	Total
Deferred tax liabilities:						
Balance on January 1, 2023	$	26,075	19,756	77,290	3,927	127,048
Recognized in (profit) loss		-	-	3,600	(2,110)	1,490
Recognized in other comprehensive income		2,292	24,162	-	-	26,454
Balance on December 31, 2023	$	28,367	43,918	80,890	1,817	154,992
Balance on January 1, 2022	$	35,057	8,008	59,025	3,690	105,780
Recognized in (profit) loss		-	-	18,265	237	18,502
Recognized in other comprehensive income		(8,982)	11,748	-	-	2,766
Balance on December 31, 2022	$	26,075	19,756	77,290	3,927	127,048

(Continued)

(iii) The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. As of December 31, 2023, the information of the Company's tax losses for which deferred tax assets has recognized are as follows:

Year of loss	**Unused tax loss**	**Expiry date**
2023 (Estimated)	$ 82,115	2033

(iv) Assessment of tax

The tax returns of the Company for the years through 2021 were assessed by the Taipei National Tax Administration.

(n) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the number of authorized ordinary shares were both $1,800,000 with a par value of $10 per share, and of which $1,372,818 were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	**December 31, 2022**
Additional paid-in capital	$ 520,206	520,206
Treasury share transactions	67,461	65,295
Other	1,241	1,241
	$ 588,908	**586,742**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. The amount to be reclassified to special reserve shall be a portion of current-period earnings plus other line items in the retained earnings movements and undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Retained earnings－earnings distribution and dividend policy

Based on the Company's article of incorporation, if there is any profit after tax after closing of books in a given year, the Company shall first offset the accumulated deficits, if any, and set aside 10% of it as legal reserve. The legal reserve shall be based on after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Moreover, the Company shall set aside or reserve a special reserve in accordance with laws and regulations. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The abovementioned distribution shall be declared more than 30% to shareholders. The cash dividends shall not be lower than 10% of the total cash and stock dividends. However, stock dividends instead of cash dividends are declared if the cash dividends per share are less than NT$0.1 (dollars). When there is a deduction from shareholders' equity, an amount equal to the deduction item is set aside as a special reserve (which does not qualify for earnings distribution). If the dividends per share are less than NT$0.5 (dollars), they can be decided not to distribute.

Based on the resolutions of the annual stockholders' meetings held on May 30, 2023 and May 26, 2022, the appropriations of dividends from the distributable retained earnings of 2022 and 2021, respectively, were as follows:

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 1.6	219,651	2.5	343,205

On March 14, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders:		
Cash	$ 0.43	59,031

(iv) Treasury shares

In accordance with Securities and Exchange Act requirements, the number of shares repurchased should not exceed 10% of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

As of December 31, 2023 and 2022, since the subsidiary of the Company, Shan-Loong Investment, held a number of the ordinary shares of the Company, the Company accounted it under the treasury stock. The total shares and amounts were as follows:

	December 31, 2023		December 31, 2022	
	Shares (thousands)	Amount	Shares (thousands)	Amount
Shan-Loong Investment	1,353	$ 31,863	1,353	31,863
Fair value		$ 40,604		43,175

For the years ended December 31, 2023 and 2022, Shan-Loong Investment, received the cash dividend which were distributed by the Company, amounting to $2,166 and $3,383, respectively, which were recorded as capital surplus - treasury share transactions.

(o) Earnings per share

The Company's basic and diluted earnings per share were calculated as follows:

	2023	2022 (restated)
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ 65,250	288,250
Weighted average number of ordinary shares (thousands)	135,928	135,928
Basic earnings per share (dollars)	$ 0.48	2.12
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (after adjustment the influence of potential ordinary shares)	$ 65,250	288,250
Weighted average number of ordinary shares (thousands)	135,928	135,928
Dilutive effect of potential ordinary shares (thousands):		

Employee share bonus	208	797
Weighted average number of ordinary shares (after adjustment the influence of potential ordinary shares)	136,136	136,725
Diluted earnings per share (dollars)	$ 0.48	2.11

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023			
	Transportation segment	**Gasoline station segment**	**Other segment**	**Total**
Primary geographical markets:				
Taiwan	$ 1,956,537	12,940,077	678,124	15,574,738

	2022			
	Transportation segment	**Gasoline station segment**	**Other segment**	**Total**
Primary geographical markets:				
Taiwan	$ 2,909,409	13,750,564	397,180	17,057,153

(ii) Contract balances

	December 31, 2023	**December 31, 2022**	**January 1, 2022**
Notes and accounts receivable	$ 704,505	610,206	775,161
Less: allowance for impairment	(2,493)	(2,493)	(2,493)
	$ 702,012	607,713	772,668
Contract liabilities – Unearned revenue	$ 35,270	23,940	21,594

For details on accounts receivable and allowance for impairment, please refer to note (6)(c).

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(q) Employee compensation and directors' and supervisors' remuneration

Based on the Company's articles of incorporation, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensations to employees, shall be distributed to employees as compensations in an amount of not less than one percent (1%) of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses. The compensations to employees as mentioned above may be distributed in the form of stock or cash. Employees who are entitled to receive the above-mentioned employee remuneration, in shares or cash, include the employees of the Company's controlling and subordinate companies pursuant to the Company Act. A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation ; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. A company which has the profit distributed to employees in the form of shares by a resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.

The Company's remuneration to employees were both $2,070 and $22,000, and the remuneration to directors were both $0 for the years ended December 31, 2023 and 2022. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of the remuneration to employees and directors as specified in company's articles. The remuneration was expensed under operating costs or operating expenses during 2023 and 2022.

The amounts, as stated in the financial statements, are identical to those of the actual distributions in 2023 and 2022. Related information would be available at the Market Observation Post System Website.

(r) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2023 and 2022, the accounts receivable amounted to $207,904 and $213,151, respectively, comes from one of the Company's significant customer, whose main activities is the manufacturing and sale of paper products.

3) Receivables credit risk

For credit risk exposure of notes and accounts receivable, please refer to note 6(c). Other financial assets measured at amortized cost include other receivables, please refer to note (6)(d).

The abovementioned other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(f).

The loss allowance provision of other receivables was determined as follows:

	2023	2022
Balance on January 1 (same as balance on December 31)	$ 13,100	13,100

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	Within a year	1~2 years	Over 2 years
December 31, 2023					
Non-derivative financial liabilities					
Notes and accounts payable	$ 2,156,421	(2,156,421)	(2,156,421)	-	-
Other payables	326,957	(326,957)	(326,957)	-	-
Lease liabilities (including current and non-current)	844,519	(878,274)	(206,131)	(181,584)	(490,559)
Long-term borrowings (including current portion)	2,050,000	(2,122,703)	(385,767)	(1,223,166)	(513,770)
Guarantee deposits received	11,504	(11,504)	-	-	(11,504)
	$ 5,389,401	**(5,495,859)**	**(3,075,276)**	**(1,404,750)**	**4,237,182**
December 31, 2022					
Non-derivative financial liabilities					
Notes and accounts payable	$ 1,400,014	(1,400,014)	(1,400,014)	-	-
Other payables	357,670	(357,670)	(357,670)	-	-
Lease liabilities (including current and non-current)	988,616	(1,030,769)	(210,761)	(183,554)	(636,454)
Long-term borrowings (including current portion)	1,479,000	(1,527,272)	(125,988)	(1,191,447)	(209,837)
Guarantee deposits received	11,882	(11,882)	-	-	(11,882)
	$ 4,237,182	**(4,327,607)**	**(2,094,433)**	**(1,375,001)**	**(858,173)**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

As of December 31, 2023 and 2022, the Company's financial assets and liabilities were not exposed to significant foreign currency risks.

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	December 31, 2023	December 31, 2022
Variable rate instruments (Carrying amount):		
Financial assets	$ 1,180,896	379,531
Financial liabilities	2,050,000	761,700

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Company's management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Company's net profit before tax would have decreased or increased by $2,173 and $955, respectively, for the years ended December 31, 2023 and 2022, which would be mainly resulted from the bank deposits and bank loans.

(v) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2023		2022	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Profit before tax**	**Other comprehensive income before tax**	**Profit before tax**
Increasing 5%	$ 34,652	-	32,592	-
Decreasing 5%	$ (34,652)	-	(32,592)	-

(vi) Fair value of financial instruments

1) Procedure of valuation and Fair value hierarchy

The Company's accounting policies and disclosure include fair value method on financial assets and financial liabilities. The Company's management is responsible in performing independent test on fair value by using independent source of information to obtain the fair value which is close to the market status. The management also confirms the independence, reliability and matching of the information source, and regularly test the valuation model, update the input and other information, and make necessary adjustment to ensure the output of valuation is reasonable.

The Company uses observable market data to evaluate its assets and liabilities when it is possible. The different inputs of levels of fair value hierarchy in determining the fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

2) The categories and the fair value of financial instruments

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 576,440	576,440	-	-	576,440
Unquoted equity instruments	116,590	-	-	116,590	116,590
Subtotal	693,030				
Financial assets measured at amortized cost					
Cash and cash equivalents	1,198,968	-	-	-	-
Notes and accounts receivable, net	492,957	-	-	-	-
Notes and accounts receivable-related parties, net	209,055	-	-	-	-
Other current financial assets	59,762	-	-	-	-
Refundable deposits (recorded as other non-current assets)	167,580	-	-	-	-
Subtotal	2,128,322				
	$ 2,821,352				
Financial liabilities measured at amortized costs					
Notes and accounts payable	$ 2,156,421	-	-	-	-
Other payables	326,957	-	-	-	-
Lease liabilities (including current and non-current)	844,519	-	-	-	-
Long-term borrowings (including current portion)	2,050,000	-	-	-	-
Guarantee deposits	11,504	-	-	-	-
	$ 5,389,401				

(Continued)

	December 31, 2022				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
	December 31, 2022				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 529,937	529,937	-	-	529,937
Unquoted equity instruments	121,904	-	-	121,904	121,904
Subtotal	651,841				
Financial assets measured at amortized cost					
Cash and cash equivalents	463,988	-	-	-	-
Notes and accounts receivable, net	394,533	-	-	-	-
Notes and accounts receivable-related parties, net	213,180	-	-	-	-
Other current financial assets (including refundable deposits)	36,525	-	-	-	-
Refundable deposits (recorded as other non-current assets)	175,840	-	-	-	-
Subtotal	1,284,066				
	$ 1,935,907				
Financial liabilities measured at amortized costs					
Notes and accounts payable	$ 1,400,014	-	-	-	-
Other payables	357,670	-	-	-	-
Lease liabilities (including current and non-current)	988,616	-	-	-	-
Long-term borrowings (including current portion)	1,479,000	-	-	-	-
Guarantee deposits	11,882	-	-	-	-
	$ 4,237,182				

3) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Unquoted liability instruments and financial liabilities measured at amortized cost: If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments or other valuation technique including a model using observable market data at the reporting date.

The measurement of fair value of a non-active market financial equity instruments held by the Company which do not have quoted market prices are based on the comparable market approach, with the use of key assumptions of price-to-book ratio of comparable listed companies as its basic measurement. These assumptions have been adjusted for the effect of discount for lack of marketability of the equity securities.

5) There were no transfers from one level to another of the Company for the years ended December 31, 2023 and 2022.

6) Reconciliation of Level 3 fair values

	Financial assets at fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2023	$ 121,904
Total gains and losses recognized:	
In other comprehensive income	(5,314)
Balance on December 31, 2023	**$ 116,590**
Balance on January 1, 2022	$ 122,741
Total gains and losses recognized:	
In other comprehensive income	(837)
Balance on December 31, 2022	**$ 121,904**

For the years ended December 31, 2023 and 2022, the total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

		2023	2022
Total gains and losses recognized:			
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	$	(5,314)	(837)

7) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company’s financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Most of fair value measurements of the Company which are categorized as equity investment instruments into level 3 have several significant unobservable inputs. Significant unobservable inputs of equity instruments without quoted price are independent of each other.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income －unquoted equity instruments	Comparable transaction method	· Lack-of-Marketability discount rate (10%~35% and 30%~35%, respectively, on December 31, 2023 and 2022)	· The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
〃	〃	· Price-Book ratio (0.62~1.79 and 0.77~2.6, respectively, on December 31, 2023 and 2022)	· The higher the multiple is, the higher the fair value will be.
〃	〃	· EV/SALES (0.88~1.82 and 0.9~2.18, respectively, on December 31, 2023 and 2022)	〃
〃	〃	· EV/EBITDA (7.97 and 4.3, respectively, on December 31, 2023 and 2022)	· The higher the EBITDA multiple is, the higher the fair value will be.
〃	Net asset value method	· Net Asset Value	· Not applicable

8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters changed, the impacts on other comprehensive income or loss are as follows:

			Other comprehensive income	
	Input	Move up or down	Favorable change	Unfavorable change
December 31, 2023				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	$ 2,282	(2,282)
〃	Price-to-Book Ratio	5%	$ 1,448	(1,453)
〃	EV/SALES	5%	$ 481	(481)
〃	EV/EBITDA	5%	$ 1,764	(1,769)
December 31, 2022				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	$ 2,425	(2,420)
〃	Price-to-Book Ratio	5%	$ 2,490	(2,484)
〃	EV/SALES	5%	$ 644	(643)
〃	EV/EBITDA	5%	$ 1,306	(1,301)

The favorable and unfavorable impacts reflect the movement of the fair value, in which the fair value is calculated by using the significant unobservable inputs in the valuation technique. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(s) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the control and oversight of the risk management framework. The financial department proposes the evaluation plan and benefit analysis and reports to management for approving. The transactions are authorized to the chairman of the Company to operate, and will be approved by the Board of Directors at the most recent board meeting.

The internal auditors of the Company perform the regularly or irregularly risk management control and operating activity audit in accordance with the internal audit plans. The result will be reported to the Audit Committee periodically. The Company has no transactions in financial instruments for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, receivables from customers and investments in securities.

1) Accounts receivable and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, these limits are reviewed periodically. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

In order to mitigate account receivable credit risk, the Company constantly assesses the financial status of the customers, and requests the customers to provide guarantee or security if necessary. The Company regularly accesses the collectability of accounts receivable and recognizes allowance for accounts receivable. The impairment losses are always within management's expectation.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, corporate organization and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

Pursuant to the Company's policy, it is only permissible to provide financial guarantees to the entities listed in the policy. As of December 31, 2023 and 2022, the guarantees both provided to the subsidiaries amounted to $150,000.

(iv) Liquidity risk

(Continued)

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities to ensures they are in compliance with the terms of loan agreements.

The loans and borrowings from the bank form an important source of liquidity for the Company. Please refer to note 6(i) and 6(j) for the unused credit lines of bank loans as of December 31, 2023 and 2022.

(v) Market risk

Market risk is the risk that changes in market prices, such as interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Interest rate risk

The Company borrows funds on floating interest rate; therefore, the Company has the risk of cash flow.

2) Other market price risk

The Company is exposed to equity price risk due to the investments in listed stock investments and non-listed stock investments. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments. The material investments of investment portfolio are managed individually and their purchase decision are all approved by the finance department.

(t) Capital management

The policy of capital management made by the Board of Directors is to maintain a strong capital base so as to stabilize the confidence of the investors, creditors and the public market and to sustain future development of the business. Capital consists of ordinary shares, capital surplus and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shares.

The Company monitors capital structure through the regular review of the asset-debt ratio. As of December 31, 2023 and 2022, the debt ratios of the Company were as follows:

	December 31, 2023	**December 31, 2022**
Total liabilities	$ 5,667,330	4,490,131
Total assets	10,553,787	9,304,861
Debt-to-asset ratio	54%	48%

As of December 31, 2023, there were no changes in the Company's approach of capital management.

(u) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

(i) The acquisition of right-of -use assets by lease, please refer to notes (6)(h) and (6)(k).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flows	Non-cash changes: Changes in lease payments	December 31, 2023
Long-term borrowings	$ 1,479,000	571,000	-	2,050,000
Guarantee deposits	11,882	(378)	-	11,504
Lease liabilities	988,616	(223,776)	79,679	844,519
Total liabilities from financing activities	$ 2,479,498	346,846	79,679	2,906,023

	January 1, 2022	Cash flows	Non-cash changes: Changes in lease payments	December 31, 2022
Long-term borrowings	$ 1,274,700	204,300	-	1,479,000
Guarantee deposits	17,112	(5,230)	-	11,882
Lease liabilities	1,091,797	(224,805)	121,624	988,616
Total liabilities from financing activities	$ 2,383,609	(25,735)	121,624	2,479,498

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in parent-company-only financial statements:

Name of related party	Relationship with the Company
Cheng Loong Corporation (Cheng Loong)	This Company is the corporate director of the Company
Shine Far Construction Co., Ltd.	This Company is the corporate director of the Company
Shine Far Property Co., Ltd.	Its parent company is the corporate director of the Company
Gemtech Optoelectronics Corp.	The relationship between the chairman of the Company and of this company is within

	second degree of kinship
Ko Loong Industry Co., Ltd.	The associate of the Company
Zhonglong International Co., Ltd.	Its chairman was the same as the Board of the Company from December 2022 to May 2023
Sun Favorite Co., Ltd.	Half of the directors of this company are the directors of the Company
Chung Ming International Limited Taiwan Branch	Its ultimate parent company is the corporate director of the Company
Wen Gin Development Co., Ltd. (Wen Gin Development)	The relationship between the chairman of the Company and of this company is within second degree of kinship
Shan Loong Investment Co., Ltd. (Shan Loong Investment)	A subsidiary of the Company.
Shan Loong International & Customs Broker Co., Ltd. (Shan Loong Customs Broker)	A subsidiary of the Company.
Shan Loong Motors Co., Ltd. (Shan Loong Motors)	A subsidiary of the Company.
Shang-Loong International Holding Co., Ltd. (Shang-Loong International)	A subsidiary of the Company.
Long Yun Investment Holding Co., Ltd. (Long Yun)	A subsidiary of the Company.
Loong De Investment Co., Ltd. (Loong De)	A subsidiary of the Company.
Shanghai Shan Tong Logistic Co., Ltd. (Shanghai Shan Tong)	A subsidiary of the Company.
Shan-Loong Logistics Co., Ltd.	A subsidiary of the Company.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales transactions between the Company and related parties were as followings:

	Sales	
	2023	**2022**
Other related parties—Cheng Loong	$ 1,233,337	1,316,025
Other related parties	16,714	7,342
Subsidiaries	17,027	13,564
Associates	641	220
	$ 1,267,719	**1,337,151**

Sales prices and other transaction terms for related parties were similar to those of the third-party customers.

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories	December 31, 2023	December 31, 2022
Accounts receivables	Other related parties—Cheng Loong	$ 207,439	212,529
〃	Other related parties	465	634
〃	Subsidiaries	1,108	-
〃	Associates	43	17
Other receivables (recorded as other current financial assets)	Other related parties	319	302
〃	Subsidiaries	214	1,443
		$ 209,588	214,925

(iii) The costs and expenses paid to related parties

The costs and expenses (including variable lease payments) paid to related parties were as follows:

Account	Relationship	2023	2022
Operating costs and operating expenses	Other related parties	$ 139,749	47,927
〃	Subsidiaries—Shan Loong Motors	199,929	217,787
〃	Subsidiaries	-	1,601
〃	Associates	77,289	7,228
		$ 416,967	274,543

As of December 31, 2022, the Company paid freight to other related parties in advance in the amount of $10,000, which was recorded as other current assets.

(iv) Property transactions

1) Purchases of property, plant and equipment

The Company purchased the transportation equipment from the related parties and engaged related parties to engineer the facilities on the leased land. The total price was as follows:

	Total price	
	2023	2022
Other related parties	$ -	148
Subsidiaries—Shan Loong Motors	142,945	183,468
Associates	31,486	26,669
	$ 174,431	210,285

As of December 31, 2023, among the above-mentioned transactions, the uncompleted transaction amount of $6,131 had been recognized as prepayments for business facilities (other non-current assets).

2) The associates provided system integration development services to the Company at the amounts of $44,625 and $38,843 for the years ended December 31, 2023 and 2022, respectively. Since the development project has not been fully completed, the cumulative amounts of $18,193 and $38,843 as of December 31, 2023 and 2022, respectively, had been recognized as prepayments for business facilities (other non-current assets).

3) Disposal of transportation equipment

The total disposal price and unreceived balance of transportation equipment sold to related parties were as follows:

	Total price		Other receivables from related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Subsidiaries—Shan Loong Motors	$ 14,600	83,761	15,330	15,590

For the years ended December 31, 2023 and 2022, the gains on disposal of transportation equipment amounted to $9,451 and $6,752, respectively.

(v) Payable to related parties

The payables to related parties resulting from the above transactions were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable	Other related parties	$ 2,971	15,922
〃	Subsidiaries	-	365
Other payables	Other related parties	1,557	358
〃	Subsidiaries	44,644	25,473
〃	Associates	148	1,649
		$ 49,320	43,767

(vi) Lease

1) Lessee

The Company rented several office spaces and lands from Cheng Loong. The rental fee is determined based on nearly office rental rates. The details of the above lease transactions are as follows:

	Lease liabilities		Interest expense	
	December 31, 2023	December 31, 2022	2023	2022
Other related parties－Cheng Loong	$ 6,220	36,055	257	586

2) Lessor

The Company rented out the office building to other related parties and its subsidiaries. The details of the above lease transactions are as follows:

	Rental income (recorded as other income)		Other receivables from related parties	
	2023	2022	December 31, 2023	December 31, 2022
Other related parties	$ -	923	-	-
Subsidiaries	1,800	1,800	-	-
	$ 1,800	2,723	-	-

(vii) Service revenue

The Company provided services to subsidiaries at the amount of $10,535 for the year ended December 31, 2023, which was recorded as other income. As of December 31, 2023, the outstanding balance was $10,535, which was recorded as other current financial assets.

(viii) Guarantees

As of December 31, 2023 and 2022, the guarantees provided to subsidiaries were both $150,000.

(ix) Provide guarantees

The Company short-term credit borrowing is jointly and severally guaranteed by the Chairman of the Company.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 45,440	37,217
Post-employment benefits	577	312
	$ 46,017	37,529

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Property, plant and equipment－land	Long-term borrowings	$ 90,562	90,562
Property, plant and equipment－buildings	〃	10,494	12,222
Refundable deposits (deposit certificate, recorded as other non-current assets)	Deposits for performance guarantee	36,669	38,315
		$ 137,725	141,099

(9) Significant commitments and contingencies:

(a) As of December 31, 2023 and 2022, the Company's unrecognized contractual commitments for gas station engineering, office renovation and computer information system amounted to $43,612 and $28,597, respectively.

(b) As of December 31, 2023 and 2022, the Company had outstanding stand-by letters of credit provided by the banks totaling $2,069,153 and $2,075,000, respectively, for purposes of gasoline purchase and transportation, etc.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others:

(a) A summary of current-period employee benefits and depreciation, by function, is as follows:

By function / By item	2023			2022		
	Operating cost	Operating Expenses	Total	Operating cost	Operating Expenses	Total
Employee benefits						
Salary	344,012	566,227	910,239	342,762	623,881	966,643
Labor and health insurance	29,902	67,517	97,419	31,692	65,794	97,486
Pension	12,582	34,589	47,171	18,280	30,858	49,138
Remuneration of directors	-	8,640	8,640	-	8,640	8,640
Others	7	23,708	23,715	406	22,801	23,207
Depreciation	165,381	279,498	444,879	194,790	275,987	470,777
Amortization	-	10,368	10,368	-	-	-

For the years ended December 31, 2023 and 2022, the information about number of employees and employee benefit expenses of the Company is as follows:

	2023	2022
Number of employees	1,651	1,614
Number of directors (non-employees)	6	6
Average employee benefit expenses	$ 656	707
Average salary expenses	$ 553	601
Percentage of change in average salary expense of employees	(7.99)%	
Remuneration for supervisors	$ -	-

The Company's salary and remuneration policy (including directors, managers and employees) is as follows:

(i) The remuneration to managers and employees is divided into fixed and variable salaries. Fixed salary is paid monthly regardless of profit or loss. On the other hand, variable salary is employee remuneration, development bonus, and year-end performance bonus, which are determined based on the contribution of the Company, the overall environment, and market standards that reflect the performance of the job.

(ii) The directors who conduct the Company's business shall receive the remuneration regardless of the operating profit or loss. The Board approves the directors' remuneration, which is determined based on the extent and value of the service provided for the management of the Company and the peer industry level.

(b) Both the Company and Shan-Loong Motors entered into two separate agreements with Hong-Fa Co., Ltd. (Hong-Fa) and Heng-An International Investment Co., Ltd. (Heng-An) between March 2021 and October 2022 concerning tire service contracting and automobile maintenance, etc. However, both counterparties breached their agreements. Therefore, the Company filed two separate lawsuits against Hong-Fa and Heng-An in the Taiwan New Taipei District Court in June 2023 for damages for non-performance of the obligations.

The Company agreed with Hong-Fa and Heng-An on November 20 and December 20, 2023, respectively, to cease the litigation and shall report to the Court within four months after the cessation of the litigation. As of the financial reporting date, the Company assessed that the above-mentioned litigation has not yet had any material effects on the Company's finances and business.

(13) Additional disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2023.

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

		Counter-party of	Limitation on	Highest	Balance of		Property	Ratio of		Parent company	Subsidiary	Endorsements/

No.	Name of guarantor	guarantee and endorsement Name	Relationship with the Company	amount of guarantees and endorsements for a specific enterprise	balance for guarantees and endorsements during the period	guarantees and endorsements as of reporting date	Actual usage amount during the period	pledged for guarantees and endorsements (Amount)	accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	endorsements/ guarantees to third parties on behalf of subsidiary	endorsements/ guarantees to third parties on behalf of parent company	guarantees to third parties on behalf of companies in Mainland China
0	The Company	Shan-Loong Motors	Note 2	2,443,229	150,000	150,000	-	-	3.07%	4,886,457	Y	-	-

Note 1: The total amount of endorsements shall not exceed the Company's net assets, and the endorsements for a single company shall not exceed 50% of the Company's net assets.
Note 2: Subsidiary whose over 50% common stock is directly or indirectly owned.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Note
	Stock:							
The Company	Cheng Loong Corporation stock	Cheng Loong is the corporate director of the Company	Non-current financial assets at fair value through other comprehensive income	19,376	576,440	1.75%	576,440	
〃	Gemtech Optoelectronics Corp. stock	The relationship between the chairman of the Company and of this company is within second degree of kinship	〃	3,644	66,575	19.29%	66,575	
〃	Cheng Loong Investment Co., Ltd. stock	-	〃	600	27,881	4.62%	27,881	
〃	Shin Loong Lifecare Corp. stock	-	〃	350	2,646	5.83%	2,646	
〃	Yueh Loong Co., Ltd. Stock	-	〃	323	8,088	10.78%	8,088	
〃	Shine Far Co., Ltd. Stock	-	〃	270	11,400	0.87%	11,400	
	Stocks:							
Shan Loong Investment Co., Ltd.	Cheng Loong Corporation stock	-	Non-current financial assets at fair value through other comprehensive income	31,819	946,606	2.87%	946,606	
〃	Shan Loong Transportation Co., Ltd. Stock	Parent company	〃	1,353	40,604	0.99%	40,604	
〃	Cheng Loong investment Co., Ltd. Stock	-	〃	1,200	55,700	9.23%	55,700	
〃	Yueh Loong Co., Ltd. stock	-	〃	29	715	0.95%	715	
	Stocks:							
Shan Loong Customs Broker	Cheng Loong Corporation stock	-	Non-current financial assets at fair value through other comprehensive income	7,155	212,862	0.65%	212,862	
Shan-Loong International	Chung Loong Paper Holdings Limited	-	〃	1,339	324,178	5.00%	324,178	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20%

of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Trade receivables (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payable)	
The Company	Cheng Loong	Cheng Loong is the corporate director of the Company	Freight and gas revenue	(1,233,337)	(7.92)%	20-80 days	There is no difference to those of the third-party	No difference	Accounts receivable 207,439	29.55%	
Shan Loong Motors	The Company	Parent company	Revenue from truck sales, maintenance and repair	(328,711)	(67.20)%	25 days	〃	〃	Accounts receivable 44,274	31.40%	
Shan Loong Customs Broker	Cheng Loong	Cheng Loong is the corporate director of the Company	Customs agent revenue	(153,043)	(54.66)%	60 days	〃	〃	Accounts receivable 13,073	29.45%	
Shan-Loong Logistics Co., Ltd.	Cheng Loong Binh Duong Paper Co., Ltd	Its ultimate parent company is the corporate director of the Company	Freight transportation revenue	(253,223)	(59.47)%	60 days	〃	〃	Accounts receivable 33,637	62.84%	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
The Company	Cheng Loong	Cheng Loong is the corporate director of the Company	207,439	5.87	-		Accounts receivable 207,439	-

Note 1: Information as of February 27, 2024.

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees (excluding information on investees in Mainland China):

(In thousands of shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2023 (Note 1)	Original investment amount December 31, 2022 (Note 1)	Balance as of ending of the period Shares	Balance as of ending of the period Percentage of ownership	Balance as of ending of the period Carrying value (Note 1)	Net income (losses) of investee (Note 2)	Share of profits /Losses of investee (Note 2)	Note
The Company	Shan-Loong Investment	New Taipei City	Investing activities	400,000	400,000	40,000	100.00%	1,021,119	34,025	31,859	Subsidiary company
The Company	Shan Loong Customs Broker	Keelung	Import and export agent services	131,000	131,000	13,100	100.00%	337,429	17,013	17,013	〃
The Company	Shan-Loong International	British Virgin Islands	Investing activities	308,493 (USD10,047 thousand)	308,493 (USD10,047 thousand)	10,047	100.00%	933,708	50,438	50,438	〃
The Company	Shang Loong Motors	New Taipei City	Truck repair, maintenance and sales	270,000	200,000	27,000	100.00%	302,253	23,455	20,852	〃
The Company	Ko Loong Industry	New Taipei City	Synthetic resin and plastic manufacturing	31,265	28,655	2,134	20.92%	70,487	342	74	-
								2,664,996		120,236	
Shan-Loong International	Long Yun	Samoa	Investing activities	25,209 (USD821 thousand)	25,209 (USD821 thousand)	821	100.00%	229,718	(385)	Investment gains and losses recognized by its parent company	Subsidiary company
Shan-Loong International	Loong De	Samoa	Investing activities	31,319 (USD1,020 thousand)	31,319 (USD1,020 thousand)	1,020	100.00%	78,835	18,666	〃	〃
Loong De	Shan-Loong Logistics Co., Ltd.	Vietnam	Warehousing, freight transportation and related agent	31,319 (USD1,020 thousand)	31,319 (USD1,020 thousand)	-	51.00%	46,938	36,030	〃	〃

Note 1: The amounts of New Taiwan Dollars were exchanged by the closing rates on the reporting date.
Note 2: The amounts of New Taiwan Dollars were exchanged by the average rates on the reporting date.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of beginning of the period	Investment flows: Outflow	Investment flows: Inflow (Note 5)	Accumulated outflow of investment from Taiwan as of ending of the period	Percentage of ownership	Net income (losses) of the investee (Note 6)	Investment income (losses) (Note 6)	Book value (Note 5)	Accumulated remittance of earnings in current period
Shanghai Chung Loong Paper Co., Ltd. (Shanghai Chung Loong)	Corrugated medium and kraft linerboard	(Note 8)	(Note1)	177,536 (USD 5,782 thousand)	-	-	177,536 (USD 5,782 thousand)	-%	-	-	-	-
Shanghai Shan Tong	Warehousing, freight transportation and related agent	21,635 (RMB5,000 thousand) (Note 7)	(Note1)	43,106 (USD812 thousand and RMB4,200 thousand)	-	-	43,106 (USD812 thousand and RMB4,200 thousand)	60.00%	(623)	(374)	229,172	-
Loong Fu Paper (Kunsan) Co., Ltd.	Corrugated paper boxes, cardboard and paper products	307,050 (USD10,000 thousand)	(Note1)	34,236 (USD1,115 thousand)	-	-	34,236 (USD1,115 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Cheng Loong (Gwangtung) Paper Co., Ltd.	Cardboard, paper boxes, paper products and packing decoration printing	951,855 (USD31,000 thousand)	(Note1)	26,069 (USD849 thousand)	-	-	26,069 (USD849 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Zhangzhou Cheng Loong Paper Co., Ltd.	Cardboard, paper boxes and paper products	392,410 (USD12,780 thousand)	(Note1)	19,590 (USD638 thousand)	-	-	19,590 (USD638 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Qingdao Chung Loong Paper Co., Ltd.	Cardboard, paper boxes and paper products	(Note 8)	(Note1)	4,606 (USD150 thousand)	-	-	4,606 (USD150 thousand)	-%	-	-	-	-
Tianjin Chung Loong Paper Co., Ltd.	Corrugated cardboard, paper boxes, paper pallets and paper products	(Note 8)	(Note1)	15,383 (USD501 thousand)	-	-	15,383 (USD501 thousand)	-%	-	-	-	-
Suzhou Cheng Loong Paper Co., Ltd.	Cardboard	568,043 (USD18,500 thousand)	(Note1)	5,373 (USD175 thousand)	-	-	5,373 (USD175 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Chong Qing Cheng Loong Paper Co., Ltd.	Corrugated, cardboard, corrugated boxes, display boxes, paper pallets and paper products	414,518 (USD13,500 thousand)	(Note1)	5,189 (USD169 thousand)	-	-	5,189 (USD169 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Chengdu Cheng Loong Packing Products Co., Ltd.	Corrugated cardboard, paper boxes, paper pallets and paper products	124,232 (USD4,046 thousand)	(Note1)	3,838 (USD125 thousand)	-	-	3,838 (USD125 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Henan Cheng Loong Packing Products Co., Ltd.	Corrugated cardboard and packaging products	306,743 (USD9,990 thousand)	(Note1)	12,865 (USD419 thousand)	-	-	12,865 (USD419 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
347,791 (USD10,735 thousand and RMB4,200 thousand)	347,791 (USD10,735 thousand and RMB4,200 thousand)	2,931,874

Note1: Indirectly investment in Mainland China through companies registered in the third region.

Note2: The amounts of New Taiwan Dollars were exchanged by the rates at the reporting date.

Note3: The Company recognized its investment profit and loss in Shanghai Shan Tong based on the

(Continued)

investees' self-reported financial statements. On the other hand, the Company did not used the equity method in investing in the remaining invested companies; hence, no profit or loss was recognized in the current period.

Note4: Indirectly investment in Mainland China through Chung Loong Paper Holdings Limited.

Note5: The amounts of New Taiwan Dollars were exchange by the closing rates on the reporting date.

Note6: The amounts of New Taiwan Dollars were exchange by the average rates on the reporting date.

Note7: Shanghai Shan Tong performed capital reduction RMB32,000 thousand in 2018, and Shan Loong International received capital reduction RMB19,200 thousand. As of the reporting date, the funds have not come back to Taiwan yet.

Note8: Indirectly investment in Mainland China through Chung Loong Paper Holdings Limited. These companies had been disposed in previous years. As of the reporting date, the investment amounts have not been repatriated yet.

(iii) Significant transactions: None

(d) Major shareholders:

Unit: shares

Shareholding / Shareholder's Name	Shares	Percentage
Cheng Loong Corporation	12,690,010	9.24%
YE, CYONG - MIAO	9,863,000	7.18%
Shine Far Co., Ltd.	8,367,944	6.09%

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2023.

V. Consolidated Financial Statements for the Most Recent Fiscal Year, Certified by the CPA

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 sheet as of December 31, 2023 and January 1 and December 31, 2022 (restated), the consolidated statement 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 material 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, 2023 and January 1 and December 31, 2022 (restated), 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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:

Revenue recognition

Please refer to note (4)(o) of the consolidated financial statements for the accounting policy of revenue recognition. Information regarding the revenue is shown in note (6)(p) 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, sale of truck, 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 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, 2023 and 2022, on which we have issued an unmodified opinion.

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, or has 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 auditor’s 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Au, Yiu-Kwan and Hsin, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 (restated) Amount	%	January 1, 2022 (restated) Amount	%
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 1,866,607	17	1,057,797	11	1,553,286	15
1170	Notes and accounts receivable, net (note (6)(c))	616,169	6	455,219	5	649,969	6
1180	Notes and accounts receivable due from related parties, net (notes (6)(c) and (7))	288,370	3	351,714	3	316,727	3
1476	Other current financial assets (notes (6)(d) and (7))	461,164	4	460,317	5	78,793	1
1300	Inventories, net (note (6)(e))	271,100	2	274,517	3	217,656	2
1479	Other current assets (note (7))	133,846	1	129,763	1	45,318	-
		3,637,256	33	2,729,327	28	2,861,749	27
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(b))	2,233,091	20	1,974,379	20	2,446,133	24
1550	Investments accounted for using equity method, net (note (6)(f))	70,487	1	65,129	1	71,325	1
1600	Property, plant and equipment (notes (6)(g), (7) and (8))	3,755,114	34	3,710,240	38	3,609,511	35
1755	Right-of-use asset (notes (6)(h) and (7))	828,940	9	965,879	10	1,075,528	10
1780	Intangible assets	161,863	1	-	-	-	-
1840	Deferred income tax assets (note (6)(m))	47,612	-	36,783	-	37,052	-
1990	Other non-current assets (notes (7) and (8))	218,833	2	299,571	3	246,278	3
		7,315,940	67	7,051,981	72	7,485,827	73
	Total assets	$ 10,953,196	100	9,781,308	100	10,347,576	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 (restated) Amount	%	January 1, 2022 (restated) Amount	%
	Current liabilities:						
2100	Short-term borrowings (note (6)(i))	$ -	-	40,000	1	40,000	-
2150	Notes and accounts payable (note (7))	2,256,522	21	1,544,695	16	1,586,129	16
2200	Other payables (note (7))	359,204	3	391,241	4	507,468	5
2230	Current income tax liabilities	12,842	-	6,052	-	45,481	-
2280	Current lease liabilities (notes (6)(k) and (7))	196,383	2	201,323	2	209,461	2
2130	Current contract liabilities (note (6)(p))	35,270	-	23,940	-	21,815	-
2250	Provisions	15,140	-	11,540	-	18,863	-
2399	Other current liabilities	23,744	-	14,672	-	17,422	-
2320	Long-term liabilities, current portion (note (6)(j))	350,000	3	100,000	1	1,047,651	10
		3,249,105	29	2,333,463	24	3,494,290	33
	Non-current liabilities:						
2540	Long-term borrowings (note (6)(j))	1,700,000	16	1,379,000	14	227,049	2
2570	Deferred income tax liabilities (note (6)(m))	199,891	2	167,246	2	164,292	2
2580	Non-current lease liabilities (notes (6)(k) and (7))	650,337	6	792,312	8	890,087	9
2640	Non-current net defined benefit liability (note (6)(l))	57,224	-	87,349	1	102,434	1
2645	Guarantee deposits received	12,304	-	13,032	-	18,262	-
		2,619,756	24	2,438,939	25	1,402,124	14
	Total liabilities	5,868,861	53	4,772,402	49	4,896,414	47
	Equity:						
	Equity attributable to owners of parent: (note (6)(n))						
3100	Ordinary shares	1,372,818	13	1,372,818	14	1,372,818	13
3200	Capital surplus	588,908	5	586,742	6	583,359	6
3300	Retained earnings	1,741,067	16	1,895,791	19	1,938,528	19
3400	Other equity	1,215,527	11	991,242	10	1,387,647	13
3500	Treasury shares	(31,863)	-	(31,863)	-	(31,863)	-
		4,886,457	45	4,814,730	49	5,250,489	51
36XX	**Non-controlling interests**	197,878	2	194,176	2	200,673	2
	Total equity	5,084,335	47	5,008,906	51	5,451,162	53
	Total liabilities and equity	$ 10,953,196	100	9,781,308	100	10,347,576	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023 Amount	%	2022 (restated) Amount	%
4000	**Operating revenue** (notes (6)(p) and (7))	$ 16,423,894	100	18,518,763	100
5000	**Operating costs** (notes (6)(e), (7) and (12))	15,204,944	93	17,099,612	92
5900	**Gross profit from operations**	1,218,950	7	1,419,151	8
	Operating expenses (notes (7) and (12)):				
6100	Selling expenses	546,918	3	540,784	3
6200	Administrative expenses	707,729	4	748,871	4
6450	Expected credit losses (gains)	-	-	20,265	-
		1,254,647	7	1,309,920	7
6900	**Net operating (loss) income**	(35,697)	-	109,231	1
	Non-operating income and expenses:				
7010	Other income (note (7))	58,798	-	74,202	-
7020	Other gains and losses, net (notes (6)(k) and (6)(r))	(968)	-	18,539	-
7050	Finance costs (notes (6)(k) and (7))	(52,168)	-	(37,125)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(f))	74	-	1,955	-
7100	Interest income	17,104	-	6,773	-
7130	Dividend income	99,609	1	186,144	1
7210	Gains (losses) on disposals of property, plant and equipment	13,486	-	(992)	-
7590	Miscellaneous disbursements	(12,249)	-	(13,150)	-
		123,686	1	236,346	1
7900	**Profit before tax**	87,989	1	345,577	2
7950	**Less: Income tax expenses** (note (6)(m))	5,333	-	48,664	-
8200	**Profit**	82,656	1	296,913	2
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(l))	(404)	-	15,272	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	258,712	1	(411,578)	(2)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note (6)(f))	2,418	-	(7,144)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	32,009	-	(13,455)	-
		228,717	1	(389,995)	(2)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(10,395)	-	13,233	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(m))	(1,190)	-	1,452	-
		(9,205)	-	11,781	-
8300	**Other comprehensive income (loss)**	219,512	1	(378,214)	(2)
8500	**Total comprehensive income (loss)**	**$ 302,168**	**2**	**(81,301)**	**-**
	Profit, attributable to:				
8610	Owners of parent	$ 65,250	1	288,250	2
8620	Non-controlling interests	17,406	-	8,663	-
		$ 82,656	**1**	**296,913**	**2**
	Total comprehensive income attributable to:				
8710	Owners of parent	$ 289,212	2	(95,937)	-
8720	Non-controlling interests	12,956	-	14,636	-
		$ 302,168	**2**	**(81,301)**	**-**
	Earnings per share (note (6)(o))				
9750	**Basic earnings per share**	**$**	**0.48**		**2.12**
9850	**Diluted earnings per share**	**$**	**0.48**		**2.11**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings			Other equity						
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	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
Balance on January 1, 2022	$ 1,372,818	583,359	481,074	1,463,075	1,944,149	(21,937)	1,409,584	1,387,647	(31,863)	5,256,110	200,673	5,456,783
Effect of retrospective application and retrospective restatement	-	-	-	(5,621)	(5,621)	-	-	-	-	(5,621)	-	(5,621)
Balance on January 1, 2022 as restated	1,372,818	583,359	481,074	1,457,454	1,938,528	(21,937)	1,409,584	1,387,647	(31,863)	5,250,489	200,673	5,451,162
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	45,602	(45,602)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(343,205)	(343,205)	-	-	-	-	(343,205)	-	(343,205)
	-	-	45,602	(388,807)	(343,205)	-	-	-	-	(343,205)	-	(343,205)
Profit (loss) for the year ended December 31, 2022 (restated)	-	-	-	288,250	288,250	-	-	-	-	288,250	8,663	296,913
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	12,218	12,218	5,808	(402,213)	(396,405)	-	(384,187)	5,973	(378,214)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	300,468	300,468	5,808	(402,213)	(396,405)	-	(95,937)	14,636	(81,301)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	3,383	-	-	-	-	-	-	-	3,383	-	3,383
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(21,133)	(21,133)
Balance on December 31, 2022 (restated)	1,372,818	586,742	526,676	1,369,115	1,895,791	(16,129)	1,007,371	991,242	(31,863)	4,814,730	194,176	5,008,906
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	30,121	(30,121)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(219,651)	(219,651)	-	-	-	-	(219,651)	-	(219,651)
	-	-	30,121	(249,772)	(219,651)	-	-	-	-	(219,651)	-	(219,651)
Profit (loss) for the year ended December 31, 2023	-	-	-	65,250	65,250	-	-	-	-	65,250	17,406	82,656
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	(323)	(323)	(4,755)	229,040	224,285	-	223,962	(4,450)	219,512
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	64,927	64,927	(4,755)	229,040	224,285	-	289,212	12,956	302,168
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	2,166	-	-	-	-	-	-	-	2,166	-	2,166
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,254)	(9,254)
Balance on December 31, 2023	$ 1,372,818	588,908	556,797	1,184,270	1,741,067	(20,884)	1,236,411	1,215,527	(31,863)	4,886,457	197,878	5,084,335

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	2023	2022 (restated)
Cash flows from (used in) operating activities:		
Profit before tax	$ 87,989	345,577
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	457,904	485,924
Amortization expense	10,368	-
Expected credit losses (gains)	-	20,265
Interest expense	52,168	37,125
Interest income	(17,104)	(6,773)
Dividend income	(99,609)	(186,144)
Share of profit of associates and joint ventures accounted for using equity method	(74)	(1,955)
Loss (gain) on disposal of property, plant and equipment	(13,486)	992
Others	(1,872)	(12)
	388,295	349,422
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	(97,606)	139,498
Decrease (increase) in inventories	3,417	(56,861)
Decrease (increase) in other current financial assets	(3,190)	5,594
Decrease (increase) in other current assets	1,753	(75,762)
Increase (decrease) in notes and accounts payable	711,827	(41,434)
Increase (decrease) in provisions	3,600	(7,323)
Increase (decrease) in other payables and other current liabilities	(31,922)	(118,977)
Increase (decrease) in net defined benefit liabilities	(30,529)	187
Increase (decrease) in contract liabilities	11,330	2,125
	568,680	(152,953)
Total adjustments	956,975	196,469
Cash inflow (outflow) generated from (used in) operations	1,044,964	542,046
Dividends received	100,676	187,151
Interest paid	(52,168)	(37,125)
Interest received	17,104	6,773
Income taxes paid	(13,382)	(81,550)
Net cash flows from (used in) operating activities	1,097,194	617,295
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	60,176
Acquisition of investments accounted for using equity method	(2,610)	-
Acquisition of property, plant and equipment	(304,854)	(358,105)
Proceeds from disposal of property, plant and equipment	20,139	2,765
Decrease in refundable deposits	2,918	27,274
Acquisition of intangible assets	(52,711)	-
Decrease (increase) in other financial assets	2,343	(389,533)
Increase in prepayments for business facilities	(30,311)	(78,152)
Net cash flows from (used in) investing activities	(365,086)	(735,575)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(40,000)	-
Proceeds from long-term borrowings	1,851,000	304,300
Repayments of long-term borrowings	(1,280,000)	(100,000)
Decrease in guarantee deposit received	(728)	(5,230)
Payment of lease liabilities	(225,616)	(227,800)
Cash dividends paid	(217,485)	(339,822)
Changes in non-controlling interests	-	(21,133)
Net cash flows from (used in) financing activities	87,171	(389,685)
Effect of exchange rate changes on cash and cash equivalents	(10,469)	12,476
Net increase (decrease) in cash and cash equivalents	808,810	(495,489)
Cash and cash equivalents at beginning of period	1,057,797	1,553,286
Cash and cash equivalents at end of period	$ 1,866,607	1,057,797

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Shan-loong Transportation Co., Ltd. (the "Company") was incorporated in April 6, 1976 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 1F, No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The major business activities of the Group are freight transportation, container trucking, truck repair and maintenance, sale of truck, gas station, and import and export agent, etc. Furthermore, one of the Group entities engages in the investing activities. Please refer to note 4(c)(ii) for related information.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRS endorsed by the FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value; and

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(p).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements:

			Shareholding	
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**
The Company	Shan Loong Investment Co., Ltd. (Shan-Loong Investment)	Investing activities	100%	100%
The Company	Shan Loong International & Customs Broker Co., Ltd. (Shan Loong Customs Broker)	Import and export agent services	100%	100%
The Company	Shan Loong Motors Co., Ltd. (Shan Loong Motors)	Truck repair, maintenance and sales	100%	100%
The Company	Shan-Loong International holding Co., Ltd. (Shan-Loong International)	Investing activities	100%	100%
Shan-Loong International	Long Yun Investment Holding Co, Ltd. (Long Yun)	Investing activities	100%	100%
〃	Loong De Investment Co., Ltd. (Loong De)	Investing activities	100%	100%
Long Yun	Shanghai Shan Tong Logistic Co., Ltd. (Shanghai Shan Tong)	Truck freight transportation and warehousing	60%	60%
Loong De	Shan-Loong Logistics Co., Ltd.	Warehousing, freight transportation and related agent	51%	51%

(d) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of translation. Exchange differences are recognized in profit or loss except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

The business cycle of the selling trucks through installment usually exceeds one year, therefore, the balance sheet accounts related to the selling trucks through installment are classified as current.

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

·It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

·It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(Continued)

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

·The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

·How the performance of the portfolio is evaluated and reported to the Group's management;

·The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

·The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

·Contingent events that would change the amount or timing of cash flows;

·Terms that may adjust the contractual coupon rate, including variable rate features;

·Prepayment and extension features; and

·Terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

·Bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

(Continued)

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings’. The counterparties of the time deposits held by the Group are the financial institutions with investment grade credit ratings. Therefore, the credit risk is considered to be low.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

·Significant financial difficulty of the borrower or issuer;

·a breach of contract such as a default or being overdue;

·The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·It is probable that the borrower will enter bankruptcy or other financial reorganization; or

·The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

(Continued)

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. The weighted moving average method has been used since 2023 and restated in the consolidated financial statements. Net realizable value is the estimated selling price in

(Continued)

the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, whose investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments, in order to be consistent with the Group's accounting policies, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from transactions between the Group and its associate are recognized only to the unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings: 31~56 years

2) Building improvements: 1~27 years

3) Gasoline equipment: 1~21 years

4) Transportation equipment: 5~19 years

5) Miscellaneous equipment: 1~21 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change of its assessment on whether it will exercise an extension or termination option; or

3) there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer Software 2~10 years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

In accordance with the Company's applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense are recognized when the land is contaminated.

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group sells gas to clients and consumers. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Truck repair, freight transportation and customs broker services

The Group provides truck repair, freight transportation and customs broker services. Revenue from providing services is recognized in the accounting period in which the services are rendered.

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Installment sales revenue

The revenue from installment sales is calculated using ordinary sales method. Under this method, gross profit between sales determined at normal selling price and cost of sales is recognized on selling date. The excess installment sales over the sales determined at normal selling price is treated as unearned interest revenue, which is subsequently recognized as interest revenue by using the interest method. Unearned interest revenue is treated as a deduction item of installment sales receivable. Installment sales are recognized as revenue when control of products has been transferred.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

(Continued)

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries and joint arrangements and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    1) the same taxable entity; or

    2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares

(Continued)

outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(t) Reasons and effects of the restatement of financial statements

After the assessment of its management, the Group changed its calculation of inventory cost from weighted average method to weighted moving average method effective January 1, 2023 in order to provide reliable and more relevant information on the impact of the relevant transaction on the financial statements, financial performance or cash flow of the enterprise.

In accordance with IAS 8 accounting policy, if there are changes in accounting estimates and errors, this accounting policy should be applied retroactively. The restated comparative information and the impact of the change in accounting policy on the Group's consolidated financial report for the year ended December 31, 2022 are explained as follows:

Consolidated Balance Sheet

	January 1, 2022		
Accounts	**Before restatement**	**Adjustment**	**After restatement**
Inventories	$ 223,277	(5,621)	217,656
Retained earnings	1,944,149	(5,621)	1,938,528

	December 31, 2022		
Accounts	**Before restatement**	**Adjustment**	**After restatement**
Inventories	$ 280,884	(6,367)	274,517
Retained earnings	1,902,158	(6,367)	1,895,791

Consolidated statement of Comprehensive Income

Accounts		2023	2022 Before restatement	2022 Adjustment	2022 After restatement
Operating costs	$	15,204,944	17,098,866	746	17,099,612
Basic earnings per share (NTD)		0.48	2.13	(0.01)	2.12

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements.

Furthermore, there are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand	$	17,553	14,053
Checking accounts and demand deposits		1,764,054	897,179
Time deposits		85,000	146,565
	$	**1,866,607**	**1,057,797**

Please refer to note (6)(r) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets of the Group.

(b) Financial assets at fair value through other comprehensive income

		December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic markets	$	1,735,908	1,595,869
Stocks unlisted on domestic markets		173,005	175,139
Stocks unlisted on foreign markets		324,178	203,371
	$	2,233,091	1,974,379

(i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

(ii) Base on the resolution approved during the stockholders' meeting held on July 18, 2022, Chung Loong Paper Holdings Limited, which the Group holds as equity investments at fair value through other comprehensive income, decided to reduce 60% of its capital by cash. In July 2022, the Group received all the refund amount of $60,176 (US$2,009 thousand) in proportion to the percentage of ownership in its investment. The Group assessed the transaction mentioned above was the return of the original investment cost and decreased the carrying amount of the investment.

(iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the years ended December 31, 2023 and 2022.

(iv) For market risk of the Group, please refer to note (6)(r).

(v) The Group had not been pledged any financial assets as collateral for its borrowings.

(c) Notes and accounts receivable (including related parties)

		December 31, 2023	December 31, 2022
Notes receivable	$	16,106	27,278
Accounts receivable		819,603	721,984
Less: allowance for impairment		(23,334)	(23,334)
		812,375	725,928
Installment sales receivable		99,948	88,157
Less: Unearned interests		(7,784)	(7,152)
		92,164	81,005
	$	904,539	806,933
Notes and accounts receivable, net	$	616,169	455,219
Notes and accounts receivable due from related parties, net	$	288,370	351,714

(i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including the reasonable prediction of historical credit loss experience and the future economic situation. As of December 31, 2023 and 2022, the loss allowance provisions were determined as follows:

	December 31, 2023				
	Gross carrying amount		Loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Installment sales receivable	$ -	99,948	-	-	-
Notes and accounts receivable					
Aging under 60 days	16,106	781,563	-	-	-
Aging 61~90 days	-	5,676	1%	1%	56
Aging 91~120 days	-	802	5%	60%	207
Aging 121~150 days	-	35	10%	60%	-
Aging 151~180 days	-	893	10%	80%	693
Aging 181~365 days	-	46	10%	90%	-
Aging over 365 days	-	30,588	100%	100%	20,989
	$ 16,106	919,551			21,945

	December 31, 2022				
	Gross carrying amount		Loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Installment sales receivable	$ -	88,157	-	-	-
Notes and accounts receivable					
Aging under 60 days	15,750	689,414	-	-	-
Aging 61~90 days	1,881	101	1%	1%	13
Aging 91~120 days	9,647	5,608	5%	60%	4,876
Aging 121~150 days	-	1,582	10%	60%	1,580
Aging 151~180 days	-	5,710	10%	80%	5,674
Aging 181~365 days	-	9,390	10%	90%	9,332
Aging over 365 days	-	10,179	100%	100%	664
	$ 27,278	810,141			22,139

(Continued)

(ii) The Group's installment sales receivable and related accounts were as follows:

	Gross installment sales (Tax included)	Unearned interests	Present value of installment sales receivable
December 31, 2023			
Within 1 year	$ 19,580	(2,735)	16,845
Beyond 1 year to 5 years	80,368	(5,049)	75,319
	$ 99,948	(7,784)	92,164
December 31, 2022			
Within 1 year	$ 15,934	(2,354)	13,580
Beyond 1 year to 5 years	72,223	(4,798)	67,425
	$ 88,157	(7,152)	81,005

The clients pledged their trucks purchased from the Group as collateral for the above-mentioned installment sales receivable.

(iii) The movements in the allowance for notes and accounts receivable were as follows:

	2023	2022
Balance on January 1	$ 23,334	3,069
Impairment losses recognized	-	20,265
Balance on December 31	$ 23,334	23,334

(iv) As of December 31, 2023 and 2022, the Group did not pledge any notes and accounts receivable as collateral for its borrowings.

(d) Other current financial assets

	December 31, 2023	December 31, 2022
Other receivables	$ 87,074	83,884
Less: loss allowance	(13,100)	(13,100)
	73,974	70,784
Restricted deposits	382,190	389,533
Time deposits with maturities over three months	5,000	-
	$ 461,164	460,317

For further credit risk information, please refers to note (6)(r).

(e) Inventories

		December 31, 2023	December 31, 2022 (restated)	January 1, 2022 (restated)
Premium Diesel	$	45,682	34,715	60,529
Unleaded Gasoline #92		43,200	57,633	48,073
Unleaded Gasoline #95		65,879	84,268	66,665
Unleaded Gasoline #98		21,769	30,088	28,364
By-product and other		20,367	17,628	14,025
Merchandise Inventory		74,203	50,185	-
	$	271,100	274,517	217,656

Since January 1, 2023, the Group changed its calculation of inventory cost from weighted average method to weighted moving average method, which has been applied retroactively in the consolidated financial statements. Please refer to note (4)(t) for more details.

The Group recognized as cost of sales amounted to $12,102,134 and $13,322,467 (restated), respectively, for the years ended December 31, 2023 and 2022.

The gain on physical inventory amounted to $22,629 and $42,082, respectively, which was recorded as cost of sales for the years ended December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the Group did not pledge any inventories as collateral for its borrowings.

(f) Investments accounted for using the equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

		December 31, 2023	December 31, 2022
Associates	$	70,487	65,129

(i) In April 2023, the Group acquired additional shares of Ko Loong from a non-related party for $2,610 in cash, resulting in its percentage of ownership increase from 19.75% to 20.92%. The above price has already been paid in full.

(ii) The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

		2023	2022
Attributable to the Group:			
Profit (loss)	$	74	1,955
Other comprehensive income (loss)		2,418	(7,144)
Total comprehensive income (loss)	$	2,492	(5,189)

(iii) The Group did not provide any investment accounted for using the equity method as collateral for its loans.

(g) Property, plant and equipment

The movements in the property, plant and equipment of the Group were as follows:

		Land	Buildings	Gasoline equipment	Transportation equipment	Miscellaneous equipment	Unfinished construction and equipment under installation	Total
Cost:								
Balance on January 1, 2023	$	2,009,271	912,904	174,990	2,240,040	507,004	7,972	5,852,181
Additions		-	37,543	31,397	146,767	25,351	63,796	304,854
Disposals		-	-	-	(66,465)	-	-	(66,465)
Reclassifications		-	37,258	108,823	-	(119,112)	(38,358)	(11,389)
Effect of movements in exchange rates		-	-	-	(614)	(1)	-	(615)
Balance on December 31, 2023	**$**	**2,009,271**	**987,705**	**315,210**	**2,319,728**	**413,242**	**33,410**	**6,078,566**
Balance on January 1, 2022	$	2,006,541	903,316	155,502	2,019,052	448,412	13,911	5,546,734
Additions		2,730	10,159	10,401	252,204	77,979	4,632	358,105
Disposals		-	(661)	(1,394)	(32,474)	(19,388)	-	(53,917)
Reclassifications		-	90	10,481	-	-	(10,571)	-
Effect of movements in exchange rates		-	-	-	1,258	1	-	1,259
Balance on December 31, 2022	**$**	**2,009,271**	**912,904**	**174,990**	**2,240,040**	**507,004**	**7,972**	**5,852,181**
Depreciation:								
Balance on January 1, 2023	$	-	405,793	121,157	1,274,530	340,461	-	2,141,941
Depreciation		-	38,082	18,767	146,312	38,554	-	241,715
Disposals		-	-	-	(59,812)	-	-	(59,812)
Reclassifications		-	(1,705)	87,920	-	(86,215)	-	-
Effect of movements in exchange rates		-	-	-	(391)	(1)	-	(392)
Balance on December 31, 2023	**$**	**-**	**442,170**	**227,844**	**1,360,639**	**292,799**	**-**	**2,323,452**
Balance on January 1, 2022	$	-	368,701	111,360	1,147,617	309,545	-	1,937,223
Depreciation		-	37,606	11,184	157,026	48,560	-	254,376
Disposals		-	(514)	(1,387)	(30,615)	(17,644)	-	(50,160)
Effect of movements in exchange rates		-	-	-	502	-	-	502
Balance on December 31, 2022	**$**	**-**	**405,793**	**121,157**	**1,274,530**	**340,461**	**-**	**2,141,941**

	Land	Buildings	Gasoline equipment	Transportation equipment	Miscellaneous equipment	Unfinished construction and equipment under installation	Total
Carrying amounts:							
Balance on December 31, 2023	$ 2,009,271	545,535	87,366	959,089	120,443	33,410	3,755,114
Balance on January 1, 2022	$ 2,006,541	534,615	44,142	871,435	138,867	13,911	3,609,511
Balance on December 31, 2022	$ 2,009,271	507,111	53,833	965,510	166,543	7,972	3,710,240

(i) The Group is restricted by the law and cannot acquire any agricultural land in the name of the Group; therefore, the agricultural land located in Mailiao and Taoyuan is registered in the name of the Chairman of the Company. As of December 31, 2023 and 2022, the carrying value of the above land was both $215,304. The Group has either "Other rights certificate" of the land or an agreement with both parties to verify that the Group is the actual owner of the land.

(ii) As of December 31, 2023 and 2022, the portion of property, plant and equipment of the Group had been pledged as collateral for its credit lines of the bank. Please refer to note (8).

(h) Right-of-use assets

The Group leases many assets including land and buildings. Information about leases for which the Group as a lessee is presented below:

		Land	Buildings	Others	Total
Cost or deemed cost:					
Balance on January 1, 2023	$	287,201	1,492,372	13,987	1,793,560
Additions		-	97,408	-	97,408
Reductions		(41)	(42,651)	-	(42,692)
Balance on December 31, 2023	$	287,160	1,547,129	13,987	1,848,276
Balance on January 1, 2022	$	264,408	1,393,037	14,571	1,672,016
Additions		22,793	99,567	-	122,360
Reductions		-	(232)	(584)	(816)
Balance on December 31, 2022	$	287,201	1,492,372	13,987	1,793,560
Depreciation:					
Balance on January 1, 2023	$	110,523	708,099	9,059	827,681
Depreciation		36,654	176,876	2,659	216,189
Reductions		-	(24,534)	-	(24,534)
Balance on December 31, 2023	$	147,177	860,441	11,718	1,019,336
Balance on January 1, 2022	$	69,243	520,687	6,558	596,488
Depreciation		41,280	187,563	2,705	231,548
Reductions		-	(151)	(204)	(355)

	Land	Buildings	Others	Total
Balance on December 31, 2022	$ 110,523	708,099	9,059	827,681
Carrying amount:				
Balance on December 31, 2023	$ 139,983	686,688	2,269	828,940
Balance on January 1, 2022	$ 195,165	872,350	8,013	1,075,528
Balance on December 31, 2022	$ 176,678	784,273	4,928	965,879

The Group's right-of-use assets increased resulting from the new lease contracts of gas stations and container yard ; and the decrease was mainly derived from terminating the lease contract of the office located in Banqiao District, New Taipei City with Cheng Loong.

(i) Short-term borrowings

	December 31, 2023	December 31, 2022
Short-term borrowings	$ -	40,000
Unused short-term credit lines	$ 520,850	124,000
Range of interest rates	2.25%	2.00%

(i) The credit borrowing of the Group is the chairman of the board of directors as joint and several guarantors, please refer to note (7).

(ii) For information on interest rate risk and liquidity risk of the Group, please refer to note (6)(r).

(j) Long-term borrowings

A

	Currency	December 31, 2023	December 31, 2022
Secured bank loans	NTD	$ 2,050,000	1,479,000
Less: current portion		350,000	100,000
		$ 1,700,000	1,379,000
Unused long-term credit lines		$ 1,500,000	200,000
Range of interest rates		1.67%~2.45%	1%~2.17%
Maturity year		2024~2028	2023~2027

(i) Issuance and repayment of the loans

The Group's additional amounts in loans for the years ended December 31, 2023 and 2022, were $1,851,000 and $304,300, respectively; and the repayments, including prepaying the loans, were $1,280,000 and $100,000.

(ii) As of December 31, 2023, the repayment schedule for the long-term borrowings was as follows:

Period		Amount
2024.01.01~2024.12.31	$	350,000
2025.01.01~2025.12.31		1,200,000
2026.01.01~2026.12.31		300,000
2027.01.01~2027.12.31		-
2028.01.01~2028.12.31		200,000
	$	2,050,000

(iii) Please refer to note (6)(r) for the interest rate risk and liquidity risk information of the Group.

(iv) Please refer to note (8) for the collateral for the long-term borrowings.

(k) Lease liabilities

The lease liabilities of the Group were as follows:

		December 31, 2023	December 31, 2022
Current	$	196,383	201,323
Non-current	$	650,337	792,312

For the maturity analysis, please refer to note (6)(r).

		2023	2022
The amounts recognized in profit or loss were as follows:			
Interest on lease liabilities	$	12,969	14,532
Expenses relating to short-term leases	$	24,650	17,674
Lease modification gains (recorded as other gains and losses)	$	549	(12)

The amount recognized in the statement of cash flows for the Group was as follows:

		2023	2022
Total cash outflow for leases	$	263,235	260,006

(i) Leases of land and buildings

The Group leases a number of office space, gas stations, warehouses and land. These leases typically run for a period of 2 to 27 years.

(ii) Other leases

The Group leases a number of stackers with short-term contract terms. The Group has chosen not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ (142,495)	(155,293)
Fair value of plan assets	85,271	70,358
Net defined benefit liabilities	**$ (57,224)**	**(84,935)**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$84,410 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligations at January 1	$ (155,293)	(247,658)
Benefits paid	22,428	99,511
Pensions for employees who are transferred from affiliated companies	(4,620)	(2,588)
Current service costs and interest cost	3,284)	(4,760)
Remeasurement in net defined benefit liabilities (assets)	(1,726)	202
Defined benefit obligations at December 31	**$ (142,495)**	**(155,293)**

(Continued)

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 70,358	147,473
Expected return on plan assets	904	908
Remeasurement of net defined benefit liabilities (assets)	1,322	15,070
Contributions paid by the employer	35,115	6,418
Benefits paid	(22,428)	(99,511)
Fair value of plan assets at December 31	**$ 85,271**	**70,358**

4) Movements of the effect of the asset ceiling

In 2023 and 2022, there were no movements on the effect of the Company's defined benefit plans asset ceiling.

5) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	2023	2022
Current service costs	$ 1,343	3,243
Interest cost	1,941	1,517
Expected return on plan assets	(904)	(908)
	$ 2,380	**3,852**
Operating cost	$ -	2,028
Administration expenses	2,380	1,824
	$ 2,380	**3,852**

6) Remeasurement of net defined benefit liabilities (assets) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income, was as follows:

	2023	2022
Accumulated amount at January 1	$ (147,175)	(162,447)
Recognized during the period	(404)	15,272
Accumulated amount at December 31	**$ (147,579)**	**(147,175)**

7) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	1.250%	1.250%
Future salary increase rate	1.000%	1.000%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $2,115.

The weighted average lifetime of the defined benefits plans is 10.20 years.

8) Sensitivity analysis

In determining the present value of the defined benefit obligation, the Company's management makes judgements and estimates in determining certain actuarial assumptions of the balance sheet date, which includes discount rate and future salary increase rate. Changes in actuarial assumptions may have significant impact on the amount of defined benefit obligation.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increased 0.25%	**Decreased 0.25%**
December 31, 2023		
Discount rate	$ (1,504)	1,550
Future salary increasing rate	1,550	(1,512)
December 31, 2022		
Discount rate	(2,237)	2,312
Future salary increasing rate	2,312	(2,248)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Group recognized the pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $46,512 and $49,069 for the years ended December 31, 2023 and 2022, respectively.

The other subsidiaries recognized the pension expense, basic endowment insurance expenses, and social welfare expenses amounting to $1,876 and $1,791 for the years ended December 31, 2023 and 2022, respectively.

(m) Income taxes

(i) Income tax expenses

1) The components of income tax in the years 2023 and 2022 were as follows:

		2023	2022
Current tax expenses			
Current period	$	17,533	34,920
Adjustment for prior periods		(3,197)	(1,482)
		14,336	33,438
Deferred tax expenses			
Origination and reversal of temporary differences		(6,647)	16,556
Under (over) provision in prior periods		(2,356)	(1,330)
		(9,003)	15,226
Income tax expenses	**$**	**5,333**	**48,664**

2) The amounts of income tax recognized directly in other comprehensive income for 2023 and 2022 were as follows:

		2023	2022
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	$	(81)	3,054
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income		32,090	(16,509)
	$	**32,009**	**(13,455)**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	**$**	**(1,190)**	**1,452**

3) Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

(Continued)

		2023	2022 (restated)
Profit before tax	$	87,989	345,577
Income tax on pre-tax financial income calculated at the domestic rates applicable to profits in the country concerned	$	36,219	94,391
Net gains or losses on domestic investments accounted for using equity method		(13,959)	(21,253)
Tax-exempt income		(13,859)	(23,214)
Under (over) provision in prior periods		(5,553)	(2,812)
Non-deductible expenses and others		2,485	1,552
Income tax expenses	$	5,333	48,664

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities: None.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

		Defined benefit plans	Exchange differences on translation	Tax losses	Others	Total
Deferred tax assets:						
Balance on January 1, 2023	$	13,065	9,447	-	14,271	36,783
Recognized in profit (loss)		(5,106)	-	16,423	(1,759)	9,558
Recognized in other comprehensive income		81	1,190	-	-	1,271
Balance on December 31, 2023	$	8,040	10,637	16,423	12,512	47,612
Balance on January 1, 2022	$	16,632	10,899	-	9,521	37,052
Recognized in profit (loss)		(513)	-	-	4,750	4,237
Recognized in other comprehensive income		(3,054)	(1,452)	-	-	(4,506)
Balance on December 31, 2022	$	13,065	9,447	-	14,271	36,783

		Unrealized gains (losses) on financial assets	Overseas investment income accounted under the equity method	Others	Total
Deferred tax liabilities:					
Balance on January 1, 2023	$	85,067	77,290	4,889	167,246
Recognized in (profit) loss		-	3,600	(3,045)	555
Recognized in other comprehensive income		32,090	-	-	32,090
Balance on December 31, 2023	$	117,157	80,890	1,844	199,891
Balance on January 1, 2022	$	101,576	59,025	3,691	164,292
Recognized in (profit) loss		-	18,265	1,198	19,463
Recognized in other comprehensive income		(16,509)	-	-	(16,509)
Balance on December 31, 2022	$	85,067	77,290	4,889	167,246

(iii) The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. As of December 31, 2023, the information of the Group's tax losses for which deferred tax assets has recognized are as follows:

Year of loss	Unused tax loss	Expiry date
2023 (Estimated)	$ 82,115	2033

(iv) Assessment of tax

The tax returns of the Company and its R.O.C. subsidiaries for the years through 2021 were assessed by the Taipei National Tax Administration.

(n) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the number of authorized ordinary shares were both $1,800,000 with a par value of $10 per share, and of which $1,372,818 were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2023	December 31, 2022
Additional paid-in capital	$	520,206	520,206
Treasury share transactions		67,461	65,295
Other		1,241	1,241
	$	588,908	586,742

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retain earnings

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. The amount to be reclassified to special reserve shall be a portion of current-period earnings plus other line items in the retained earnings movements and undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Retain earnings-earnings distribution and dividend policy

Based on the Company's article of incorporation, if there is any profit after tax after closing of books in a given year, the Company shall first offset the accumulated deficits, if any, and set aside 10% of it as legal reserve. The legal reserve shall be based on after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Moreover, the Company shall set aside or reserve a special reserve in accordance with laws and regulations. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The abovementioned distribution shall be declared more than 30% to shareholders. The cash dividends shall not be lower than 10% of the total cash and stock dividends. However, stock dividends instead of cash dividends are declared if the cash dividends per share are less than NT$0.1 (dollars). When there is a deduction from shareholders' equity, an amount equal to the deduction item is set aside as a special reserve (which does not qualify for earnings distribution). If the dividends per share are less than

NT$0.5 (dollars), they can be decided not to distribute.

Base on the resolutions of the annual stockholders' meeting held on May 30, 2023 and May 26, 2022, the appropriations of dividends from the distributable retained earnings of 2022 and 2021, respectively, were as follows:

	2022		2021	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	$ 1.6	219,651	2.5	343,205

On March 14, 2024, the Company's Board of Directors resolved to appropriate to 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders:		
Cash	$ 0.43	59,031

(iv) Treasury shares

In accordance with Securities and Exchange Act requirements, the number of shares repurchased should not exceed 10% of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

As of December 31, 2023 and 2022, since the subsidiary of the Group, Shan-Loong Investment, held a number of the ordinary shares of the Company, the Group accounted it under the treasury stock. The total shares and amounts were as follows:

	December 31, 2023		December 31, 2022	
	Shares (thousands)	Amount	Shares (thousands)	Amount
Shan-Loong Investment	1,353	$ 31,863	1,353	31,863
Fair value		$ 40,604		43,175

For the years ended December 31, 2023 and 2022, Shan-Loong Investment, received the cash dividend which was distributed by the Company, amounting to $2,166 and $3,383, respectively, which was recorded as capital surplus - treasury share transactions.

(o) Earnings per share

The Group's basic and diluted earnings per share were calculated as follows:

	2023	2022 (restated)
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ 65,250	288,250
Weighted average number of ordinary shares (thousands)	135,928	135,928
Basic earnings per share (dollars)	$ 0.48	2.12
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (after adjustment the influence of potential ordinary shares)	$ 65,250	288,250
Weighted average number of ordinary shares (thousands)	135,928	135,928
Dilutive effect of potential ordinary shares (thousands):		
Employee share bonus	208	797
Weighted average number of ordinary shares (after adjustment the influence of potential ordinary shares)	136,136	136,725
Diluted earnings per share (dollars)	$ 0.48	2.11

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023			
	Transportation segment	**Gasoline station segment**	**Other segment**	**Total**
Primary geographical markets:				
Taiwan	$ 1,956,537	12,940,077	1,101,487	15,998,101
Vietnam	425,793	-	-	425,793
	$ 2,382,330	12,940,077	1,101,487	16,423,894

	2022			
	Transportation segment	**Gasoline station segment**	**Other segment**	**Total**
Primary geographical markets:				
Taiwan	$ 2,909,409	13,750,564	1,571,219	18,231,192
Vietnam	287,571	-	-	287,571
	$ 3,196,980	13,750,564	1,571,219	18,518,763

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable	$	935,657	837,419	969,765
Less: allowance for impairment		(23,334)	(23,334)	(3,069)
Unearned interests		(7,784)	(7,152)	-
	$	904,539	806,933	966,696
Contract liabilities – Unearned revenue	$	35,270	23,940	21,815

For details on accounts receivable and allowance for impairment, please refer to note (6)(c).

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(q) Employee compensation and directors' remuneration

Based on the Company's articles of incorporation, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensations to employees, shall be distributed to employees as compensations in an amount of not less than one percent (1%) of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses. The compensations to employees as mentioned above may be distributed in the form of stock or cash. Employees who are entitled to receive the above-mentioned employee remuneration, in shares or cash, include the employees of the Company's controlling and subordinate companies pursuant to the Company Act. A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation ; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. A company which has the profit distributed to employees in the form of shares by a resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.

The Company's remuneration to employees amounted to $2,070 and $22,000, respectively, and the remuneration to directors were both $0 for the years ended December 31, 2023 and 2022. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of the remuneration to employees and directors as specified in company's articles. The remuneration was expensed under operating costs or operating expenses during 2023 and 2022.

The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions in 2023 and 2022. Related information would be available at the Market Observation Post System Website.

(r) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2023 and 2022, the accounts receivable amounted to $288,311 and $288,003, respectively, comes from one of the Group's significant customer, whose main activities is the manufacturing and sale of paper products.

3) Receivables credit risk

For credit risk exposure of notes and accounts receivable, please refer to note (6)(c). Other financial assets measured at amortized cost include other receivables, please refer to note (6)(d).

The abovementioned other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g).

The loss allowance provision of other receivables was determined as follows:

		2023	2022
Balance on January 1 (same as balance on December 31)	$	13,100	13,100

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

		Carrying amount	Contractual cash flows	Within a year	1~2 years	Over 2 years
December 31, 2023						
Non-derivative financial liabilities						
Notes and accounts payable	$	2,256,522	(2,256,522)	(2,256,522)	-	-
Other payables		359,204	(359,204)	(359,204)	-	-
Lease liabilities (including current and non-current)		846,720	(880,515)	(206,971)	(182,425)	(491,119)
Long-term borrowings (including current portion)		2,050,000	(2,122,703)	(385,767)	(1,223,166)	(513,770)
Guarantee deposits received		12,304	(12,304)	-	-	(12,304)
	$	**5,524,750**	**(5,631,248)**	**(3,208,464)**	**(1,405,591)**	**(1,017,193)**
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$	40,000	(40,300)	(40,300)	-	-
Notes and accounts payable		1,544,695	(1,544,695)	(1,544,695)	-	-
Other payables		391,241	(391,241)	(391,241)	-	-

	Carrying amount	Contractual cash flows	Within a year	1~2 years	Over 2 years
Lease liabilities (including current and non-current)	993,635	(1,036,630)	(213,499)	(184,851)	(638,280)
Long-term borrowings (including current portion)	1,479,000	(1,527,272)	(125,988)	(1,191,447)	(209,837)
Guarantee deposits received	13,032	(13,032)	-	-	(13,032)
	$ 4,461,603	(4,553,170)	(2,315,723)	(1,376,298)	(861,149)

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 11,146	USD/TWD =30.705	342,238	10,327	USD/TWD =30.710	317,142
Non-Monetary items						
CNY	74,920	CNY/TWD =4.327	324,178	46,137	CNY/TWD =4.408	203,371

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents and financial assets at fair value through other comprehensive income. A strengthening (weakening) of 5% of the TWD against the USD and CNY for the years ended December 31, 2023 and 2022, would have increased or decreased the profit before tax by $17,112 and $15,857, respectively; and would have increased or decreased the other comprehensive income by $16,209 and $10,169, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, the foreign exchange gains (losses) (including both realized and unrealized) were as follows:

	2023	2022
Foreign exchange gain (loss) (recorded as other gains and losses)	$ (1,517)	18,527

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

		December 31, 2023	December 31, 2022
Variable rate instruments (Carrying amount):			
Financial assets	$	2,069,877	1,180,842
Financial liabilities		2,050,000	801,700

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group's management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Group's net profit before tax would have increased or decreased by $50 and $948, respectively, for the years ended December 31, 2023 and 2022, which would be mainly resulted from the bank deposits and bank loans.

(v) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2023			2022	
Prices of securities at the reporting date		**Other comprehensive income before tax**	**Profit before tax**	**Other comprehensive income before tax**	**Profit before tax**
Increasing 5%	$	111,655	-	98,719	-
Decreasing 5%	$	(111,655)	-	(98,719)	-

(vi) Fair value of financial instruments

1) Procedure of valuation and Fair value hierarchy

The Group's accounting policies and disclosure include fair value method on financial assets and financial liabilities. The Group's management is responsible in performing independent test on fair value by using independent source of information to obtain the fair value which is close to the market status. The management also confirms the independence, reliability and matching of the information source, and regularly test the valuation model, update the input and other information, and make necessary adjustment to ensure the output of valuation is reasonable.

The Group uses observable market data to evaluate its assets and liabilities when it is possible. The different inputs of levels of fair value hierarchy in determining the fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

2) The categories and the fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 1,735,908	1,735,908	-	-	1,735,908
Unquoted equity instruments	497,183	-	-	497,183	497,183
Subtotal	2,233,091				
Financial assets measured at amortized cost					
Cash and cash equivalents	1,866,607	-	-	-	-
Notes and accounts receivable, net	616,169	-	-	-	-
Notes and accounts receivable-related parties, net	288,370	-	-	-	-
Other current financial assets	461,164	-	-	-	-
Refundable deposits (recorded as other non-current assets)	188,522	-	-	-	-
Subtotal	3,420,832				
	$ 5,653,923				
Financial liabilities measured at amortized cost					
Notes and accounts payable	$ 2,256,522	-	-	-	-
Other payables	359,204	-	-	-	-
Lease liabilities (including current and non-current)	846,720	-	-	-	-

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Long-term borrowings (including current portion)	2,050,000	-	-	-	-
Guarantee deposits	12,304	-	-	-	-
	$ 5,524,750				

	December 31, 2022				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 1,595,869	1,595,869	-	-	1,595,869
Unquoted equity instruments	378,510	-	-	378,510	378,510
Subtotal	1,974,379				
Financial assets measured at amortized cost					
Cash and cash equivalents	1,057,797	-	-	-	-
Notes and accounts receivable, net	455,219	-	-	-	-
Notes and accounts receivable-related parties, net	351,714	-	-	-	-
Other current financial assets	460,317	-	-	-	-
Refundable deposits (recorded as other non-current assets)	191,440	-	-	-	-
Subtotal	2,516,487				
	$ 4,490,866				
Financial liabilities measured at amortized costs					
Short-term borrowings	$ 40,000	-	-	-	-
Notes and accounts payable	1,544,695	-	-	-	-
Other payables	391,241	-	-	-	-
Lease liabilities (including current and non-current)	993,635	-	-	-	-
Long-term borrowings (including current portion)	1,479,000	-	-	-	-
Guarantee deposits	13,032	-	-	-	-
	$ 4,461,603				

3) Valuation techniques for financial instruments not measured at fair value

The Group’s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Unquoted liability instruments and financial liabilities measured at amortized cost: If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies’ equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments or other valuation technique including a model using observable market data at the reporting date.

The measurement of fair value of a non-active market financial equity instruments held by the Group which do not have quoted market prices are based on the comparable market approach, with the use of key assumptions of EV/EBIT or price-to-book ratio of comparable listed companies as its basic measurement. These assumptions have been adjusted for the effect of discount for lack of marketability of the equity securities.

5) There were no transfers from one level to another of the Group for the years ended December 31, 2023 and 2022.

6) Reconciliation of Level 3 fair values

		Financial assets at fair value through other comprehensive income
		Unquoted equity instruments
Balance on January 1, 2023	$	378,510
Total gains and losses recognized:		
In other comprehensive income		118,673
Balance on December 31, 2023	$	497,183
Balance on January 1, 2022	$	386,384
Total gains and losses recognized:		
In other comprehensive income		52,302
Proceeds of capital reduction of investment		(60,176)
Balance on December 31, 2022	$	378,510

For the years ended December 31, 2023 and 2022, the total gains and losses that were included in "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

		2023	2022
Total gains and losses recognized:			
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	$	118,673	52,302

7) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Most of fair value measurements of the Group which are categorized as equity investment instruments into level 3 have several significant unobservable inputs. Significant unobservable inputs of equity instruments without quoted price are independent of each other.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
〃	〃	· Price-Book ratio (0.62~1.79 and 0.73~2.6, respectively, on December 31, 2023 and 2022)	· The higher the multiple is, the higher the fair value will be.
〃	〃	· EV/SALES (0.88~1.82 and 0.9~2.18, respectively, on December 31, 2023 and 2022)	〃
〃	〃	· EV/EBITDA (7.97~17.01 and 4.30~9.99, respectively, on December 31, 2023 and 2022)	· The higher the EBITDA multiple is, the higher the fair value will be.
〃	Net asset value method	· Net Asset Value	· Not applicable

8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters changed, the impacts on other comprehensive income or loss are as follows:

	Input	Move up or down	Other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2023				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	$ 6,357	(6,343)
〃	Price-to-Book Ratio	5%	$ 3,604	(3,600)
〃	EV/SALES	5%	$ 522	(521)
〃	EV/EBITDA	5%	$ 14,126	(14,122)
December 31, 2022				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	$ 4,990	(4,971)
	Price-to-Book Ratio	5%	$ 4,303	(4,285)
〃	EV/SALES	5%	$ 699	(698)
〃	EV/EBITDA	5%	$ 5,372	(5,355)

The favorable and unfavorable impacts reflect the movement of the fair value, in which the fair value is calculated by using the significant unobservable inputs in the valuation technique. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(s) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the control and oversight of the risk management framework. The financial department proposes the evaluation plan and benefit analysis and reports to management for approving. The transactions are authorized to the chairman of the Company to operate, and will be approved by the Board of Directors at the most recent board meeting.

The internal auditors of the Group perform the regularly or irregularly risk management control and operating activity audit in accordance with the internal audit plans. The result will be reported to the Audit Committee periodically. The Group has no transactions in financial instruments for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash at bank, receivables from customers and investments in securities.

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, these limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

In order to mitigate account receivable credit risk, the Group constantly assesses the financial status of the customers, and requests the customers to provide guarantee or security if necessary. The Group regularly accesses the collectability of accounts receivable and recognizes allowance for accounts receivable. The impairment losses are always within management's expectation.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, corporate organization and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

Pursuant to the Group's policies, it is only permissible to provide financial guarantee to the entities listed in the policies. As of December 31, 2023 and 2022, the Group did not provide any guarantees to other companies besides its subsidiaries.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities to ensures they are in compliance with the terms of loan agreements.

The loans and borrowings from the bank form an important source of liquidity for the Group. Please refer to note 6(i) and 6(j) for the unused credit lines of short-term and long-term loans as of December 31, 2023 and 2022.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, cost of goods sold, and expenses that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, CNY and VND. The currencies used in these transactions are the NTD, USD, CNY and VND.

As for other monetary assets and liabilities denominated in other foreign currencies, when short-term imbalance takes place and the amount is significant, the Group buys or sells foreign currencies at spot rate to ensure that the net exposure is kept on an acceptable level.

2) Interest rate risk

The subsidiaries of the Group borrow funds on floating interest rate; therefore, the Group has the risk of cash flow.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in listed stock investments and non-listed stock investments. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments. The material investments of investment portfolio are managed individually and their purchase decision are all approved by the finance department.

(t) Capital management

The policy of capital management made by the Board of Directors is to maintain a strong capital base so as to stabilize the confidence of the investors, creditors and the public market and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings and non-controlling interests. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shares.

The Group monitors capital structure through the regular review of the asset-debt ratio. As of December 31, 2023 and 2022, the debt ratios of the Group were as follows:

		December 31, 2023	**December 31, 2022**
Total liabilities	$	5,868,861	4,772,402
Total assets		10,953,196	9,781,308
Debt-to-asset ratio		53%	49%

As of December 31, 2023, there were no changes in the Group's approach of capital management.

(u) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

(i) The acquisition of right-of -use assets by lease, please refer to notes (6)(h) and (6)(k).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

				Non-cash changes	
		January 1, 2023	**Cash flows**	**Changes in lease payments and others**	**December 31, 2023**
Short-term borrowings	$	40,000	(40,000)	-	-
Long-term borrowings		1,479,000	571,000	-	2,050,000
Guarantee deposits		13,032	(728)	-	12,304
Lease liabilities		993,635	(225,616)	78,701	846,720
Total liabilities from financing activities	**$**	**2,525,667**	**304,656**	**78,701**	**2,909,024**

			Non-cash changes	
	January 1, 2022	Cash flows	Changes in lease payments and others	December 31, 2022
Short-term borrowings	$ 40,000	-	-	40,000
Long-term borrowings	1,274,700	204,300	-	1,479,000
Guarantee deposits	18,262	(5,230)	-	13,032
Lease liabilities	1,099,548	(227,800)	121,887	993,635
Total liabilities from financing activities	$ 2,432,510	(28,730)	121,887	2,525,667

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in consolidated financial statements:

Name of related party	Relationship with the Group
Cheng Loong Corporation (Cheng Loong)	This Company is the corporate director of the Company
Shine Far Construction Co., Ltd.	This Company is the corporate director of the Company
Shine Far Property Co., Ltd.	Its parent company is the corporate director of the Company
Shine Far Electromechanical Co., Ltd.	Its parent company is the corporate director of the Company
Gemtech Optoelectronics Corp.	The relationship between the chairman of the Company and of this Company is within second degree of kinship
Ko Loong Industry Co., Ltd.	The associate of the Company
Zhonglong International Co., Ltd.	Its chairman was the same as the Board of the Company from December 2022 to May 2023
Sun Favorite Co., Ltd.	Half of the directors of this company are the directors of the Company
Suzhou Cheng Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Shan Fu Paper (Kunsan) Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong (Gwangtung) Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Dongguan Ming Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company

Zhangzhou Cheng Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Qingdao Chung Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong (Hangzhou) Investment Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Chung Ming International Limited Taiwan Branch	Its ultimate parent company is the corporate director of the Company
Zhongming International Limited	Its ultimate parent company is the corporate director of the Company
Wen Gin Development Co., Ltd. (Wen Gin Development)	The relationship between the chairman of the Company and of this company is within second degree of kinship
Cheng Loong Binh Duong Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong Long An Container Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong Binh Duong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong Bac Giang Company Limited	Its ultimate parent company is the corporate director of the Company
Cheng Loong Ben Cat Company Limited	Its ultimate parent company is the corporate director of the Company
Vina Tawana Container Co., Ltd.	Its ultimate parent company is the corporate director of the Company

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales transactions between the Group and related parties were as followings:

	Sales	
	2023	**2022**
Other related parties－Cheng Loong	$ 1,386,393	1,451,481
Other related parties	503,606	467,959
Associates	875	226
	$ 1,890,874	**1,919,666**

Sales prices and other transaction terms for related parties were similar to those of the third-party customers.

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories		December 31, 2023	December 31, 2022
Accounts receivables	Other related parties —Cheng Loong	$	220,512	227,318
Accounts receivables	Other related parties		67,799	60,759
Accounts receivables	Associates		59	23
Installment sales receivable, net (recorded as notes and accounts receivable due from related parties, net)	Other related parties		-	63,614
Other receivables (recorded as other current financial assets)	Other related parties		319	360
		$	288,689	352,074

(iii) The costs and expenses paid to related parties

The costs and expenses paid to related parties were as follows:

Account	Relationship		2023	2022
Operating costs and operating expenses	Other related parties	$	139,929	48,093
〃	Associates		77,289	7,228
		$	217,218	55,321

As of December 31, 2022, the Group paid freight to other related parties in advance in the amount of $10,000, which was recorded as other current assets.

(iv) Property transactions

1) Purchases of property, plant and equipment

The Group purchased the transportation equipment from the related parties and engaged related parties to engineer the facilities on the leased land. The total price was as follows:

	Total price		
		2023	2022
Other related parties	$	-	1,235
Associates		31,486	26,669
	$	31,486	27,904

2) The associates provided system integration development services to the Group at the amounts of $44,625 and $38,843 for the years ended December 31, 2023 and 2022, respectively. Since the development project has not been fully completed, the cumulative amounts of $18,193 and $38,843 as of December 31, 2023 and 2022, respectively, had been recognized as prepayments for business facilities (other non-current assets).

(v) Payable to related parties

The payables to related parties resulting from the above transactions were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable	Other related parties	$ 2,971	15,922
Other payables	Other related parties	1,559	362
〃	Associates	148	2,057
		$ 4,678	18,341

(vi) Lease

1) Lessee

The Group rented several office spaces and lands from Cheng Loong. The rental fee is determined based on nearly office rental rates. The details of the above lease transactions are as follows:

	Lease liabilities		Interest expense	
	December 31, 2023	December 31, 2022	2023	2022
Other related parties－Cheng Loong	$ 6,220	49,702	257	586

2) Lessor

The Group rented out the office building to other related parties. The details of the above lease transactions are as follows:

	Rental income (recorded as other income)		Other receivables from related parties	
	2023	2022	December 31, 2023	December 31, 2022
Other related parties	$ -	923	-	-

(vii) Service revenue

For the year ended December 31, 2022, the Group signed an agreement with its associates to provide management and technical services. The income recognized as a result of the above services was $9,000, which was recorded as other income, and the above amount had been received as of December 31, 2022.

(viii) Provide guarantees

The Group short-term credit borrowing is jointly and severally guaranteed by the Chairman of the Company.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 60,206	52,296
Post-employment benefits	633	312
	$ 60,839	52,608

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Property, plant and equipment－land	Long-term borrowings	$ 90,562	90,562
Property, plant and equipment－buildings	〃	10,494	12,222
Refundable deposits (deposit certificate, recorded as other non-current assets)	Deposits for performance guarantee	52,109	46,235
		$ 153,165	149,019

(9) Significant commitments and contingencies:

(a) As of December 31, 2023 and 2022, the Group's unrecognized contractual commitments for gas station engineering, office renovation and computer information system amounted to $43,612 and $28,597, respectively.

(b) As of December 31, 2023 and 2022, the Group had outstanding stand-by letters of credit provided by the banks totaling $2,089,153 and $2,096,000, respectively, for purposes of gasoline purchase, transportation and customs guarantee, etc.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others:

(a) A summary of current-period employee benefits and depreciation, by function, is as follows:

By function / By item	2023			2022		
	Operating cost	Operating Expenses	Total	Operating cost	Operating Expenses	Total
Employee benefits						
Salary	365,772	600,322	966,094	420,118	665,498	1,085,616
Labor and health insurance	32,019	69,273	101,292	38,065	67,782	105,847
Pension	13,692	37,076	50,768	21,355	33,357	54,712
Others	1,202	24,576	25,778	2,986	23,505	26,491
Depreciation	175,113	282,791	457,904	207,308	278,616	485,924
Amortization	-	10,368	10,368	-	-	-

(b) Both the Company and Shan-Loong Motors entered into two separate agreements with Hong-Fa Co., Ltd. (Hong-Fa) and Heng-An International Investment Co., Ltd. (Heng-An) between March 2021 and October 2022 concerning tire service contracting and automobile maintenance, etc. However, both counterparties breached their agreements. Therefore, the Company filed two separate lawsuits against Hong-Fa and Heng-An in the Taiwan New Taipei District Court in June 2023 for damages for non-performance of the obligations. The Company agreed with Hong Fa and Heng An on November 20 and December 20, 2023, respectively, to cease the litigation and shall report to the Court within four months after the cessation of the litigation. As of the financial reporting date, the Company assessed that the above-mentioned litigation has not yet had any material effects on the Group's finances and business.

(13) Additional disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2023.

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Shan-Loong Motors	Note 2	2,443,229	150,000	150,000	-	-	3.07%	4,886,457	Y	-	-

Note 1: The total amount of endorsements shall not exceed the Company's net assets, and the endorsements for a single company shall not exceed 50% of the Company's net assets.
Note 2: Subsidiary whose over 50% common stock is directly or indirectly owned.
Note 3: The above counter-party of guarantee and endorsement is one of the entities in the consolidated financial statements.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of shares)

Name of holder	Category and name of security	Relationship with company	Account title	Endingbalance				Highest balance during the year		Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%)	
	Stock:									
The Company	Cheng Loong Corporation stock	Cheng Loong is the corporate director of the Company	Non-current financial assets at fair value through other comprehensive income	19,376	576,440	1.75%	576,440	19,376	1.75%	
〃	Gemtech Optoelectronics Corp. stock	The relationship between the chairman of the Company and of this company is within second degree of kinship	〃	3,644	66,575	19.29%	66,575	3,644	19.29%	
〃	Cheng Loong investment Co., Ltd. stock	-	〃	600	27,881	4.62%	27,881	600	4.62%	
〃	Shin Loong Lifecare Corp. stock	-	〃	350	2,646	5.83%	2,646	350	5.83%	
〃	Yueh Loong Co., Ltd. stock	-	〃	323	8,088	10.78%	8,088	323	10.78%	
〃	Shine Far Co., Ltd. stock	-	〃	270	11,400	0.87%	11,400	270	0.87%	
	Stocks:									
Shan Loong Investment Co., Ltd.	Cheng Loong Corporation stock	-	Non-current financial assets at fair value through other comprehensive income	31,819	946,606	2.87%	946,606	31,819	2.87%	
〃	Shan Loong	Parent company	〃	1,353	40,604	0.99%	40,604	1,353	0.99%	Note 1

	Transportation Co., Ltd. stock									
〃	Cheng Loong investment Co., Ltd. stock	-	〃	1,200	55,700	9.23%	55,700	1,200	9.23%	
〃	Yueh Loong Co., Ltd. stock	-	〃	29	715	0.95%	715	29	0.95%	
	Stocks:									
Shan Loong Customs Broker	Cheng Loong Corporation stock	-	〃	7,155	212,862	0.65%	212,862	7,155	0.65%	
Shan-Loong International	Chung Loong Paper Holdings Limited	-	〃	1,339	324,178	5.00%	324,178	1,339	5.00%	

Note 1: The transactions have been eliminated in the consolidated financial statement.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

			Transaction details				Transactions with terms different from others		Notes/Trade receivables (payable)		
Name of company	Related party	Nature of relationship	Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payable)	Note
The Company	Cheng Loong	Cheng Loong is the corporate director of the Company	Freight and gas revenue	1,233,337	(7.92)%	20-80 days	There is no difference to those of the third-party	No difference	Accounts receivable 207,439	29.55%	Note 1
Shan Loong Motors.	The Company	Parent company	Revenue from truck sales, maintenance and repair	(328,711)	(67.20)%	25 days	〃	〃	Accounts receivable 44,274	31.40%	
Shan-Loong Customs Broker	Cheng Loong	Cheng Loong is the corporate director of the Company	Customs agent revenue	(153,043)	(54.66)%	60 days	〃	〃	Accounts receivable 13,073	29.45%	
Shan-Loong Logistics Co., Ltd.	Cheng Loong Binh Duong Paper Co., Ltd	Its ultimate parent company is the corporate director of the Company	Freight transportation revenue	(253,223)	(59.47)%	60 days	〃	〃	Accounts receivable 33,637	62.84%	

Note 1: The transactions have been eliminated in the consolidated financial statement.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
The Company	Cheng Loong	Cheng Loong is the	207,439	5.87	-		Accounts receivable	-

(Continued)

		corporate director of the Company					207,439	

Note 1: Information as of February 27, 2024.

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions (Note 3) Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Shan Loong Motors	The Company	2	Operating revenue	328,711	The selling price and payment conditions are not significantly different from other customers	1.17%
1	Shan Loong Motors	The Company	2	Accounts receivable	44,274	The selling price and payment conditions are not significantly different from other customers	0.40%

Note 1: The numbers filled in as follows:
1 .0 represents in the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.
Note 2: Relationship with the transactions labeled as follows:
1. represents the transactions from the parent company to its subsidiaries.
2. represents the transactions from the subsidiaries to its parent company.
3. represents the transactions between subsidiaries.
Note 3: The transactions above have been eliminated in the consolidated financial statement.

(b) Information on investees:

The following is the information on investees (excluding information on investees in Mainland China):

(In thousands of shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2023 (Note 1)	Original investment amount: December 31, 2022 (Note 1)	Balance as of ending of the period: Shares	Balance as of ending of the period: Percentage of ownership	Balance as of ending of the period: Carrying value (Note 1)	Net income (losses) of investee (Note 2)	Share of profits /losses of investee (Note 2)	Highest balance during the year: Shares	Highest balance during the year: Percentage of ownership	Note
The Company	Shan-Loong Investment	New Taipei City	Investing activities	400,000	400,000	40,000	100.00%	1,021,119	34,025	31,859	40,000	100.00%	Subsidiary company (Note3)
The Company	Shan Loong Customs Broker	Keelung	Import and export agent services	131,000	131,000	13,100	100.00%	337,429	17,013	17,013	13,100	100.00%	〃
The Company	Shan-Loong International	British Virgin Islands	Investing activities	308,493 (USD10,047 thousand)	308,493 (USD10,047 thousand)	10,047	100.00%	933,708	50,438	50,438	10,047	100.00%	〃
The Company	Shang Loong Motors	New Taipei City	Truck repair, maintenance and sales	270,000	200,000	27,000	100.00%	302,253	23,455	20,852	27,000	100.00%	〃
The Company	Ko Loong Industry	New Taipei City	Synthetic resin and plastic manufacturing	31,265	28,655	2,134	20.92%	70,487	342	74	2,134	20.92%	-
								2,664,996		**120,236**			
Shan-Loong International	Long Yun	Samoa	Investing activities	25,209 (USD821 thousand)	25,209 (USD821 thousand)	821	100.00%	229,718	(385)	Investment gains and losses recognized by its parent company	821	100.00%	Subsidiary company (Note3)
Shan-Loong International	Loong De	Samoa	Investing activities	31,319 (USD1,020 thousand)	31,319 (USD1,020 thousand)	1,020	100.00%	78,835	18,666	〃	1,020	100.00%	〃
Loong De	Shan-Loong Logistics Co., Ltd.	Vietnam	Warehousing, freight transportation and	31,319 (USD1,020 thousand)	31,319 (USD1,020 thousand)	-	51.00%	46,938	36,030	〃	-	51.00%	〃

			related agent										

Note 1: The amounts of New Taiwan Dollars were exchanged by the closing rates on the reporting date.
Note 2: The amounts of New Taiwan Dollars were exchanged by the average rates on the reporting date.
Note 3: The transactions above have been eliminated in the consolidated financial statement.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of beginning of the period	Investment flows		Accumulated outflow of investment from Taiwan as of ending of the period	Percentage of ownership	Highest percentage of ownership	Net income (losses) of the investee (Note 6)	Investment income (losses) (Note 6)	Book value (Note 5)	Accumulated remittance of earnings in current period
					Outflow	Inflow (Note 5)							
Shanghai Chung Loong Paper Co., Ltd. (Shanghai Chung Loong)	Corrugated medium and kraft linerboard	(Note 8)	(Note1)	177,536 (USD 5,782 thousand)	-	-	177,536 (USD 5,782 thousand)	-%	-%	-	-	-	-
Shanghai Shan Tong	Warehousing, freight transportation and related agent	21,635 (RMB5,000 thousand) (Note 7)	(Note1)	43,106 (USD812 thousand and RMB4,200 thousand)	-	-	43,106 (USD812 thousand and RMB4,200 thousand)	60.00%	60.00%	(623)	(374)	229,172	-
Loong Fu Paper (Kunsan) Co., Ltd.	Corrugated paper boxes, cardboard and paper products	307,050 (USD10,000 thousand)	(Note1)	34,236 (USD1,115 thousand)	-	-	34,236 (USD1,115 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Cheng Loong (Gwangtung) Paper Co., Ltd.	Cardboard, paper boxes, paper products and packing decoration printing	951,855 (USD31,000 thousand)	(Note1)	26,069 (USD849 thousand)	-	-	26,069 (USD849 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Zhangzhou Cheng Loong Paper Co., Ltd.	Cardboard, paper boxes and paper products	392,410 (USD12,780 thousand)	(Note1)	19,590 (USD638 thousand)	-	-	19,590 (USD638 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Qingdao Chung Loong Paper Co., Ltd.	Cardboard, paper boxes and paper products	(Note 8)	(Note1)	4,606 (USD150 thousand)	-	-	4,606 (USD150 thousand)	-%	-%	-	-	-	-
Tianjin Chung Loong Paper Co., Ltd.	Corrugated cardboard, paper boxes, paper pallets and paper products	(Note 8)	(Note1)	15,383 (USD501 thousand)	-	-	15,383 (USD501 thousand)	-%	-%	-	-	-	-
Suzhou Cheng Loong Paper Co., Ltd.	Cardboard	568,043 (USD18,500 thousand)	(Note1)	5,373 (USD175 thousand)	-	-	5,373 (USD175 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Chong Qing Cheng Loong Paper Co., Ltd.	Corrugated, cardboard, corrugated boxes, display boxes, paper pallets and paper products	414,518 (USD13,500 thousand)	(Note1)	5,189 (USD169 thousand)	-	-	5,189 (USD169 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Chengdu Cheng Loong Packing Products Co., Ltd.	Corrugated cardboard, paper boxes, paper pallets and paper products	124,232 (USD4,046 thousand)	(Note1)	3,838 (USD125 thousand)	-	-	3,838 (USD125 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Henan Cheng Loong Packing Products Co.,	Corrugated cardboard and packaging	306,743 (USD9,990 thousand)	(Note1)	12,865 (USD419 thousand)	-	-	12,865 (USD419 thousand)	5.00%	5.00%	(Note 4)	(Note 4)	(Note 4)	-

(Continued)

Ltd.	products												

(Continued)

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
347,791 (USD10,735 thousand and RMB4,200 thousand)	347,791 (USD10,735 thousand and RMB4,200 thousand)	2,931,874

Note1: Indirectly investment in Mainland China through companies registered in the third region.
Note2: The amounts of New Taiwan Dollars were exchanged by the rates at the reporting date.
Note3: The Group recognized its investment profit and loss in Shanghai Shan Tong based on the investees' self-reported financial statements. On the other hand, the Group did not used the equity method in investing in the remaining invested companies; hence, no profit or loss was recognized in the current period.
Note4: Indirectly investment in Mainland China through Chung Loong Paper Holdings Limited.
Note5: The amounts of New Taiwan Dollars were exchange by the closing rates on the reporting date.
Note6: The amounts of New Taiwan Dollars were exchange by the average rates on the reporting date.
Note7: Shanghai Shan Tong performed capital reduction RMB32,000 thousand in 2018, and Shan Loong International received capital reduction RMB19,200 thousand. As of the reporting date, the funds have not come back to Taiwan yet.
Note8: Indirectly investment in Mainland China through Chung Loong Paper Holdings Limited. These companies had been disposed in previous years. As of the reporting date, the investment amounts have not been repatriated yet.

(iii) Significant transactions: None

(d) Major shareholders:

Unit: shares

Shareholding / Shareholder's Name	**Shares**	**Percentage**
Cheng Loong Corporation	12,690,010	9.24%
YE, CYONG-MIAO	9,863,000	7.18%
Shine Far Co., Ltd.	8,367,944	6.09%

(14) Segment information:

(a) General information

The Group has two reportable segments: freight segment and gas station segment. The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different marketing strategies. Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

(i) Segment revenues included revenues from external customers and revenues from intersegment sales and transfers, which is pricing based on the market value.

(ii) Operating segment profit or loss is measured based on profit or loss before tax and used as the basis for performance evaluation.

(iii) The accounting policies of the operating segments are the same as those described in the significant accounting policies as stated in note (4).

(b) Information about reportable segments and their measurement and reconciliation

The Group's operation segment information and reconciliation are as follows:

	2023					
		Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
Revenues:						
Revenues from external customers	$	2,382,330	12,940,077	1,101,487	-	16,423,894
Intersegment revenues		-	193,752	345,784	(539,536)	-
Total revenues	$	2,382,330	13,133,829	1,447,271	(539,536)	16,423,894
Reportable segment profit (loss)	$	78,222	193,566	82,463	(266,262)	87,989
Depreciation	$	161,780	221,584	82,554	(8,014)	457,904
Reportable segment assets						$ 10,953,196

	2022 (restated)					
		Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
Revenues:						
Revenues from external customers	$	3,196,980	13,750,564	1,571,219	-	18,518,763
Intersegment revenues		-	230,446	416,419	(646,865)	-
Total revenues	$	3,196,980	13,981,010	1,987,638	(646,865)	18,518,763
Reportable segment profit (loss)	$	107,718	312,258	125,798	(200,197)	345,577
Depreciation	$	179,745	234,041	77,294	(5,156)	485,924
Reportable segment assets						$ 9,781,308

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

(i) Revenue from external customers: Please refer to note (6)(p)

(ii) Non-current asset:

Geographical information	December 31, 2023	December 31, 2022
Taiwan	$ 4,957,376	4,965,828
China	503	533
Vietnam	6,871	9,329
	$ 4,964,750	**4,975,690**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other assets, excluding financial instruments and deferred tax assets.

(d) Information about major customers

The revenues from transactions with a single external customer amount to 10 percent or more of the operating revenues in the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
A customer of freight segment and gas station segment	**$ 1,873,171**	**1,908,046**

VI. The impacts of financial turnover difficulties in the Company and its affiliates on the financial status of the company: None.

Chapter 7. Evaluation of Financial Status and Operating Results Review and Risk Matters

I. Financial Status

Units: NT$ Thousand; %

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	3,637,256	2,735,694	901,562	32.96
Property, plant, and equipment	3,755,114	3,710,240	44,874	1.21
Intangible assets	161,863	0	161,863	-
Other non-current assets	218,833	3,341,741	(3,122,908)	(93.45)
Total asset value	10,953,196	9,787,675	1,165,521	11.91
Current liabilities	3,249,105	2,333,463	915,642	39.24
Non-current liabilities	2,619,756	2,438,939	180,817	7.41
Total liabilities	5,868,861	4,772,402	1,096,459	22.97
Capital stock	1,372,818	1,372,818	-	-
Capital surplus	588,908	586,742	2,166	0.37
Retained earnings	1,741,067	1,902,158	(161,091)	(8.47)
Other equity interest	1,215,527	991,242	224,285	22.63
Treasury stock	-31,863	(31,863)	-	-
Equity attributable to shareholders of the parent company	4,886,457	4,821,097	65,360	1.36
Non-controlling Interests	197,878	194,176	3,702	1.91
Total equity	5,084,335	5,015,273	69,062	1.38

Explanation of major changes: (changes in previous and subsequent periods up to 20% and the amount of changes up to NT $10 million)

(I) Increase in current assets: This is due to the holiday on the balance sheet date of the current period, as well as the industry practice of the main supplier, which is to pay on working days, therefore, the cash balance has increased compared to the comparative period.

(II) Increase in current liabilities and total liabilities: This is due to the fact that the balance sheet date of the current period falls on a holiday. In line with the industry practices of our main suppliers, payments are made on working days, resulting in an increase in the balance of accounts payable compared with the comparison period.

(III) Increase in other equity interest: This is due to revaluation gains from equity instruments measured at fair value, accompanying the rise in stock price.

II. Financial Performance

Units: NT$ Thousand; %

Item \ Year	**2023**	**2022**	**Increase (Decrease) Amount**	**Percentage change (%)**
Operating revenue	16,423,894	18,518,763	(2,094,869)	(11.31)
Operating costs	15,204,944	17,098,866	(1,893,922)	(11.08)
Gross profit	1,218,950	1,419,897	(200,947)	(14.15)
Operational expenses	1,254,647	1,309,920	(55,273)	(4.22)
Net operating profit	-35,697	109,977	(145,674)	(132.46)
Non-operating revenue and expenses	123,686	236,346	(112,660)	(47.67)
Net income before tax	87,989	346,323	(258,334)	(74.59)
Income tax expenses	5,333	48,664	(43,331)	(89.04)
Net profit for the period	82,656	297,659	(215,003)	(72.23)
Other comprehensive income (loss)	219,512	(378,214)	597,726	(158.04)
Total comprehensive income for the period	302,168	(80,555)	382,723	(475.11)

(If the increase or decrease amounts to 20%, and the change amounts to NT $10 million, please analyze and explain)

(I) Decrease in net operating profit: Due to a decrease in marginal contribution, it cannot support fixed costs and expenses.

(II) Decrease in non-operating income and expenses: This is due to the decrease in dividend income in the current period.

(III) Decrease in income tax expense: This is due to a reduction in taxable income from main business activities.

(IV) Increase in other comprehensive income: This is due to the revaluation gains generated from the increase in stock price of the equity instruments measured at fair value.

(V) Net income before tax, net profit for the period, total comprehensive income: These are all due to the influence of the above factors.

III. Analysis of Cash Flow

(I) Analysis Instructions of Cash Flow Changes in the Most Recent Fiscal Year

Year / Item	2023	2022	Percentage of Increase (Decrease)
Cash Flow Ratio	33.77%	26.45%	27.65%
Cash flow adequacy ratio	125.01%	106.08%	17.84%
Cash re-investment ratio	13.13%	4.18%	213.87%

If the increase or decrease ratio changes by more than 20%, the analysis and explanation are as follows:

1.Increase in cash flow ratio: It is caused by the payment of goods on business days due to industry norms, resulting in current liabilities.

2.Increase in cash re-investment ratio: This is mainly due to the increase in net cash flow from operating activities.

(II) Analysis of the Cash Flow Difference of the Next Year:

In Thousands of New Taiwan Dollars

Cash balance at the beginning of the period	Annual net cash flow from operating activities	Annual Cash outflows	Cash remaining surplus	Remedy for cash inadequacy	
				Investment plan	Financing plan
1,198,968	600,000	520,000	1,278,968	-	-

1. Cash Flow Analysis for the Year of the current year:

(1) Operating activities: Based on the development direction of the company's main business, the sales and profits are stable, and the cash flow of operating activities is expected to increase in the next year.

(2) Investment activities: it is expected to increase investment in fixed assets, distribute cash dividends and other activities.

2. Remedy action for estimated cash inadequacy: Not Applicable.

IV. Major Capital Expenditures and Impact on Financial and Business in the most recent year: None.

V. Investment policy in the past year, the main reasons for profit/loss, improvement plan, and investment plan for the upcoming fiscal year: There are no other reinvestment plans for the Company in the most recent fiscal year.

VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and as of the Publication Date of the Following Listed Risks

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Measures:

Recently, the interest rate has been relatively low and has not changed much, which has no significant impact on the company’s capital costs. Currently, the company has abundant funds without a financial gap, and it still maintains a good relationship with banks, which is expected to facilitate future beneficial interactions with bank businesses.

Regarding exchange rates, the Group does not engage in transactions in derivative financial products but adopts a natural hedging approach to reduce exchange rate risks. It also maintains a certain ratio of foreign currency positions within a controllable range to prevent losses. The Group also continuously monitors changes in exchange rates and takes appropriate measures to reduce the risk of exchange rate fluctuations.

Additionally, due to the close control of the government on the inflation risk and price fluctuation in the macro-economy, there is no significant danger of inflation yet.

1. Interest rate change: The Company’s financial status and financial performance are good and has sufficient working capital. The Company maintains a good relationship with its long-term financial institutions, a healthy financial status, and excellent credit. It is anticipated that future interest rate changes will not have a significant impact on the profits and losses of the Company.

2. Exchange rate changes: The Company mainly focuses on domestic transportation and oil sales, with the general public and company firms being the main sales targets. Fluctuations in the exchange rate have no significant impact on the Company. The financial department of the Company’s general management office also keeps abreast of the market information on exchange rates, and can take specific measures to respond, when necessary, to avoid the risk caused by exchange rate fluctuations.

3. Inflation: The Company is a major player in domestic transportation and oil sales, and has not been affected by costs and profits and losses due to inflation, thus there is no apparent risk of inflation.

(II) The policies to engage in high-risk, highly-leverage investments, lending, endorsements and guarantees, and the transactions of financial derivative products, the main reasons for gains and losses, and the future countermeasures:

1. Neither the Company nor its subsidiaries are engaged in high-risk and high-profile investments but operation of its business.
2. For endorsements and guarantees and fund loans to others engaged by the company and its subsidiaries due to business needs, in addition to careful evaluation, and in accordance with the relevant laws and regulations of the FSC and the provisions of the "operating procedures for endorsements and guarantees" and "operating procedures for fund loans to others" formulated by the company, the company shall timely and correctly announce all information.

(III) Future R&D Projects and Estimated R&D Expenditure

The investment plan for the upcoming fiscal year, in addition to updating outdated equipment, will focus on energy saving, intelligence, automation, and digitalization:

1. Self-service gas station independent operation system and hardware development.
2. Self-service car washing machine software and hardware integration and operation planning.
3. Improve automation processes within the enterprise include ERP process improvement, TMS introduction, HR management system optimization, and internal education and training system planning.
4. Internal software and hardware upgrades include network management, information security control, hacker prevention, surveillance equipment configuration, and old hardware replacement.

The investment in research and development for the above plan is expected to be approximately NT $70-$100 million.

(IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Business:

Important policy and legal changes at home and abroad in the most recent year had no significant impact on the company's financial business. Look forward to the future, the Company will collect relevant information from time to time and discuss necessary countermeasures to meet the needs of the Company's operation.

(V) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Business:

The company's businesses are mainly transportation, gas stations and other service. The competitiveness of the industry mainly depends on the quality of transportation equipment, oil supply and operators' familiarity and service attitude. Therefore, there was no impact on the company due to major technical changes in the last year.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures:

The Company has always adhered to the principles of professionalism and integrity, emphasizing corporate image and risk control, and there are currently no foreseeable crises.

(VII) Expected Benefits and Risks Relating to Merger and Acquisition Plans and Response Measures:

The company has no plans for mergers and acquisitions in the most recent year and up to the date of publication of the annual report.

(VIII) Expected Benefits and Risks Relating to Plant Expansion Plans and Response Measures:

The Company has no plans to expand its premises in the most recent year and up to the date of publication of the annual report.

(IX) The risk and future mitigation efforts to risks associated with purchase concentration and sales concentration:

1. In terms of Purchase

The Company’s main oil suppliers are CPC Oil and Formosa Plastics, the two major domestic oil factories, with no risk of concentrated inventory.

2. In terms of sales

The Company’s main sales targets are general consumers and business firms, with no specific targets, hence there is no risk of sales concentration.

(X) Impacts, risks, and response measures resulting from major equity transfer or replacement of directors, or substantial shareholders holding more than 10% of the Company’s shares: None.

(XI) Impact, risk, and response measures related to any change in the administrative authority towards the Company's operations: None.

(XII) Litigation or Non-litigation Events: None.

(XIII) Other significant matters and response measures:

1. Evaluation and response measures for information security risks: The Company has an information office, which is responsible for hardware and software development, as well as information security and monitoring. The information security policy includes: preventing computer virus intrusions, preventing hackers intrusions, preventing information leakage and internal audit operations, etc. The information office will evaluate the risks of information security at the end of each year, and propose an information management plan for the next year to respond to operation, information security and other needs. The policy management plan is as follows:

- Preventing computer virus intrusions - All computers in the Company are equipped with comprehensive antivirus software. Information personnel check the security of the system daily and update the virus code version to prevent computer virus intrusions.
- Preventing hacker intrusions - The Company's network system has a robust firewall mechanism that not only provides basic spam protection, but can also effectively identify and isolate threatening or suspicious emails to protect end-users from phishing emails aimed at stealing confidential information. However, as information security is constantly changing, in addition to being on the lookout for abnormal network behaviors, our IT personnel also perform daily checks of the server room to ensure that the information equipment is operating normally. In addition, data is backed up to the cloud weekly for external backup and disaster recovery purposes to prevent data damage caused by major disasters.
- Preventing information leakage - In terms of personal data, every employee of the Company has a unique system account and password. The application for an account by new hires must be approved by the relevant authority and the information office manager. Once an employee resigns, the IT personnel will immediately change/delete the employee's account according to regulations. For the Company's passwords, except for the password administrator and the information office manager, no one is allowed to inquire without authorization, and all employees must change their passwords every quarter. Regarding the company's confidential information, every employee of the Company must sign a confidentiality agreement. The disclosure of the company's trade secrets is strictly forbidden, and every computer is equipped with a management device. Except for the managers and IT personnel, the rest of the employees are not allowed to use external storage devices. The Company holds regular information security campaigns every year to enhance employees' awareness of information security risks, while also establishing a robust firewall mechanism that can protect clients from phishing emails by effectively identifying and isolating threatening or suspicious emails, in addition to basic spam protection. The

Management Measures for the Handling of Significant Information has been established to create a mechanism for handling and disclosing significant internal information. Not only does this prevent improper information leakage, but it also ensures the consistency and accuracy of the information that the Company releases to the outside world.

- Internal audit operation - To strictly implement related measures of information security, the Information Security Operation Cycle, an internal audit item in the Company, is conducted yearly to ensure the control of passwords, the safety of files and equipment, data center management, data backup management, etc., which are the various indices influencing information security. Up until FY23, the audit results did not show any anomalies, and the results were reported to the chairman meeting.

2. Organization and Operation of Risk Management:

(1) Risk Management Policies and Procedures

With regard to the Company's risk management policies and procedures, considering the overall scale, business characteristics, risk nature, and operational activities of the Company and its subsidiaries, appropriate risk management policies have been set, including the following items:

- Risk Management Objectives
- Risk Governance and Culture
- Organizational Structure and Responsibilities of Risk Management
- Risk Management Procedures
- Risk Reporting and Disclosure

(2) The organizational structure and responsibilities of risk management are as follows:

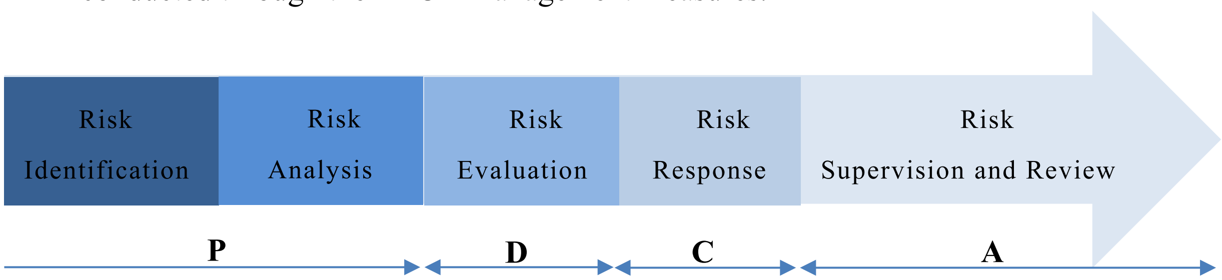
- The chairman meeting: The chairman meeting of the Company serves as the highest unit for company risk management. Its goal is to comply with laws and regulations, promote and implement overall risk management of the Company, clearly understand the risks faced by operations, ensure the effectiveness of risk management, and bear the ultimate responsibility for risk management.
- The operational management meeting: This refers to an executive meeting or operational meeting presided over by the CEO or president, which is responsible for carrying out the risk assessments of various plans and projects initiated by the control team.
- The financial unit: A fund coordination unit independent from each business department, responsible for handling the financial operations of each business unit and reporting on investments assessments.

- The audit unit: An independent department under the chairman meeting, which is responsible for internal controls and internal auditing, as well as supervising and providing methods and procedures to ensure the Company conducts effective operational risk management.
- The business unit: The supervisor of the business unit bears the responsibility for frontline risk management, and is responsible for analyzing and monitoring the relevant risks within their own unit, while ensuring that risk control mechanisms and procedures can be effectively implemented.

The CEO/president oversees the execution status of each department and reports to the chairman meeting.

3. Risk Management Process and Operation

The Company's risk management process includes risk identification, risk analysis, risk evaluation, and risk response, along with risk supervision and review, which are conducted through the PDCA management measures.



4. Risk Reporting and Disclosure

The Company adheres to the strengthening of corporate governance and aims for information transparency regarding the information reporting and timeliness for stakeholders, while disclosing the following risk management-related information on the Company's website and at the MOPS for external stakeholders to refer to, and continuously updating it. The specific disclosed items include:

Risk Management Policies and Procedures

- Organizational Structure of Risk Governance and Management
- Risk Management Operation and Implementation

5. Risk Management Operation and Implementation

The management team reported the execution of risk management to the chairman meeting in 2023:

Chairman Meeting Date	Content	Chairman Meeting Feedback
2023.12.22	• Risk and Management for the Report Year	The management team, in accordance with the IFRS sustainability disclosure standards, has established a schedule for the disclosure of sustainability information to ensure smooth integration with international sustainability and legal trends.
2023.12.22	• Report on Information Security Management for the Year	The management team has a strong sense of risk and implements risk control management.

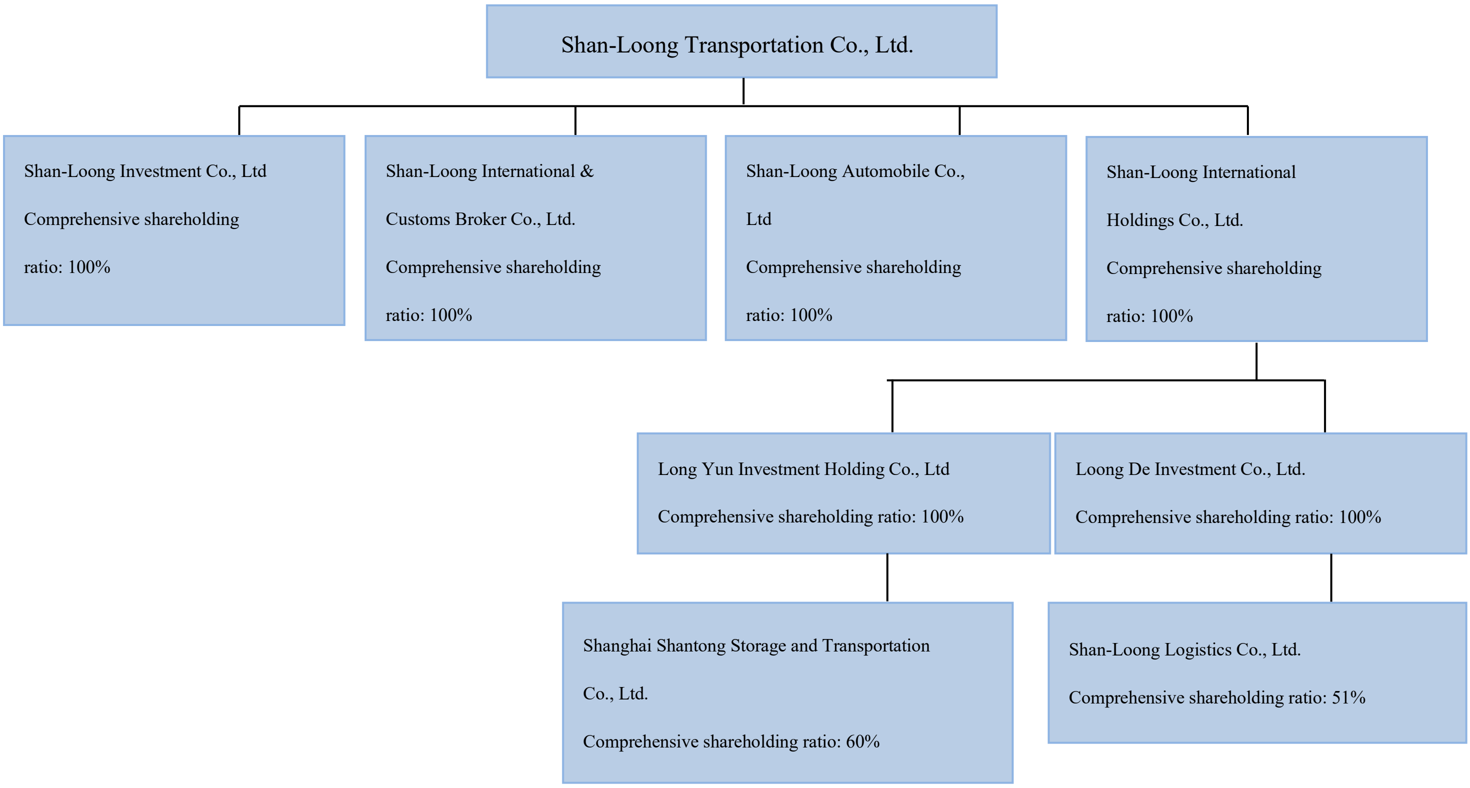
VII. Other important items: None.

Chapter 8. Special Disclosure

I. Summary of Affiliated Companies

(I) Consolidated Business Report of Affiliates

1. Organizational Structure of Affiliated Companies



2. Basic information of affiliates

Enterprise Name	Date of incorporation	Address	Paid-in capital (NT $1,000)	Main Business or Products
Shan-Loong Investment Co., Ltd.	1998.12.07	1F., No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City	NT $ 400,000	General investment business
Shan-Loong International & Customs Broker Co., Ltd.	1997.11.21	5F., No.133-7, Xinyi Rd., Zhongzheng Dist., Keelung City	NT $ 131,000	Customs Declaration industry. Sea freight forwarding industry.
Shan-Loong Automobile Co., Ltd	2020.09.02	1F., No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City	NT $ 200,000	Automotive repair, wholesale and retail trade
Shan-Loong International Holdings Co., Ltd	2002.06.05	P.O.BC3321 Road Town, Tortda, British Virgin Islands	US $10, 047	General investment business
Long Yun Investment Holding Co., Ltd	2002.09.03	Level 2, LotemauCentre, Vaea Street, Apia, Samoa	US $821	General investment business
Loong De Investment Co., Ltd	2007.04.13	Level 2, Lotemau Centre, Vaea Street, Apia, Samoa	US $1,020	General investment business
Shanghai Shantong Storage and Transportation Co., Ltd.	2004.03.19	Room B210, 2 F, Building 2, No. 2250, Pudong S. Rd., Shanghai City	RMB 5,000	Transportation
Shan-Loong Logistics Co., Ltd.	2018.06.05	Ho Chi Minh City Shu De County Ping Shoufang Hong De Street 9 No.	US $2,000	Transportation

3. Information of the directors, supervisors and president of each affiliated enterprise

In shares

Enterprise Name	Position	Name and Representative	Current shareholding	
			Number of shares at the end of the year (thousand shares)	Shareholding ratio
Shan-Loong Investment Co., Ltd		Shan-Loong Transportation Co., Ltd.	40,000	100%
	Chairman	Representative: Jen-Hao Cheng		
	Director	Representative: Chen-Te Wang		
	Director	Representative: Yi-Nuo Chen		
	Director	Representative: Yu-Cheng Yao		
	Director	Representative: Wei-Teng Hsiao		
	Supervisor	Representative: Kun-Lin Wu		
Shan-Loong International & Customs Broker Co., Ltd.		Shan-Loong Transportation Co., Ltd.	13,100	100%
	Chairman	Representative: Jen-Hao Cheng		
	Director	Representative: Chen-Te Wang		
	Director	Representative: Yi-Nuo Chen		

Enterprise Name	Position	Name and Representative	Current shareholding	
			Number of shares at the end of the year (thousand shares)	Shareholding ratio
	Director	Representative: Yu-Cheng Yao		
	Director	Representative: Wei-Teng Hsiao		
	Supervisor	Representative: Kun-Lin Wu		
Shan-Loong Automobile Co., Ltd		Shan-Loong Transportation Co., Ltd.	20,000	100%
	Chairman	Representative: Jen-Hao Cheng		
	Director	Representative: Chen-Te Wang		
	Director	Representative: Yi-Nuo Chen		
	Director	Representative: Yu-Cheng Yao		
	Director	Representative: Wei-Teng Hsiao		
	Supervisor	Representative: Kun-Lin Wu		
Shan-Loong International Holdings Co., Ltd	Director	Shan-Loong Transportation Co., Ltd.	Contributed USD $10,050,000	100%
		Representative: Jen-Hao Cheng		
Long Yun Investment Holding Co., Ltd	Director	Shan-Loong International Holdings Co., Ltd	Contributed USD $820,000	100%
		Representative: Jen-Hao Cheng		
Loong De Investment Co., Ltd.	Director	Shan-Loong International Holdings Co., Ltd	Contributed USD $1.02 million	100%
		Representative: Jen-Hao Cheng		
Shanghai Shantong Storage and Transportation Co., Ltd.		Long Yun Investment Holding Co., Ltd	Contributed RMB 5 million Yuan	60%
	Director	Representative: Jen-Hao Cheng, Lan-Hui Yu		
	Director	Wen-Ming Cheng, Hui Hsiung, Hua Chou		
Shan-Loong Logistics Co., Ltd.		Loong De Investment Co., Ltd	Contributed US $1.02 million	51%
	Director	Representative: Jen-Hao Cheng, Lan-Hui Yu, Yi-Nuo Chen		
	Director	Representative:		

4. Status of operations of each affiliate

In Thousands of New Taiwan Dollars

Enterprise Name	Capital	Total asset value	Total liabilities	Net Worth	Operating revenue	Net operating income (loss)	Net income (loss) (after tax)	Earnings per share (NT$) (after tax)
Shan-Loong Investment Co., Ltd	400,000	1,100,040	38,317	1,061,723	-	(3,046)	34,025	NA
Shan-Loong International & Customs Broker Co., Ltd.	131,000	398,720	61,291	337,429	280,010	10,768	17,013	NA
Shan-Loong Automobile Co., Ltd	270,000	459,195	142,591	316,604	489,137	28,861	23,455	NA
Shan-Loong International Holdings Co., Ltd	302,822	934,349	642	933,707	-	(3,796)	50,438	NA
Long Yun Investment Holding Co., Ltd.	12,370	230,368	650	229,718	-	-	(384)	NA
Loong De Investment Co., Ltd.	30,643	78,909	75	78,834	-	-	18,666	NA
Shanghai Shantong Storage and Transportation Co., Ltd.	35,514	392,360	10,407	381,953	-	(512)	(623)	NA
Shan-Loong Logistics Co., Ltd.	60,810	210,975	118,941	92,034	425,793	41,135	36,030	NA

(II) Declaration of Consolidated Financial Statements of Affiliates

Declaration of Consolidated Financial Statements of Affiliates Statement Statement

In FY23 (from January 1 to December 31, 2023), the company that should be included in the preparation of the consolidated financial statements of the related enterprise in accordance with the Preparation Standards for Consolidated Financial Statements and Relationship Reports of Related Enterprises in the Consolidated Business Report of Related Enterprises is the same as the company that should be included in the preparation of the consolidated financial statements of the parent company/subsidiary in accordance with the International Accounting Reporting Standards No. 10 approved by the Financial Supervisory and Commission, and the relevant information disclosed in the consolidated financial statements of the related enterprise has been disclosed in the consolidated financial statements of the former disclosed parent subsidiary, and the consolidated financial statements of the related enterprise are no longer prepared separately.

Sincerely

Name of Company: Shan-Loong Transportation Co., Ltd.

Chairman: Jen-Hao Cheng

Date: March 14, 2024

II. Handling of Private Placement Securities in the Most Recent Year

In the most recent year and up to the date of the annual report publication, the handling of private placement securities, including the date and amount approved by the shareholder meeting or chairman meeting, the basis and reasonableness of pricing, the method of selecting specific individuals, the necessary reasons for the private placement, the targets of the private placement, the qualification criteria, the subscription number, the relationship with the company, the actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the impact on shareholder's equity from conducting private placement, and the use of funds from private placement securities, the progress of the fund usage plan being implemented, and the benefits realized from the plan, from the point when share capital or share price is fully received to the completion of the fund utilization plan: None.

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or the current fiscal year up to the publication date of the annual report: none.

IV. Other Necessary Statements: None.

Chapter 9. Significant factors

In the recent year and up to the date of the printing of the annual report, Article 36.3.2 “any matter which has had a significant impact on shareholders’ rights or the price for the securities”: None.