

Shan-Loong Transportation Co.,Ltd.

2023 Annual General Shareholders' Meeting Meeting Handbook

Time: 9:00 A.M., May 30 (Tuesday), 2023

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

Present: The total number of issued shares of the Company was 137,281,827 shares, 1,353,454 non-voting shares, and 83,594,416 shares attended by shareholders and proxies present, accounting for 61.5% of the total number of issued shares of the Company deduct 135,928,373 non-voting shares.

Directors present: Jen-Hong Cheng, Chuan-Chuan Lu, Su-Yun Cheng, Lan-Hui Yu, Ken-Pei Cheng

Independent Directors present: Yao-Ming Huang, Shu-Fong Ho, Mao-Chun Wang

Attend the meetings in a non-voting capacity: CPA Yu-Ting Hsin and CPA Chih-Yang Lin

Chairperson: Jen-Hong Cheng

Recorders: Kuan-Chieh Chen, Chia-Chia Wang

- I. Call Meeting to Order: The number of shareholder representatives present has reached the legal number, and the Chairperson calls the meeting to order.
- II. Chairperson's Remarks: (Omitted)
- III. Report Items (For Meeting Handbook, please refer to website: www.slc.com.tw)
 1. 2022 Business Overview - Business Report.
 2. The Company's external endorsement guarantee and the amount of funds

loaned to others.

3. Distribution of Employees' Compensation in 2022.
4. Audit Committee's Review Report for 2022.
5. Proposed renaming of "the Company's Code of Practice on Corporate Social Responsibility", that is, amendments to some of its provisions.

IV. Ratification Items

Proposal 1

Proposed by the Board of Directors

Proposal: The Company's 2022 Financial Statements, please acknowledge it.

Explanation: The Board of Directors prepared and submitted the Company's Individual Financial Report and Consolidated Financial Report for the year 2022 (Please refer to Pages 15~28 for details), and the two accountants Yao-Chun Chu and Yu-Ting Hsin from KPMG Taiwan have jointly checked the results, together with the Business Report (Please refer to Pages 12~13). The Audit Committee shall complete the review and submit them to the Shareholders' Meeting for approval.

Vote counting personnel
appointed by the Chairperson:

Vote monitoring personnel:

The Company's Finance and
Accounting Department personnel
Shareholder's account number 151614
Hsing-Pei Li, 129711 Tzu-Yu Chen

Fully responsible for the vote counting and monitoring in this Annual General Meeting

Resolution: The proposal has been voted represented at the meeting and passed as originally proposed.

Votes in favor: 82,676,670 votes (including 10,746,121 votes cast electronically), accounting for 98.98% of the total votes represented at the meeting;

Votes against: 46,415 votes (including 46,415 votes cast electronically), accounting for 0.05% of the total votes represented at the meeting;

Abstained votes: 798,506 votes (including 798,506 votes cast electronically), accounting for 0.95% of the total votes represented at the meeting;

Invalid votes: 0 votes, accounting for 0% of the total votes represented at the meeting.

Proposal 2

Proposed by the Board of Directors

Proposal: The Company's 2022 Profit Distribution Proposal, please acknowledge it.

Explanation:

- I. The Company's 2022 distribution of the earnings (please refer to page 29) has been approved by the Board of Directors and has been reviewed by the Audit Committee and submitted to the Shareholders' Meeting for approval.
- II. The proposed cash dividend per share for this year is NT\$1.6, totaling NT\$219,650,923. After the proposal is approved by the Shareholders' Meeting, the Board of Directors is authorized to set another ex-dividend base date.
- III. The current cash dividend is calculated according to the distribution ratio to NT\$, rounded down below NT\$, and the total amount of the abnormal amount distributed under NT\$ 1 shall be transferred to the Employee Welfare Committee of the Company.
- IV. If the total number of the Company's outstanding shares are affected due to repurchase of the Company's shares, transfer or cancellation of treasury shares, capital increase in cash, issue of domestic and foreign convertible corporate bonds, or exercise of employees' stock warrants, thereby leading to changes in dividends distributed to shareholders, the Chairman is authorized to handle relevant changes at his own discretion.

Resolution: The proposal has been voted represented at the meeting and passed as originally proposed.

Votes in favor: 82,886,949 votes (including 10,956,400 votes cast electronically), accounting for 99.24% of the total votes represented at the meeting;

Votes against: 50,171 votes (including 50,171 votes cast electronically), accounting for 0.06% of the total votes represented at the meeting;

Abstained votes: 584,471 votes (including 584,471 votes cast electronically), accounting for 0.69% of the total votes represented at the meeting;

Invalid votes: 0 votes, accounting for 0% of the total votes represented at the meeting.

V. Discussion Items

Proposal 1

Proposed by the Board of Directors

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

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

Amended Provisions	Current Provisions	Explanation
Article I: The Company has <u>seven</u> <u>to eleven</u> Directors. The Board of Directors decides on the number of Independent Directors and non-Independent Directors and adopts a candidate nomination system. The shareholders shall choose from the list of Director candidates in accordance with the law for the term of office. Three years, re-elected for re-election, the number of Directors, Independent Directors at least three, and no less than one-fifth of the number of Directors; the total number of shares held by all Directors must not be less than a certain percentage of the total shares issued of the Company.	Article I: The Company shall establish 9 to 13 seats of directors. The board of directors shall decide the number of independent directors and non-independent directors to be elected respectively. The election of directors shall be made under the candidate nomination system where the shareholders may elect the candidates on the list to the seats of directors. Each director has tenure of 3 years and may assume a new term of office if reelected. No less than three independent directors shall be appointed, comprising no less than one-fifth of the number of director	In accordance with operational requirements

	seats. The total number of shares held by all directors shall not be less than a certain percentage of the total number of issued shares by the Company.	
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Resolution: The proposal has been voted represented at the meeting and passed as originally proposed.

Votes in favor: 82,879,341 votes (including 10,948,792 votes cast electronically), accounting for 99.23% of the total votes represented at the meeting;

Votes against: 61,179 votes (including 61,179 votes cast electronically), accounting for 0.07% of the total votes represented at the meeting;

Abstained votes: 581,071 votes (including 581,071 votes cast electronically), accounting for 0.69% of the total votes represented at the meeting;

Invalid votes: 0 votes, accounting for 0% of the total votes represented at the meeting.

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

Explanation: In order to cope with the amendment of laws and regulations and actual requirements of the Company, it is proposed to amend part of the provisions of the "Rules of Procedure of Shareholders' Meetings" of the Company, as detailed in the comparison table. Please see Pages 43~46 of "Rules of Procedures for Shareholders' Meetings" after amendment for details.

Amended Provisions	Current Provisions	Explanation
<p>Article I The Shareholders' Meeting of the Company shall be handled in accordance with the rules of this law unless otherwise provided by laws and regulations.</p> <p><u>Unless otherwise provided by laws and regulations, the shareholders' video conference shall be set forth in the Articles of Incorporation and resolved by the Board of Directors, and the video conference shall be decided by the Board of Directors with the presence of at least two thirds of the directors and the consent of a majority of the directors present.</u></p>	<p>Article I The Shareholders' Meeting of the Company shall be handled in accordance with the rules of this law unless otherwise provided by laws and regulations.</p>	<p>As amended by reference to Article 3 of the "Sample of Stock Exchanges" on March 17, 2023.</p>
<p>Article II The Company shall set up a signature book for the attending shareholders (or agents) to sign in, or the attending shareholders (or agents) shall hand in an attending sign-in card to sign in on their behalf. The number of attending shares is calculated based on the signature book or the submitted attendance card, plus the number of shares exercising voting rights in writing or electronically. <u>The shareholders' meeting shall be held by video conference and shall set forth the appropriate alternatives available</u></p>	<p>Article II The Company shall set up a signature book for the attending shareholders (or agents) to sign in, or the attending shareholders (or agents) shall hand in an attending sign-in card to sign in on their behalf. The number of attending shares is calculated based on the signature book or the submitted attendance card, plus the number of shares exercising voting rights in writing or electronically.</p>	<p>As amended by reference to Article 6-1 and Article 22 of the "Sample of Stock Exchanges" on March 17, 2023.</p>

<p><u>to shareholders who have difficulty attending the meeting by video conference. Except as provided in Paragraph 6 of Article 44-9 of the Guidelines for the treatment of shares of a publicly issued company, the connecting equipment and necessary assistance shall be provided to the shareholders at least, and the period during which the shareholders may apply to the Company and other related items needing attention shall be specified. If the shareholders wish to attend the shareholders' meeting by video conference, they shall register with the company two days before the meeting.</u></p>		
<p>Article IV The place of the Shareholders' Meeting shall be in the county or city where the head office is located or a place convenient for shareholders to attend and suitable for the Shareholders' Meeting. The start time of the meeting shall not be earlier than 9 am or later than 3 pm.</p> <p><u>When holding a video conference of shareholders, it is not subject to the limitation of the address of preceding meeting.</u></p>	<p>Article IV The place of the Shareholders' Meeting shall be in the county or city where the head office is located or a place convenient for shareholders to attend and suitable for the Shareholders' Meeting. The start time of the meeting shall not be earlier than 9 am or later than 3 pm.</p>	<p>As amended by reference to Article 5 of the "Sample of Stock Exchanges" on March 8, 2022.</p>
<p>Article VII <u>The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholder registration, meeting and vote when accepting the reporting of shareholders.</u> <u>The above mentioned audio and video data should be kept for at least one year.</u> <u>The shareholders' meeting shall be held by video conference. The Company shall keep records of the shareholders' sign in, registration, reporting, questions, voting and counting results of the Company, and shall make continuous and uninterrupted</u></p>	<p>Article VII The Company shall record or video record the entire meeting process of the Shareholders' Meeting and keep it for at least one year.</p>	<p>As amended by reference to Article 8 of the "Sample of Stock Exchanges" on March 8, 2022.</p>

<p><u>audio and video recordings throughout the whole video conference.</u></p> <p><u>The Company shall keep the above mentioned video and audio recordings properly during its existence and provide the audio and video recordings to the entrusted parties for storage.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company shall record the background operation interface of the video conference platform.</u></p>		
<p>Article VIII</p> <p>The Chairperson shall call the meeting to order at the time scheduled for the meeting, as well as announce information such as the number of shares with no voting right and shares present.</p> <p>However, when shareholders (or proxies) who do not represent more than half of the total number of shares issued are present, the Chairperson may announce the postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour.</p> <p><u>If the shareholders representing more than one third of the total number of shares issued are present after the second delay, the chairman shall announce the suspension of the meeting.</u></p> <p><u>If the amount is still insufficient after the second delay and there are shareholders (or proxies) representing more than one-third of the total number of shares issued to attend the meeting, they may proceed in accordance with the first paragraph of Article 175 of the Company Act to give the present shareholders voting rights over half of the consents are false resolutions, and inform the</u></p>	<p>Article VIII</p> <p>The Chairperson shall call the meeting to order at the time scheduled for the meeting, as well as announce information such as the number of shares with no voting right and shares present.</p> <p>However, when shareholders (or proxies) who do not represent more than half of the total number of shares issued are present, the Chairperson may announce the postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour.</p> <p>If the amount is still insufficient after the second delay of the aforesaid meeting and there are shareholders (or proxies) representing more than one-third of the total number of shares issued to attend the meeting, they may proceed in accordance with the first paragraph of Article 175 of the Company Act to give the present shareholders voting rights over half of the consents are false resolutions.</p>	<p>As amended by reference to Article 9 of the "Sample of Stock Exchanges" on March 8, 2022.</p>

<p><u>shareholders of the false resolution within a month to convene the shareholders' meeting.</u></p> <p>Before the end of the meeting, if the number of shares represented by the present shareholders (or proxies) reached more than half of the total number of shares issued, the Chairperson may make a false resolution and submit it again for the <u>shareholders' meeting to vote in accordance with Article 174 of the Company Act.</u></p>	<p>Before the end of the meeting, if the number of shares represented by the present shareholders (or proxies) reached more than half of the total number of shares issued, the Chairperson may make a false resolution and submit it again for the shareholder meeting to vote in accordance with Article 174 of the Company Act.</p>	
<p>Article XX</p> <p><u>When the Company holds a video conference of shareholders, the Chairman and the recorder shall be at the same place in the country, the address of which shall be announced by the Chairman at the meeting.</u></p>		<p>As updated by reference to Article 20 of the "Sample of Stock Exchanges" on March 8, 2022.</p>
<p>Article XXI</p> <p><u>The shareholders' meeting shall be held by video conference. The Company shall upload the meeting handbook, annual report and other related materials to the video conference platform at least 30 minutes before the beginning of the meeting, and continue to disclose them until the end of the meeting. The Company may provide an easy connection test for shareholders before the meeting and provide related service instantly before and during the meeting to assist in dealing with technical problems in communications. When announcing the meeting, the total number of shares of shareholders present shall be disclosed on the video conference platform. And after the voting, the results of the voting on the motions and the results of the election shall be disclosed on the video conference platform of the shareholders' meeting in accordance with related</u></p>		<p>As updated by reference to Article 6 of the "Sample of Stock Exchanges" on March 8, 2022.</p>

<u>provisions instantly, and shall continue to be disclosed for at least 15 minutes after the Chairperson announces that the meeting is adjourned.</u>		
Article XXII Article 22 These rules will be implemented after being approved by the Shareholders' Meeting, and the same applies when they are amended.	Article XX These rules will be implemented after being approved by the Shareholders' Meeting, and the same applies when they are amended.	Change in Articles.

Resolution: The proposal has been voted represented at the meeting and passed as originally proposed.

Votes in favor: 82,885,541 votes (including 10,954,992 votes cast electronically), accounting for 99.23% of the total votes represented at the meeting;

Votes against: 56,375 votes (including 56,375 votes cast electronically), accounting for 0.06% of the total votes represented at the meeting;

Abstained votes: 579,675 votes (including 579,675 votes cast electronically), accounting for 0.69% of the total votes represented at the meeting;

Invalid votes: 0 votes, accounting for 0% of the total votes represented at the meeting.

Proposal: Election of the 15th directors (including independent directors).

Explanation:

- I. The 14th term of directors (including independent directors) of the Company will expire on May 28, 2023, and shall be reelected according to law. It is proposed to elect 6 directors and 3 independent directors for the 15th term in accordance with the Articles of Incorporation of the Company.
- II. The new directors (including independent directors) shall take office immediately after their election for a term of three years from May 30, 2023 to May 29, 2026.
- III. According to the Articles of Incorporation of the Company, a candidate nomination system is adopted for the election of directors. The list of director candidates for this election is as follows:

No.	Position	Name of candidate	Educational history	Experience	Number of shares held in current position
1	Director	Jen-Hong Cheng	Waseda University of International Business	1. Chairman of Shan-Loong Transportation Co., Ltd. 2. General Manager of Shan-Loong Transportation Co., Ltd.	4,328,876
2	Director	Shine Far Construction Co.,Ltd. Representative: Chuan-Chuan Lu	Shih Chien University	Director of Shine Far Construction Co.,Ltd.	6,743,227
3	Director	Cheng Loong Corporation Representative: Ching-Hui Yu	Department of Banking and Insurance, Tamkang University of College of Arts and Sciences	Vice-general Manager of Cheng Loong Corporation	12,690,010
4	Director	Shine Far Construction Co., Ltd. Representative: Tai-Lang Ho	Master of Management, Tamkang University	Vice-general Manager of Cheng Loong Corporation	8,367,944
5	Director	Lan-Hui Yu	Yung Ta Institute of Technology & Commerce	1. 1. Vice Chairman of Shan-Loong Transportation Co., Ltd. 2. General Manager	304,691

				of Shan-Loong Transportation Co., Ltd.	
6	Director	Ken-Pei Cheng	Master of Winthrop University	Vice-general Manager of Shan- Loong Transportation Co., Ltd.	85,986
7	Independent Director	Yao-Ming Huang	Accounting Group, Department of Business, National Taiwan University	Retired accountant of KPMG	0
8	Independent Director	Shu-Fong Ho	Chung Yuan Christian University	Vice-general Manager of Cheng Loong Corporation	0
9	Independent Director	Mao-Chun Wang	National Jhongli Commercial High School	Vice-general Manager of Shan- Loong Transportation Co., Ltd.	50,506

Chairperson announces election results:

Elected list of the directors (including independent directors):

No.	Position	Account number or ID number	Name	Votes in favor
1	Director	077244	Jen-Hong Cheng	114,389,198
2	Director	000617	Shine Far Construction Co.,Ltd. Representative: Chuan-Chuan Lu	100,604,344
3	Director	000001	Cheng Loong Corporation Representative: Ching-Hui Yu	75,852,086
4	Director	000002	SHINE FAR CO., LTD. Representative: Tai-Lang Ho	74,683,334
5	Director	000019	Lan-Hui Yu	75,935,059
6	Director	000659	Ken-Pei Cheng	74,700,438
7	Independent Director	066998	Yao-Ming Huang	74,876,615
8	Independent Director	000027	Shu-Fong Ho	74,261,656
9	Independent Director	000030	Mao-Chun Wang	74,575,648

VII. Other motions

Proposed by Board of Directors

Proposal: Terminate the "non-competition restrictions" of the new directors and their representatives submitted for discussion.

Explanation:

- I. In accordance with Article 209 of the Company Act, a director shall explain the important contents of his conduct and obtain the approval of the shareholders' meeting for his or her conduct within the business scope of the Company.
- II. In view of the possibility that the newly elected 15th Director may simultaneously hold other positions in the company similar to the business scope of the Company, it is proposed to discuss the lifting of the non-competition restrictions of the directors mentioned above.
- III. The details of the positions of the newly elected directors in other companies are shown in the following table:

Name of Director	Positions in other companies
Jen-Hong Cheng	<ol style="list-style-type: none"> 1. Chairman of KO LOONG INDUSTRY CO., LTD. 2. Chairman of Chung Lung International Co., Ltd. (Dismissal on May 15, 2023) 3. Director of JEN YUN CO., LTD. 4. Director of SUN FAVORITE CO., LTD. 5. Director of Shine Far Construction Co.,Ltd. 6. Executive director of SHINE FAR CO., LTD.
Chuan-Chuan Lu 【Representative of Shine Far Construction Co.,Ltd.】	<ol style="list-style-type: none"> 1. Director of Shine Far Construction Co.,Ltd. 2. Director of SHINE FAR CO., LTD. 3. Director of SUN FAVORITE CO., LTD. 4. Director of JEN YUN CO., LTD.

<p>Ching-Hui Yu 【Representative of Cheng Loong Corporation】</p>	<ol style="list-style-type: none"> 1. Director and Vice-general Manager of Cheng Loong Corporation 2. Director of MING FOONG PLASTIC CO., LTD. 3. Supervisor of GEMTECH OPTOELECTRONICS CORP. 4. Legal director of Shine Far Ch'ang Chao Community
<p>Tai-Lang Ho 【Representative of SHINE FAR CO., LTD.】</p>	<ol style="list-style-type: none"> 1. Vice-general Manager of Cheng Loong Corporation 2. Director of KO LOONG INDUSTRY CO., LTD.
<p>Lan-Hui Yu</p>	<ol style="list-style-type: none"> 1. Chairman of SHINE FAR REAL ESTATE CO., LTD 2. Chairman of SHINE FAR MECHINICAL AND ELECTRICAL CO.,LTD 3. Vice Chairman of Shine Far Construction Co.,Ltd.
<p>Ken-Pei Cheng</p>	<ol style="list-style-type: none"> 1. Director of KO LOONG INDUSTRY CO., LTD. 2. Director of Chuan Cheng Shih Chia Co., Ltd

Resolution: The proposal has been voted represented at the meeting and passed as originally proposed.

Votes in favor: 82,233,355 votes (including 10,302,806 votes cast electronically), accounting for 98.45% of the total votes represented at the meeting;

Votes against: 232,994 votes (including 232,994 votes cast electronically), accounting for 0.27% of the total votes represented at the meeting;

Abstained votes: 1,055,242 votes (including 1,055,242 votes cast electronically), accounting for 1.26% of the total votes represented at the meeting;

Invalid votes: 0 votes, accounting for 0% of the total votes represented at the meeting.

VIII. Extraordinary Motions: None.

IX. Meeting Adjourned: 9:24 a.m.

No questions raised by shareholders in this Annual General Shareholders' Meeting.

This Annual General Meeting minutes record only the essentials and the results of the meeting. When it comes to the meeting content, procedures, or any speeches taken place therein, the video record of the meeting shall prevail.

Proposal 4

Proposal: Audit Committee's Review Report for 2022.

山隆通運股份有限公司

審計委員會審查報告書

茲 准

董事會造送本公司一一一年度決算表冊，包括營業報告書、個體財務報告、合併財務報告及盈餘分派之議案等，復經本審計委員會會同審查，認為屬實，其中個體財務報告、合併財務報告部份亦經安侯建業聯合會計師事務所區耀軍、辛郁婷兩位會計師共同查核完竣，爰依證券交易法第十四條之四及公司法第二一九條之規定，連同會計師查核報告書，報請鑒察。

此上

本公司一一二年股東常會

山隆通運股份有限公司

審計委員會召集人：黃耀明



中 華 民 國 1 1 2 年 3 月 1 3 日



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of Shan-Loong Transportation Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 requirement. 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)(n) of the financial statements for the accounting policy of revenue recognition. Information regarding the revenue are 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 detailed test of relevant vouchers, as well as assessing whether the Company's timing on revenue recognition and the amounts recognized are in accordance with the related standards.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Yu-Ting, Hsin.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2023

Notes to Readers

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

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

(expressed in thousands of New Taiwan Dollars)

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(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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(p) and (7))	\$ 17,057,153	100	17,237,755	100
5000	Operating costs (notes (6)(e), (6)(l), (7) and (12))	15,694,130	92	15,572,968	90
5900	Gross profit from operations	1,363,023	8	1,664,787	10
	Operating expenses (notes (6)(l), (7) and (12)):				
6100	Selling expenses	547,573	3	543,308	3
6200	Administrative expenses	756,518	5	828,483	5
		1,304,091	8	1,371,791	8
6900	Net operating income	58,932	-	292,996	2
	Non-operating income and expenses:				
7010	Other income (note (7))	67,109	1	64,601	-
7020	Other gains and losses, net (note (6)(k))	(439)	-	3,267	-
7050	Finance costs (note (6)(k) and (7))	(36,330)	-	(30,488)	-
7100	Interest income	2,111	-	1,853	-
7130	Dividend income	38,636	-	34,877	-
7210	Gains (losses) on disposals of property, plant and equipment (note (7))	6,360	-	283	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method (note (6)(f))	197,590	1	130,222	1
7590	Miscellaneous disbursements	(11,497)	-	(14,612)	-
		263,540	2	190,003	1
7900	Profit before tax	322,472	2	482,999	3
7950	Less: Income tax expenses (note (6)(m))	33,476	-	67,492	-
8200	Profit	288,996	2	415,507	3
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))	15,272	-	(5,890)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(154,877)	(1)	59,284	-
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))	(244,570)	(1)	(8,647)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	5,820	-	(7,418)	-
		(389,995)	(2)	52,165	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	7,260	-	1,615	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(m))	1,452	-	323	-
		5,808	-	1,292	-
8300	Other comprehensive income (loss)	(384,187)	(2)	53,457	-
8500	Total comprehensive income	\$ (95,191)	-	468,964	3
	Earnings per share (note (6)(o))				
9750	Basic earnings per share	\$ 2.13		3.06	
9850	Diluted earnings per share	\$ 2.11		3.04	

(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, 2022 and 2021

(expressed in thousands of New Taiwan Dollars)

	Retained earnings					Other equity				
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings					
Balance on January 1, 2021	\$ 1,372,818	580,381	445,013	1,345,129	1,790,142	(23,229)	1,397,939	1,374,710	(31,863)	5,086,188
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	36,061	(36,061)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(302,020)	(302,020)	-	-	-	-	(302,020)
	-	-	36,061	(338,081)	(302,020)	-	-	-	-	(302,020)
Profit (loss) for the year ended December 31, 2021	-	-	-	415,507	415,507	-	-	-	-	415,507
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(4,712)	(4,712)	1,292	56,877	58,169	-	53,457
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	410,795	410,795	1,292	56,877	58,169	-	468,964
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	2,978	-	-	-	-	-	-	-	2,978
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	45,232	45,232	-	(45,232)	(45,232)	-	-
Balance on December 31, 2021	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
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	-	-	-	288,996	288,996	-	-	-	-	288,996
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	-	-	-	301,214	301,214	5,808	(402,213)	(396,405)	-	(95,191)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	3,383	-	-	-	-	-	-	-	3,383
Balance on December 31, 2022	\$ 1,372,818	586,742	526,676	1,375,482	1,902,158	(16,129)	1,007,371	991,242	(31,863)	4,821,097

(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, 2022 and 2021

(expressed in thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 322,472	482,999
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	470,777	483,523
Interest expense	36,330	30,488
Interest income	(2,111)	(1,853)
Dividend income	(38,636)	(34,877)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(197,590)	(130,222)
Loss (gain) on disposal of property, plant and equipment and others	(6,370)	(6,566)
	<u>262,400</u>	<u>340,493</u>
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	164,955	(71,915)
Decrease (increase) in inventories	(8,713)	(24,969)
Decrease (increase) in other current financial assets	(10,590)	2,257
Decrease (increase) in other current assets	(38,936)	(8,988)
Increase (decrease) in notes and accounts payable	(49,836)	135,473
Increase (decrease) in contract liabilities	2,346	8,308
Increase (decrease) in provisions	(7,323)	(7,129)
Increase (decrease) in other payables and other current liabilities	(87,708)	28,185
Increase (decrease) in net defined benefit liabilities	22	(1,810)
	<u>(35,783)</u>	<u>59,412</u>
Total adjustments	<u>226,617</u>	<u>399,905</u>
Cash inflow (outflow) generated from (used in) operations	549,089	882,904
Dividends received	145,894	116,078
Interest paid	(36,330)	(30,488)
Interest received	2,111	1,853
Income taxes paid	(56,608)	(86,070)
Net cash flows from (used in) operating activities	<u>604,156</u>	<u>884,277</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(7,672)
Acquisition of investments accounted for using the equity method	-	(164,000)
Acquisition of property, plant and equipment	(320,917)	(186,797)
Proceeds from disposal of property, plant and equipment	85,118	86,025
Decrease (increase) in refundable deposits	28,725	(14,389)
Decrease (increase) in prepayments for business facilities	(78,152)	(29,979)
Net cash flows from (used in) investing activities	<u>(285,226)</u>	<u>(316,812)</u>
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	304,300	200,000
Repayments of long-term borrowings	(100,000)	(100,000)
Increase (decrease) in guarantee deposits received	(5,230)	1,436
Payment of lease liabilities	(224,805)	(230,358)
Cash dividends paid	(343,205)	(302,020)
Net cash flows from (used in) financing activities	<u>(368,940)</u>	<u>(430,942)</u>
Net increase (decrease) in cash and cash equivalents	(50,010)	136,523
Cash and cash equivalents at beginning of period	513,998	377,475
Cash and cash equivalents at end of period	<u><u>\$ 463,988</u></u>	<u><u>513,998</u></u>



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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Shan-Loong Transportation Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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 requirement. 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)(n) of the consolidated financial statements for the accounting policy of revenue recognition. Information regarding the revenue are 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, gas station, and import and export agent. Revenue recognition is one of the significant matters of the consolidated financial statements. The amounts and changes of sales revenue may affect the users' understanding of the entire financial statements. Therefore, the revenue recognition test is one of the significant assessment items in our audit procedures.

Audit Procedures:

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

Other Matter

Shan-Loong Transportation Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, 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:

2. 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.
3. 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.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
5. 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.
6. 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.
7. 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 Yiu-Kwan Au and Yu-Ting Hsin.

KPMG

Taipei, Taiwan (Republic of China)

March 13, 2023

Notes to Readers

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

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

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

Consolidated Balance Sheets

December 31, 2022 and 2021

(expressed in thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:													
1100	Cash and cash equivalents (note (6)(a))	\$	1,057,797	11	1,553,286	15	2100	Short-term borrowings (note (6)(i))	\$	40,000	1		
1170	Notes and accounts receivable, net (note (6)(c))		455,219	5	649,969	6	2150	Notes and accounts payable (note (7))		1,544,695	16		
1180	Notes and accounts receivable due from related parties, net (notes (6)(c) and (7))		351,714	3	316,727	3	2200	Other payables (note (7))		391,241	4		
1476	Other current financial assets (notes (6)(d) and (7))		460,317	5	78,793	1	2230	Current income tax liabilities		6,052	-		
1300	Inventories, net (note (6)(e))		280,884	3	223,277	2	2280	Current lease liabilities (notes (6)(k) and (7))		201,323	2		
1479	Other current assets (note (7))		129,763	1	45,318	-	2130	Current contract liabilities (note (6)(p))		23,940	-		
			2,735,694	28	2,867,370	27	2250	Provisions		11,540	-		
							2399	Other current liabilities		14,672	-		
							2320	Long-term liabilities, current portion (note (6)(j))		100,000	1		
Non-current assets:													
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(b))		1,974,379	20	2,446,133	24				2,333,463	24		
1550	Investments accounted for using equity method, net (note (6)(f))		65,129	1	71,325	1	2540	Long-term borrowings (note (6)(j))		1,379,000	14		
1600	Property, plant and equipment (notes (6)(g), (7) and (8))		3,710,240	38	3,609,511	35	2570	Deferred income tax liabilities (note (6)(m))		167,246	2		
1755	Right-of-use asset (notes (6)(h) and (7))		965,879	10	1,075,528	10	2580	Non-current lease liabilities (notes (6)(k) and (7))		792,312	8		
1840	Deferred income tax assets (note (6)(m))		36,783	-	37,052	-	2640	Non-current net defined benefit liability (note (6)(l))		87,349	1		
1990	Other non-current assets (note (8))		299,571	3	246,278	3	2645	Guarantee deposits received		13,032	-		
			7,051,981	72	7,485,827	73				2,438,939	25		
Total liabilities													
Equity:													
Equity attributable to owners of parent: (note (6)(n))													
						3100	Ordinary shares		1,372,818	14	1,372,818	13	
						3200	Capital surplus		586,742	6	583,359	6	
						3300	Retained earnings		1,902,158	19	1,944,149	19	
						3400	Other equity		991,242	10	1,387,647	13	
						3500	Treasury shares		(31,863)	-	(31,863)	-	
									4,821,097	49	5,256,110	51	
						36XX	Non-controlling interests		194,176	2	200,673	2	
							Total equity		5,015,273	51	5,456,783	53	
Total assets		\$	9,787,675	100	10,353,197	100	Total liabilities and equity		\$	9,787,675	100	10,353,197	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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(p) and (7))	\$ 18,518,763	100	18,812,163	100
5000	Operating costs (notes (6)(e), (7) and (12))	<u>17,098,866</u>	<u>92</u>	<u>17,026,406</u>	<u>91</u>
5900	Gross profit from operations	<u>1,419,897</u>	<u>8</u>	<u>1,785,757</u>	<u>9</u>
Operating expenses (notes (7) and (12)):					
6100	Selling expenses	540,784	3	535,529	3
6200	Administrative expenses	748,871	4	874,617	4
6450	Expected credit losses (gains) (note (6)(c))	<u>20,265</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,309,920</u>	<u>7</u>	<u>1,410,146</u>	<u>7</u>
6900	Net operating income	<u>109,977</u>	<u>1</u>	<u>375,611</u>	<u>2</u>
Non-operating income and expenses:					
7010	Other income (note (7))	74,202	-	66,468	-
7020	Other gains and losses, net (notes (6)(k) and (6)(r))	18,539	-	4,993	-
7050	Finance costs (notes (6)(k) and (7))	(37,125)	-	(30,987)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(f))	1,955	-	2,601	-
7100	Interest income	6,773	-	4,829	-
7130	Dividend income	186,144	1	105,030	1
7210	Gains (losses) on disposals of property, plant and equipment (note (7))	(992)	-	343	-
7590	Miscellaneous disbursements	<u>(13,150)</u>	<u>-</u>	<u>(14,821)</u>	<u>-</u>
		<u>236,346</u>	<u>1</u>	<u>138,456</u>	<u>1</u>
7900	Profit before tax	<u>346,323</u>	<u>2</u>	<u>514,067</u>	<u>3</u>
7950	Less: Income tax expenses (note (6)(m))	<u>48,664</u>	<u>-</u>	<u>89,507</u>	<u>1</u>
8200	Profit	<u>297,659</u>	<u>2</u>	<u>424,560</u>	<u>2</u>
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	15,272	-	(5,890)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(r))	(411,578)	(2)	64,685	-
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))	(7,144)	-	(10,329)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	<u>(13,455)</u>	<u>-</u>	<u>(3,699)</u>	<u>-</u>
		<u>(389,995)</u>	<u>(2)</u>	<u>52,165</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	13,233	-	3,679	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(m))	<u>1,452</u>	<u>-</u>	<u>323</u>	<u>-</u>
		<u>11,781</u>	<u>-</u>	<u>3,356</u>	<u>-</u>
8300	Other comprehensive income (loss)	<u>(378,214)</u>	<u>(2)</u>	<u>55,521</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ (80,555)</u>	<u>-</u>	<u>480,081</u>	<u>2</u>
Profit, attributable to:					
8610	Owners of parent	\$ 288,996	2	415,507	2
8620	Non-controlling interests	<u>8,663</u>	<u>-</u>	<u>9,053</u>	<u>-</u>
		<u>\$ 297,659</u>	<u>2</u>	<u>424,560</u>	<u>2</u>
Total comprehensive income attributable to:					
8710	Owners of parent	\$ (95,191)	-	468,964	2
8720	Non-controlling interests	<u>14,636</u>	<u>-</u>	<u>11,117</u>	<u>-</u>
		<u>\$ (80,555)</u>	<u>-</u>	<u>480,081</u>	<u>2</u>
Earnings per share (note (6)(o))					
9750	Basic earnings per share	<u>\$ 2.13</u>		<u>3.06</u>	
9850	Diluted earnings per share	<u>\$ 2.11</u>		<u>3.04</u>	

(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, 2022 and 2021
(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
						Other equity		Total other equity	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income					
Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings								
Balance on January 1, 2021	\$ 1,372,818	580,381	445,013	1,345,129	1,790,142	(23,229)	1,397,939	1,374,710	(31,863)	5,086,188	189,556	5,275,744
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	36,061	(36,061)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	(302,020)	(302,020)	-	-	-	-	(302,020)	-	(302,020)
	-	-	36,061	(338,081)	(302,020)	-	-	-	-	(302,020)	-	(302,020)
Profit (loss) for the year ended December 31, 2021	-	-	-	415,507	415,507	-	-	-	-	415,507	9,053	424,560
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(4,712)	(4,712)	1,292	56,877	58,169	-	53,457	2,064	55,521
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	410,795	410,795	1,292	56,877	58,169	-	468,964	11,117	480,081
Adjustments of capital surplus for the company's cash dividends received by subsidiaries	-	2,978	-	-	-	-	-	-	-	2,978	-	2,978
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	45,232	45,232	-	(45,232)	(45,232)	-	-	-	-
Balance on December 31, 2021	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
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	-	-	-	288,996	288,996	-	-	-	-	288,996	8,663	297,659
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	-	-	-	301,214	301,214	5,808	(402,213)	(396,405)	-	(95,191)	14,636	(80,555)
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	\$ 1,372,818	586,742	526,676	1,375,482	1,902,158	(16,129)	1,007,371	991,242	(31,863)	4,821,097	194,176	5,015,273

(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, 2022 and 2021

(expressed in thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 346,323	514,067
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	485,924	491,023
Expected credit losses (gains)	20,265	-
Net profit on financial assets or liabilities at fair value through profit or loss	-	(6,487)
Interest expense	37,125	30,987
Interest income	(6,773)	(4,829)
Dividend income	(186,144)	(105,030)
Share of loss of associates and joint ventures accounted for using equity method	(1,955)	(2,601)
Loss (gain) on disposal of property, plant and equipment and others	980	(6,330)
	<u>349,422</u>	<u>396,733</u>
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss	-	355,541
Decrease (increase) in notes and accounts receivable	139,498	(115,099)
Decrease (increase) in inventories	(57,607)	(29,672)
Decrease (increase) in other current financial assets	5,594	(10,675)
Decrease (increase) in other current assets	(75,762)	(11,063)
Increase (decrease) in notes and accounts payable	(41,434)	221,628
Increase (decrease) in provisions	(7,323)	(7,129)
Increase (decrease) in other payables and other current liabilities	(118,977)	30,455
Increase (decrease) in net defined benefit liabilities	187	(1,360)
Increase (decrease) in contract liabilities	2,125	8,238
	<u>(153,699)</u>	<u>440,864</u>
Total adjustments	<u>195,723</u>	<u>837,597</u>
Cash inflow (outflow) generated from (used in) operations	542,046	1,351,664
Dividends received	187,151	105,633
Interest paid	(37,125)	(30,987)
Interest received	6,773	4,829
Income taxes paid	(81,550)	(105,361)
Net cash flows from (used in) operating activities	<u>617,295</u>	<u>1,325,778</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(7,939)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	60,176	-
Acquisition of property, plant and equipment	(358,105)	(202,648)
Proceeds from disposal of property, plant and equipment	2,765	86,125
Decrease (increase) in refundable deposits	27,274	(15,003)
Increase in other financial assets	(389,533)	-
Increase in prepayments for business facilities	(78,152)	(29,979)
Net cash flows from (used in) investing activities	<u>(735,575)</u>	<u>(169,444)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	40,000
Proceeds from long-term borrowings	304,300	200,000
Repayments of long-term borrowings	(100,000)	(100,000)
Increase (decrease) in guarantee deposit received	(5,230)	925
Payment of lease liabilities	(227,800)	(234,156)
Cash dividends paid	(339,822)	(299,042)
Changes in non-controlling interests	(21,133)	-
Net cash flows from (used in) financing activities	<u>(389,685)</u>	<u>(392,273)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>12,476</u>	<u>2,817</u>
Net increase (decrease) in cash and cash equivalents	<u>(495,489)</u>	<u>766,878</u>
Cash and cash equivalents at beginning of period	<u>1,553,286</u>	<u>786,408</u>
Cash and cash equivalents at end of period	<u><u>\$ 1,057,797</u></u>	<u><u>1,553,286</u></u>

See accompanying notes to consolidated financial statements.

Shan-Loong Transportation Co., Ltd.
The Surplus Earning Distribution
2022

Unit: NT\$

Items	Sub-total	Total
Beginning balance		1,074,267,933
Add (Less): net IFRIC adjustment	0	
Beginning balance after conversion to IFRS		1,074,267,933
Add (Less):		
Remeasurement of determined benefit plans and the change amount in the current period	12,217,600	
Equity instruments measured at fair value through other consolidated profit or loss	0	
Net profit after tax for the year	288,996,489	
Retained earnings available for appropriation		1,375,482,022
Less:		
Legal reserve appropriated	(30,121,409)	
Distributed items:		
Shareholder dividends - cash	(219,650,923)	
Unappropriated retained earnings at the end of the period		1,125,709,690

Note: In the distribution of earnings for the 2022 fiscal year, priority will be given to the allocation of profits from the 2021. If there are insufficient profits for the 2021 fiscal year, profits from previous years will be distributed.

Chairman:

General Manager:

Accounting Manager:

【Appendix 1】

Shan-Loong Transportation Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1 This Company is incorporated pursuant to the provisions governing a company by the Company Act of Republic of China with the name of 山隆通運股份有限公司 in Chinese. (The English name is Shan-Loong Transportation Co., Ltd).

Article 2 The Company may engage in the following activities:

- I. G101061 Truck freight transportation.
- II. G101081 Automobile Container Transport.
- III. CD01030 Motor Vehicles and Parts Manufacturing.
- IV. JA01010 Automobile Repair.
- V. F114010 Wholesale of Motor Vehicles.
- VI. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
- VII. F214010 Retail Sale of Motor Vehicles.
- VIII. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
- IX. G801010 Warehousing.
- X. F112010 Wholesale of Gasoline and Diesel Fuel.
- XI. F112040 Wholesale of Petroleum Products.
- XII. F212011 Gas Stations.
- XIII. F212050 Retail Sale of Petroleum Products.
- XIV. J101090 Waste Disposal.
- XV. J101030 Waste Disposing.
- XVI. E599010 Piping Engineering.
- XVII. F107170 Wholesale of Industrial Catalyst.
- XVIII. F113100 Wholesale of Pollution Controlling Equipments
- XIX. F213100 Retail Sale of Pollution Controlling Equipments
- XX. F401010 International Trade
- XXI. I103060 Management Consulting
- XXII. I301010 Information Software Services
- XXIII. I301020 Data Processing Services
- XXIV. J101040 Waste Treatment
- XXV. J101050 Environmental Testing Services
- XXVI. J101060 Wastewater (Sewage) Treatment

- XXVII. JA02051 Weights and Measuring Instruments Repair
- XXVIII. F113060 Wholesale of Measuring Instruments
- XXIX. F213050 Retail Sale of Measuring Instruments
- XXX. F401181 Measuring Instruments Import
- XXXI. I301040 The Third Party Payment
- XXXII. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 3 The Company may render external endorsements/guarantees due to business and investment relations.
- Article 4 The Company's total amount of investment in other businesses shall exceed 40% of the paid-up capital of the Company.
- Article 5 The office of the Company is located in New Taipei City, where necessary, the Company may have branches or offices established within or outside of the Republic of China as decided by resolution adopted by the Board of Directors.

Chapter 2 Shares

- Article 6 The total authorized capital of the Company shall be NT\$1,800,000,000 divided into 180,000,000 shares at NT\$10 each, which will be issued in installments. To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued share.
- Article 7 The Company issuing and printing shares shall assign its share certificates with serial numbers, shall indicate the following particulars on such share certificates, and the share certificates shall be affixed with the signatures or personal seals of the director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof:
- I. The name of the company.
 - II. The date of incorporation registration, or the date of company alteration registration for issuance of new shares.
 - III. For shares with par value, the total number of shares and share price; for shares with no par value, the total number of share.
 - IV. The number of shares issued this time.
 - V. The words "share certificates of promoters" shall be marked on the share certificates to be issued to promoters
 - VI. In the case of special share certificates, the words describing the class of such special shares shall be marked thereon.
 - VII. The date of issue of the share certificate.

A registered share certificate shall bear the true name of the shareholder thereof. Where a plural number of share certificates are held by a same person, his/her name shall be indicated on all such share certificates. For share certificate(s) to be held by a government agency or a corporate shareholder, the name of such government agency or such corporate shareholder shall be indicated thereon, and no other shareholder's name nor only the name

of the representative of such government shareholder or corporate shareholder may be indicated thereof.

The rules governing certification or authentication of share certificates to be issued under Paragraph One of this Article shall be prescribed by the central competent authority. However, the provision set out in this Paragraph shall not apply to the companies offering their respective share certificates to the public in accordance with the rules otherwise prescribed by the competent authority in charge of securities affairs.

However, the Company is exempted from printing any share certificate for the shares issued subject to the registration and custody at Taiwan Depository and Clearing Corporation.

The Company shall administer the issuance of shares and investor service in accordance with the Regulations Governing the Administration of Shares by Public Companies promulgated by the competent authority.

Chapter 3 Shareholders' Meeting

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

The Company's shareholders' meetings may be held by video conference or other means announced by the central competent authority.

Article 9 If specific shareholder cannot attend the shareholders meeting in person, this shareholder may use the power of attorney prepared by the Company to appoint a proxy to attend and specify the scope of authorization therein.

Article 10 Resolutions of the shareholders meeting shall be made by a session with the attendance of shareholders representing more than half of the outstanding shares and a simple majority of votes cast by the shareholders in session for consent.

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

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

Chapter 4 Director

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

The rules regulating the minimum percentage to be held by the directors and supervisors referred to in the preceding paragraph, and the examination of such holding shall be prescribed by an order from the competent authority.

The acceptance method and announcement of the nomination of independent director candidates and other relevant matters, as well as the professional qualifications of independent directors, restrictions on shareholding and part-time restriction, and the determination of independence, shall be handled in accordance with relevant laws and regulations. The election of independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately.

Article 11-1 The Company sets up the audit committee in accordance with Article 14-4 of the Securities and Exchange Act, which shall be composed of the entire number of independent directors. Number and term of office of audit committee members, powers

of the audit committee, rules of procedure for meetings of the audit committee and other matters shall be subject to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and the Company shall adopt an audit committee charter to regulate matters hereof.

- Article 12 The directors shall constitute the board of directors and shall elect one chairman (and one vice chairman) of the board from among themselves by a majority at a meeting attended by at least two-thirds of the directors. The Chairman of the Board of Directors represents the Company externally and supervises all the Company's business.
- Article 13 In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for many cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.
- Article 14 The Company's policy and important matters shall be determined by the board or directors.
- Article 15 (deleted)
- Article 16 Remuneration of directors shall be paid, no matter whether the Company is in a loss or not. All Directors and their remuneration shall be determined by the authorized board meeting in accordance with the extent of their participation in the Company's operations and the value of their contribution, as well as the standards of the industry.

Chapter 5 Manager

- Article 17 The Company may have one or more general managers. Appointment, discharge and the remuneration of the general managers shall be in compliance with Article 29 of the Company Act.

Chapter 6 Accounting

- Article 18 The Company adopts the end of the official calendar as its final settlement period. The board of directors shall prepare the following statements and records and shall forward the same to a general meeting of shareholders for approval.
- I. The business report.
 - II. The financial statements.
 - III. The surplus earning distribution or loss off-setting proposals.
- Article 19 If the Company has any pre-tax earnings, no less than 1% shall be allocated as employee compensation based on the pre-tax earnings before the amount of employee compensation to be distributed is deducted. But if the Company still has an accumulated loss, it shall reserve the recovery amount in advance.
- Employee compensation can be paid in stocks or cash, and the payment recipients may include employees of controlling or affiliated companies that meet certain conditions.
- The payment method and rate of employee remuneration shall be determined by the Board of Directors based on a resolution approved by more than two-thirds of the Directors present and more than half of the attending Directors, and shall be reported to the Shareholders' Meeting.
- If the employees' remuneration mentioned in the preceding paragraph is distributed in shares and resolved by the Board of Directors, a resolution may be resolved to issue new shares or buy back the Company's shares in the same meeting.

Article 20 If there is net profit after tax in the current period in the Company's annual general final accounts, it shall first make up the accumulated losses and allocate 10% as the statutory surplus reserve. The above statutory surplus reserve shall be included in the amount of undistributed surplus of the current year by adding items other than the current after tax net profit to the current period, unless the statutory surplus reserve has reached the paid-in capital of the Company. In addition, the special surplus reserve shall be set aside or converted in accordance with laws and regulations or the regulations of the competent authority. If there is still surplus and the undistributed surplus at the beginning of the same period, the board of directors shall prepare a surplus distribution plan and submit it to the shareholders' meeting for resolution.

The aforementioned earnings distribution proposal shall allocate more than 30% to shareholders, of which cash dividends shall not be less than 10% of the total number of dividends. However, if the cash dividend per share is less than NT\$ 0.1, it will not be paid, and paid with stock dividends, instead.

If there is a deduction of shareholder's equity accumulated in the previous year or in the current year but the current year's after-tax surplus is insufficient, the same amount of special earnings surplus reserve from the previous year's accumulated undistributed earnings shall be allocated to the special earnings reserve, and prior to the appropriation of distribution deduction. The earnings distribution referred to in the preceding paragraph may be exempted if the dividend per share is less than NT\$0.5.

Chapter 7 Supplementary Provisions

Article 21 Matters not specified in these Articles of Incorporation shall be subject to the Company Act and other relevant laws and regulations.

Article 22 These Articles were originally established on March 17, 1976. The 1st amendment was made on March 21, 1980. The 2nd amendment was made on December 14, 1981. The 3rd amendment was made on December 30, 1981. The 4th amendment was made on March 9, 1982. The 5th amendment was made on June 23, 1982. The 6th amendment was made on September 25, 1984. The 7th amendment was made on October 26, 1984. The 8th amendment was made on April 8, 1986. The 9th amendment was made on February 21, 1987. The 10th amendment was made on July 1, 1987. The 11th amendment was made on April 29, 1988. The 12th amendment was made on June 3, 1988. The 13th amendment was made on August 10, 1988. The 14th amendment was made on May 25, 1989. The 15th amendment was made on July 31, 1989. The 16th amendment was made on March 31, 1990. The 17th amendment was made on March 18, 1991. The 18th amendment was made on April 27, 1992. The 19th amendment was made on April 20, 1993. The 20th amendment was made on December 1, 1993. The 21st amendment was made on May 17, 1994. The 22nd amendment was made on May 25, 1995. The 23rd amendment was made on May 25, 1996. The 24th amendment was made on November 20, 1996. The 25th amendment was made on March 21, 1997. The 26th amendment was made on August 28, 1997. The 27th amendment was made on April 13, 1998. The 28th amendment was made on May 26, 2000. The 29th amendment was made on June 8, 2001. The 30th amendment was made on June 21, 2002. The 31st amendment was made on June 27, 2004. The 32nd amendment was made on June 17, 2005. The 33rd amendment was made on June 23, 2006. The 34th amendment was made on May 30, 2007. The 35th amendment was made on June 6, 2008. The 36th amendment was made on June 22, 2012. The 37th amendment was made on June 26, 2014. The 38th amendment was made on June 25, 2015. The 39th amendment was made on June 24, 2016. The 40th amendment was made on June 22, 2017. The 41st amendment was made on June 27, 2019. The 42nd amendment was made on May 29, 2020. The 43rd amendment was made on July 1, 2021. The 44th amendment was made on May 26, 2022. The 45th amendment was made on May 30, 2023.

【Appendix 2】

Shan-Loong Transportation Co., Ltd.

Rules of Procedures for the Shareholders' Meeting

- I. The Shareholders' Meeting of the Company shall be handled in accordance with the rules of this law unless otherwise provided by laws and regulations. Unless otherwise provided by laws and regulations, the shareholders' video conference shall be set forth in the articles of association and resolved by the Board of Directors, and the video conference shall be decided by the Board of directors with the presence of at least two thirds of the directors and the consent of a majority of the directors present.
- II. The Company shall set up a signature book for the attending shareholders (or agents) to sign in, or the attending shareholders (or agents) shall hand in an attending sign-in card to sign in on their behalf. The number of attending shares is calculated based on the signature book or the submitted attendance card, plus the number of shares exercising voting rights in writing or electronically. The shareholders' meeting shall be held by video conference and shall set forth the appropriate alternatives available to shareholders who have difficulty attending the meeting by video conference. Except as provided in Paragraph 6 of Article 44 of 9 of the Guidelines for the treatment of shares of a publicly issued company, the connecting equipment and necessary assistance shall be provided to the shareholders at least, and the period during which the shareholders may apply to the Company and other related items needing attention shall be specified. If the shareholders wish to attend the shareholders' meeting by video conference, they shall register with the company two days before the meeting.
- III. The attendance and voting of the Shareholders' Meeting shall be calculated on the basis of shares.
- IV. The place of the Shareholders' Meeting shall be in the county or city where the head office is located or a place convenient for shareholders to attend and suitable for the Shareholders' Meeting. The start time of the meeting shall not be earlier than 9 am or later than 3 pm. When holding a video conference of shareholders, it is not subject to the limitation of the address of preceding meeting.
- V. If the shareholders' meeting is convened by the Board of directors, the chairperson shall be the chairman; if the chairman asks for leave or is unable to exercise the functions and powers for some reason, the vice Chairman shall act for him; if there is no vice chairman or the vice chairman also asks for leave or is unable to exercise the functions and powers for some reason, the chairman shall appoint an executive director to act for him; If there is no executive director, one of the directors shall be appointed to act for him; if the chairman does not appoint an agent, the executive director or one of the directors shall be appointed for him; if there are more than two persons with convening authority, one of them shall be appointed for him. If the Shareholders' Meeting is convened by a person with convening power other than the Board of Directors, the Chairperson shall be the convener.
- VI. The Company may designate appointed lawyers, accountants, or related personnel to attend the Shareholders' Meeting.
Staff at the Shareholders' Meetings shall wear ID badges or arm badges.
- VII. The Company shall make continuous and uninterrupted audio and video recordings of the whole process of shareholder registration, meeting and vote when accepting the reporting of shareholders. The above mentioned audio and video data should be kept for at least one year. The shareholders' meeting shall be held by video conference. The Company shall keep records of the

shareholders' sign in, registration, reporting, questions, voting and counting results of the Company, and shall make continuous and uninterrupted audio and video recordings throughout the whole video conference. The Company shall keep the above mentioned video and audio recordings properly during its existence and provide the audio and video recordings to the entrusted parties for storage. If the shareholders' meeting is held by video conference, the Company shall record the background operation interface of the video conference platform.

- VIII. The Chairperson shall call the meeting to order at the time scheduled for the meeting, as well as announce information such as the number of shares with no voting right and shares present. However, when shareholders (or proxies) who do not represent more than half of the total number of shares issued are present, the Chairperson may announce the postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour. If the shareholders representing more than one third of the total number of shares issued are present after the second delay, the chairman shall announce the suspension of the meeting. If the amount is still insufficient after the second delay of the aforesaid meeting and there are shareholders (or proxies) representing more than one-third of the total number of shares issued to attend the meeting, they may proceed in accordance with the first paragraph of Article 175 of the Company Act to give the present shareholders voting rights. Over half of the consents are false resolutions, and inform the shareholders of the false resolution within a month to convene the shareholders' meeting. Before the end of the meeting, if the number of shares represented by the present shareholders (or proxies) reached more than half of the total number of shares issued, the Chairperson may make a false resolution and submit it again for the shareholders' meeting to vote in accordance with Article 174 of the Company Act.
- IX. If the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be set by the Board of Directors. All the relevant proposals (including Extempore Motions and amendments to the original proposal) shall be voted on a case-by-case basis. The meeting shall be conducted in accordance with the scheduled agenda, and shall not be changed without a resolution of the Shareholders' Meeting. The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting. After the meeting is adjourned, the shareholders (or proxies) present shall not elect another chairman to continue the meeting at the original location; however, if the chairman violates the rules of procedure and announces the adjournment of the meeting, he can elect one person as the chairman and continue the meeting with the approval of a majority of the shareholders present.
- X. Before attending shareholders (or proxies) speak, they must fill in the statement of speech, stating the main point of the speech, shareholder account number, and account name, and the chairman shall determine the order of their speeches. The present shareholders (or proxies) who only made a statement without making a statement shall be deemed to have not made a statement. In the event of any inconsistency between the contents of the shareholder's speech and those recorded on the slip, the contents of the shareholder's speech shall prevail. When the shareholders (or proxies) attend the speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the shareholder who speaks. Violators shall be stopped by the chairman.
- XI. Each shareholder (or proxies) of the same proposal (including temporary motions) shall not speak more than twice without the approval of the chairman, and shall not exceed five minutes each time. The chairman may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.
- XII. When a legal person is entrusted to attend the Shareholders' Meeting, the legal person can only appoint one representative to attend. In the event that a corporate shareholder appoints two or

more representatives to participate in a Shareholders' Meeting, only one representative may speak for the same issue.

- XIII. After the shareholders' speech (or proxies), the chairman may personally or designate relevant personnel to reply.
- XIV. The chairman shall give full explanations and opportunities for discussion of proposals and amendments or Extempore Motions proposed by shareholders. When he believes that the voting has been reached, he may announce the cessation of discussion, put up for voting, and arrange adequate voting time.
- XV. The scrutinizing and counting staff for voting on proposals shall be designated by the chairman, but the scrutinizing staff shall be shareholders. The results of voting (including statistical powers), when there are Directors to elect and Supervisors, the voting powers of each candidate shall be disclosed and a field report shall be made and records shall be made.
- XVI. During the meeting, the chairman may announce a break at his discretion.
- XVII. The voting of a proposal shall be passed with the approval of a majority of the voting rights of the shareholders (or proxies) present unless otherwise provided in the Company Act and the Articles of Incorporation. At the time of voting, if there is no objection after consultation by the chairman, it shall be deemed passed, and its effect is the same as that of voting.

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

Shareholders who exercise voting rights in writing or electronically are deemed to have attended the Shareholders' Meeting in person. However, the Extempore Motion and the amendment to the original proposal of the Shareholders' Meeting shall be deemed as an abstention. For those who exercise voting rights in writing or electronically in the preceding paragraph, their expression of intent shall be delivered to the Company two days before the Shareholders' Meeting. When the meaning is repeated, the first one will prevail. However, those who express their intentions before the declaration is revoked are not limited to this. After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the Shareholders' Meeting in person, they shall revoke the expression of their intention to exercise the voting rights in the preceding paragraph in the same manner as when they exercise their voting rights at least two days before the Shareholders' Meeting; The voting rights exercised by the method shall prevail. When a shareholder has exercised voting rights both by written or electronic means and appointed a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- XVIII. When there are amendments or alternatives to the same motion, the chairman shall determine the order of voting in accordance with the original motion. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.
- XIX. The chairman may direct pickets (or security personnel) to help maintain order in the venue. When pickets (or security personnel) are present to help maintain order, they should wear identification cards or armbands with the words "Pickets (or security personnel)".
- XX. When the Company holds a video conference of shareholders, the Chairman and the recorder shall be at the same place in the country, the address of which shall be announced by the Chairman at the meeting.
- XXI. The shareholders' meeting shall be held by video conference. The Company shall upload the meeting handbook, annual report and other related materials to the video conference platform at least 30 minutes before the beginning of the meeting, and continue to disclose them until the end of the meeting. The Company may provide an easy connection test for shareholders before the

meeting and provide related service instantly before and during the meeting to assist in dealing with technical problems in communications. When announcing the meeting, the total number of shares of shareholders present shall be disclosed on the video conference platform. After the voting, the results of the voting on the motions and the results of the election shall be disclosed on the video conference platform of the shareholders' meeting in accordance with related provisions instantly, and shall continue to be disclosed for at least 15 minutes after the chairman announces that the meeting is adjourned.

- XXII. These rules will be implemented after being approved by the Shareholders' Meeting, and the same applies when they are amended.