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SHAN-LOONG TRANSPORTION CO.,LTD

2024 Annual Report

Published on April 20, 2024

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

Spokesperson: Wei-Teng Hsiao
Position: President
Telephone: (02)2959-9611
Email address: robert.hsiao@slc.com.tw

Deputy spokespersons' name: Jia-Liang Guo
Position: Vice President
Telephone: (02)2959-9611
Email address: tommy.kuo@slc.com.tw

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

General Management Office
1F, No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City
Telephone: (02)2959-9611
Fax: (02)2959-9441

Eastern Area Operations Office
No. 1, Ziqiang Rd., Su'ao Township, Yilan County
Telephone: (03)990-8582 Fax: (03)990-8585

Northern Area Operations Office
No. 2-10, Chaoyin Rd., Beigang Vil., Dayuan Dist., Taoyuan City
Telephone: (03)386-8833 Fax: (03)386-6375

Central Area Operations Office
No. 568, Zili Rd., Wuqi Dist., Taichung City
Telephone: (04)2639-2151 Fax: (04)2639-8192

Mailiao Township Operations Office
No. 222-24, Hou'an Road, Neighborhood 12, Hou'an Vil., Mailiao Township, Yunlin County
Telephone: (05)691-0283 Fax: (05)691-0631

Southern Area Operations Office
No. 26-3, Yanhai 3rd Rd., Fengming Vil., Neighborhood 1, Xiaogang Dist., Kaohsiung City
Telephone: (07)871-6691~5 Fax: (07)871-7958

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

Name: Stock Affairs Section, Shan-Loong Transportation Co., Ltd.
Address: 3F, No. 3, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City
URL: <http://www.slc.com.tw/>
Tel: (02)2222-5131 Ext. 260-265

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

Name of the CPA: Charming Mei, Yu-Ting Hsin
CPA firm: KPMG Taiwan
Address: 68F., No. 7, Sec. 5, Xinyi Rd., Taipei City (Taipei 101 Building)
URL: <http://www.kpmg.com.tw/>
Telephone: (02)8101-6666

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

VI. Company website

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

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Chapter 1. Letter to Shareholders

Dear Shareholders,

In 2024, the Company continued to promote digital transformation and facility upgrades, comprehensively enhancing operational efficiency and customer experience, while also laying the groundwork for energy transition and sustainable development. Several key projects were completed during the year, including the full replacement of smart equipment, optimization of station environments, and establishment of platform systems, all of which have effectively strengthened operational performance and overall service quality.

The new equipment features real-time data transmission, touch-screen interfaces, voice advertising, and support for diverse energy sources. These functions not only streamline operational processes but also enhance user convenience and potential revenue. Coupled with station renovations and system integration, the customer experience has been further optimized and the brand image strengthened. On the operational side, data management and platform applications have been simultaneously implemented to improve information transparency and internal management efficiency.

As a traditional industry undergoing transformation, the Company faced several challenges during upgrades. Phased shutdowns at certain sites to ensure safety during equipment replacement led to short-term revenue impact. Additionally, changes in system operations require an adjustment period for customers, potentially affecting short-term usage and spending behavior. However, as users gradually become familiar with the new interface and services, overall operational momentum is expected to recover, supporting steady revenue growth in the future. Thanks to the concerted efforts of the whole company, the nationwide upgrade was completed on schedule, minimizing the overall impact on operations.

The following is the Company's and its subsidiaries' consolidated operating performance report for 2024:

- Transport: Consolidated revenue for 2024 was NT\$2.17514 billion, a decrease of NT\$1.3868 billion or 37.56% compared to NT\$3.48382 billion in 2023.
- Oil products: Consolidated revenue for 2024 was NT\$8.66667 billion, down NT\$4.27341 billion or 33.02% from NT\$12.94008 billion in 2023.

In 2024, overall consolidated revenue was NT\$10.84181 billion, representing a decrease of NT\$5.58208 billion or 33.99% compared to NT\$16.42389 billion in 2023. The net loss after tax for the year was NT\$446.57 million, with a net loss per share (EPS) of NT\$3.43.

Looking ahead, the Company will continue to integrate technological tools and deepen data applications to enhance management efficiency and operational flexibility, while actively expanding cross-industry collaborations and application value. Through a strategy of balancing innovation and stability, the Company will strengthen its operational foundation, respond flexibly to market changes, and further enhance overall profitability and long-term competitiveness.

Unit: In Thousands of New Taiwan Dollars

	2024	2023	Increase (Decrease) Amount	Increase (Decrease) %
Operating revenue	10,841,809	16,423,894	(5,582,085)	(33.99)
Operating profit	(537,473)	(35,697)	(501,776)	1405.65
Net Profit After Tax	(446,567)	82,656	(529,223)	(640.27)

Item		2024	2023
Financial Structure	Debt Asset Ratio (%)	56.10	53.58
	Long-term Capital to Fixed Assets Ratio (%)	155.41	205.16
Solvency	Current Ratio (%)	78.87	111.95
	Quick Ratio (%)	69.87	99.48
Profitability	Return on Assets (%)	-3.98	1.20
	Return on Equity (%)	-9.96	1.64
	Net Profit Margin (%)	-33.58	0.50
	Basic Earnings Per Share (NT\$)	-3.43	0.48

We hereby present outlines of the Company's annual business plan for FY25 as follows:

I. Comprehensive revenue growth:

1. Continued expansion of the diesel market:

- Expand the petroleum business, offering diversified services to increase customer loyalty and fuel sales.
- Continuously optimize the use of smart fuel dispensers to enhance customer experience and reduce labor costs.

2. Integrating service resources to attract corporate clients:

- Focus on large corporate clients, offering comprehensive services including shipping, warehousing, and logistics.
- Strengthen the digital interfaces of the petroleum business unit to provide clients with more comprehensive solutions.

3. Emerging markets and diverse revenue streams:

- Develop new energy logistics services and vehicle-related value-added services to expand future business opportunities.

II. The most efficient and effective way to operate:

1. Optimization of the transportation system:

- Improve the new transportation system to achieve more detailed vehicle dispatch and transportation information management.
- Integrate transportation data with fuel dispensing data to create operational synergies across business units.

2. Cost control and per capita output enhancement:

- Continuously review cost structure to reduce redundant expenses.
- Introduce data-driven performance management tools to improve per capita output.

III. Creating a new cycle of benefits

1. Deepening supply chain collaboration:

- Build stronger partnerships with suppliers to offer integrated services such as vehicle provision, diesel supply, and maintenance.
- Expand supply chain financing and related services to enhance business stickiness.

2. Resource circular utilization:

- Improve the circular resource ecosystem to enhance the overall user experience for suppliers.

IV. Asset activation and management

1. Effective utilization of capital-intensive assets:

- Reduce idle assets and replace outdated facilities to lower energy costs.
- Strengthen systematic asset management to maximize asset utilization efficiency.

2. Improvement of energy efficiency:

- Implement energy management programs to continuously reduce energy consumption.

V. Talent development and organizational optimization

1. Recruitment and training of top talent:

- Recruit highly qualified professionals to strengthen the Company's competitiveness.
- Offer targeted training programs to enhance employee skills and support career development.

2. Enhancing organizational efficiency:

- Restructure internal organization to improve interdepartmental collaboration and efficiency.

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

Here, I would like to offer my sincere thanks and wishes!

Sincerely,

Chairman

Chapter 2. Corporate Governance Report

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

(I) Director

1. Director

2025.04.20

Position	Nationality/Place of Incorporation	Name	Gender Age	Date Elected	Term	Date of election	Shares held when elected		Shares held currently		Shares held by spouse and minor children		Shares held through nominee arrangement		Primary work or academic experiences	Titles held at the Company and other companies	Other supervisors or directors who are spouses or within the second degree of kinship			Remark
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Chairman	R.O.C.	Jen-Hao Cheng	Male 51~60 years old	2023. 05.30	3 Years	2014. 06.26	4,328,876	3.15	4,328,876	3.15	-	-	-	-	Chairman, Shan-Loong Transportation Co., Ltd. President, Shan-Loong Transportation Co., Ltd. Master of Commerce, Waseda University, Japan	Chairman, Shan-Loong Transportation Co., Ltd. Chairman, Ko Loong Industry Co., Ltd. Director, Jen Yun Co., Ltd. Director, Sun Favorite Co. Ltd. Director, Shine Far Construction Co., Ltd. Director, Shine Far Co., Ltd.	Director	Chuan-Chuan Lu	Parent	None
Vice Chairman	R.O.C.	Lan-Hui Yu	Male 61~70 years old	2023. 05.30	3 Years	2005. 06.17	304,691	0.22	304,691	0.22	16,312	0.01	-	-	Vice chairman, Shan-Loong Transportation Co., Ltd. President, Shan-Loong Transportation Co., Ltd. Yung-Ta Industrial Vocational School	Vice chairman, Shan-Loong Transportation Co., Ltd. Chairman, Shine Far Construction Co., Ltd. Chairman, Shine Far Electromechanical Co., Ltd. Vice chairman, Shine Far Construction Co., Ltd.	None	None	None	None
Director	R.O.C.	Cheng Loong Corporation	Male 71~80 years old	2023. 05.30	3 Years	2023. 05.30	12,690,010	9.24	12,690,010	9.24	-	-	-	-	Vice president, Cheng Loong Corporation Tamkang College of Arts and Sciences	Vice president, Cheng Loong Corporation Director, Ming Fong Plastic Co., Ltd. Director, Shanfa Long-term Care Association	None	None	None	None
		Representative: Ching-Hui Yu					24,000	0.02	24,000	0.02	-	-	-	-						
Director	R.O.C.	Shine Far Construction Co., Ltd.	Female 71~80 years old	2023. 05.30	3 Years	2002. 06.21	6,743,227	4.91	6,743,227	4.91	-	-	-	-	Director, Shine Far Construction Co., Ltd. Shih Chien College of Home Economics	Director, Shine Far Construction Co., Ltd. Director, Shine Far Co., Ltd. Director, Jen Yun Co., Ltd. Director, Sun Favorite Co. Ltd.	Chairman	Jen-Hao Cheng	Parent	None
		Representative: Chuan-Chuan Lu					866,450	0.63	866,450	0.63	349,000	0.25	-	-						
Director	R.O.C.	Shine Far Co., Ltd.	Male 71~80 years old	2023. 05.30	3 Years	2023. 05.30	8,367,944	6.10	8,367,944	6.10	-	-	-	-	Vice president, Cheng Loong Corporation Master of management, Tamkang University	Vice president, Cheng Loong Corporation	None	None	None	None
		Representative: Tai-Lang Ho					-	-	-	-	-	-	-	-						

Position	Nationality/ Place of incorporation	Name	Gender Age	Date Elected	Term	Date of election	Shares held when elected		Shares held currently		Shares held by spouse and minor children		Shares held through nominee arrangement		Primary work or academic experiences	Titles held at the Company and other companies	Other supervisors or directors who are spouses or within the second degree of kinship			Remark
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Director	R.O.C.	Ken-Pei Cheng	Male 51~60 years old	2023. 05.30	3 Years	2014. 06.26	85,986	0.06	230,986	0.17	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Master, Northrop University	Director, Ko Loong Industry Co., Ltd. Director, Chuan Cheng Shi Jia Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Yao-Ming Huang	Male 71~80 years old	2023. 05.30	3 Years	2017. 06.22	-	-	-	-	-	-	-	-	Retired accountant at KPMG in Taiwan Accounting Division, Business Department, National Taiwan University	Member of the Audit Committee and the Remuneration and Compensation Committee, Shan-Loong Transportation Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Hsu-Feng Ho	Male 71~80 years old	2023. 05.30	3 Years	2020. 05.29	-	-	-	-	-	-	-	-	Vice president, Cheng Loong Corporation Chung Yuan Christian College of Science and Engineering	Member of the Audit Committee and the Remuneration and Compensation Committee, Shan-Loong Transportation Co., Ltd.	None	None	None	None
Independent Director	R.O.C.	Mao-Chun Wang	Male 71~80 years old	2023. 05.30	3 Years	2017. 06.22	50,506	0.04	50,506	0.04	-	-	-	-	Vice president, Shan-Loong Transportation Co., Ltd. Zhong Li Commercial Senior High School	Member of the Audit Committee and the Remuneration and Compensation Committee, Shan-Loong Transportation Co., Ltd.	None	None	None	None

2. Major shareholders of the institutional shareholders

2025.04.20

Name of institutional shareholders	Major shareholders of the institutional shareholders	
Cheng Loong Corporation	Sun Favorite Co., Ltd.	6.62%
	Shine Far Construction Co., Ltd.	5.23%
	Jen Yun Co., Ltd.	4.49%
	Wenjing Development Co., Ltd.	4.42%
	Employee Welfare Committee, Cheng Loong Corporation	3.11%
	Shan-Loong Investment Co., Ltd.	2.87%
	Trust share account, Cheng Loong Corporation, Taipei Fubon Bank	2.77%
	Shine Far Co., Ltd	2.46%
	Special ESOP account of Cheng Loong Corporation entrusted in CTBC Bank	1.84%
	Shan-Loong Transportation Co., Ltd.	1.75%
Shine Far Construction Co., Ltd.	Jen-Ming Cheng	26.49%
	Ai-Ling Chi	26.49%
	Cheng-Lung Cheng	21.39%
	Su-Yun Cheng	15.00%
	Chiao-Yun Cheng	10.27%
	Wenjing Development Co., Ltd.	0.36%
Shine Far Co., Ltd	Sun Favorite Co., Ltd.	52.81%
	Jen Yun Co., Ltd.	23.71%
	Shine Far Construction Co., Ltd.	17.23%
	Treasury stock	3.22%
	Chuan-Chuan Lu	1.53%
	Shan-Loong Transportation Co., Ltd.	0.87%
	Ai-Ling Chi	0.51%
	Cheng-Lung Cheng	0.12%

3. The major shareholders of institutional shareholders that are themselves institutional shareholders

Name of legal entity shareholder	Major shareholders of the institutional shareholders
Shan-Loong Transportation Co., Ltd.	Cheng Loong Corporation 9.24%
	Chiung-Miao Yeh 6.11%
	Shine Far Co., Ltd 6.10%
	Shine Far Construction Co., Ltd. 4.91%
	Jen-Ming Cheng 4.77%
	Cheng Loong Investment Co., Ltd. 3.55%
	Jen-Hao Cheng 3.15%
	Cheng Kuan Investment Co., Ltd. 1.75%
	Sun Favorite Co., Ltd. 1.39%
	Special ESOP account of Shan-Loong Transportation Co., Ltd entrusted in CTBC Bank 1.11%
Sun Favorite Co., Ltd.	Ai-Ling Chi 22.39%
	Cheng-Lung Cheng 21.20%
	Jen-Ming Cheng 20.90%
	Chiao-Yun Cheng 17.53%
	Su-Yun Cheng 17.53%
	Jen Yun Co., Ltd. 0.45%
Jen Yun Co., Ltd.	Chung Win Investments Limited 23.53%
	Cheng-Lung Cheng 19.55%
	Jen-Ming Cheng 14.12%
	Su-Yun Cheng 14.12%
	Ai-Ling Chi 14.12%
	Chiao-Yun Cheng 11.76%
	Treasury stock 1.41%
	Chu-Chun Hsiung 1.39%
Wenjing Development Co., Ltd.	Cheng-Lung Cheng 46.32%
	Jen-Ming Cheng 24.90%
	Su-Yun Cheng 16.04%
	Sun Favorite Co., Ltd. 12.83%
Shan-Loong Investment Co., Ltd.	Shan-Loong Transportation Co., Ltd. 100.00%
Cheng Kuan Investment Co., Ltd.(Note 1)	Wen-Lin Lin 46.00%
	Chiung-Miao Yeh 46.00%
	Other shareholders 8.00%
Cheng Loong Corporation	Kindly refer to the annual report on page 6.
Shine Far Construction Co., Ltd.	
Shine Far Co., Ltd	

Note 1: As of the date of publication of this annual report, the principal shareholder information of institutional shareholders is based on publicly disclosed data by the Ministry of Economic Affairs as of October 22, 2024.

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

Criteria Name	Professional Qualification and Work Experience	Independence criteria	Number of Other Public Companies in Which the Individual Is Concurrently Serving as An Independent Director
Jen-Hao Cheng	1. More than 5 years of working experience in business and company affairs President, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Lan-Hui Yu	1. More than 5 years of working experience in business and company affairs President, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Cheng Loong Corporation Representative: Ching-Hui Yu	1. More than 5 years of working experience in business and company affairs Vice president, Cheng Loong Corporation 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	1. More than 5 years of working experience in business and company affairs Director, Shine Far Construction Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Shine Far Co., Ltd. Representative: Tai-Lang Ho	1. More than 5 years of working experience in business and company affairs Vice president, Cheng Loong Corporation 2. Without any conditions defined in Article 30 of the Company Act	N/A	0
Ken-Pei Cheng	1. More than 5 years of working experience in business and company affairs Vice president, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act	N/A	0

Criteria Name	Professional Qualification and Work Experience	Independence criteria	Number of Other Public Companies in Which the Individual Is Concurrently Serving as An Independent Director
Yao-Ming Huang	<ol style="list-style-type: none"> 1. With experience in business, accounting and corporate business. A certified CPA and a retired accountant at KPMG Taiwan 2. Without any conditions defined in Article 30 of the Company Act 	<p>The Company's independent directors meet the independence criteria as follows:</p> <ol style="list-style-type: none"> 1. Including but not limited to the individual, spouse, or relatives within the second degree of kinship, etc., not having served as a director, supervisor or employee of the Company or its affiliated enterprises; 2. the individual, spouse, or relatives within second degrees of kinship, etc. do not hold shares in the Company; 3. Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company; 4. Has not served any positions in the last 2 years to provide business, legal, financial, accounting and other services for the remuneration received by the Company or its affiliated enterprises. 	0
Hsu-Feng Ho	<ol style="list-style-type: none"> 1. More than 5 years of working experience in business and company affairs Vice president, Cheng Loong Corporation 2. Without any conditions defined in Article 30 of the Company Act 	<p>The Company's independent directors meet the independence criteria as follows:</p> <ol style="list-style-type: none"> 1. Including but not limited to the individual, spouse, or relatives within the second degree of kinship, etc., not having served as a director, supervisor or employee of the Company or its affiliated enterprises; 2. the individual, spouse, or relatives within second degrees of kinship, etc. do not hold shares in the Company; 3. Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company; 4. Has not served any positions in the last 2 years to provide business, legal, financial, accounting and other services for the remuneration received by the Company or its affiliated enterprises. 	0
Mao-Chun Wang	<ol style="list-style-type: none"> 1. More than 5 years of working experience in business and company affairs Vice president, Shan-Loong Transportation Co., Ltd. 2. Without any conditions defined in Article 30 of the Company Act 	<p>The Company's independent directors meet the independence criteria as follows:</p> <ol style="list-style-type: none"> 1. Including but not limited to the individual, spouse, or relatives within the second degree of kinship, etc., not having served as a director, supervisor or employee of the Company or its affiliated enterprises; 2. The individual, spouse, or relatives within second degrees of kinship, etc. do not hold shares in the Company; 3. Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company; 4. Has not served any positions in the last 2 years to provide business, legal, financial, accounting and other services for the remuneration received by the Company or its affiliated enterprises. 	0

5. Diversity and Independence of the Board Meeting:

(i) Diversity Policy of the Board of Directors:

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

- Operational judgment.
- Accounting and financial analysis.
- Business management.
- Crisis management.
- Industry know-hows.
- Global market views.
- Leadership skills.
- Decision-making skills.

(ii) Specific Management Objectives for Board Diversity:

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

The specific management objectives are as follows:

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

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

The diversity of the board members is as follows:

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

(iv) Board independence:

1) Board of directors structure:

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

2) The board meeting has independence:

To safeguard shareholders' rights and treat all shareholders equally the Company has stipulated the procedures for director elections based on fairness, justice, and transparency. It also encourages shareholder participation. The cumulative voting system is adopted in accordance with the regulations of the Company Act to fully reflect shareholders' opinions.

In accordance with the Securities Exchange Act, the number of independent directors shall not be less than two, and shall not be less than one-fifth of the total number of directors, with the audit committee being composed of all independent directors. For the overall operational policy of the Company, the board of directors is composed of 9 directors, of which 3 are independent directors, accounting for 33% of the total number of directors, which has met the requirement for the size and proportion of the directors' seats stipulated for independent directors.

The board of directors of the Company emphasizes the functions of independent operation and transparency. All directors and independent directors are independent entities. Among the nine directors, only two seats, accounting for 22%, have a parent-child relationship, which complies with the provisions of Articles 26-3 paragraph 3 and 4 of the Securities and Exchange Act. In accordance with the regulations of the competent authority, the Company stipulates in its Articles of Incorporation that the election of directors should adopt the candidate nomination system. The qualifications, educational and career backgrounds of the nominated persons are assessed carefully to ensure that there are none of the circumstances listed in Article 30 of the Company Act, and the procedures are carried out in accordance with Article 192-1 of the Company Act.

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

2025.04.20

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse's/Minor's shareholding		Shares held through nominee arrangement		Primary work or academic experiences	Position Held with Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
President	R.O.C.	Wei-Teng Hsiao	Male	2023.12.22	-	-	-	-	-	-	Chief operating officer, Shan-Loong Transportation Co., Ltd. Tamkang University Department of Accounting	Supervisor, Ko Loong Industry Co., Ltd.	None	None	None	None
Chief information security officer	R.O.C.	David Van	Male	2022.10.01	-	-	-	-	-	-	Shan-Loong Transportation Co., Ltd. Chief information officer Binghamton University Mathematics and Computer Science	None	None	None	None	None
Vice President	R.O.C.	Jia-Liang Guo	Male	2024.06.01	-	-	-	-	-	-	Shan-Loong Transportation Co., Ltd. Associate Imperial College London Computing Science	None	None	None	None	None
Vice President	R.O.C.	I-Hsuan Tai	Female	2024.04.22	-	-	-	-	-	-	Shan-Loong Transportation Co., Ltd. Vice President National Taiwan University Graduate Institute of Business Administration	None	None	None	None	None
Audit Executive	R.O.C.	Kun-Lin Wu	Male	2021.09.01	-	-	-	-	-	-	Manager, Shan-Loong Transportation Co., Ltd. Department of Industrial Management, Vanung University	None	None	None	None	Note 1

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse's/Minor's shareholding		Shares held through nominee arrangement		Primary work or academic experiences	Position Held with Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relationship	
Audit Executive	R.O.C.	Hsiang-I Yu	Female	2024.11.11	-	-	-	-	-	-	Shan-Loong Transportation Co., Ltd. Section Manager China University of Science and Technology Industrial Engineering and Management	None	None	None	None	Note 1
Finance Executive	R.O.C.	Cheng-Chang Ou	Male	2023.07.18	-	-	-	-	-	-	Manager and associate manager, Shan-Loong Transportation Co., Ltd. Department of Public Finance and Tax Administration, National Taipei University of Business Professional and technical personnel who have passed national examinations and obtained certificates of accountancy	None	None	None	None	None
Accounting Executive	R.O.C.	Yu-Long Chen	Male	2023.07.18	-	-	-	-	-	-	Manager, Shan-Loong Transportation Co., Ltd. Department of Accounting, Soochow University Professional and technical personnel who have passed national examinations and obtained certificates of accountancy	None	None	None	None	None

Audit Executive Kun-Lin Wu assumed the position on November 11, 2024, succeeding former Audit Executive Hsiang-I Yu.

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

1. Remuneration for directors and independent directors

Unit: NT\$ Thousands December 31, 2024

Position	Name	Remuneration Paid to Directors						Total amount and proportion to net income of items A, B, C and D		Relevant remuneration received by directors who are also employees						Proportion of total after-tax net income of items A, B, C, D, E, F and G		Compensation paid to directors from an invested company other than the Company's subsidiary			
		Base Compensation(A)		Severance Pay and Pension (B)		Directors(C)				Business Execution Expenses (D)		Salary, Bonuses, and Allowances (E)		Severance Pay and Pension (F)					Employee Compensation (G)		
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements					
														Cash Amount	Stock Amount	Cash Amount	Stock Amount				
Chairman	Jen-Hao Cheng	-	-	-	-	-	1,920	4,800	1,920 -0.41	4,800 -1.03	4,056	5,256	-	-	9	-	9	-	5,985 -1.28	10,065 -2.16	4,273
Vice Chairman	Lan-Hui Yu	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	3,916	4,876	99	99	12	-	12	-	5,947 -1.28	6,907 -1.48	-
Director	Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	-	-	-	-	-	-	-	-	1,920 -0.41	1,920 -0.41	1,440
Director	Cheng Loong Corporation Representative: Ching-Hui Yu	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	-	-	-	-	-	-	-	-	1,920 -0.41	1,920 -0.41	8,066
Director	Shine Far Co., Ltd Representative: Tai-Lang Ho	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	-	-	-	-	-	-	-	-	1,920 -0.41	1,920 -0.41	5,232
Director	Ken-Pei Cheng	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	2,333	2,333	83	83	10	-	10	-	4,346 -0.93	4,346 -0.93	710
Independent Director	Yao-Ming Huang	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	-	-	-	-	-	-	-	-	1,920 -0.41	1,920 -0.41	-
Independent Director	Hsu-Feng Ho	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	-	-	-	-	-	-	-	-	1,920 -0.41	1,920 -0.41	-
Independent Director	Mao-Chun Wang	-	-	-	-	-	1,920	1,920	1,920 -0.41	1,920 -0.41	-	-	-	-	-	-	-	-	1,920 -0.41	1,920 -0.41	-

Note 1: Please clarify the remuneration payment policy, system, standards and structure for independent directors, and clarify the correlation between the responsibilities, risks, time spent and other factors assumed and the amount of remuneration paid: the remuneration of independent directors of the Company is paid by the Company in accordance with the provisions of Article 16 of the Company's Articles of Incorporation regardless of the operating profit or loss. The Company shall provide wages and salaries. The compensation of all directors shall be determined by the Board of Directors according to the degree of their participation in the operations of the Company and the value of their contribution, taking into account the industry standards.

Note 2: In addition to the disclosures in the table above, the remuneration received for services rendered by directors of the Company in the most recent year (e.g. acting as consultants to non-employees of the parent company/all companies in the financial statements/reinvestment business, etc.): 0.

Table of Range of Remuneration

Range of Remuneration Paid to Directors of the Company	Name of Directors			
	Total remuneration of the first four items		Total remuneration of the first seven items	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT\$1,000,000	-	-	-	-
NT\$1,000,000 (inclusive) to 2,000,000 (not inclusive)	Jen-Hao Cheng, Lan-Hui Yu, Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Ching-Hui Yu, Shine Far Co., Ltd representative: Tai-Lang Ho, Ken-Pei Cheng, Yao-Ming Huang, Hsu-Feng He, Mao-Chun Wang	Lan-Hui Yu, Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Ching-Hui Yu, Shine Far Co., Ltd representative: Tai-Lang Ho, Ken-Pei Cheng, Yao-Ming Huang, Hsu-Feng He, Mao-Chun Wang	Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Ching-Hui Yu, Shine Far Co., Ltd representative: Tai-Lang Ho, Yao-Ming Huang, Hsu-Feng He, Mao-Chun Wang	Shine Far Construction Co., Ltd. representative: Chuan-Chuan Lu, Cheng Loong Corporation representative: Ching-Hui Yu, Shine Far Co., Ltd representative: Tai-Lang Ho, Yao-Ming Huang, Hsu-Feng He, Mao-Chun Wang
NT\$2,000,000 (inclusive) to 3,500,000 (not inclusive)	-	-	-	-
NT\$3,500,000 (inclusive) to 5,000,000 (not inclusive)	-	Jen-Hao Cheng	Ken-Pei Cheng	Ken-Pei Cheng
NT\$5,000,000 (inclusive) to 10,000,000 (not inclusive)	-	-	Jen-Hao Cheng, Lan-Hui Yu	Lan-Hui Yu
NT\$10,000,000 (inclusive) to 15,000,000 (not inclusive)	-	-	-	Jen-Hao Cheng
NT\$15,000,000 (inclusive) to 30,000,000 (not inclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to 50,000,000 (not inclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to 100,000,000 (not inclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	9	9	9	9

2. Remuneration of President and Vice President

Unit: NT\$ Thousands December 31, 2024

Unit: NT\$ Thousands December 31, 2021

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Total amount and proportion to net income of items A, B, C and D		Compensation paid to directors from an invested company other than the Company's subsidiary
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Wei-Teng Hsiao	2,912	2,912	89	89	1,520	1,520	6	-	6	-	4,527 -0.97	4,527 -0.97	-
Chief information security officer	David Van	4,800	4,800	-	-	1,144	1,144	35	-	35	-	5,979 -1.28	5,979 -1.28	-
Vice President	Jia-Liang Guo (Note 1)	2,568	2,568	105	105	561	561	-	-	-	-	3,234 -0.69	3,234 -0.69	-
Vice President	I-Hsuan Tai (Note 2)	2,200	2,200	75	75	4	4	-	-	-	-	2,279 -0.49	2,279 -0.49	-

Note 1: Vice President Jia-Liang Guo assumed office on June 1, 2024.

Note 2: Vice President I-Hsuan Tai assumed office on April 22, 2024.

Table of Range of Remuneration

Range of remuneration paid to the president and vice president of the Company	Name of President and Vice Presidents	
	The Company	Companies in the consolidated financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to 2,000,000 (not inclusive)	-	-
NT\$2,000,000 (inclusive) to 3,500,000 (not inclusive)	Jia-Liang Guo, I-Hsuan Tai	Jia-Liang Guo, I-Hsuan Tai
NT\$3,500,000 (inclusive) to 5,000,000 (not inclusive)	Wei-Teng Hsiao	Wei-Teng Hsiao
NT\$5,000,000 (inclusive) to 10,000,000 (not inclusive)	David Van	David Van
NT\$10,000,000 (inclusive) to 15,000,000 (not inclusive)	-	-
NT\$15,000,000 (inclusive) to 30,000,000 (not inclusive)	-	-
NT\$30,000,000 (inclusive) to 50,000,000 (not inclusive)	-	-
NT\$50,000,000 (inclusive) to 100,000,000 (not inclusive)	-	-
Over NT\$100,000,000	-	-
Total	4	4

3. Remuneration of the top five highest-paid executive officers

Unit: NT\$ Thousands December 31, 2024

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Total amount and proportion to net income of items A, B, C and D		Compensation paid to directors from an invested company other than the Company's subsidiary
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chief information security officer	David Van	4,800	4,800	-	-	1,144	1,144	35	-	35	-	5,979 -1.28	5,979 -1.28	-
Chairman	Jen-Hao Cheng	1,271	2,471	-	-	2,785	2,785	9	-	9	-	4,065 -0.87	5,265 -1.13	4,273
Vice Chairman	Lan-Hui Yu	1,631	2,591	99	99	2,285	2,285	12	-	12	-	4,027 -0.86	4,987 -1.07	-
President	Wei-Teng Hsiao	2,912	2,912	89	89	1,520	1,520	6	-	6	-	4,527 -0.97	4,527 -0.97	-
Vice President	Jia-Liang Guo (Note 1)	2,568	2,568	105	105	561	561	-	-	-	-	3,234 -0.69	3,234 -0.69	-

Note 1: Vice President Jia-Liang Guo assumed office on June 1, 2024.

4. Remuneration of Management Team

Unit: NT\$ Thousands December 31, 2024

	Position	Name	Stock Amount	Cash Amount	Total	Ratio of Total Compensations to NIAT (%)
Managerial Personnel	Chairman	Jen-Hao Cheng	—	—	—	—
	Vice Chairman	Lan-Hui Yu				
	President	Wei-Teng Hsiao				
	Chief information security officer	David Van				
	Vice President	Jia-Liang Guo				
	Vice President	I-Hsuan Tai				
	Audit Executive (Note 1)	Kun-Lin Wu				
	Audit Executive (Note 1)	Hsiang-I Yu				
	Accounting Executive	Yu-Long Chen				
	Finance Executive	Cheng-Chang Ou				

Note 1: Audit Executive Kun-Lin Wu assumed the position on November 11, 2024, succeeding former Audit Executive Hsiang-I Yu.

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

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

Payee	Percentage of total compensations paid to NIAT			
	2024		2023	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	-5.95%	-7.03%	48.72%	56.44%
President and Vice President	-3.43%	-3.43%	24.43%	24.43%

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

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

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

Employee Bonus Payment of the Company, based on the basic salary, job allowance, and the operating performance of the Company in the previous year.

II. Implementation of Corporate Governance

(I) Board of Directors

The 15th board meeting convened 7 times in 2024. The attendance of directors and independent directors is as follows:

Position	Name	Actual Attendance	Attendance by proxy	Percentage of Actual Attendance (%)	Remark
Chairman	Jen-Hao Cheng	7	0	100	
Vice Chairman	Lan-Hui Yu	7	0	100	
Director	Cheng Loong Corporation Representative: Ching-Hui Yu	7	0	100	
	Shine Far Construction Co., Ltd. Representative: Chuan-Chuan Lu	6	0	86	
	Shine Far Co., Ltd. Representative: Tai-Lang Ho	7	0	100	
	Ken-Pei Cheng	7	0	100	
Independent Director	Yao-Ming Huang	7	0	100	
	Hsu-Feng Ho	7	0	100	
	Mao-Chun Wang	7	0	100	

Other matters to be recorded:

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

- (I) Matters referred to in Article 14-3 of the Securities and Exchange Act: please refer to Page58-59.
- (II) Other than the matters mentioned above, other resolutions that are objected and reserved by the independent directors and are documented or stated: None.

The Company held a total of 7 board meetings in 2024, with both directors and independent directors achieving a 98% attendance rate, obtaining appropriate and sufficient information for reference before the meetings. Both directors and independent directors fully discussed and made resolutions. The directors and independent directors have no objections or reservations to the matters listed in Article 14-3 of the Securities Exchange Act, and unanimously agree to pass as per the case. The contents of the board meeting are recorded in the meeting minutes.

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

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

- The board meeting held on March 14, 2024:
After discussing the remuneration and compensation committee's proposal regarding distribution of managers' compensation and year-end bonus for 2023, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and director Ken-Pei Cheng, who have personal interests involved, may not participate in the discussion and voting on their own compensation proposals approved by the remuneration and compensation committee.
- The board meeting held on June 6, 2024
After reviewing the proposed adjustment of certain managerial positions, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and director Ken-Pei Cheng, who have personal interests involved, may not participate in the discussion and voting on their own remuneration proposals approved by the remuneration and compensation committee.

- The board meeting held on August 14, 2024:
After discussing the remuneration committee's proposal regarding distribution of managers' compensation bonus for 2023, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and director Ken-Pei Cheng, who have personal interests involved, may not participate in the discussion and voting on their own remuneration proposals approved by the remuneration and compensation committee.
- The board meeting held on December 20, 2024:
After discussing the remuneration and compensation committee's proposal regarding distribution of managers' year-end bonus for 2024, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. The participating Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and the director Ken-Pei Cheng, who have personal interest involved may not participate in the discussion and vote on their own remuneration proposals approved by the remuneration and compensation committee.
After discussing the proposal regarding the acquisition of right-of-use assets by a related party, upon the chairman's judgment, the attending managers were asked to leave the room first for abstention. Chairman Jen-Hao Cheng, vice chairman Lan-Hui Yu, and director Ken-Pei Cheng, who have personal interests involved, may not participate in the discussion and voting on their own remuneration proposals approved by the remuneration and compensation committee.

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

Frequency	Period	Scope	Method	Content
Internal performance assessments are performed annually Assessments are performed at least once every three years by an external independent professional body or a team of external experts and scholars.	2024.01.01 ~ 2024.12.31	Includes board of directors, individual board members and functional committees	Internal evaluation and directors' self-assessment	As shown below

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

1. The assessment is compiled by the secretariat of the board of directors, conducted through internal self-assessment questionnaires of each evaluated unit, based on the operation of the board meeting, the participation of directors, the operation of the remuneration and compensation committee, and the audit committee. The evaluation consists of directors' assessment of the board meeting, directors' self-assessment of their own participation, remuneration and compensation committee members' assessment of the committee operation, and audit committee members' assessment of the committee operation.
 2. The results of the performance assessment will serve as a reference for the selection or nomination of the directors, and the performance assessment results of the directors and the functional committee members will be used as a reference for setting their individual remuneration.
 3. After all questionnaires are reclaimed in December each year, the secretariat of the board of directors analyzes them according to the Performance Evaluation Method of Board of Directors, submits the results to the board meeting of the first quarter of the next year, and provides recommendations for improvement based on suggestions of directors.
- (1) The overall board of directors
According to the performance evaluation results of the board of directors, the average score of 45 indicators in five aspects is 4.88, and each aspect is between 4.76 and 5.00. This demonstrates that the board has effectively guided strategy, ensured sound internal controls, and met regulatory and corporate governance requirements.

Assessment Aspect	Rating
A. Participation in the operation of the Company (12 indicators)	4.76
B. Improvement on the quality of the Board's decisions (12 indicators)	4.84
C. Composition and structure of the Board of Directors (7 indicators)	4.92
D. Election of Directors and Continuous Improvement (7 Indicators)	4.87
E. Internal controls (7 indicators)	5.00

(2) Audit Committee

According to the performance evaluation results of the remuneration committee, the average score of 22 indicators across five aspects is 4.83, and the scores for each aspect range between 4.44 and 5.00. The score for the "internal controls" dimension was relatively low. It is recommended to increase the frequency of communication between audit committee members and the internal audit unit or external auditors to facilitate thorough discussions and strengthen oversight of internal control implementation.

Assessment Aspect	Rating
A. Participation in the operation of the Company (4 Indicators)	5.00
B. Awareness of the duties of the functional committee (5 indicators)	4.73
C. Improvement of quality of decisions made by the functional committee (7 indicators)	4.95
D. Makeup of the functional committee and election of its members (3 indicators)	5.00
E. Internal controls (3 indicators)	4.44

(3) Remuneration and Compensation Committee

According to the performance evaluation results of the remuneration and compensation committee, the average score of 22 indicators across five aspects is 4.80, and the scores for each aspect range between 4.33 and 5.00. The score for the "Awareness of the duties of the functional committee" dimension was relatively low. It is recommended to incorporate performance evaluations as a reference for determining compensation and to consider evaluation results when appointing members of the remuneration and compensation committee.

Assessment Aspect	Rating
A. Participation in the operation of the Company (4 Indicators)	5.00
B. Awareness of the duties of the functional committee (5 indicators)	4.33
C. Improvement of quality of decisions made by the functional committee (7 indicators)	4.76
D. Makeup of the functional committee and election of its members (3 indicators)	5.00
E. Internal controls (3 indicators)	4.89

(4) Individual directors

As a result of the performance evaluation of the individual directors, the average score of the six directors for a total of 23 indicators was 4.87, and the average score in each direction was between 4.67 and 5.00. The score for the "management and communication of the internal relations" dimension was relatively low. It is recommended to invite relevant department personnel to attend meetings and provide explanations based on the agenda items.

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

(II) The results of the performance evaluation of the board of directors were reported to the board on March 31, 2025.

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

The performance assessment results of the Company's board meeting in 2024 are between excellent 5 and good 4.76. Plans will be discussed that cover aspects which need improvements according to the rated items mentioned above:

- (I) In order to strengthen the functions of the board meeting, the Company has set up a corporate governance executive to continually enhance the structure and operation of the board meeting in the perspective of governance. According to the regulations, various information that should be announced is reported on MOPS, and the Company regularly revises the Procedures for Handling Material Inside Information, Sustainable Development Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Corporate Governance Best Practice Principles, Regulations Governing Procedure for Board of Directors Meetings, and other methods to enhance the effective implementation of corporate governance. Furthermore, arrangements are made for each director to have further training, fully demonstrating the professionalism and independence of the board meeting.
- (II) The Company's audit committee is composed of three independent directors. It regularly reviews the Company's internal control system and the execution of internal audits and significant financial business behavior every quarter, and communicates with certifying CPAs twice a year to ensure the supervision of company operations and risk control.
- (III) The Company's remuneration and compensation committee is responsible for formulating and regularly reviewing the policies, systems, standards, and structures of performance evaluation and remuneration for directors and Managers, as well as regularly evaluating and determining their remuneration.

(II) Audit Committee Operations

The 3rd audit committee convened 6 times in 2024. The attendance of directors and independent directors is as follows:

Position	Name	Actual Attendance	Attendance by proxy	Percentage of Actual Attendance (%)	Remark
Convener of the Audit Committee	Yao-Ming Huang	6	0	100	
Member of the Audit Committee	Hsu-Feng Ho	6	0	100	
Member of the Audit Committee	Mao-Chun Wang	6	0	100	

Other matters to be recorded:

- I. With regard to the operation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.
- (I) Matters referred to in Article 14-5 of the Securities and Exchange Act: please refer to Page 60-61.
- (II) Except as otherwise disclosed above, any other proposals which failed to obtain the approval of the audit committee, but were approved by two-thirds of the directors: None.
- II. If there were independent directors who abstained from voting due to conflict of interest, the independent directors' names, contents of the proposal, and causes of abstention should be specified:
- The aforementioned proposals did not involve the interests of independent directors, hence there was no need for abstention. The proposals were unanimously approved by all independent directors.

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

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

Date of the meeting	Communication matters	Results
2024.03.14	<p>I. From December 2023 to January 2024, internal audit activities covered 8 items, including stock affairs, derivatives commodity operations, securities, cashier cash receipt and payments, endorsements and guarantees, and lending funds to other parties.</p> <p>II. As of January 31, 2024, a total of 70 audit items for the 2023 fiscal year had been completed in accordance with regulations, with no significant deficiencies found in the internal control system.</p>	All independent directors are informed and have no comments.
2024.05.14	<p>I. From February to April 2024, internal audit activities covered various areas, including derivatives commodity operations, stock affairs, procurement, operations of long-term and short-term borrowings, operations for property management and audit.</p> <p>II. As of April 30, 2024, a total of 13 audit items for the 2024 fiscal year had been completed in accordance with regulations, with no significant deficiencies found in the internal control system.</p>	All independent directors are informed and have no comments.
2024.06.06	<p>I. In May 2024, internal audit activities covered included stock affairs, derivatives commodity operations, securities, and precautions for online reporting of information.</p> <p>II. As of May 31, 2024, a total of 17 audit items for the 2024 fiscal year had been completed in accordance with regulations, with no significant deficiencies found in the internal control system.</p>	All independent directors are informed and have no comments.
2024.08.14	<p>I. From June to July 2024, internal audit activities covered a range of items, including access control, data input/output, information security, salary work, consignment processing, sales invoicing, stock affairs, derivatives commodity operations, sales staff management, operational management, logistics, endorsements and guarantees, lending funds to other parties, sales collections, tasks related to customer information cards, and credit management.</p> <p>II. As of July 31, 2024, a total of 35 audit items for the 2024 fiscal year had been completed in accordance with regulations, with no significant deficiencies found in the internal control system.</p>	All independent directors are informed and have no comments.
2024.11.11	<p>I. From August to October 2024, internal audit activities covered a range of items, including audit of legal compliance, gas station oil product operations, execution of the delegation of authority and acting personnel system, operations of long-term and short-term investments, stock affairs, derivatives commodity operations, cashier cash receipt and payment, management of financial statement preparation processes, petty cash management, repair and maintenance management, personal data protection management, endorsements and guarantees, lending funds to other parties, management of remuneration and compensation committee operations, audit committee operations, board meeting operations and management, and audit of both financial and non-financial information.</p> <p>II. As of October 31, 2024, a total of 58 audit items for the 2024 fiscal year had been completed in accordance with regulations, with no significant deficiencies found in the internal control system.</p>	All independent directors are informed and have no comments.
2024.12.20	<p>I. In November 2024, internal audit activities covered included stock affairs, derivatives commodity operations, supervision and management of subsidiaries, acquisition and disposal of assets, related party transaction management, and budget management audit.</p> <p>II. As of November 30, 2024, a total of 64 audit items for the 2024 fiscal year had been completed in accordance with regulations, with no significant deficiencies found in the internal control system.</p>	All independent directors are informed and have no comments.

(II) Communication between the independent directors and CPAs:

Date of the meeting	Communication matters	Results
2024.03.14	<ol style="list-style-type: none"> 1. Independence 2. Responsibility of auditors to audit financial statements 3. Audit Scope 4. Audit Findings 5. Important Securities Act Updates 	All independent directors are informed and have no comments.
2024.11.11	<ol style="list-style-type: none"> 1. Independence 2. Reviewer Responsibilities for Reviewing Interim Financial Statements 3. Types of Review Conclusions 4. Scope of review 5. Review Discovery 6. Annual audit plan 7. Important Securities Exchange Act Updates 	All independent directors are informed and have no comments.

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

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company establish and disclose the "Corporate Governance Best-Practice Principles" based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company adopted the Corporate Governance Best Practice Principles at the board meeting on November 10, 2016, and it has been disclosed as per regulations on the MOPS and the corporate governance section of the Company's website for reference.	No significant differences
II. Shareholding structure range of outstanding shares and shareholders' rights (I) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company has established internal control procedures for the stock affairs unit and has a spokesperson, an acting spokesperson and a stock affairs division for providing shareholder services. The dedicated personnel handles matters such as shareholders' advice, doubts or disputes.	No significant differences
(II) Does the Company have a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders?	✓		The Company has a stock affairs unit with dedicated staff managing related information, fully knowing the list of major shareholders who actually control the Company and the ultimate controllers of the major shareholders.	No significant differences
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company has measures in place to control transactions, endorsements, guarantees, and loans between the Company and its related enterprises. In addition, in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies of the Financial Supervisory Commission, the Company has established standard operations for the supervision and management of subsidiaries, implementing risk control mechanisms for subsidiaries.	No significant differences

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		The Company has agreed on the "Measures for the Administration of Preventive Insider Trading" and the "Guidelines for the Operation Procedures and Conduct of Best Practice", which regulate that insiders of the Company may not use unpublished information on the market to buy and sell marketable securities. The relevant measures have been disclosed on the Company's website for reference. Remind directors and insiders via E-mail not to trade their stocks 30 days before the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report.	No significant differences
III. Composition and Responsibilities of the Board of Directors (I) Does the Board of Directors have a diversification policy, specific management objectives and implementation plan?	✓		In the Corporate Governance Best Practice Principles, the Company has established a diversification policy for the composition of the board of directors. Through a rigorous selection and nomination process, the Company has established 9 directors according to the scale of the Company's business development and the shareholding of its major shareholders, taking into account practical operational needs. Of the current 9 directors, about 33% are employees, about 33% are independent directors serving no more than 3 terms, and about 11% are female directors. Of the number of directors of the Company, 7 directors are aged between 60 to 80 years old, and the remaining 2 are aged between 51 to 60 years old. Please refer to page 11 for the implementation of the diversification policy of all board members.	No significant differences
(II) Does the Company voluntarily establish other functional committees in addition to the remuneration and compensation committee and the audit committee?	✓		The Company has already legally established the remuneration and compensation committee. In the future, it will set up other functional committees based on the actual implementation status and legal regulations.	No significant differences
(III) Does the Company establish evaluation measures and methods, conduct performance evaluation regularly every year, and submit the result of performance evaluation to the Board, and use it in individual director remuneration and nominating successors for reference	✓		The Company has established performance evaluation methods for the directors and the board of directors. Each year, each director carries out a self-assessment on items such as the grasp of the Company's objectives and missions, recognition of duties, participation in the Company's operations, management and communication of internal relations, professionalism and continuous improvement, and internal controls through the performance evaluation method for the Board of Directors. The self-assessment is then handed over to the chairman's secretary office for the performance evaluation of the board of directors, where the evaluation is based on items such as the level of involvement in the Company's operations, improvement of the quality of the board's decisions, composition and structure of the board, appointment and ongoing improvement of directors, and internal controls. Please refer to pages 21 - 22. The performance evaluation results of individual directors of the Company are taken into consideration during the discussion on individual director remuneration at the remuneration committee, and are also provided for reference when the board meeting nominates successors.	No significant differences

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		The Company's board meeting annually evaluates the independence, suitability and professionalism of certified public accountants in accordance with regulations such as the Certified Public Accountant Act, and obtains an independence declaration issued by the accountant (not in violation of Professional Ethics Announcement No. 10), confirming that the accountant and the Company have no other financial interests and business, except for certification and finance and tax, for the board meeting to discuss their independence. The independence assessment of the accountant has been conducted this year and was submitted to the board meeting for resolution on December 20, 2024. (Note 1 and Note 2)	No significant differences

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof																												
	Yes	No	Summary																													
IV. Does the TWSE/TPEx Listed Companies assign appropriate number of administrators and designate corporate governance director to take charge of corporate governance affairs (including but not limited to providing data required by directors, supervisors implementing business, assistance of directors, supervisors in complying with laws, handling relevant matters of the board meeting and shareholders' meeting, and preparing minutes of Board of Directors and shareholders' meeting)?	✓		<div><div><div>1. The Company, as approved by the board of directors on June 6, 2024, has assigned a corporate governance executive, with President Wei-Teng Hsiao as the highest executive in charge of corporate governance affairs, and has assigned appropriate staff to handle corporate governance affairs.</div><div>2. The corporate governance supervisor oversees matters related to corporate governance, with assistance from relevant units such as the corporate governance division. Their duties and annual business execution focuses include handling the board of directors and shareholders' meetings in accordance with the law, preparing minutes of the board of directors and shareholders' meetings, assisting directors in taking office and continuous learning, providing information necessary for directors to carry out businesses, and assisting directors in complying with the laws.</div><div>3. Corporate governance executives' advanced training in 2024:</div></div><table><tr><th>Date</th><th>Institution</th><th>Course</th><th>Hours</th></tr><tr><td>2024 11.14</td><td>Securities and Futures Market Development Foundation, R.O.C.</td><td>Director, Supervisor, and Corporate Governance Officer Training Programs - The Miracle of Nvidia's Three Trillion Empire: The Semiconductor Industry Revolution Behind Artificial Intelligence. Trends in Applications and Governance of Generative AI.</td><td>3</td></tr><tr><td>2024 11.21</td><td>Securities and Futures Market Development Foundation, R.O.C.</td><td>Director, Supervisor, and Corporate Governance Officer Training Programs - Regulations the Board Should Pay Attention to Under the ESG Trend</td><td>3</td></tr><tr><td>2024 11.26</td><td>Taiwan Corporate Governance Association</td><td>Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics</td><td>3</td></tr><tr><td>2024 11.27</td><td>Taiwan Corporate Governance Association</td><td>The ESG challenge: Let's meet the new world of Net-zero</td><td>3</td></tr><tr><td>2024 12.05</td><td>Securities and Futures Market Development Foundation, R.O.C.</td><td>Director, Supervisor, and Corporate Governance Officer Training Programs - Carbon Trading Mechanisms and Carbon Management Applications</td><td>3</td></tr><tr><td>2024 12.12</td><td>Securities and Futures Market Development Foundation, R.O.C.</td><td>Director, Supervisor, and Corporate Governance Officer Training Programs - Shareholders' Meeting, Proxy Contest and Ownership Strategy</td><td>3</td></tr></table></div>	Date	Institution	Course	Hours	2024 11.14	Securities and Futures Market Development Foundation, R.O.C.	Director, Supervisor, and Corporate Governance Officer Training Programs - The Miracle of Nvidia's Three Trillion Empire: The Semiconductor Industry Revolution Behind Artificial Intelligence. Trends in Applications and Governance of Generative AI.	3	2024 11.21	Securities and Futures Market Development Foundation, R.O.C.	Director, Supervisor, and Corporate Governance Officer Training Programs - Regulations the Board Should Pay Attention to Under the ESG Trend	3	2024 11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	3	2024 11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	3	2024 12.05	Securities and Futures Market Development Foundation, R.O.C.	Director, Supervisor, and Corporate Governance Officer Training Programs - Carbon Trading Mechanisms and Carbon Management Applications	3	2024 12.12	Securities and Futures Market Development Foundation, R.O.C.	Director, Supervisor, and Corporate Governance Officer Training Programs - Shareholders' Meeting, Proxy Contest and Ownership Strategy	3	No significant differences
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Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof																
	Yes	No	Summary																	
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>To implement sustainable development and respect the rights and interests of stakeholders, the Company communicates with stakeholders through various channels, understands their important issues and needs, and responds appropriately and announces their concerned corporate social responsibility issues to strengthen the content of information disclosure. Please refer to the table below for the Company' s stakeholder communication topics and channels:</p> <table><tr><th>Stakeholder</th><th>Issue</th></tr><tr><td>Employee</td><td><ul style="list-style-type: none">● Remuneration and Benefits● Education and Career Development● Workplace Safety and Health● Education and Career Development● Gender Equity</td></tr><tr><td>Investor</td><td><ul style="list-style-type: none">● Operating Performance● Information Transparency● Earnings and Dividend Distribution</td></tr><tr><td>Customer</td><td><ul style="list-style-type: none">● Quality of Services and Products● Personal Data Protection● Marketing Activities● Transaction Safety and Fair Pricing</td></tr><tr><td>Procurement Vendor Cooperative Vendor</td><td><ul style="list-style-type: none">● Credit Status● Provide a reasonable transaction price</td></tr><tr><td>Competent Authority</td><td><ul style="list-style-type: none">● Legal Compliance● Tax Payment● Labor Rights</td></tr><tr><td>Banks</td><td><ul style="list-style-type: none">● Association Exchange</td></tr><tr><td>Community</td><td><ul style="list-style-type: none">● Traffic Safety● Social Welfare● Environmental Issues</td></tr></table> <p>A stakeholder section is set in the Company's website, providing a communication window for all stakeholders. https://w3.slc.com.tw/page/stakeholder https://w3.slc.com.tw/contact</p>	Stakeholder	Issue	Employee	<ul style="list-style-type: none">● Remuneration and Benefits● Education and Career Development● Workplace Safety and Health● Education and Career Development● Gender Equity	Investor	<ul style="list-style-type: none">● Operating Performance● Information Transparency● Earnings and Dividend Distribution	Customer	<ul style="list-style-type: none">● Quality of Services and Products● Personal Data Protection● Marketing Activities● Transaction Safety and Fair Pricing	Procurement Vendor Cooperative Vendor	<ul style="list-style-type: none">● Credit Status● Provide a reasonable transaction price	Competent Authority	<ul style="list-style-type: none">● Legal Compliance● Tax Payment● Labor Rights	Banks	<ul style="list-style-type: none">● Association Exchange	Community	<ul style="list-style-type: none">● Traffic Safety● Social Welfare● Environmental Issues	No significant differences
Stakeholder	Issue																			
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VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?		✓	<p>The Company has a stock affairs unit and currently handles the affairs of the shareholders' meeting independently. The relevant procedures are carefully planned and implemented by dedicated units such as the stock affairs, legal department, and the corporate governance division, in accordance with regulations.</p>	No significant differences																
VII. Information Disclosure (I) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		<p>The Company has set up a website in both Chinese and English, and discloses related financial affairs and corporate governance information in the investors' section on the Company website. The website address is: www.slc.com.tw.</p>	No significant differences																

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		<ol style="list-style-type: none"> 1. The Company has established websites in both Chinese and English, with dedicated personnel regularly disclosing information related to finance, business, and corporate governance. 2. The Company has established a spokesperson and acting spokesperson system, and provides a contact window on the website, serving shareholders and stakeholders at any time. 3. On August 16, 2024, the Company held a corporate briefing through video conference, and the presentation and video files were placed on the Company's website. 	No significant differences
(III) Does the Company publicize and declare the annual financial report within two months upon the end of the fiscal year, and Q1, Q2 and Q3 Financial Report and operation status of each month prior to the scheduled period?	✓		<ol style="list-style-type: none"> 1. The Company has not yet announced and filed its annual financial report within two months after the end of the fiscal year. However, key financial information was disclosed on the date the Board of Directors approved the financial statements, and the complete annual and quarterly financial report e-books were announced and filed before the respective deadlines. 2. The operating status of each month is declared before the 10th day of each month (inclusive) in accordance with legal regulations for the operation of the previous month. 	No significant differences
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and Supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and Supervisors)?	✓		<ol style="list-style-type: none"> 1. Employee rights and interests: The Company adheres to the concept of stable and sustainable operation, taking the human-oriented approach and considering its employees as important company assets. Not only does it endeavor to comply with regulations in all management systems, all regulations and implementation status related to corporate governance are also announced on the official website, ensuring its employees understand all relevant matters. 2. Employee care: The Company attaches great importance to employee welfare, establishes the employee welfare committee, and legally allocates funds to enrich the welfare fund. It also provides various welfare subsidies and places high importance on employee safety and health. The Company provides employees with reasonable salary remuneration, various bonuses, and benefit measures. The Company has established mutual trust and reliance with its staff. 3. Investor relations The Company serves as the bridge between the Company and its shareholders through the stock affairs unit. In terms of transparency of company information, the Company has set up an investors' section on its website, and discloses the necessary reports and information immediately on the MOPS, to provide relevant information to investors. In order to maintain good relations with investors, the Company has set up a spokesperson system to provide a liaison window for shareholders and corporate investment institutions. 	No significant differences

<p>VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and Supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and Supervisors)?</p>	<p>✓</p>		<p>4. Supplier relationships: The Company's purchasing department is dedicated to managing affairs related to suppliers and conducting fair transactions with suppliers, and explicitly forbids bribery by suppliers. Upholding the principles of integrity and reciprocity, the Company strives to create win-win cooperation. In addition to a toll-free service line, there is a stakeholders' section on the Company's website.</p> <p>5. Rights of stakeholders: The Company handles all important information in accordance with the relevant provisions of the TWSE Corporation Verification and Public Handling Procedures for Material Information of Listed Companies, to protect the rights and interests of shareholders, stakeholders, and investors. The Company, depending on different situations, authorizes various departments including investor relations, public relations, shareholder services, legal affairs, etc., to communicate with stakeholders, and the contact information of the spokesperson and related business departments is available on the Company's website.</p> <p>6. Advanced training of directors: The total number of training hours for all directors of the Company meet the requirements of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, and the relevant training content has been disclosed on the MOPS. The training status of directors in 2024 is detailed in Note 3, and the required training hours in accordance with legal regulations have been fulfilled.</p> <p>7. Implementation of risk management policies and risk measurement standards: The Company's risk management policy is aimed at effectively identifying, measuring, supervising, and controlling various risks, enhancing the risk awareness of all employees, controlling possible risks within a bearable extent, and achieving a balance between reasonable risk and reward, and optimal efficiency. The Company's audit office carries out audits in accordance with the annual audit plan, implementing supervisory mechanisms and controlling various risk management.</p> <p>8. Implementation of customer policies: The Company maintains good relations with customers and provides customer service in accordance with various internal management methods. There is a business department specifically responsible for managing customer-related businesses. It maintains stable and good relationships with customers, strictly adheres to the contracts and related regulations signed with customers, ensures customers' rights, and provides high-quality services.</p> <p>9. Liability insurance that the Company has purchased for directors: Insurance has been purchased for directors, and after renewal in 2024, it was reported at the most recent board meeting.</p>	
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IX. Please describe the improved situation regarding the results of the recent corporate governance appraisal issued by the Taiwan Stock Exchange Co., Ltd. Corporate Governance Center, and propose the priority enhancements and measures for those which have not yet improved:

For the results of the 10th Corporate Governance Evaluation issued by the Company in 2023, the priority improvements are as follows:

Number	Indicator	Improvement
1.15	Does the Company establish and disclose on its website the internal rules against insiders such as directors or employees trading with undisclosed information, including that (but not limited to) directors are not allowed to trade their stocks 30 days before the annual financial statement is announced, and 15 days before the quarterly financial statement is announced, together with the implementation?	The Company has established the Code of Practice for Corporate Governance and regularly sends out email reminders to directors and insiders. On the corporate governance section of the Company's website, it reveals the code of conduct for moral behavior, and fulfills promoting the internal rules prohibiting directors, employees, and other insiders from trading securities with undisclosed information on the market.
2.2	Does the Company have a policy of diversifying the members of the board of directors, and does it disclose the specific management goals and implementation status of the diversification policy on its website and in its annual report?	The Company has disclosed relevant matters in its 2024 annual report.
2.18	Does the Company conduct an annual regular internal performance evaluation of the functional committees (which should at least include the audit committee and the remuneration and compensation committee) and disclose the implementation and evaluation results on the Company's website or in its annual report?	The Company has disclosed relevant matters in its 2024 annual report.
2.22	Has the Company established the risk management policy and procedure approved by the board of directors, disclosed the risk management scope, organizational structure and its implementation status, and reported to the board meeting at least once a year?	The Company has disclosed relevant matters in the 2024 annual report and on the Company website.
2.23	Has the performance evaluation measures defined by the Company been confirmed by the board, clearly stating that external evaluations must be conducted at least once every three years, and had the evaluation was conducted in the year under review or in the past two years, and the implementation and evaluation results were disclosed on the Company's website or in its annual report?	The Company has disclosed relevant matters in its 2024 annual report.
3.20	Does the Company summon at least two earnings calls or on invitation, and the time of these two earnings calls are at least three months apart in a year? If one earnings call is held for institutional investors each quarter, or such earnings calls are held to explain quarterly revenue/earnings, an additional point will be added to the total score.	The Company is set to hold two earnings calls for institutional investors in 2025.
4.1	Does the Company establish a full-time (part-time) unit for promoting sustainable development, conduct risk assessment of environmental, social, or corporate governance issues related to the Company's operations in accordance with the materiality principle, formulate relevant risk management policies or strategies, and is supervised by the board meeting on the promotion of sustainable development, which is disclosed on the Company website and in its annual report?	The Company plans to prepare its sustainability report in 2025 and establish a Sustainable Development Task Force.
4.2	Does the Company establish an exclusively (or concurrently) dedicated unit for promoting corporate integrity which is responsible for the formulation and supervision of ethical management policies and prevention programs, and explain the functions and implementation of the unit on the Company website and in its annual report, and also report to the board meeting at least once a year?	The Company has disclosed relevant matters in its 2024 Annual Report and on the Company website, and is expected to report to the Board of Directors in 2025.
4.4	Does the Company compile the sustainability report based on the GRI standards released by the Global Reporting Initiative (GRI) before the end of September and upload it to the MOPS and company website? 【If the sustainability report discloses relevant ESG information in accordance with the SASB standards, an additional point is added to the total score.】	The Company is set to disclose relevant matters according to GRI standards in 2025.
4.5	Has the Company received assurance or certification of the sustainability report from a third party accreditation institution?	The Company plans to receive third party accreditation in 2025.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
4.6	Does the Company refer to the International Bill of Human Rights to formulate policies and a specific management plan to safeguard human rights, and disclose them on the Company website or in the annual report?			The Company is set to disclose relevant matters in 2025.
4.7	Does the Company upload the English version of its sustainability report on MOPS and the Company website?			The Company is set to disclose relevant matters in 2025.
4.15	Does the Company website or annual report disclose the integrity management policies approved by the Board of Directors, clearly define specific practices and prevention programs against unethical conduct, and provide instructions on their implementation?			The Company is set to disclose relevant matters in 2025.
4.16	Has the Company established and disclosed in detail on its website the whistleblowing system for illegal (including corruption) and unethical behaviors by internal and external personnel?			The Company is set to disclose relevant matters in 2025.
4.17	Does the Company website, annual report, or sustainability report disclose the established supplier management policies requiring suppliers to comply with laws and regulations on environmental protection, occupational health and safety, or labor human rights, and provide the implementation status?			The Company is set to disclose relevant matters in 2025.
4.18	Does the Company disclose information related to governance, strategy, risk management, metrics, and targets of climate-related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework?			The Company is set to disclose relevant matters in 2025.
4.20	Has the Company established workplace diversity or gender equality policies and disclosed their implementation status?			The Company is set to disclose relevant matters in 2025.

2024 Evaluation Form for Accountants Independence

Date of Evaluation: 2024/12/13

Evaluation Reason: ☒ First-time ☐ Routine

(I) Basic Information:

Name of CPA:	Charming Mei	Accounting Firm:	KPMG Taiwan
Primary work or academic experiences:	Education: Executive Master of Business Administration-Accounting, National Cheng-Chi University Professional Service Experience: <ul style="list-style-type: none"> • Certification of financial statements and filing of profit-seeking enterprise income tax returns • Advisory services for applications for public offering and listing • Implementation of International Financial Reporting Standards (IFRS) • Evaluation of internal control systems • Consultation on Foreign Account Tax Compliance Act (FATCA) compliance 		

(II) Evaluation Content (CPA self-evaluation):

Formulated with reference to Article 47 of the Certified Public Accountant Act and Article 10 of the Norm of Professional Ethics for Certified Public Accountant:

Item	Results
1. As of the most recent attestation engagement, there has been no instance of failing to rotate auditors within seven years.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. There is no significant financial interest with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Any inappropriate relationship with the client is avoided.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. The CPA shall ensure that their assistants uphold honesty, fairness, and independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. Financial statements of any entity the CPA served within the past two years may not be audited or attested by that CPA.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. The CPA's name may not be used by others.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. The CPA does not hold any shares in the Company or its affiliated entities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. There are no financial lending relationships with the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. There are no joint investments or profit-sharing relationships with the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. The CPA does not concurrently hold any regular position in the Company or its affiliates, nor receive fixed compensation from them.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. The CPA is not involved in decision-making or management functions of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12. The CPA does not concurrently engage in any other business that may compromise independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13. The CPA has no spouse, direct blood relatives, direct in-laws, or collateral relatives within the second degree of kinship among the Company's management personnel.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. The CPA has not received any commission related to business activities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
15. To date, the CPA has not been subject to any disciplinary action or incidents compromising independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(Name of the CPA): Charming Mei

(III) Work Performance and Plan:

Work performed in the past year or the initial engagement includes:
 Attestation of financial statements, certification and filing of profit-seeking enterprise income tax returns, and evaluation of the internal control system.

(IV) Rating:

Upon evaluation, CPA Charming Mei has not violated any regulations regarding independence and meets the qualifications for suitability.

Approved by: _____ Prepared by: _____

2024 Evaluation Form for Accountants Independence

Date of Evaluation: 2024/12/13

Evaluation Reason: ☐ First-time ☒ Routine

(I) Basic Information:

Name of CPA:	Yu-Ting Hsin	Accounting Firm:	KPMG Taiwan
Primary work or academic experiences:	Education: Bachelor's Degree in Business Management, National Sun Yat-sen University Professional Service Experience: <ul style="list-style-type: none"> • Certification of financial statements and filing of profit-seeking enterprise income tax returns • Advisory services for applications for public offering and listing • Guidance for returning to Taiwan for public listing • Implementation of International Financial Reporting Standards (IFRS) • Evaluation of internal control systems 		

(II) Evaluation Content (CPA self-evaluation):

Formulated with reference to Article 47 of the Certified Public Accountant Act and Article 10 of the Norm of Professional Ethics for Certified Public Accountant:

Item	Results
1. As of the most recent attestation engagement, there has been no instance of failing to rotate auditors within seven years.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. There is no significant financial interest with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Any inappropriate relationship with the client is avoided.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. The CPA shall ensure that their assistants uphold honesty, fairness, and independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. Financial statements of any entity the CPA served within the past two years may not be audited or attested by that CPA.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. The CPA's name may not be used by others.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. The CPA does not hold any shares in the Company or its affiliated entities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. There are no financial lending relationships with the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. There are no joint investments or profit-sharing relationships with the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. The CPA does not concurrently hold any regular position in the Company or its affiliates, nor receive fixed compensation from them.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. The CPA is not involved in decision-making or management functions of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12. The CPA does not concurrently engage in any other business that may compromise independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13. The CPA has no spouse, direct blood relatives, direct in-laws, or collateral relatives within the second degree of kinship among the Company's management personnel.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. The CPA has not received any commission related to business activities.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
15. To date, the CPA has not been subject to any disciplinary action or incidents compromising independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(Name of the CPA): Yu-Ting Hsin

(III) Work Performance and Plan:

Work performed in the past year or the initial engagement includes: Attestation of financial statements, certification and filing of profit-seeking enterprise income tax returns, and evaluation of the internal control system.
--

(IV) Rating:

Upon evaluation, CPA Charming Mei has not violated any regulations regarding independence and meets the qualifications for suitability.

Approved by: _____ Prepared by: _____



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

受文者： 山隆通運股份有限公司

主 旨： 聲明本會計師受託執行山隆通運股份有限公司民國一一三年度財務報表查核簽證工作，已符合會計師職業道德規範及國際會計師道德準則委員會之相關獨立性要求。

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

一、 獨立性重要規範

- (一) 要求事務所、事務所人員及其他受獨立性規範之人員(包含聯盟事務所人員)，依會計師職業道德規範及國際會計師道德準則委員會之相關獨立性要求維持獨立性。
- (二) 禁止任何人員從事(直接或間接)內線交易、誤用內部訊息或任何可能造成在證券或資本市場上的誤導行為。同時每年取得事務所人員已遵循獨立性政策及程序之聲明書。
- (三) 對財務報表之查核案件，如主辦會計師、會簽會計師、品質管制複核會計師及符合一定條件之子公司查核會計師之承辦期間已達會計師職業道德規範、國際會計師道德準則委員會、事務所政策或法令所規定之期限，要求輪調。
- (四) 對預計提供之服務辨認及評估可能影響獨立性之情況，採取適當措施消弭該影響，或將其降低至可接受之程度，若無法有適當措施或是無法降低至可接受程度，則不予以接受委任。

二、 獨立性政策遵循之監督

- (一) 所有查核人員均已於線上簽署查核案件獨立性聲明書，確認其於受指派參與案件至出具查核報告日之期間遵循獨立性規範，且於年度簽署獨立性宣誓書，再次要求確認是否遵循獨立性規範以及其他事務所獨立性政策與規定。
- (二) 以定期抽查方式查核事務所人員對於獨立性遵循狀況，並透過個人投資申

- 報系統檢視副理(含)級以上人員是否依規定申報個人投資異動情形。
- (三) 監督及抽查案件會計師的輪調狀況及提供非審計服務的適當性，包含會計師的案件簽證期間以及提供的非審計服務的事前核可等。
- (四) 遇有違反獨立性政策，違反的成員(包括合夥人)將交由風險與獨立性委員會/紀律委員會依據獨立性紀律政策處理。並視違反情節及性質之輕重予以採取適當懲處行動。

綜上，本會計師受託執行山隆通運股份有限公司民國一一三年度之財務報表查核工作，已保持嚴謹公正之態度及超然獨立之精神，並無違反職業道德規範公報及國際會計師道德準則委員會所規定之情事。

安侯建業聯合會計師事務所

梅 元 貞

會計師：

辛 郁 婷



民國一一三年十二月十三日

Note 3: 2024 advanced training of directors:

Position	Name	Date	Organizer	Course	Hours taken in a year
Chairman	Jen-Hao Cheng	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Vice Chairman	Lan-Hui Yu	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Legal Representative Director	Chuan-Chuan Lu	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Legal Representative Director	Ching-Hui Yu	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Legal Representative Director	Tai-Lang Ho	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Director	Ken-Pei Cheng	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Independent Director	Yao-Ming Huang	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Independent Director	Hsu-Feng Ho	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	
Independent Director	Mao-Chun Wang	2024.11.26	Taiwan Corporate Governance Association	Practical Analysis of Risk Detection and Oversight Through Integration of Technology Tools and Data Analytics	6
		2024.11.27	Taiwan Corporate Governance Association	The ESG challenge: Let's meet the new world of Net-zero	

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

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Criteria Name Identity Name		Professional Qualification and Work Experience	Independence criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Yao-Ming Huang	For disclosure of the professional qualifications of directors and supervisors and the information on the independence of independent directors, please refer to Page 8 - 10.		0
Independent Director	Hsu-Feng Ho			0
Independent Director	Mao-Chun Wang			0

2. Attendance of Members at Remuneration Committee Meetings

- (1) The remuneration and compensation committee of the Company consists of 3 members, all of whom are independent directors.
- (2) The term of office of the members of the Fifth remuneration committee: From May 30, 2023 to May 29, 2026. Three meetings of the 2024 Fifth remuneration committee of the Company were held (A).
- (3) The qualifications and attendance of members are as follows:

Position	Name	Actual Attendance (B)	Attendance by proxy	Percentage of Actual Attendance (%) (B/A)	Remark
Convener	Yao-Ming Huang	3	0	100	
Committee Member	Hsu-Feng Ho	3	0	100	
Committee Member	Mao-Chun Wang	3	0	100	

Other matters to be recorded:

- I. If the board meeting does not adopt or revise the Remuneration Committee's proposals, the board meeting's date, period, motion contents, and resolution decisions as well as the method in which the Company handles the Remuneration Committee's opinions shall be disclosed in detail (e.g. if the salary rate adopted by the board committee is superior to that proposed by the Remuneration Committee, the differences and reasons shall be explained): None. (Please refer to page 62)
- II. Where the resolutions of the remuneration committee include dissenting or qualified opinion which is on record or stated in a written statement, the date, session, proposal contents, opinions from every member, and actions in response to the opinions of the members shall be stated: None. (Please refer to page 62)

3. Nomination Committee Operations

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

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

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
I. Has the Company established a governance structure that promotes sustainable development, and set up a dedicated (part-time) dedicated unit to promote the sustainable development, and the Board of Directors authorized the senior management to handle the situation, and the Board of Directors supervised the promotion status ?	✓		The Company entrusts members of the relevant units of the general management office to form the Sustainable Development Team, which is responsible for promoting and handling various sustainable development activities. It is planned to report the progress of the 2024 greenhouse gas verification to the Board of Directors in 2025. The board will continue to supervise the implementation of the Company's sustainable development to ensure that the Company pays attention to the factors of environment, society, and corporate governance while pursuing sustainable operation and profitability.	No significant differences
II. Does the Company conduct risk assessment of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<ol style="list-style-type: none"> 1. The Company has formulated the Code of Practice for Sustainable Development and follows the ISO9001, 14001 and 45001 standard provisions to fulfill its corporate social responsibility, implement the regulations in the code, and disclose the code on the MOPS and company websites. 2. Based on the ISO regulations, a significant risk identification analysis process has been established. Through the procedures of collection, review, sorting, identification, and confirmation, major sustainability issues and their associated risks are identified, and relevant management strategies are formulated. The Company sets boundaries of risk assessment and risk management policies or strategies for material topics, with the key summary as follows: <ol style="list-style-type: none"> (1) Major Environmental Issues: The Company has identified the risks of climate change and evaluated the relevant response measures for climate change, such as water shortage in the dry season and power restrictions in the summer. Water and electricity management processes have been established, including the regulations for water restriction and water supply interruption at the head office and factory levels, and the standard procedures for emergency power supply priorities, etc. (2) Material Social Issues: The improvement of the occupational health and safety 	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>management system is prioritized, and the existing occupational health and safety management measures and regulations are continuously revised. The company has passed the ISO45001: 2018 Occupational Health and Safety Management System Certification, and through education and advocacy, the employees' awareness and capabilities on safety and health have been enhanced. Supervisors at all levels on the field regularly review the behavior and working environment of employees and cooperative factory personnel in order to reduce exposure risk factors for employees.</p> <p>(3) Material corporate governance issues: To avoid violation due to the failure to respond promptly when external laws and regulations are updated, the Company has established systematic rules for the identification and management of laws and regulations.</p>	
<p>III. Environmental Issues</p> <p>(I) Does the Company establish proper environmental management systems based on the characteristics of their industries?</p>	✓		<p>The environmental policy of the Company is "full employee participation, valuing resources, and protecting the environment," and "environmental protection and management rules" are stipulated to implement environmental protection. In addition, the Company has passed the ISO14001:2015 Environmental Management System Certification, regularly collects information on the Company's operating environment, establishes environmental management objectives, regularly reviews its effectiveness, and takes measures for improvement. The implementation of environmental protection, waste reduction, quantity reduction, pollution prevention, and zero accidents is also in place.</p>	No significant differences
<p>(II) Has the Company committed to improve the energy efficiency and use the renewable materials with low impact on the environment?</p>	✓		<p>The Company enhances the recirculation and reuse of water, electricity and other resources, installs water and electricity saving equipment, and implements reduction, resource classification, reclamation, reuse and proper disposal. It periodically promotes and advocates environmental protection concepts in quarterly publications to reduce the impact on the environment and effective energy.</p>	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(III) Does the Company evaluate the potential risks and chances of climate change at present and in the future and take response measures?	✓		<p>The Company has established environment, safety, and health policies and sets environment, safety and health objectives annually, employing dedicated environmental management personnel. The Company has also received ISO14001:2015 certification. Through ISO internal auditors, the Company regularly controls and manages environmental issues, analyzes potential risks and opportunities related to climate change at present and in the future, and adopts climate-related issue mitigation assessments.</p> <p>The Company constantly pays attention to and timely adjusts the air conditioning temperature of its office environment, while practicing energy conservation and carbon reduction. The general temperature increase caused by climate change indirectly increases the Company's load on air conditioning equipment. During maintenance, the need for replacement is also reviewed, and the replacement of existing equipment is planned in advance to deal with the increase in carbon emissions and the decline in equipment performance, and green energy low-carbon products are purchased as much as possible.</p>	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof						
	Yes	No	Summary							
(IV) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights ?	✓		<p>The Company began to record GHG emissions in 2023, and the related information is disclosed as follows:</p> <p>Quantity of GHG emissions</p> <table><tr><th>Item/Year</th><th>2023</th></tr><tr><td>Direct</td><td>22,818.7 tons CO₂e</td></tr><tr><td>Indirect</td><td>327,271.26 tons CO₂e</td></tr></table> <p>The 2024 greenhouse gas emissions are currently under inventory. Upon completion, the results will be submitted to the Board of Directors.</p> <p>The Company’s actions related to energy conservation, carbon reduction and water resource protection are as follows:</p> <ol style="list-style-type: none">1. More environmentally friendly and fuel-efficient models are purchased to replace old business tractor vehicles regularly, so as to reduce waste gas emissions and fuel consumption.2. Electronic invoicing is used at gas stations to reduce paper usage and storage costs.3. New vehicle washing machines that reduces the water consumption will be installed in the gas stations.4. Accessible toilets that have been renovated in accordance with the law by gas stations shall be equipped with water-saving faucets and urinal buckets.5. Replacement of LED lighting at each gas stations to reduce power consumption.6. Virtual meetings will be held in various locations to cut business trips and reduce exhaust emissions and oil consumption.7. Staff members are encouraged to turn off lights and computers when leaving the office or during the lunch break.	Item/Year	2023	Direct	22,818.7 tons CO ₂ e	Indirect	327,271.26 tons CO ₂ e	No significant differences
Item/Year	2023									
Direct	22,818.7 tons CO ₂ e									
Indirect	327,271.26 tons CO ₂ e									

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
IV. Social Issues				
(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights	✓		<p>The Company is committed to fulfilling corporate social responsibility, safeguarding the basic human rights of all colleagues, customers, and stakeholders. The Company recognizes and supports the UN's Universal Declaration of Human Rights, Global Compact and Guiding Principles on Business and Human Rights as well as the Declaration of Fundamental Principles and Rights at Work by the International Labour Organization. The Company respects internationally recognized human rights standards, ensuring zero violations to basic human rights and treats all employees with dignity and respect. The Company's human rights policy is as follows:</p> <ol style="list-style-type: none"> 1. Eliminate gender discrimination in the workplace. 2. Ensure the rights and dignity of employees. 3. Provide a safe, hygienic and healthy working environment. <p>The Company strictly complies with the labor laws and regulations and has full personnel management rules, which have been announced in public to protect the legitimate rights and interests of employees. Also allocated pension expense, there is an employee welfare committee, and all employees enjoy the same benefit measures.</p>	No significant differences
(II) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	✓		<p>The Company values employee rights and implements corporate social responsibility to ensure the recruitment, retention and encouragement of human resources, in order to achieve the goal of sustainable operation. The Company has established salary management methods. Salaries are determined based on the differences in employees' job nature, working conditions, work environment, and required skills, referring to average salary standards in the market and organizational structure. The Company's benefit system is as follows:</p> <ol style="list-style-type: none"> 1. Leave: Annual leaves are granted in accordance with the Labor Standards Act, as well as holiday leaves in line with government announcements. 2. Insurance: The Company's employees enjoy labor insurance, health insurance, new labor pension contribution, and group insurance with an NT\$2 million accident insurance per person. 3. Bonus: Three festival bonuses (Dragon Boat Festival, Mid-Autumn Festival, Year-end), employee dividends, and employee stock ownership trust. 4. Others: Annual check-ups for employees, 	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
			<p>employee travel, scholarships for employees' children, birthday gifts, maternity congratulation funds, wedding allowances for employees (including their children), funeral rites for family members of the employees, emergency assistance, subsidies for further education, accident / disaster relief, medical assistance for employees and their family members, uniform distribution, condolences, and other comprehensive and sound welfare items.</p> <p>5. According to Article 19 of the Articles of Incorporation, the Company shall allocate no less than 1% of the pre tax profit for the current period before deducting the employees' remuneration. But the Company shall reserve a portion of profit to make up for accumulated losses, if any. Employees' compensation may be distributed in shares or cash, and the counterparty to whom shares or cash are distributed as employees' compensation may include the employees of its controlled or subordinate companies that meet certain criteria.</p>	
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>The Company provides a safe and healthy working environment for its employees, establishes an occupational health and safety management unit and personnel, and formulates safety and health management plans, management regulations, and safety and health work rules in accordance with the relevant occupational health and safety laws and regulations. In addition to providing annual health checks, employee group insurance, employee lactation rooms, and on-site physician consultation services related to work health, the Company also conducts occupational health and safety education and training for new employees upon arrival and annually. The Company also conducts regular checks on the safety of equipment and facilities to ensure the safety of personnel, including labor safety inspections and autonomous fire equipment checks, and outsourcing checks on drinking water every quarter. In 2024, there were no major occupational disasters in the factory area. The zero-disaster goal in the factory area continues to be promoted every year. At the same time, professional abilities for occupational safety and protection are strengthened and the responsibilities of related professional personnel are implemented according to the law.</p>	No significant differences

Promoted Items	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
(IV) Does the Company provide its employees with career development and training sessions?	✓		The Company recruits outstanding talents in the industry and pays attention to the career development of each talent. It has a dedicated vocational training unit, which defines the employee career development training sessions according to the relevant indicators. This allows each employee to proceed towards their ideal position and provides various learning channels to help employees effectively improve their abilities to meet the job competencies required by their ideal positions.	No significant differences
(V) Does the Company comply with relevant laws, regulations and international standards, and formulate relevant consumer or customer rights protection policies and appeal procedures for issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	✓		The Company provides products and services in accordance with relevant regulations. The Company implements superior service to ensure continuous customer satisfaction in quality and service. In addition, the customer service unit is responsible for handling customer grievances and complaints, and provides customers with sufficient channels to express their opinions and grievance needs.	No significant differences
(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	✓		Suppliers are important partners for the continuous growth of the Company. To strengthen supply chain management, the Company has purchasing management procedures and supplier management procedures, and assesses new cooperating suppliers. The qualification of suppliers with significant impacts on the environment and society and those who violate the corporate social responsibility policy, leading to poor goodwill, can be revoked. The Company has signed contracts with suppliers and contractors for long-term cooperation, and has provisions that may terminate or cancel the contract at any time in case of violation of relevant laws and regulations that affects the rights and interests of the Company or laws and regulations.	No significant differences
V. Does the Company adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports and other reports that disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	✓		The Company is expected to compile the sustainability report for 2024 in 2025, to implement corporate governance, sustainable environment development and maintenance. The agenda of social welfare and other topics are carried out in accordance with the spirit and regulations of the Code of Best Practice for the Promotion of Sustainable Development, and will receive assurance or certification of opinion from a third party verification institution.	No significant differences

<p>VI. If the Company has its own rules for the sustainable development in accordance with the Code of Best Practice for the Promotion of Sustainable Development , please clarify the difference between its operation and the rules. The Company has completed the establishment of sustainable development practices. Daily operations are implemented separately according to governance, sustainable environment, social welfare, and corporate sustainable information disclosure, and are promoted by various working groups in accordance with the established rules. The implementation status matches the established rules; there is no difference.</p>
<p>VII. Other important information assists to understand what drives sustainable development execution:</p> <ol style="list-style-type: none"> 1. The Company, in order to reduce supply chain management risks and enhance the effectiveness of self-safety control, and to be in line with international trends and customer trust, introduced the relevant control measures of the Quality Enterprise Safety Certification (AEO). It received approval from the Keelung Customs, Customs Administration, Ministry of Finance in June 2016 and was awarded the AEO certificate. The Company has been maintaining the certificate's renewal operations every three years, upholding high standards of supply chain safety. 2. In order to improve the safety mechanism for the transportation of chemical products, the Company passed the European Road Transport Quality Safety Assessment System (RSQAS) in June 2016, effectively improving the Company's transportation management system. 3. For transportation drivers, the Company requires that preventive measures such as alcohol testing and blood pressure measurement be carried out before driving the vehicle, and that GPS, vehicle image recorders and other equipment be used to understand the driving dynamics of vehicles, and strengthen control over personnel and vehicles to reduce the occurrence of traffic accidents. 4. In order to undertake the transportation business of Formosa Plastics Group, the Company strengthened its ability in corporate governance, driver training and vehicle maintenance through the assessment of the "Road Transport Quality and Safety Assessment System" (SQAS) of the Group to achieve the purpose of win-win in both transportation services and transportation safety. 5. The Company cooperates with the of Environmental Protection Department in the control of diesel vehicle smoke exhaust. Each area's transportation departments sign a vehicle self-management report with the local environmental protection bureau, and conduct regular checks on the smoke exhaust of their business vehicles in accordance with the regulations, implementing the goals of environmental protection and sustainable corporate development. 6. The Company has set up a driving safety bonus system for its transportation drivers, and provided incentives for driving within a certain period of time without traffic violations and accidents, so as to shape good driving habits. 7. The Company uses the driver management system supervised by the Ministry of Transportation to periodically check the driver violation of its own drivers on a monthly basis, and strengthen the follow-up education and control of drivers with abnormalities. 8. For the gas recovery equipment of the gas stations, the gas recovery rate shall be tested every three months, which is prevail over the statutory provisions. The employees are trained to refuel in accordance with the provisions of the Five Don'ts & Five Does. The Company is awarded the Outstanding Unit of the Air Pollution Detection of the Environmental Protection Agency. 9. The Company introduced the ISO 9001 Quality Management System, the ISO 14001 Environmental Management System, and the ISO 45001 Safety and Health Management System. Every year, the Company conducts an external audit by the British Standards Institute (BSI) to ensure that the quality and safety objectives are achieved, and continuously strives to protect the environment, improve personnel, equipment and the potential risks of the environment, and promote the competitive advantage based on corporate social responsibility. 10. The Company has set up the Security Department under the General Operation Office to implement a Company-wide safety and health policy of "All Employees Participation, Safety First, Disaster Zeroing" and the environmental policy of "All Employees Participation, Valuing Resources, Protecting the Environment", to ensure the personal safety of employees, improve the awareness and performance of employees, so as to achieve the goal of sustainable operation of the Company. 11. Together with Cheng Loong Co., Ltd. and Ta-yuan CoGeneration, the Company established the 26th "paper library" in primary schools in remote rural areas in Taiwan, to raise awareness of sustainability, and continues to promote events such as "used forests" and "paperback-reading" in communities. 12. Actively fulfilling corporate social responsibility for sustainable development, giving back to the society with practical actions, supporting the protection of the right to work of indigenous peoples, providing long-term stable job opportunities, promoting employment of indigenous peoples, and realizing the concept of a prosperous and good society. Awarded the honor of 2023 Authorities (Institution) and Manufacturers Who Employ Indigenous Peoples Excessively Award".

Climate-Related Information of TWSE/TPEX Listed Companies

Item	Implementation															
1. Describe the supervision and governance of the board and management level towards climate-related risks and opportunities.	(I) The Company’s Board of Directors is the highest governance body for climate-related issues, responsible for overseeing and managing climate-related risks and opportunities, while promoting the Company’s overall climate issue strategies. (II) The board has established the ESG Sustainability Development Promotion Organization, divided into the Governance Group, Environmental Sustainability Group, Sustainable Talent Group, and Social Inclusion Group. Each group member executes their specific tasks following the directions of the President, demonstrating the Company’s emphasis on climate governance. (III) The climate governance of the Company is managed by the ESG Sustainable Development Promotion Organization, which reports the progress and effectiveness of management to the board.															
2. Describe how the identified climate risks and opportunities affect the Company’s business, strategy, and finance (short-term, medium-term, long-term).	<table><tr><th>Schedule</th><th>Short-term (2023)</th><th>Medium-term (2024~2026)</th><th>Long-term (2027~2031)</th></tr><tr><td>Goal</td><td>1. Collect and statistically analyze internal carbon emissions data in accordance with the 14064-1 standard. 2. Propose equipment and operation process improvement plans.</td><td>1. Conduct organizational greenhouse gas inventory work in accordance with the 14064-1 standard. 2. Reduce carbon emissions by 1% annually. 3. Continually propose equipment and operation process improvement plans.</td><td>1. Conduct organizational greenhouse gas inventory operations according to the 14064-1 standard, and undergo third-party verification. 2. Reduce carbon emissions by 2% annually. 3. Continually propose equipment and operation process improvement plans.</td></tr><tr><td>Implementation Plan</td><td>1. Collect data and compile carbon emissions quantity statistics for the organization. 2. Review internal equipment and optimize plans.</td><td>1. Conduct the organization’s greenhouse gas inventory operations. 2. Review internal equipment and optimize plans.</td><td>1. Conduct organizational greenhouse gas inventory operations and undergo third-party verification.</td></tr></table>				Schedule	Short-term (2023)	Medium-term (2024~2026)	Long-term (2027~2031)	Goal	1. Collect and statistically analyze internal carbon emissions data in accordance with the 14064-1 standard. 2. Propose equipment and operation process improvement plans.	1. Conduct organizational greenhouse gas inventory work in accordance with the 14064-1 standard. 2. Reduce carbon emissions by 1% annually. 3. Continually propose equipment and operation process improvement plans.	1. Conduct organizational greenhouse gas inventory operations according to the 14064-1 standard, and undergo third-party verification. 2. Reduce carbon emissions by 2% annually. 3. Continually propose equipment and operation process improvement plans.	Implementation Plan	1. Collect data and compile carbon emissions quantity statistics for the organization. 2. Review internal equipment and optimize plans.	1. Conduct the organization’s greenhouse gas inventory operations. 2. Review internal equipment and optimize plans.	1. Conduct organizational greenhouse gas inventory operations and undergo third-party verification.
Schedule	Short-term (2023)	Medium-term (2024~2026)	Long-term (2027~2031)													
Goal	1. Collect and statistically analyze internal carbon emissions data in accordance with the 14064-1 standard. 2. Propose equipment and operation process improvement plans.	1. Conduct organizational greenhouse gas inventory work in accordance with the 14064-1 standard. 2. Reduce carbon emissions by 1% annually. 3. Continually propose equipment and operation process improvement plans.	1. Conduct organizational greenhouse gas inventory operations according to the 14064-1 standard, and undergo third-party verification. 2. Reduce carbon emissions by 2% annually. 3. Continually propose equipment and operation process improvement plans.													
Implementation Plan	1. Collect data and compile carbon emissions quantity statistics for the organization. 2. Review internal equipment and optimize plans.	1. Conduct the organization’s greenhouse gas inventory operations. 2. Review internal equipment and optimize plans.	1. Conduct organizational greenhouse gas inventory operations and undergo third-party verification.													
3. Describe the impact of extreme weather events and transition actions on finance.	1. Abnormal climate and natural disasters such as typhoons, floods, droughts, as well as other extreme weather conditions, may lead to operational interruption. The impact on finance includes: revenue loss; increased costs. 2. Transition Risk (1) Risks associated with carbon reduction policies and regulations. (2) Regulation of corporate carbon footprints and GHG emission quantity. (3) During procurement, it is necessary to evaluate whether the supply chain complies with relevant policies and regulations. The impact on finance is: Increased costs.															

Item	Implementation
<p>4. Explain how the identification, assessment, and management process of climate risks is integrated into the overall risk management system.</p>	<p>The Company's Board of Directors is the highest governance body for climate-related matters, responsible for overseeing and managing climate-related risks and opportunities. The overall climate strategy of the Company is led and implemented by the President. The Governance Team, Environmental Sustainability Team, Sustainable Human Resources Team, and Social Inclusion Team are responsible for managing the specific tasks by their members.</p> <p>The entire company, from top to bottom, participates in the implementation and monitoring of the effects of the annual sustainable development plan and projects, in addition to tracking GHG emissions, water usage, and total weight of waste. Corresponding energy-saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management policies are formulated and promoted to minimize the impact of the Company's operations on climate change.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p>	<p>In accordance with the Task Force on Climate-Related Financial Disclosures guidelines, climate scenario analysis is used when evaluating climate-related risks and opportunities.</p> <p>Adopting the guidelines of the Intergovernmental Panel on Climate Change (IPCC) established by the United Nations.</p> <p>Adopting the most serious situations faced by two risk types: transitional and physical.</p> <p>Transformation scenario: The Company's internal target for carbon neutrality in 2050, that is, RCP1.9. (Increase by 1.5 Celsius degrees).</p> <p>Physical scenario: RCP8.5 (Increase by 4 Celsius degrees).</p> <p>Time parameters: Short-term 2022~2025; medium-term 2026~2030; long-term 2031~2050.</p> <p>The analysis items are as follows:</p> <p>Transitional risks: Policy and regulatory risks, technological risks, market risks, and reputation risks.</p> <p>Physical risks: Immediate risks and long-term risks.</p> <p>Opportunities: Resource efficiency, energy sources, products and services, market, and resilience.</p> <p>The quantified financial impact is divided into 5 levels. Level 1 affects revenues below NT\$100 million, and Level 5 affects revenues above NT\$700 million.</p> <p>Utilization of tools: This includes the IPCC Sixth Climate Change Assessment Report, the National Disaster Prevention and Rescue Technology Center's 3D potential disaster map, and the TCCIP-Climate Atlas.</p>
<p>6. If there is a transition plan to cope with climate-related risks, the Company shall provide instructions for the content of the plan, as well as the indicators and objectives used to identify and manage physical and transitional risks.</p>	<p>Not yet adopted.</p>
<p>7. If internal carbon pricing is used as a planning tool, the foundation of price setting should be explained.</p>	<p>Not yet adopted.</p>
<p>8. If climate-related goals are set, the related activities, the scope of GHG emissions, the planning schedule, and the annual progress should be explained. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant objectives, the source and the number of the offset carbon volume or the number of renewable energy certificates (RECs) should be stated.</p>	<p>Not yet adopted.</p>

Item	Implementation
9. The inventory and verification of greenhouse gas and the reduction targets, strategies, and specific action plans are separately filled in 1-1.	Please refer to 1-1 for the confirmed situation of GHG emissions Quantity in 2024.

Table 1-1 Greenhouse gas inventory and assurance status of the Company in the most recent two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions over the past two years in terms of total emissions (metric tons of CO ₂ e), emission intensity (metric tons of CO ₂ e per NT\$ million), and the scope of data coverage.
The Company began implementing greenhouse gas inventory operations in 2024.

1-1-2 Greenhouse gas assurance information

Describe the greenhouse gas assurance for the most recent two years up to the annual report publication date, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.
The Company obtained third-party verification and assurance for its 2023 greenhouse gas inventory in 2024. Starting in 2025, third-party verification and assurance of the content of the 2024 Sustainability Report will be conducted.

(VI) Ethical Corporate Management and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

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

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
II. Fulfillment of Integrity Management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		In accordance with the Procedures for Ethical Management and Guidelines for Conduct, the Company, when entering into contracts with customers and suppliers, both parties' rights and obligations are detailed in the contract, and terms of good practice are clearly defined.	No significant differences yet
(II) Does the Company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity and regularly report the implementation of the ethical corporate management policies and prevention programs against unethical conduct to it?	✓		The Company has designated the integrity management promotion task force as the responsible unit. Based on its functions and scope of duties, the task force is responsible for promoting a culture of integrity through the formulation of regulations, implementation of training programs, establishment of complaint channels, and assessment of integrity-related risks, to ensure the effective implementation of the Code of Ethical Conduct.	No significant differences yet
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<ol style="list-style-type: none"> 1. The Company has specified in the Regulations Governing Procedure for Board of Directors Meetings that if a director has an interest in the proposals on the agenda of the Board of Directors that involves himself or a legal entity on his behalf, he should disclose the significant content of the interest. If there is a risk of harming the Company's interests, he may not participate in discussions and voting, and should recuse himself during discussions and votes, and may not exercise voting rights on behalf of other directors. 2. The Company has explicitly stated in its personnel management rules that employees must strictly comply with the guidelines for conflict of interest avoidance, proactively report issues of ethical concern such as conflicts of interest, and has set related non-competition clauses to prevent conflicts of interest. 3. The Company has a 0800 grievance line and a feedback mailbox on the Company website to accept reports of illegal situations. 	No significant differences yet

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	✓		<p>1. The company's accounting system is all set in accordance with the requirements of laws and regulations. The certifying CPAs also conduct reviews or audits on the Company's financial statements every quarter and issue reports.</p> <p>2. The Company's internal audit unit periodically reviews compliance with the aforementioned system and prepares audit reports for submission to the Board of Directors. No internal control deficiencies related to breaches of ethical management have been identified.</p>	No significant differences yet
(V) Does the Company regularly hold internal and external educational trainings on operational integrity?	✓		All directors and senior executives of the Company completed six hours of training in 2024. The corporate governance officer completed the required 18 hours of initial training, while the Audit Executive, Accounting Executive, and their deputies each completed 12 hours of training. Each quarter, the Company promotes relevant regulations through newsletters and conducts training programs to enhance employees' awareness of legal compliance, thereby reducing the risk of legal violations in business activities. Training is conducted from the top down, based on the Code of Conduct for Senior Executives, to reinforce the Company's integrity management policy.	No significant differences yet
III. Operation of the integrity channel				
(I) Has the Company established a concrete whistleblowing and rewarding system, and set up accessible methods for whistleblowers, and designate appropriate and dedicated personnel to investigate the accused?	✓		<p>The Company has set up a designated section for stakeholders on its website. When the rights of stakeholders, such as shareholders, customers, suppliers, and employees are infringed, they can raise a grievance to the Company.</p> <p>The Company has established standard operating procedures for investigating reported misconduct and has confidentiality agreements in place.</p>	No significant differences yet
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		The Company has established the Procedures for Ethical Management and Guidelines for Conduct and relevant regulations to guarantee the anonymity of the whistleblower and protect the whistleblower from inappropriate disposal due to the whistleblowing incident.	
(III) Does the Company provide proper whistleblower protection?	✓			

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
IV. Strengthening information disclosure Does the Company disclose the ethical corporate management policies and the results of its implementation on the Company website and MOPS?	✓		The Company discloses the “Procedures for Ethical Management and Guidelines for Conduct” on its official website and the Market Observation Post System (MOPS). It strictly adheres to its responsibilities regarding information disclosure and complies with relevant regulations to enhance information transparency.	No significant differences yet
V. Where the Company has stipulated its own ethical corporate management best practices according to the Principles for Ethical Corporate Management of TWSE/TPEx Listed Companies please describe any differences between the prescribed best practices and the actual activities taken by the Company: The Company’s Procedures for Ethical Management and Guidelines for Conduct have been disclosed on the Company website, and there is no significant difference between its actual implementation status and the guidelines.				
VI. Other important information that facilitate the understanding of the implementation of the Company’s best practice: (such as review and amendment of the Company’s best practice) In addition to complying with legal requirements, the Company incorporates the principles of ethical business conduct into its daily operations and management practices, requiring business partners to implement and adhere to these principles.				

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

1. Material information from the Company has all been announced on the MOPS pursuant to regulations from the competent authority.
2. The Company enforces ethical corporate management. The implementation in FY24 is as follows:
 - Amended the Guidelines for Corporate Governance Practices and implemented the corporate governance system according to the following five principles: protecting shareholders’ equity, strengthening the functions of the board meeting, exerting the functions of the audit committee, respecting the rights and interests of stakeholders, and enhancing information transparency.
 - When investigating changes in equity each month, internal rules are simultaneously propagated to insiders, prohibiting the use of undisclosed market information to buy or sell securities. This includes (but is not limited to) regulations stating that directors should not trade their stocks within 30 days prior to the announcement of the annual financial report, or within 15 days prior to the announcement of each quarter’s financial report.
 - Regularly reviewed the effectiveness of the Company’s internal control system to implement potential risk control operations.
 - Regularly held a legal presentation once a year.

(VIII). Implementation of Internal Control

1. Internal Control System Statement

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

Date: 2025/3/31

According to the examination on internal control done by the Company in 2024, we hereby state as follows:

- I. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its board of directors and managers. The Company has already established this system. The purpose of establishing the internal control system is to reasonably assure the following objectives: (a) the effectiveness and efficiency of business operation (including earnings, operation performance and the safeguard of company assets); (b) achieving the reliability, timeliness, transparency, and compliance objectives according to the relevant laws and regulations in order to provide reasonable assurances.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The Regulations are made to examine the following five factors during the management and control process: 1. Environment control, 2. Risk assessment, 3. Work control, 4. Information and Communication, and 5. Work supervision. Each element further contains several items. Please refer to the Regulations for details.
- IV. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. The examination result indicated that the Company's internal control system (including subsidiary governance) dated December 31, 2024 has effectively assured that the following objectives have been reasonably achieved during the assessing period, excluding the matters listed in the appendix: (a) The degree of effectiveness and efficiency of business operation; (b) The reliability of the financial and related reports; (c) The compliance of the relevant laws/regulations and company policies.
- VI. This statement will become a major part of the content of the Company's annual report and prospectus, and will be made public. If the above disclosure is false or concealed, it will involve the legal liabilities of Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement was adopted by the board of directors of the Company on March 31, 2025, and 0 of the 9 directors present had objections. The rest of the directors agreed with this statement and made this statement.

Shan-Loong Transportation Co., Ltd.
Chairman: Jen-Hao Cheng Signature
President: Wei-Teng Hsiao Signature

Appendix:

Shan-Loong Transportation Co., Ltd. Matters for Improvement in the Internal Control System and Improvement Plans
(Base date: 2024.12.31)

Area for Improvement	Improvement Measures	Expected Completion Date
I. When purchasing from certain suppliers, appropriate review procedures were not conducted due to technical constraints or exclusive capabilities that other vendors could not match.	For sole-source or negotiated suppliers, the following evaluations must be conducted and documented: (I) Assessment of transaction necessity (II) Evaluation of supplier suitability (III) Assessment of price reasonableness	2025.04.30
II. When subcontracting transportation services, appropriate inquiries, capability evaluations, and documentation supporting the necessity of outsourcing were not performed.	When engaging subcontractors, the following evaluations must be conducted and documented: (I) Assessment of outsourcing necessity (II) Evaluation of supplier suitability (III) Assessment of price reasonableness	2025.04.30

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

(IX) Major resolutions of shareholders' meeting, the board of directors meeting, and the functional committees for the most recent fiscal year and up to the printing date of the annual report:

1. Major resolutions of the shareholders' meeting

Date of the meeting	Matters to be resolved	Resolution	Implementation
2024.06.06	The Company's approved final accounts for FY23	The case was approved as per the vote of the attending shareholders. For: 85,883,882 votes (including 8,912,545 votes cast electronically), accounting for 99.30% of the total voting rights; Against: 172,045 votes (of which, 172,045 votes were cast electronically), accounting for 0.2% of the total voting rights; Abstain: 437,905 votes (including 436,900 votes cast electronically), accounting for 0.5% of the total voting rights; Invalid: 0 votes, representing 0% of the total voting rights.	Relevant statements and books have been filed with the competent authority for future reference, announcement and declaration in accordance with the Company Law and other relevant laws and regulations.

Date of the meeting	Matters to be resolved	Resolution	Implementation
	The Company's earnings distribution plan for FY23	<p>The case was approved as per the vote of the attending shareholders.</p> <p>For: 85,936,674 votes (including 8,965,337 votes cast electronically), accounting for 99.36% of the total voting rights.</p> <p>Against: 262,734 votes (of which, 262,734 votes were cast electronically), accounting for 0.3% of the total voting rights;</p> <p>Abstain: 294,424 votes (including 293,419 votes cast electronically), accounting for 0.34% of the total voting rights;</p> <p>Invalid: 0 votes, representing 0% of the total voting rights.</p>	It is determined that July 16, 2024 is the date of ex dividend and August 8, 2024 is the date of cash dividend distribution. The cash dividend is NT\$0.43 per share, with a total amount of NT\$ 59,031 thousand.
	Amendments to part of the Articles of Incorporation of the Company	<p>The case was approved as per the vote of the attending shareholders.</p> <p>For: 85,967,619 votes (including 9,005,282 votes cast electronically), accounting for 99.39% of the total voting rights;</p> <p>Against: 207,777 votes (of which, 207,777 votes were cast electronically), accounting for 0.24% of the total voting rights;</p> <p>Abstain: 318,436 votes (including 308,431 votes cast electronically), accounting for 0.37% of the total voting rights;</p> <p>Invalid: 0 votes, representing 0% of the total voting rights.</p>	The Company has amended part of the Articles of Incorporation in accordance with the resolution of the shareholders' meeting.
	The Company has amended part of the Procedures for Acquisition or Disposal of Assets	<p>The case was approved as per the vote of the attending shareholders.</p> <p>For: 85,952,774 votes (including 8,990,437 votes cast electronically), accounting for 99.37% of the total voting rights;</p> <p>Against: 230,190 votes (of which, 230,190 votes were cast electronically), accounting for 0.27% of the total voting rights;</p> <p>Abstain: 310,868 votes (including 300,863 votes cast electronically), accounting for 0.36% of the total voting rights;</p> <p>Invalid: 0 votes, representing 0% of the total voting rights.</p>	The Company has amended part of the Procedures for Acquisition or Disposal of Assets according to the resolution of the shareholders' meeting.

2. Major Resolutions of Board of Directors

Board Meeting Date	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
6th meeting; 15th term 2024.03.14	Discussed Items: (1) FY23 Employee Remuneration Distribution Plan. (2) FY23 Employee Remuneration and Year-end Bonus Distribution Plan for Managers. (3) FY23 Parent Company Only Financial Statements, Consolidated Financial Report, and Business Report. (4) The amount of external endorsement guarantee and funds lent to others by the Company as of the end of December 2023. (5) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions. (6) The Company proposed to issue a statement of the internal control system for FY23. (7) The Company proposed to assess the independence and suitability of its CPAs. (8) The Company's earnings distribution plan for FY23. (9) The Company proposed amendments to part of the Procedures for Acquisition or Disposal of Assets. (10) The Company was set to discuss the time, venue and convening of the FY24 Annual Shareholder Meeting.	No objection	Approved by all attending directors	None
7th meeting; 15th term 2024.05.14	Discussed Items: (1) 2024 Q1 Consolidated Financial Report. (2) The Company proposed amendments to the Internal Control System for Stock Affairs Units. (3) The Company proposed amendments to the Rules of Procedure for Board of Directors Meetings. (4) The Company proposed amendments to part of the Articles of Incorporation of the Company. (5) The Company intends to apply for comprehensive credit lines to financial institutions.	No objection	Approved by all attending directors	None
8th meeting; 15th term 2024.06.06	Discussed Items: (1) Scheduled the ex-dividend date for cash dividend distribution for FY23. (2) The Company duty adjustments for related executives. (3) Authorized the Chairman with full authority to make decisions regarding the leasing and termination of gas station properties.	No objection	Approved by all attending directors	None
9th meeting; 15th term 2024.08.14	Discussed Items: (1) 2024 Q2 Consolidated Financial Report. (2) The Company intends to apply for comprehensive credit lines to financial institutions. (3) FY23 Employee Compensation Allocation for Managers. (4) Review of transportation operations between the Company and Cheng Loong Corporation. (5) Proposed acquisition of real estate land by the Company.	No objection	(1)~(4) Approved by all attending directors (5) A resolution was made to defer discussion of this matter, which will be reconsidered at a later date.	None
10th meeting; 15th term 2024.11.11	Discussed Items: (1) 2024 Q3 Consolidated Financial Report. (2) The Company intends to apply for comprehensive credit lines to financial institutions. (3) The Company proposed donation to the Cheng Huotien Charity Foundation. (4) The Company Proposed amendments to the	No objection	Approved by all attending directors	None

Board Meeting Date	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
	<p>Regulations Governing Procedure for Board of Directors Meetings.</p> <p>(5) The Company proposes to establish the Regulations for the Management of Liabilities, Commitments, and Contingencies.</p> <p>(6) The Company proposes to establish the Regulations for Management of Financial and Non-Financial Information.</p> <p>(7) The Company duty adjustments for the Audit Executive.</p>			
11th meeting; 15th term 2024.12.20	<p>Discussed Items:</p> <p>(1) The Company's FY25 Annual Operating Plan.</p> <p>(2) The Company's FY25 Audit Plan.</p> <p>(3) The Company proposed the appointment of certified public accountants and their remuneration plan.</p> <p>(4) The Company proposed to assess the independence and suitability of the certified CPAs in its financial statements.</p> <p>(5) The Company proposed to establish general principles for the pre-approval policy of non-assurance services.</p> <p>(6) The Company proposed amendments to part of the Articles of Incorporation of the Company.</p> <p>(7) The Company proposed to establish the Sustainability Information Management Procedure and the Sustainability Report Preparation and Assurance Procedure.</p> <p>(8) The Company proposed to establish the Management Measures for Personal Data Protection.</p> <p>(9) The year-end bonus plan for the Company's managers for the year 2024.</p> <p>(10) Proposal to acquire right-of-use assets from related parties.</p>	No objection	Approved by all attending directors	None
12th meeting; 15th term 2025.03.14	<p>Discussed Items:</p> <p>(1) The Company's self-compiled financial report for FY24.</p> <p>(2) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions.</p> <p>(3) Proposal to acquire right-of-use assets for related parties.</p>	No objection	Approved by all attending directors	None
13th meeting; 15th term 2025.03.31	<p>Discussed Items:</p> <p>(1) FY24 Employee remuneration distribution plan.</p> <p>(2) FY24 Parent Company Only Financial Statements, Consolidated Financial Report, and Business Report.</p> <p>(3) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions.</p> <p>(4) The Company proposed amendments to the Internal Control System for Stock Affairs Units.</p> <p>(5) The Company proposed to issue a statement of the internal control system for FY24.</p> <p>(6) The Company's earnings distribution plan for FY24.</p> <p>(7) The Company was set to discuss the time, venue and convening of the FY25 Annual Shareholder Meeting.</p>	No objection	Approved by all attending directors	None

3. Major resolutions of the Audit Committee

Date of the audit committee meeting	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
6th meeting; 3rd term 2024.03.14	Discussed Items: (1) FY23 Parent Company Only Financial Statements, Consolidated Financial Report, and Business Report. (2) The amount of external endorsement guarantee and funds lent to others by the Company as of the end of December 2023. (3) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions. (4) The Company proposed to issue a statement of the internal control system for FY23. (5) The Company proposed to assess the independence and suitability of the certified CPAs in its financial statements. (6) The Company's earnings distribution plan for FY23. (7) The Company proposed amendments to part of the Procedures for Acquisition or Disposal of Assets.	No objection	Approved by all attending directors	None
7th meeting; 3rd term 2024.05.14	Discussed Items: (1) 2024 Q1 Consolidated Financial Report. (2) The Company proposed amendments to the Internal Control System for Stock Affairs Units. (3) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions.	No objection	Approved by all attending directors	None
8th meeting; 3rd term 2024.06.06	Discussed Items: (1) The Company duty adjustments for related executives. (2) Authorized the Chairman with full authority to make decisions regarding the leasing and termination of gas station properties.	No objection	Approved by all attending directors	None
9th meeting; 3rd term 2024.08.14	Discussed Items: (1) 2024 Q2 Consolidated Financial Report. (2) The Company intends to apply for comprehensive credit lines to financial institutions. (3) Review of transportation operations between the Company and Cheng Loong Corporation. (4) Proposed acquisition of real estate land by the Company.	(1)~(2) No objections (3) The proposal does not specify any resolution or discussion items; it will be further discussed and resolved by the Board of Directors. (4) Due to the Audit Committee's lack of detailed information, the matter will be resolved by the Board of Directors at a later time.	(1)~(3) Approved by all attending directors (4) A resolution was made to defer discussion of this matter, which will be reconsidered at a later date.	None

Date of the audit committee meeting	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
10th meeting; 3rd term 2024.11.11	Discussed Items: (1) 2024 Q3 Consolidated Financial Report. (2) The Company intends to apply for comprehensive credit lines to financial institutions. (3) The Company proposes to establish the Regulations for the Management of Liabilities, Commitments, and Contingencies. (4) The Company proposes to establish the Regulations for Management of Financial and Non-Financial Information. (5) The Company duty adjustments for the Audit Executive.	No objection	Approved by all attending directors	None
11th meeting; 3rd term 2024.12.20	Discussed Items: (1) The Company's FY25 Audit Plan. (2) The Company Proposed the appointment of certified public accountants and their remuneration plan. (3) The Company proposed to assess the independence and suitability of the certified CPAs in its financial statements. (4) The Company proposed to establish general principles for the pre-approval policy of non-assurance services. (5) Proposal to acquire right-of-use assets for related parties.	No objection	Approved by all attending directors	None
12th meeting; 3rd term 2025.03.14	Discussed Items: (1) The Company's self-compiled financial report for FY24. (2) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions. (3) Proposal to acquire right-of-use assets for related parties.	No objection	Approved by all attending directors	None
13th meeting; 3rd term 2025.03.31	Discussed Items: (1) FY24 Parent Company Only Financial Statements, Consolidated Financial Report, and Business Report. (2) Proposed the application of comprehensive credit line and commercial promissory note line with relevant financial institutions. (3) The Company proposed amendments to the Internal Control System for Stock Affairs Units. (4) The Company proposed to issue a statement of the internal control system for FY24.	No objection	Approved by all attending directors	None

4. Major resolutions of the remuneration committee

Date of the remuneration committee meeting(s)	Content of motion	Items of opposition, reservation, or significant suggestions by the independent directors.	Board of Directors Resolutions	The Company's response to independent directors' opinions
4th meeting; 5th term 2024.03.14	Discussed Items: (1) FY23 Employee Remuneration Distribution Plan (2) FY23 Employee Remuneration and Year-end Bonus Distribution Plan for Managers.	No objection	Approved by all attending directors	None
5th meeting; 5th term 2024.08.14	Discussed Items: FY23 Employee Compensation Allocation for Managers.	No objection	Approved by all attending directors	None
6th meeting; 5th term 2024.12.20	Discussed Items: (1) The year-end bonus plan for the Company's managers for the year 2024. (2) The Company proposed amendments to part of the Articles of Incorporation of the Company.	No objection	Approved by all attending directors	None
7th meeting; 5th term 2025.03.31	Discussed Items: FY24 Employee remuneration distribution plan.	No objection	Approved by all attending directors	None

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

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

Unit: NT\$1,000

Accounting Firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remark
KPMG Taiwan	Charming Mei	2024.01.01~2024.12.31	4,285	30	4,315	-
	Yu-Ting Hsin					

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

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

(II) Where the CPA firm is changed and the audit fee paid in the year of change is lower than that in the year before the change: No.

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

IV. Replacement of CPA:

(I) About the predecessor CPA

Date of Replacement	2024.12.20		
Reason for replacement and explanation	Internal reassignment within the CPA firm		
The explanation pertains to the termination or non-acceptance of the engagement by either the client or the CPA	Party		
	Situation	CPA	Client
	Voluntary termination of engagement	-	-
	Refusal to accept (or continue) engagement	√	-
Types of audit opinions other than unqualified issued in the most recent two years and their reasons	None		
Whether there were any disagreements with the issuer	Yes	-	Accounting principles or practices
		-	Disclosure in financial reporting
		-	Scope or procedures of the audit
		-	Others
	None	√	
Description: N/A			
Other disclosure matters (Disclosure under Paragraph 10, Subparagraph 6, Item 1, Clauses 4–7 of the Regulations)	None		

(II) Regarding the successor auditor

Accounting Firm	KPMG Taiwan
Name of CPA	Charming Mei
Date of Appointment	2024.12.20
Consultations and outcomes regarding specific accounting treatments or principles and the potential audit opinion on financial reports prior to engagement	-
Written opinion of the successor CPA on matters of disagreement with the predecessor CPA	-

(III) Response from the predecessor auditor regarding the matters specified in Article 10, Paragraph 6, Subparagraphs 1 and 2-3 of this regulation: None.

- V. The Company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.
- VI. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than ten percent

Position	Name	2024		Current year as of 2025.04.20	
		Current shareholding increase (decrease)	Pledged shares increase (decrease)	Current shareholding increase (decrease)	Pledged shares increase (decrease)
Chairman	Jen-Hao Cheng	—	—	—	—
Director and Vice Chairman	Lan-Hui Yu	—	—	—	—
Director	Cheng Loong Corporation	—	—	—	—
	Representative: Ching-Hui Yu	—	—	—	—
Director	Shine Far Construction Co., Ltd.	—	—	—	—
	Representative: Chuan-Chuan Lu	—	—	—	—
Director	Shine Far Co., Ltd.	—	—	—	—
	Representative: Tai-Lang Ho	—	—	—	—
Director	Ken-Pei Cheng	10,000	—	—	—
Independent Director	Yao-Ming Huang	—	—	—	—
Independent Director	Hsu-Feng Ho	—	—	—	—
Independent Director	Mao-Chun Wang	—	—	—	—
President	Wei-Teng Hsiao	—	—	—	—
Finance Executive	Cheng-Chang Ou	—	—	—	—
Accounting Executive	Yu-Long Chen	—	—	—	—
Audit Executive (Note 1)	Kun-Lin Wu	—	—	—	—
Audit Executive (Note 1)	Hsiang-I Yu	—	—	—	—

Note 1: Audit Executive Kun-Lin Wu assumed the position on November 11, 2024, succeeding former Audit Executive Hsiang-I Yu.

- (I) Information on the counterparty of the equity transfer as a related party: None.
- (II) Information on the counterparty of the equity pledge as a related party: None.

VII. Information on Concerned Relationship of Top Ten Major Shareholders

2025.04.20

Name	Current Shareholding		Spouse's/Minor's shareholding		Shareholding by nominee arrangement		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Entity name (or individual's name)	Relationship	
Cheng Loong Corporation	12,690,010	9.24	-	-	-	-	Shine Far Co., Ltd. Sun Favorite Co. Ltd.	Legal Director of Cheng Loong Legal Director of Cheng Loong	
Representative: Cheng Jen-Ming	6,552,421	4.77	-	-	-	-	Cheng Loong Corporation Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Director Director Representative of the juridical director Director	
Chiung-Miao Yeh	8,385,000	6.11	-	-	-	-	Cheng Kuan Investment Co., Ltd.	Spouse of the Chairman of Cheng Kuan Investments	
Shine Far Co., Ltd.	8,367,944	6.10	-	-	-	-	Cheng Loong Corporation Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Shan-Fa is the Representative: Cheng-Lung Cheng of Cheng Loong. Chairman is the same person. Chairman is the same person. Chairman is the same person.	
Representative: Cheng-Lung Cheng	349,000	0.25	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	
Shine Far Construction Co., Ltd.	6,743,227	4.91	-	-	-	-	Shine Far Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman is the same person. Chairman is the same person. Chairman is the same person.	
Representative: Cheng-Lung Cheng	349,000	0.25	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	

Name	Current Shareholding		Spouse's/Minor's shareholding		Shareholding by nominee arrangement		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Entity name (or individual's name)	Relationship	
Jen-Ming Cheng	6,552,421	4.77	-	-	-	-	Cheng Loong Corporation Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Director Director Representative of the juridical director Director	
Cheng Loong Investment Co., Ltd.	4,871,034	3.55	-	-	-	-	Cheng Loong Corporation	Representative of Cheng-Lung Cheng for the Investments	
Representative: Cheng-Lung Cheng	349,000	0.25	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	
Jen-Hao Cheng	4,328,876	3.15	-	-	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Sun Favorite Co. Ltd.	Director Director Director	
Cheng Kuan Investment Co., Ltd.	2,399,000	1.75	-	-	-	-	Chiung-Miao Yeh	Spouse of the Chairman of Cheng Kuan Investments	
Representative: Representative: Wen-Lin Lin	-	-	8,385,000	6.11	-	-	Chiung-Miao Yeh	Spouse of the Chairman of Cheng Kuan Investments	
Sun Favorite Co. Ltd.	1,906,697	1.39	-	-	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd.	Chairman is the same person. Chairman is the same person. Chairman is the same person.	
Representative: Cheng-Lung Cheng	349,000	0.25	866,450	0.63	-	-	Shine Far Co., Ltd. Shine Far Construction Co., Ltd. Cheng Loong Investment Co., Ltd. Sun Favorite Co. Ltd.	Chairman Chairman Chairman Chairman	
Special ESOP account of Shan-Loong Transportation Co., Ltd entrusted in CTBC Bank	1,522,680	1.11	-	-	-	-	-	-	
Representative: Kun-Lin Wu	-	-	-	-	-	-	-	-	

VIII. Consolidated Shareholding Percentage

2024.12.31

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

Note: The Company's long-term investment.

Chapter 3. Capital Overview

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

(I) Source of capital

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

Year and Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remark		
		Shares (thousand shares)	Amount (NT\$1,000)	Shares (thousand shares)	Amount (NT\$1,000)	Source of capital	Capital increased by assets other than cash	Others
2023	10	150,000	1,500,000	137,282	1,372,818	No capital increase or decrease in this year.	None	-
2024 April								

Unit: (in thousands)

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

(II) List of Major Shareholders

2025.04.20

Name of Major Shareholders	Shares	Shareholding (%)
Cheng Loong Corporation	12,690,010	9.24
Chiung-Miao Yeh	8,385,000	6.11
Shine Far Co., Ltd	8,367,944	6.10
Shine Far Construction Co., Ltd.	6,743,227	4.91
Jen-Ming Cheng	6,552,421	4.77
Cheng Loong Investment Co., Ltd.	4,871,034	3.55
Jen-Hao Cheng	4,328,876	3.15
Cheng Kuan Investment Co., Ltd.	2,399,000	1.75
Sun Favorite Co., Ltd.	1,906,697	1.39
Special ESOP account of Shan-Loong Transportation Co., Ltd entrusted in CTBC Bank	1,522,680	1.11

(III) Dividend Policy and Implementation Status

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

The Company proposed cash dividend of NT\$0.3 per share of dividend distribution for 2024 and is pending for resolution of the Annual Shareholders' Meeting.

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

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

(V) Remuneration for employees and Directors

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

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

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

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

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

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

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

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

The remuneration for employees proposed by the Board of Directors: cash of NT\$0; the remuneration for Directors: NT\$0.

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

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

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

Employee remuneration - cash of NT\$2,070,000 distributed on August 23, 2024; Directors' remuneration: None.

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

(VII) Status of Corporate Bonds: None.

(VIII). Status of Preferred Stocks: None.

(IX) Issuance of GDR/ADR: None.

(X) Employee Stock Options None.

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

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

II. Finance Plans and Implementation: None.

Chapter 4. Chapter 4. Operations Overview

I. Business Activities

(I) Business Scope

1. Major business of the Company

- (1) G101061 Automobile Cargo Transportation Business
- (2) G101081 Automobile Container Transport
- (3) CD01030 Automobiles and Parts Manufacturing
- (4) JA01010 Automotive Repair and Maintenance
- (5) F114010 Wholesale of Automobiles
- (6) F114030 Wholesale of Motor Vehicle Parts and Supplies
- (7) F214010 Retail Sale of Automobiles
- (8) F214030 Retail Sale of Motor Vehicle Parts and Supplies
- (9) G801010 Warehousing and Storage
- (10) F112010 Wholesale of Gasoline and Diesel Fuel
- (11) F112040 Wholesale of Petrochemical Fuel Products
- (12) F212011 Gas Stations
- (13) F212050 Retail Sale of Petroleum Products
- (14) J101090 Waste Disposal
- (15) J101030 Waste clean-up
- (16) E599010 Pipe Lines Construction
- (17) F107170 Wholesale of Industrial Catalyst
- (18) F113100 Wholesale of Pollution Controlling Equipment
- (19) F213100 Retail Sale of Pollution Controlling Equipment
- (20) F401010 International Trade
- (21) I103060 Management Consulting Services
- (22) I301010 Information Software Services
- (23) I301020 Data Processing Services
- (24) J101040 Waste management
- (25) J101050 Environmental Testing Services
- (26) J101060 Wastewater (Sewage) Treatment
- (27) JA02051 Weights and Measuring Instruments Repair
- (28) F113060 Wholesale of Measuring Instruments
- (29) F213050 Retail Sale of Metrological Instruments
- (30) F401181 Measuring Instruments Import
- (31) C801010 Basic Chemical Industry
- (32) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Operating Percentage (2024)

Main Business Activities	% of turnover
Automobile Transportation	20%
Gas Stations	80%
Total	100%

3. Main products and services

The Company is engaged in container transportation, bulk transportation, dangerous goods transportation, oil transportation, vehicle sales, automotive repair and maintenance, vehicle inspection, and gas station businesses.

(II) Development status of the industry

1. Overview of the Gas Stations

According to the Oil Price Information Management and Analysis System of Bureau of Energy, Ministry of Economic Affairs, from 2020 to 2024, the total number of gas stations in the past five years is as follows:

Year	2020	2021	2022	2023	2024
Number of stations	2,485	2,508	2,484	2,519	2,513

Top 10 Gas Station Turnover in the Past Five Years

TOP 10	2019	2020	2021	2022	2023
1	CPC Corporation, Taiwan	CPC Corporation, Taiwan	CPC Corporation, Taiwan	CPC Corporation, Taiwan	CPC Corporation, Taiwan
2	National Gas Stations	National Gas Stations	National Gas Stations	National Gas Stations	National Gas Stations
3	Formosa Oil	Formosa Oil	Formosa Oil	Formosa Oil	Formosa Oil
4	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.	Shan-Loong Transportation Co., Ltd.	Formosa Taffeta Co., Ltd.
5	Formosa Taffeta Co., Ltd.	Formosa Taffeta Co., Ltd.	Mech Smile	Formosa Taffeta Co., Ltd.	Mech Smile
6	Mech Smile	Mech Smile	Taiwan Sugar Corporation	Mech Smile	Shan-Loong Transportation Co., Ltd.
7	Taiwan Sugar Corporation	Taiwan Sugar Corporation	North-Star International Co., Ltd.	Taiwan Sugar Corporation	Taiwan Sugar Corporation
8	North-Star International Co., Ltd.	North-Star International Co., Ltd.	Caltex Taiwan Corporation	North-Star International Co., Ltd.	North-Star International Co., Ltd.
9	Evergreen International	Tai Da Gas Station	Formosa Taffeta Co., Ltd.	Evergreen International	Jiujing Enterprise Co., Ltd.
10	Tai Da Gas Station	Evergreen International	Tai Da Gas Station	Songshan Gas Station	Chian Uen Gas Station Co. Ltd.

Source: CRIF Credit Information Database

The Company's Oil Products Division is situated in the downstream of the oil market. The gas station industry, supplying gasoline, diesel retail, exquisite hand car wash, automobile routine inspection, and environmental testing services among others, caters to the domestic demand and is seen as an industry related to people's livelihood. Compared to other industries, this sector has been relatively stable. However, in recent years, due to the increasing saturation of gas stations in Taiwan, with the total number of stations hovering around 2500±20 over the past five years, it has become difficult

to find locations with growth potential. There is intense competition among group-affiliated gas stations for lease renewals and new station leases. In addition, rising rent and land acquisition costs, increases in minimum wage, and labor shortages have all driven up operating costs, requiring more flexible management. As the global energy transition accelerates, with the growing popularity of electric vehicles, the development of renewable energy, and the emergence of new energy types, gas station operators will need to continuously adjust their operational strategies.

The development of electric vehicles is becoming increasingly mature. According to the International Energy Agency (IEA), the number of electric vehicles in the world was only 17,000 in 2010, and by 2023, the number had grown to 13.6 million. The number of electric vehicles worldwide is expected to reach 250 million by 2030. The European Union plans to ban the sale of new gasoline and diesel vehicles by 2035, and the Taiwanese government's decision to ban the sale of fuel vehicles by 2040 have led to significant market changes for gas station operators in Taiwan.

Due to changes in the broader environment, the Company is guiding core business clients through transformation aligned with government policies. To address labor shortages, it has integrated systems including a membership app, prepayment, and license plate recognition, becoming a pioneer in vertical information integration. With flexible marketing, a user-friendly semi self-service fueling system, multiple payment options, and a dedicated environmental inspection team, the Company enhances the customer experience and ensures equipment safety. All systems are now cloud-based, enabling agility in a shifting market and setting a new benchmark in the industry.

2. Overview of Automobile Freight

In 2024, Taiwan's industrial production grew by 11.45% year-on-year, with the manufacturing sector expanding by 11.93%, and imports and exports increasing by 9.85%. Driven by overall economic growth, Taiwan's automotive freight industry showed modest growth in operational performance in 2024 compared to the same period in 2023. From January to October, the cumulative freight volume increased by 0.43% year-on-year, reaching 421.27 million metric tons. In addition, benefiting from a 1.11% increase in ton-kilometers to 27.907 billion ton-kilometers, the continued growth in medium- and long-distance transport demand drove a 2.73% increase in transportation revenue, reaching NT\$160.247 billion.

On the other hand, international crude oil prices fell to USD 74.24 per barrel, leading to a corresponding decline in domestic diesel prices. Since 2024, fuel costs have been lower compared to the same period in 2023, helping the industry maintain stable annual profitability and easing operational pressures.

(III) Technology and R&D Overview

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

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

1. Short-term:

(1) Comprehensive revenue growth:

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

(2) Implement information system management:

In 2024, the Company implemented two major systems: a fuel management system for the fuel business and a transportation management system (TMS) for the logistics business. The initial focus of the Transportation Management System (TMS) is to optimize existing transportation operations and enhance standardized management. This includes establishing transportation fleet information, strengthening the order management mechanism, managing key cargo information, and optimizing rate settings to ensure more accurate and efficient operational processes. The management team is able to monitor real-time operational performance, make the most effective strategic decisions, and maintain full control over the Company's operations.

(3) Creating a new cycle of benefits:

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

(4) Activate assets:

To enhance the operational efficiency and profitability of the transportation business, the Company has phased out idle and high-maintenance tractors, semi-trailers, and related operational equipment. This measure reduces non-productive expenditures, optimizes resource allocation, and improves overall operational performance.

(5) Personnel training:

The Company has actively established key functional teams, including order management, dispatch, and drivers. Through direct communication, hierarchical authorization, and skill development, the professional capabilities of each role are strengthened. This fosters an efficient collaboration mechanism to enhance overall operational efficiency and service quality.

2. Long-term:

- (1) In terms of oil products: The continual expansion of domestic business venues ensures the Company's leading position in the diesel market. In terms of transportation, the integration of shipping, warehousing, and logistics services enhances overall operating efficiency and steadily increases profits.
- (2) Streamlined and efficient operations, horizontal integration and reduction of supplier quantity, combined with the introduction of a new management system in each division, reduce excessive operating costs and redundant expenses, so that human resources can be used most efficiently to achieve the highest per capita output value.
- (3) Sustainable operation and resource integration are employed to create circular benefits and address vehicle-related needs for suppliers, such as vehicles, diesel, warranty, tires, etc., which can all bring additional economic benefits and strengthen collaboration ties
- (4) Activate and own assets, utilize and create the use value of idle assets and non-operating income, replace and newly purchased more effective equipment, and replace the rental cost of leased assets with the interest expense of purchased assets to achieve expense assetization.
- (5) Informational real-time management: Based on hierarchical advanced data dashboards set up for each business unit, quantitative management indicators are established to provide real-time operational performance and various data for precise budget management, gaining comprehensive control of the Company's operation.

II. Market and Sales Overview

(I) Market Analysis

1. The Company primarily provides a comprehensive transportation supply chain service, including import and export container transport, domestic transport within Taiwan (flatbed and bulk cargo), and logistics warehousing, as well as fuel sales services through gas stations.

2. With liberal competition in the domestic oil market, price reduction and promotion, and the rise of the rental cost of gas stations, the gas-station business has entered into an era of low profits. The gas station operators have changed their marketing strategies, strengthened the alliance of different industries, and issued joint gas cards to create more revenue. At present, CPC still owns the highest shares in the domestic gas station industry. In terms of oil brands, the top ones are CPC and Formosa Petrochemical Corporation. Since the first Shan-Loong gas station was established in 1998, through continuous efforts, the Company has 74 gas stations now, which are located all over Taiwan. The oil distribution volume and market share are growing steadily. The inventory value loss due to falling oil price, originally caused by oil price fluctuation, is unaffordable to ordinary gas station channels. Because of the uncertainty, the Company has implemented inventory management to cope with positive & negative impacts from oil price fluctuations.

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

3. Competitive niches, favorable and unfavorable factors for future development, response measures

- (1) Award History

- a. The Company has strict self-requirements for quality, and has passed ISO 9001 International Quality Management System Verification, SQAS Road Transportation Safety and Quality Evaluation System Verification, ISO 14001 International Environmental Management System Verification, OHSAS18001 Occupational Safety and Health Evaluation System Verification and TTQS Training Quality Talent Development Quality Management System Appraisal for the 2018 Bronze Medal.
- b. The Winner of World Magazine's Top 2000 Survey 2018: 89th in the Service Industry
- c. In 2019, the Company passed the annual assessment of the Road Transportation Safety Quality Assessment System (SQAS) of the General Management Office of Formosa Plastics Co., Ltd. and won the seventh place in the warehousing and cargo industry of "Taiwan's Large Enterprise Ranking Top 5000".
- d. In 2020, the Company's Environmental Remediation Lab passed the Qualification Permit of the Environmental Inspection and Measurement Organization, and Shan-Loong Customs Declaration, the subsidiary, also won the recognition of Excellent Customs Declaration.
- e. 2021: Honored by the National Taxation Bureau with the Excellent Operator Award.
- f. 2023: Passed the annual SQAS review held by the Formosa Plastics General Management Office.

(2) Favorable factors

- a. The Company has operational sites in the northern, central, and southern regions of Taiwan, enabling the provision of wide-ranging and timely transportation services to customers. By enhancing vehicle capacity, optimizing dispatch mechanisms, and improving vehicle utilization rates, the Company further increases transportation efficiency, achieves more effective trip operations, and strengthens overall operational performance.
- b. Gas stations are located throughout the province, providing transportation oil for the same industry is also better for customer base development than other operators. By careful evaluation, the Company establishes operation locations on the basis of profit priority.

(3) Unfavorable Factors

In recent years, rising raw material prices, along with increased procurement and labor costs, have led to higher operating expenses. In addition, the increasingly volatile global geopolitical landscape, along with major international trends such as net-zero carbon reduction and digital transformation, requires additional capital investment to replace or install new equipment in response to external changes.

(4) Response Measures

In response to the advent of the AI era, the transportation industry must also embrace intelligent operations management. Going forward, efforts will focus on strengthening the digital infrastructure of logistics and transportation services, promoting the implementation of smart fleet management systems and the application of IoT technologies to enhance overall transport efficiency.

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

1. Container transportation: the Company is specialized in import and export container transportation, from the terminal container yards to the customer factories, cooperate with the dispatching yard and hanging container operation in each district, integrate the transportation network all over the province and provide high-quality services.
2. Bulk transportation: the Company is engaged in carrying raw materials and finished goods, including flat and dump trucks as well as dumping operations, providing professional services for in-island transportation.
3. Dangerous goods transportation: the Company provides chemical tanks and various dangerous goods transportation services, and passed the SQAS European Transportation Safety and Quality Assessment Certification (Chemical Storage and Transportation).
4. Oil transportation: the Company has built new oil tank trucks to carry the transportation For CPC Oil and Formosa Plastic Oil, expanding the new business.
5. Automobile repair and inspection: Auto repair plants are established in northern, central and southern Taiwan, and inspection services are launched, too.
6. In addition, each of Shan-Loong's automobiles is equipped with advanced equipment such as GPS, image recording DVRs, etc., which provides multiple protection to achieve missions for customers.
7. The gas station business: Shan-Loong has set up direct-operated gas stations on all major transportation routes and nearby densely populated areas to provide consumers with high-quality oil products and services. The Company focuses on "pure, adequate, satisfactory, and safe" oil services for customers.

(III) Supply of Primary Raw Materials

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

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

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

Unit: NT\$1,000

Item	2023				2024			
	Name	Amount	Percentage in annual net purchase %	Relationship with the Issuer	Name	Amount	Percentage in annual net purchase %	Relationship with the Issuer
1	CPC	9,451,153	75.41	None	CPC	6,124,105	76.45	None
2	Formosa Petrochemical	3,081,970	24.59	None	Formosa Petrochemical	1,886,563	23.55	None
Net purchase		12,533,123	100.00		Net purchase	8,010,668	100.00	

2. The major customers in the most recent two fiscal years

Unit: NT\$1,000

Item	2023				2024			
	Name	Amount	Percentage in total net sales %	Relationship with the Issuer	Name	Amount	Percentage in total net sales %	Relationship with the Issuer
1	Cheng Loong and its subsidiaries, etc.	1,878,684	11.44	The company is a legal entity director of the Company	Cheng Loong and its subsidiaries, etc.	1,623,275	14.97	The company is a legal entity director of the Company
2	Jong Long Co., Ltd.	43,876	0.27	The company is a de facto related party of the Company.	Jong Long Co., Ltd.	24,633	0.23	The company is a de facto related party of the Company.
3	Jie Long Transportation Co., Ltd.	6,074	0.04	The company is a de facto related party of the Company.	Jie Long Transportation Co., Ltd.	5,260	0.05	The company is a de facto related party of the Company.
4	Others	14,213,644	86.54	None	Others	9,192,646	84.79	None
Net sales		16,423,894	100.00		Net sales	10,841,809	100.00	

3. The reasons for the increase or decrease: None.

III. Employee Profile

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

Year		2023	2024	Current year as of March 31, 2025
Number of employees	Management staff	82	76	78
	Administrative Staff	421	344	333
	Field Staff	1,022	635	663
	Total	1,525	1,055	1,074
Average Age		37.23	37.97	37.33
Average year of services		6.12	6.38	6.12
% Education	PhD	-	-	-
	Master	1.05%	2.27%	2.70%
	University	51.54%	44.27%	43.95%
	High school	35.67%	43.41%	43.76%
	Below high school	11.74%	10.05%	9.59%

IV. Environmental Protection Expenditures

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

(II) Response Measures

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

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

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

The Company is committed to providing a safe and healthy working environment. To this end, a dedicated occupational safety office has been established to coordinate and promote related initiatives, and the Company has obtained ISO 45001 certification for its occupational health and safety management system. Through a comprehensive management system and regular inspections of environmental facilities, the Company effectively prevents occupational accidents and ensures the safety and health of its employees.

The Company has established a set of safety and health rules at work, in accordance with the quality policy of “economical, quick, and responsible” and the safety and health policy of “full participation of employees, safety first, and disaster zeroing.” The Company continuously promotes safety and health management, creates a good working environment, and provide employees with a safe, comfortable, and healthy working environment.

The Company has established and strictly implements relevant regulations to protect employee safety and ensure a sound working environment.

1. Safety and health policy management procedures: Establish a management system to ensure effective implementation of policies.
2. Employee occupational safety and health education and training: Strengthen safety awareness and emergency response capabilities.
3. Occupational injury and accident investigation handling procedures: Implement comprehensive reporting and improvement mechanisms.
4. Employee health protection management procedures: Provide health promotion and follow-up services.
5. Maternity health protection measures for female employees: Ensure a friendly and supportive work environment.
6. Prevention and management procedures for unlawful harm while performing duties: Strengthen preventive mechanisms to safeguard employee safety.
7. Regular health checkups and psychological counseling: Conducted every two years, including health education and personalized guidance.
8. Access control and surveillance systems: Strictly manage personnel entry and exit to ensure workplace safety.

The Company will continue to strengthen its occupational safety and health management to create a safe work environment with zero hazards, zero accidents, and zero occupational injuries.

VI. Labor Relations

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

1. Employee Benefits Measures and Implementation Situation

The Company attaches considerable importance to the welfare of its employees, and has established an employee welfare committee in accordance with the regulations. The variety of welfare measures for employees include meal provisions, wedding ceremonies, funeral services, birthday celebrations, travel and recreation, and accident and disaster relief, as well as medical assistance for employees' families. There are also measures such as recognition events for outstanding employees, maternity congratulations, disability compensation for work-related injuries, labor insurance, winter and summer uniforms, and scholarships for employee's children. On April 1, 2021, the Measures for Enforcing the Employee Benefits was amended to increase the amount of employee benefits, such as wedding celebration funds for employees or their children, birth celebration funds, and funeral reliefs.

2. Employee development, training and implementation

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

3. Retirement system and implementation

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

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

4. Situation of Labor and Management Relations

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

5. Measures to safeguard the rights and interests of employees

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

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

(II) The Company's employee education and training planning and implementation for 2024

In 2024, employee training remained aligned with the Company's annual objectives, with continued promotion of various training programs to strengthen employees' professional competencies and regulatory compliance, ensuring the organization's stability and competitiveness. Although the total training expenses and number of participants declined compared to the previous year, efforts were actively made to optimize course content to align with the Company's development needs. The main training programs were as follows:

1. Operational management competency training:

Targeting senior and mid-level managers, the Company organized one training session on business management, with 10 participants and a total of 60 training hours. An amount of NT\$39,200 was invested in this training to strengthen decision-making capabilities and strategic planning within the management team.

2. Core professional competency training:

Aimed at mid-level and frontline employees, the Company conducted 10 sessions of professional skills training, with a total of 5 participant instances and 84 training hours. An amount of NT\$47,400 was invested to enhance employees' professional knowledge and technical application capabilities.

3. Topic-based functional training:

Targeted at frontline staff and managerial personnel, the Company held 38 training sessions with a total of 468 participant instances, accumulating 977.5 training hours. A total of NT\$289,175 was invested to strengthen knowledge and application capabilities in specific areas.

4. Regulatory and certification training:

For frontline employees, professional drivers, and gas station staff, the Company organized 75 training sessions related to regulations and certifications. A total of 175 participant instances were recorded, with 1,633 cumulative training hours. The total investment amounted to NT\$378,990 to ensure regulatory compliance and operational safety.

5. Promotion of digital learning:

Due to internal adjustments in 2024, digital learning courses were not implemented, and thus no related training hours or expenses were incurred.

Overall, in 2024, the Company conducted a total of 124 training sessions, with 658 participants and a cumulative training duration of 2,754.5 hours. The total training expenditure amounted to NT\$754,765. Although the overall training volume was adjusted, the Company remained committed to providing high-quality training resources to ensure that employees possess the necessary professional skills and regulatory knowledge to support business development and enhance competitiveness. Moving forward, the Company will continue to review and optimize its training strategies to increase coverage and ensure employees have access to more comprehensive learning opportunities, thereby promoting overall corporate growth.

Statistics of the Company's Employee Education and Training for Year 2024

Functional Category	Target	Course	Total	Total hours	Total Fee
Operational management function	Senior and middle-level supervisors	1	10	60	39,200
Core Professional Functions	Intermediate, Grassroots Colleagues	10	5	84	47,400
Grass-roots management functions	Mid-level, grass-roots management colleagues	0	0	0	0
Functions by Assignment	Grassroots, management colleagues	38	468	977.5	289,175
Regulatory Certificate Functions	Grassroots, Drivers, Gas Workers	75	175	1,633	378,990
Digital Learning Functions	Intermediate, Grassroots Colleagues	0	0	0	0
Total		124	658	2,754.5	754,765

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

Date of Punishment	Number of Punishment	Violation of the Provisions of the Law	Violation of the Content of the Law	Content of the Punishment
2024.04.10	Kaohsiung City Labor Regulations No. 11332146100	Article 24 of the Labor Standards Act	Failure to pay overtime wages according to regulations	Penalty of NT\$50,000
2024.05.13	Fu Lao Zi Zi No.1130059100	Article 16 (3) of the Labor Standards Act Article 12, Paragraph 2 of the Labor Pension Act	Failure to pay wages for the advance notice period according to law Employer failed to pay severance under the new system within 30 days after termination of the labor contract	Penalty of NT\$20,000 Penalty of NT\$300,000
2024.05.27	Tainan Labor Safety No. 1130718366	Article 38 (4) of the Labor Standards Act	Failure to pay wages for unused special leave as required	Penalty of NT\$50,000
2024.10.07	Fu Shou Lao Dong Zi No. 1130285885	Article 38 (5) of the Labor Standards Act	Failure to record special leave days and corresponding wages for unused days in the wage ledger	Penalty of NT\$20,000
2024.10.30	Fu Lao Dong Zi No. 1130413033	Article 38 (4) of the Labor Standards Act	Failure to pay wages for unused special leave at the end of the year or upon contract termination	Penalty of NT\$20,000
2024.12.03	New Taipei Labor Inspection No. 11346685191	Article 32 (2) of the Labor Standards Act	Overtime exceeding legal limits	Penalty of NT\$50,000
2024.12.03	New Taipei Labor Inspection No. 1134668519	Article 24 of the Labor Standards Act	Failure to pay overtime wages according to regulations	Penalty of NT\$96,000

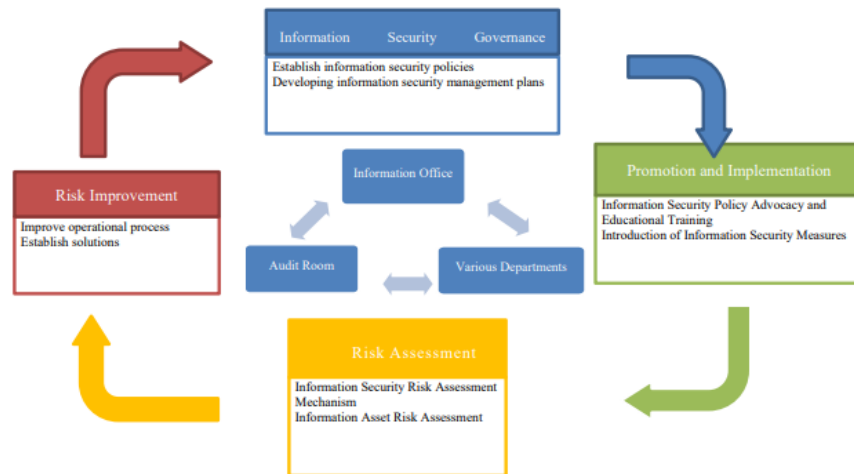
Response Measures

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

VII. Information Security Management

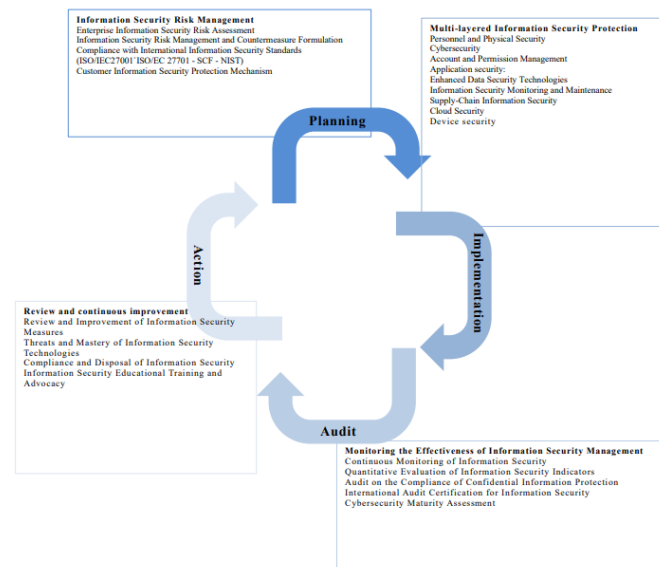
(I) Information security management strategy and structure:

1. Information Technology Security Risk Management Framework
 - (1) The information security authority of the Company shall be the information office, including one information director and one information supervisor, along with a number of information professionals. They are responsible for formulating internal information security policy, planning and implementing information security operations, and promoting and implementing information security policy. The implementation status of the Company's information security governance is regularly reported to the chairman meeting after being summarized by the highest executive in enterprise information.
 - (2) The audit room of the Company is the supervision unit for information security supervision. The top supervisor of the audit room is an observer who holds quarterly meetings to review and resolve information security and information protection policies and policies, and implement the effectiveness of information security management measures to reduce internal information security risks.
 - (3) Organizational operating model - Adopt PDCA (Plan-Do-Check-Act) cycle management to ensure that reliability goals are achieved and continuously improved.
2. Information Security Policy and Specific Management Proposals
 - (1) The Company's information security management mechanism examines the applicability and protection measures of information security policies in accordance with the management cycle mechanism of Plan-Do-Check-Act (PDCA). Its policies include the following three aspects:
 - a. System specifications: formulate the Company's information security management system to regulate the work behavior of personnel.
 - b. Science and technology application: the construction of information security management equipment, the implementation of information security management measures.
 - c. Personnel training: Conduct information security education and training to enhance the awareness of all colleagues.



(2) Enterprise Information Security Management Policy and Structure

(2) Enterprise Information Security Management Policy and Structure



(3) Specific management plan

a. Cybersecurity:

- Implement advanced technologies for scanning, monitoring, and analysis of servers and networks, as well as system and software updates.
- Enhance network firewalls, intrusion prevention systems, and network control mechanisms to prevent lateral spread of malicious software across devices and zones.

b. Device security:

- Establish an anti-virus mechanism to prevent computers containing malware from entering the Company.
- Implement endpoint antivirus measures based on computer types by deploying endpoint protection software to enhance malicious behavior detection and enable real-time blocking.

c. Application Security:

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

- (b) Continuously strengthen application security controls and integrate them into development processes and platforms.
 - d. Enhanced Data Security Technologies:
 - (a) Use advanced data protection tools to strengthen document confidentiality classification and data protection with data labels.
 - (b) Document and data encryption controls and effective tracking.
 - (c) Outgoing mail control.
 - e. Educational Training and Advocacy:
 - (a) Enhance employees' awareness of email social engineering attacks and perform phishing email defense detection.
 - (b) Organize employee recognition exercises to improve employees' awareness of safety.
 - f. Cybersecurity Attack Simulation Exercise:
 - (a) An internal testing team was established to enhance risk disclosure and accelerate risk mitigation.
 - (b) Entrust an external professional vendor to run the Company's cyberattack simulation drill.
 - (c) Integrate objective results and threat intelligence of third-party verification, conduct risk assessment, and review and enhance.
- (4) Investing in security management resources

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

- a. Computer room safety: a new generation of computer room, strengthen the integration of fire protection and environmental control system, the use of integrated environmental control system characteristics, the power, air conditioning, temperature and fire integration in it, to effectively monitor the condition of the computer room.
- b. Account and access management: Build a single sign-on (SSO) authentication solution, authenticate system accounts through one-time user authentication, log into multiple application systems or websites with access management policies, and use multi-factor authentication (MFA) to enhance the security of use.
- c. Endpoint security: Set up Endpoint Security software to conduct antivirus monitoring and intercept threats for all types of hosts, carry out application activity monitoring, network monitoring, assess the overall system health, and report detection and status information, in order to protect the hosts from intrusions and provide protection.

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

(II) Communications Security Risks and Response Measures:

The Company has established comprehensive network and computer-related security measures, but cannot guarantee that its computer systems that control or maintain important corporate functions such as company operations and accounting can completely avoid cyberattacks from any third-party systems. These cyberattacks illegally hack into a company's internal network system, carrying out activities such as disrupting the Company's operations and damaging the

Company's reputation. In the event of a serious cyberattack, the Company may lose important data, and some operations may be shut down. The Company continuously reviews and evaluates its information security policies and procedures, utilizing cybersecurity technologies for monitoring and analysis to ensure the adequacy and security of its systems. However, it cannot guarantee immunity from emerging risks and attacks amid the rapidly evolving landscape of information security threats. Cyberattacks may also attempt to steal trade secrets and other confidential information, such as proprietary information of customers or other stakeholders, as well as personal information of company employees.

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

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

(III) Major information security incidents:

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

VIII. Important Contracts

Type of Contract	Party	Contract Duration	Main content	Restrictions
Oil Contract	CPC	2021.08.01~2033.12.31	Automobile Gas Station Supply Alliance Contract	None
Oil Contract	Formosa Plastics	2021.08.01~2028.07.31	Purchase and Sales Contract of Oil Products for Gas Station	None

Chapter 5. Evaluation of Financial Status and Operating Results Review and Risk Matters

I. Financial Status

Units: NT\$ Thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	2,280,458	3,637,256	(1,356,798)	(37.30)
Property, plant, and equipment	3,833,599	3,755,114	78,485	2.09
Intangible assets	165,058	161,863	3,195	1.97
Other non-current assets	209,350	218,833	(9,483)	(4.33)
Total asset value	8,849,349	10,953,196	(2,103,847)	(19.21)
Current liabilities	2,891,388	3,249,105	(357,717)	(11.01)
Non-current liabilities	2,072,948	2,619,756	(546,808)	(20.87)
Total liabilities	4,964,336	5,868,861	(904,525)	(15.41)
Capital stock	1,372,818	1,372,818	-	-
Capital surplus	589,490	588,908	582	0.10
Retained earnings	1,231,327	1,741,067	(509,740)	(29.28)
Other equity interest	516,033	1,215,527	(699,494)	(57.55)
Treasury stock	(31,863)	(31,863)	-	-
Equity attributable to shareholders of the parent company	3,677,805	4,886,457	(1,208,652)	(24.73)
Non-controlling Interests	207,208	197,878	9,330	4.72
Total equity	3,885,013	5,084,335	(1,199,322)	(23.59)
<p>Explanation of major changes: (changes in previous and subsequent periods up to 20% and the amount of changes up to NT\$10 million)</p> <p>(I) Decrease in current assets: The decline is mainly due to the previous balance sheet date falling on a holiday. In line with standard industry practices with major suppliers, payments were made on the next workday, resulting in a lower cash balance compared to the previous period.</p> <p>(II) Decrease in non-current liabilities: A portion of long-term borrowings became due within one year, leading to a reduction in the long-term borrowings balance compared to the previous period.</p> <p>(III) Decrease in retained earnings: Due to a comprehensive loss for the current year, retained earnings decreased accordingly.</p> <p>(IV) Decrease in other equity: This was due to a fair value assessment of equity instruments, where a decline in stock prices resulted in a valuation loss.</p>				

II. Financial Performance

Units: NT\$ Thousand; %

Item \ Year	2024	2023	Increase (Decrease) Amount	Percentage change (%)
Operating revenue	10,841,809	16,423,894	(5,582,085)	(33.99)
Operating costs	10,074,105	15,204,944	(5,130,839)	(33.74)
Gross profit	767,704	1,218,950	(451,246)	(37.02)
Operational expenses	1,305,177	1,254,647	50,530	4.03
Net operating profit	(537,473)	(35,697)	(501,776)	1,405.65
Non-operating revenue and expenses	76,450	123,686	(47,236)	(38.19)
Net income before tax	(461,023)	87,989	(549,012)	(623.96)
Income tax expenses	(14,456)	5,333	(19,797)	(371.07)
Net profit for the period	(446,567)	82,656	(529,223)	(640.27)
Other comprehensive income (loss)	(678,109)	219,512	(897,621)	(408.92)
Total comprehensive income for the period	(1,124,676)	302,168	(1,426,844)	(472.20)

(If the increase or decrease amounts to 20%, and the change amounts to NT\$10 million, please analyze and explain)

- (I) Decrease in operating revenue and costs: Due to the upgrade of gas station hardware, operations were suspended during the upgrade period, leading to a reduction in revenue.
- (II) Decrease in non-operating income and expenses: This is due to the decrease in dividend income in the current period.
- (III) Decrease in income tax expense: This is due to a reduction in taxable income from main business activities.
- (IV) Decrease in other comprehensive income: This was due to a fair value assessment of equity instruments, where a decline in stock prices resulted in a valuation loss.
- (V) Gross profit, operating profit, profit before tax, net profit, and total comprehensive income for the period: The aforementioned factors resulted in negative performance across gross profit, operating profit, profit before tax, and net profit for the period.

III. Analysis of Cash Flow

(I) Analysis Instructions of Cash Flow Changes in the Most Recent Fiscal Year

Year Item	2024	2023	Percentage of Increase (Decrease) %
Cash Flow Ratio	-31.56%	33.77%	-246.96
Cash flow adequacy ratio	114.01%	125.01%	-10.21
Cash re-investment ratio	-16.40%	13.13%	-706.12

If the increase or decrease ratio changes by more than 20%, the analysis and explanation are as follows:

1. Increase in cash flow ratio: This was mainly due to a significant decrease or a shift to net outflow in cash flows from operating activities, along with an increase in current liabilities.
2. Increase in cash re-investment ratio: This is mainly due to the decrease in net cash flow from operating activities.

(II) Analysis of the Cash Flow Difference of the Next Year:

Unit: In Thousands of New Taiwan Dollars

Cash balance at the beginning of the period	Annual net cash flow from operating activities	Annual cash outflow	Ending cash balance amount	Remedy for cash inadequacy	
				Investment plan	Financing plan
1,142,051	370,000	350,000	1,162,051	-	-

1. Cash Flow Analysis for the Year of the current year:
 - (1) Operating activities: Based on the development direction of the Company's main business, the sales and profits are stable, and the cash flow of operating activities is expected to increase in the next year.
 - (2) Investment activities: it is expected to increase investment in fixed assets, distribute cash dividends and other activities.
2. Remedy action for estimated cash inadequacy: Not applicable.

IV. Major Capital Expenditures and Impact on Financial and Business in the most recent year: None.

V. Investment policy in the past year, the main reasons for profit/loss, improvement plan, and investment plan for the upcoming fiscal year: There are no other reinvestment plans for the Company in the most recent fiscal year.

VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and as of the Publication Date of the Annual Report:

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Measures:

As of the end of 2024, the Company maintained a sound overall financial position, with cash and cash equivalents totaling NT\$1,142,051 thousand, reflecting flexible capital utilization.

1. Interest rate fluctuations: As Central Bank policy rate changes remained limited, there was no significant impact on the Company's overall cost of capital. The Company maintains good relationships with multiple financial institutions, resulting in stable borrowing terms. With sufficient cash and cash equivalents on hand during the year, there is no funding gap. The impact of future interest rate increases on the Company's financial position is expected to remain within a manageable range.

2. Exchange rate fluctuations: The Company's operations primarily focus on domestic petroleum sales and transportation services, with its main customer base concentrated in the Taiwan market. As a result, exchange rate fluctuations have minimal impact on the Company's revenue and costs. In addition, the Company continues to adopt a natural hedging strategy to manage foreign currency exposures and does not engage in high-risk derivative financial product transactions. The finance unit closely monitors exchange rate market trends and formulates specific response measures when necessary to mitigate potential risks.
 3. Inflation: Although raw material price fluctuations have intensified in recent years and overall inflationary pressure remains, the Company's oil supply has remained stable and its procurement strategies are flexible. In addition, part of the increased costs has been passed on through sales prices. As a result, as of the end of 2024, the impact of inflation on the Company's cost structure and profitability has been limited. The Company will continue to closely monitor policy adjustments and market price trends to maintain a balance between costs and selling prices.
- (II) The policies to engage in high-risk, highly-leverage investments, lending, endorsements and guarantees, and the transactions of financial derivative products, the main reasons for gains and losses, and the future countermeasures:
1. Neither the Company nor its subsidiaries are engaged in high-risk and high-profile investments but operation of its business.
 2. For endorsements and guarantees and fund loans to others engaged by the Company and its subsidiaries due to business needs, in addition to careful evaluation, and in accordance with the relevant laws and regulations of the FSC and the provisions of the "operating procedures for endorsements and guarantees" and "operating procedures for fund loans to others" formulated by the Company, the Company shall timely and correctly announce all information.

(III) Future R&D Projects and Estimated R&D Expenditure

The investment plan for the upcoming fiscal year, in addition to updating outdated equipment, will focus on energy saving, intelligence, automation, and digitalization:

To ensure corporate competitiveness and respond to market changes, the Company will, in the coming year, focus on strategic developments in energy efficiency, intelligence, automation, and digitalization, promoting key technology upgrades and operational optimization. The main investment directions include:

1. Self-service gas station autonomous operation system and data-driven management.
The Company will deepen the autonomous operation model of its self-service gas stations by developing proprietary systems and hardware to enhance data-driven applications, thereby improving operational efficiency and responsiveness to market changes. At the same time, through data analytics, the Company will optimize station operations, enhance the customer fueling experience, and ensure stable operational performance.
2. Upgrade and optimization of self-service car wash machines
In response to growing market demand for car wash services, the Company will integrate next-generation self-service car wash machines with upgraded hardware and software to enhance equipment performance and user convenience. A more comprehensive operational model will also be planned to strengthen market competitiveness.
3. The CMS (Central Management System) development focuses on system integration. The first phase includes the integration of the PMS (Pump Management System) and FMS (Fleet Management System). Additional systems will be gradually incorporated in future phases.
4. Corporate membership management system upgrade and service enhancement
To enhance the service experience for corporate members, the Company will introduce a next-generation self-service management system that offers smarter and more personalized services, aiming to strengthen customer loyalty. By leveraging digital technologies, the Company will further improve interactive mechanisms, allowing corporate clients to more

conveniently manage fleet fuel consumption, transaction records, safety controls, and personalized settings.

5. Internal process automation and digital transformation

To enhance internal operational efficiency, the Company will fully promote digitalization and automation by optimizing the following systems:

- ERP (Enterprise Resource Planning) process enhancement: Improve ERP workflows to boost operational efficiency and decision-making accuracy.
- TMS (Transportation Management System) implementation and optimization: Integrate and optimize modules including order management, dispatch monitoring, vehicle management, real-time transport tracking, data analytics, transportation cost control, and optimal route planning to strengthen logistics coordination and management capabilities.
- Human resource management system optimization: Enhances personnel administration and performance evaluation.
- Internal training system planning: Develop a digital learning platform to improve employees' professional competencies.
- Intelligent repair request and IT service management system: Integrates an AI chatbot for automatic responses and task assignment, optimizing IT service processing efficiency. It also connects with JIRA for real-time tracking and management.
- Data governance and decision support system: Establishes a data lake and a Business Intelligence (BI) platform to enhance decision accuracy through data visualization and AI-powered predictive analytics.
- RPA (Robotic Process Automation) application: Implement RPA technology for repetitive administrative tasks such as data entry, report generation, and account reconciliation, reducing manual workload and improving work efficiency.
- Electronic approval and process automation: The Company previously used the Flowring Technology Corp. electronic approval system and plans to fully transition to Microsoft Teams. By integrating Power Automate and Teams Approvals, the Company aims to achieve paperless, real-time electronic approvals and workflow management, thereby improving operational efficiency.
- Information security and Identity & Access Management (IAM) enhancement: The Company is implementing Identity and Access Management (IAM) mechanisms to strengthen internal system access control, ensure more granular permission management, and integrate Single Sign-On (SSO) and Multi-Factor Authentication (MFA) to enhance data security and regulatory compliance.
- Enhanced internal digital collaboration and document management: Building on the existing Microsoft Teams and SharePoint platforms, the Company will further optimize workflow integration, introduce AI collaboration tools to improve cross-departmental efficiency, and promote intelligent document management and knowledge base development to reduce manual communication costs.

6. Information Security and Infrastructure Upgrades

To address cybersecurity threats and ensure operational stability, the Company will invest resources in comprehensive enhancements to information security, testing, and hardware/software upgrades. These efforts include:

- Strengthening network management and information security controls by enhancing endpoint protection, analyzing and monitoring network traffic, and ensuring secure data transmission
- Reinforcing anti-hacking mechanisms through adversarial testing and analysis from a hacker's perspective to reduce the risk of cyberattacks
- Optimizing surveillance system configurations to improve security monitoring capabilities at stations and facilities

- Replacing outdated hardware equipment to ensure stable system operations
- Promoting DevSecOps and shifting security left in the development process to reduce security risks and lower development and maintenance costs

The Company will continue to invest resources in technological innovation and digital transformation to enhance operational efficiency and market competitiveness, thereby ensuring sustainable business development.

(IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Business:

Important policy and legal changes at home and abroad in the most recent year had no significant impact on the Company's financial business. Look forward to the future, the Company will collect relevant information from time to time and discuss necessary countermeasures to meet the needs of the Company's operation.

(V) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Business:

The company's businesses are mainly transportation, gas stations and other service. The competitiveness of the industry mainly depends on the quality of transportation equipment, oil supply and operators' familiarity and service attitude. Therefore, there was no impact on the Company due to major technical changes in the last year.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures:

The Company has always adhered to the principles of professionalism and integrity, emphasizing corporate image and risk control, and there are currently no foreseeable crises.

(VII) Expected Benefits and Risks Relating to Merger and Acquisition Plans and Response Measures:

The Company has no plans for mergers and acquisitions in the most recent year and up to the date of publication of the annual report.

(VIII). Expected Benefits and Risks Relating to Plant Expansion Plans and Response Measures:

The Company has no plans to expand its premises in the most recent year and up to the date of publication of the annual report.

(IX) The risk and future mitigation efforts to risks associated with purchase concentration and sales concentration:

1. In terms of Purchase

The Company's main oil suppliers are CPC Oil and Formosa Plastics, the two major domestic oil factories, with no risk of concentrated inventory.

2. In terms of sales

The Company's main sales targets are general consumers and business firms, with no specific targets, hence there is no risk of sales concentration.

(X) Impacts, risks, and response measures resulting from major equity transfer or replacement of directors, or substantial shareholders holding more than 10% of the Company's shares: None.

(XI) Impact, risk, and response measures related to any change in the administrative authority towards the Company's operations: None.

(XII) Litigation or Non-litigation Events: None.

(XIII). Other significant matters and response measures:

1. Evaluation and response measures for information security risks: The Company has an information office, which is responsible for hardware and software development, as well as information security and monitoring. The information security policy includes: preventing computer virus intrusions, preventing hackers intrusions, preventing information leakage and internal audit operations, etc. The information office will evaluate the risks of information security at the end of each year, and propose an information management plan for the next year to respond to operation, information security and other needs. The policy management plan is as follows:
 - Preventing malware intrusions - All computers in the Company are equipped with comprehensive antivirus software and endpoint detection. Information personnel monitor system security on a daily basis, analyze system activity logs, and update virus definitions regularly to prevent malware intrusions.
 - Preventing hacker intrusions - The Company's network system has a robust firewall and intrusion threat detection mechanism that not only provides basic spam protection, but can also effectively identify and isolate threatening or suspicious emails to protect end-users from phishing emails aimed at stealing confidential information. However, as information security is constantly changing, in addition to being on the lookout for abnormal network behaviors, our IT personnel also perform daily checks of the server room to ensure that the information equipment is operating normally. In addition, data is backed up to the cloud weekly for external backup and disaster recovery purposes to prevent data damage caused by major disasters.
 - Preventing information leakage - In terms of personal data, every employee of the Company has a unique system account and password. The application for an account by new hires must be approved by the relevant authority and the information office manager. Once an employee resigns, the IT personnel will immediately change/delete the employee's account according to regulations. For the Company's passwords, except for the password administrator and the information office manager, no one is allowed to inquire without authorization, and all employees must change their passwords every quarter. Regarding the Company's confidential information, every employee of the Company must sign a confidentiality agreement. The disclosure of the Company's trade secrets is strictly forbidden, and every computer is equipped with a management device. Except for the managers and IT personnel, the rest of the employees are not allowed to use external storage devices. The Company holds regular information security campaigns every year to enhance employees' awareness of information security risks, while also establishing a robust firewall mechanism that can protect clients from phishing emails by effectively identifying and isolating threatening or suspicious emails, in addition to basic spam protection. The Management Measures for the Handling of Significant Information has been established to create a mechanism for handling and disclosing significant internal information. Not only does this prevent improper information leakage, but it also ensures the consistency and accuracy of the information that the Company releases to the outside world.
 - Information security threat intelligence collection and joint defense mechanism establishment:
To enhance information security, the Company regularly inventories all externally facing network services to identify potential attack surfaces. Additionally, the Company has joined a threat intelligence sharing center to access the latest threat information, stay informed of emerging attack trends and techniques, and proactively implement appropriate protective measures.
 - Internal audit operation - To strictly implement related measures of information security, the Information Security Operation Cycle, an internal audit item in the Company, is conducted yearly to ensure the control of passwords, the safety of files and equipment, data center management, data backup management, etc., which are the various indices influencing information security. Up until FY24, the audit results did not show any anomalies, and the results were reported to the board of directors' meeting.

2. Organization and Operation of Risk Management:

(1) Risk Management Policies and Procedures

With regard to the Company's risk management policies and procedures, considering the overall scale, business characteristics, risk nature, and operational activities of the Company and its subsidiaries, appropriate risk management policies have been set, including the following items:

- Risk Management Objectives
- Risk Governance and Culture
- Organizational Structure and Responsibilities of Risk Management
- Risk Management Procedures
- Risk Reporting and Disclosure

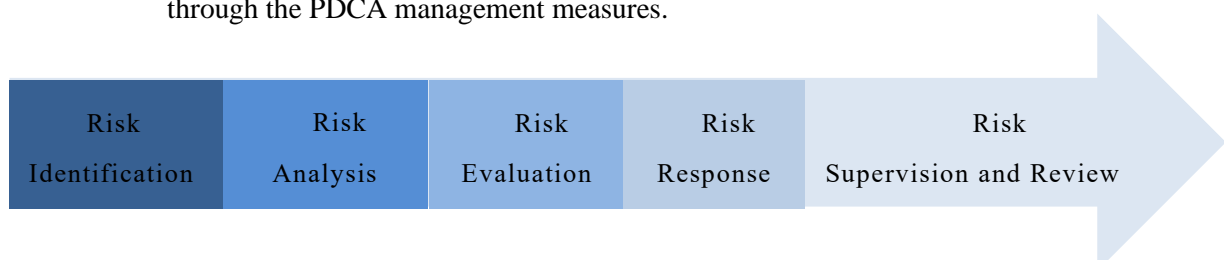
(2) The organizational structure and responsibilities of risk management are as follows:

- Board of directors' meeting: The board of directors' meeting of the Company serves as the highest unit for company risk management. Its goal is to comply with laws and regulations, promote and implement overall risk management of the Company, clearly understand the risks faced by operations, ensure the effectiveness of risk management, and bear the ultimate responsibility for risk management.
- Risk management unit: An independent unit from all business departments responsible for risk prevention, management, and control. It ensures that the operations of each business unit comply with relevant regulations, enforces risk management practices, and conducts risk assessment, forecasting, and the implementation of response measures.
- The operational management meeting: This refers to an executive meeting or operational meeting presided over by the CEO or president, which is responsible for carrying out the risk assessments of various plans and projects initiated by the control team.
- The financial unit: A fund coordination unit independent from each business department, responsible for handling the financial operations of each business unit and reporting on investments assessments.
- The audit unit: An independent department under the chairman meeting, which is responsible for internal controls and internal auditing, as well as supervising and providing methods and procedures to ensure the Company conducts effective operational risk management.
- The business unit: The supervisor of the business unit bears the responsibility for frontline risk management, and is responsible for analyzing and monitoring the relevant risks within their own unit, while ensuring that risk control mechanisms and procedures can be effectively implemented.

The president oversees the execution status of each department and reports to the chairman meeting.

3. Risk Management Process and Operation

The Company's risk management process includes risk identification, risk analysis, risk evaluation, and risk response, along with risk supervision and review, which are conducted through the PDCA management measures.



4. Risk Reporting and Disclosure

The Company adheres to the strengthening of corporate governance and aims for information transparency regarding the information reporting and timeliness for stakeholders, while disclosing the following risk management-related information on the Company's website and at the MOPS for external stakeholders to refer to, and continuously updating it. The specific disclosed items include:

- Risk Management Policies and Procedures
- Organizational Structure of Risk Governance and Management
- Risk Management Operation and Implementation

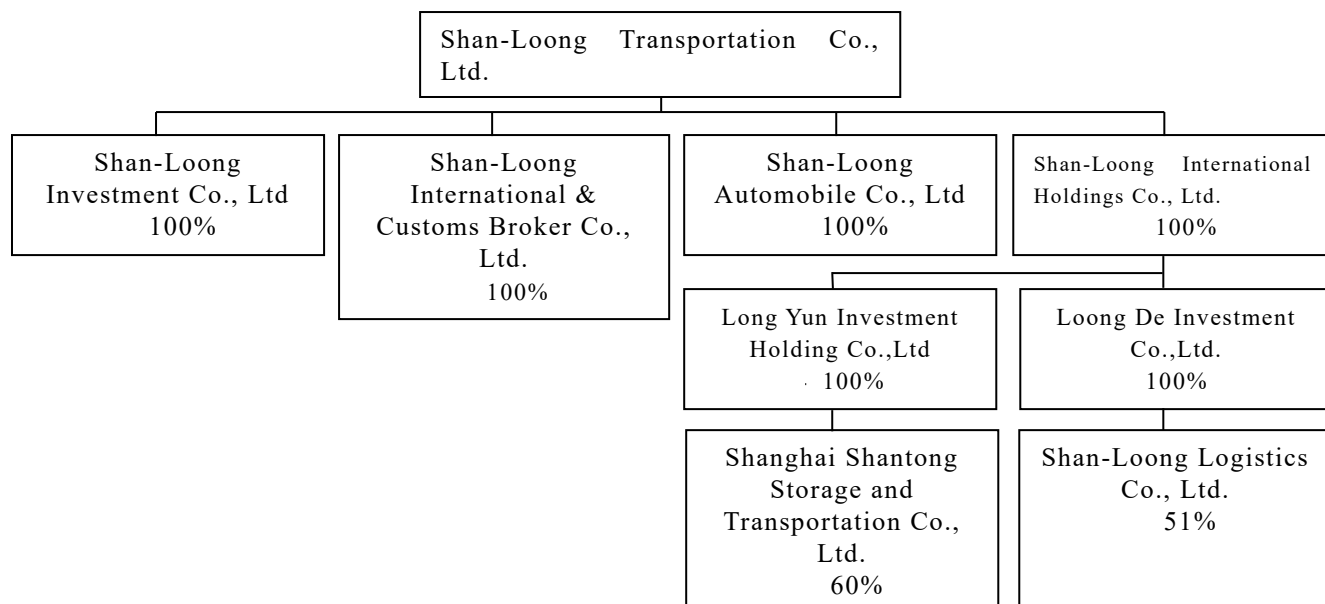
VII. Other important items: None.

Chapter 6. Special Disclosures

I. Summary of Affiliated Companies

(I) Consolidated Business Report of Affiliates

1. Organizational Structure of Affiliated Companies



2. Basic information of affiliates

Enterprise Name	Date of incorporation	Address	Paid-in capital (NT\$1,000)	Main Business or Products
Shan-Loong Investment Co., Ltd.	1998.12.07	1F., No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City	NT\$ 400,000	General investment business
Shan-Loong International & Customs Broker Co., Ltd.	1997.11.21	5F., No.133-7, Xinyi Rd., Zhongzheng Dist., Keelung City	NT\$ 131,000	Customs Brokerage, sea freight forwarding industry
Shan-Loong Automobile Co., Ltd	2020.09.02	1F., No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City	NT\$ 270,000	Automotive repair, wholesale and retail trade
Shan-Loong International Holdings Co.,Ltd	2002.06.05	P.O.BC3321 Road Town,Tortda,British Virgin Islands	US\$10,047	General investment business
Long Yun Investment Holding Co.,Ltd	2002.09.03	Level 2,Lotemau Centre,Vaea Street,Apia,samoa	US\$821	General investment business
Loong De Investment Co.,Ltd	2007.04.13	Level 2,Lotemau Centre,Vaea Street,Apia,samoa	US\$1,020	General investment business
Shanghai Shantong Storage and Transportation Co., Ltd.	2004.03.19	Room B210, 2 F, Building 2, No. 2250, Pudong S. Rd., Shanghai City	RMB5,000	Transportation
Shan-Loong Logistics Co., Ltd.	2018.06.05	Ho Chi Minh City Shu De County Ping Shoufang Hong De Street 9 No.	US\$2,000	Transportation

3. Information of the directors, supervisors and president of each affiliated enterprise

In shares

Enterprise Name	Position	Name and Representative	Current shareholding	
			Number of shares at the end of the year (thousand shares)	Sharehold ing ratio
Shan-Loong Investment Co., Ltd	Shan-Loong Transportation Co., Ltd.		40,000	100%
	Chairman	Representative: Jen-Hao Cheng		
	Director	Representative: Yu-Hung Lo (Note)		
	Director	Representative: Chih-Hung Yang (Note)		
	Director	Representative: Yu-Cheng Yao		
	Director	Representative: Wei-Teng Hsiao		
	Supervisor	Representative: Kun-Lin Wu		
Shan-Loong International & Customs Broker Co., Ltd.	Shan-Loong Transportation Co., Ltd.		13,100	100%
	Chairman	Representative: Jen-Hao Cheng		
	Director	Representative: Yu-Hung Lo (Note)		
	Director	Representative: Chih-Hung Yang (Note)		
	Director	Representative: Yu-Cheng Yao		
	Director	Representative: Wei-Teng Hsiao		
	Supervisor	Representative: Kun-Lin Wu		
Shan-Loong Automobile Co., Ltd	Shan-Loong Transportation Co., Ltd.		27,000	100%
	Chairman	Representative: Jen-Hao Cheng		
	Director	Representative: Yu-Hung Lo (Note)		
	Director	Representative: Chih-Hung Yang (Note)		
	Director	Representative: Yu-Cheng Yao		
	Director	Representative: Wei-Teng Hsiao		
	Supervisor	Representative: Kun-Lin Wu		
Shan-Loong International Holdings Co.,Ltd	Director	Shan-Loong Transportation Co., Ltd.	Contributed USD \$10,050,000	100%
		Representative: Jen-Hao Cheng		
Long Yun Investment Holding Co.,Ltd	Director	Shan-Loong International Holdings Co., Ltd.	Contributed USD \$820,000	100%
		Representative: Jen-Hao Cheng		
Loong De Investment Co.,Ltd.	Director	Shan-Loong International Holdings Co., Ltd.	Contributed USD \$1.02 million	100%
		Representative: Jen-Hao Cheng		
Shanghai Shantong Storage and Transportation Co., Ltd.	Long Yun Investment Holding Co.,Ltd		Contributed RMB 5 million	60%
	Chairman	Hui Hsiung		
	Director	Jen-Hao Cheng		
	Director	Lan-Hui Yu		

Enterprise Name	Position	Name and Representative	Current shareholding	
			Number of shares at the end of the year (thousand shares)	Shareholding ratio
	Director	Wen-Ming Cheng		
	Director	Hua Chou		
Shan-Loong Logistics Co., Ltd.	Loong De Investment C.,Ltd		Contributed USD \$1.02 million	51%
	Chairman	Chiu-Hsiang Pei Shih		
	Director	Jen-Hao Cheng		
	Director	Lan-Hui Yu		
	Director	Yi-Nuo Chen		

Note: Shan-Loong International & Customs Broker Co., Ltd. received approval for the change on February 10, 2025. Shan-Loong Investment Co., Ltd. and Shan-Loong Automobile Co., Ltd. received approval for their respective changes on March 11, 2025.

4. Status of operations of each affiliate

Unit: In thousands of New Taiwan Dollars

Enterprise Name	Capital	Total asset value	Total liabilities	Net Worth	Operating revenue	Operating profit (loss)	Net income (loss) (after tax)	Earnings per share (NT\$) (after tax)
Shan-Loong Investment Co., Ltd	400,000	707,322	15,439	691,883	—	(757)	15,908	NA
Shan-Loong International & Customs Broker Co., Ltd.	131,000	319,139	51,161	267,978	252,189	11,683	18,162	NA
Shan-Loong Automobile Co., Ltd	270,000	302,534	37,979	264,555	136,709	(34,513)	(30,939)	NA
Shan-Loong International Holdings Co.,Ltd	302,822	935,443	641	934,802	—	(1,465)	74,616	NA
LongYun Investment Holding Co.,Ltd	12,370	238,487	650	237,837	—	(1)	121	NA
LoongDe Investment Co.,Ltd.	30,643	101,599	74	101,525	—	(9)	21,913	NA
Shanghai Shantong Storage and Transportation Co., Ltd.	35,514	406,712	11,263	395,449	—	(449)	166	NA
Shan-Loong Logistics Co., Ltd.	60,810	240,847	140,789	100,058	497,711	46,510	39,558	NA

(II) Declaration of Consolidated Financial Statements of Affiliates

Statement

In FY2024 (from January 1 to December 31, 2024), the Company that should be included in the preparation of the consolidated financial statements of the related enterprise in accordance with the Preparation Standards for Consolidated Financial Statements and Relationship Reports of Related Enterprises in the Consolidated Business Report of Related Enterprises is the same as the Company that should be included in the preparation of the consolidated financial statements of the parent company/subsidiary in accordance with the International Accounting Reporting Standards No. 10 approved by the Financial Supervisory and Commission, and the relevant information disclosed in the consolidated financial statements of the related enterprise has been disclosed in the consolidated financial statements of the former disclosed parent subsidiary, and the consolidated financial statements of the related enterprise are no longer prepared separately.

Sincerely

Name of Company: Shan-Loong Transportation Co., Ltd.

Chairman: Jen-Hao Cheng

Date: March 31, 2025

II. Handling of Private Placement Securities

In the most recent year and up to the date of the annual report publication, the handling of private placement securities, including the date and amount approved by the shareholder meeting or chairman meeting, the basis and reasonableness of pricing, the method of selecting specific individuals, the necessary reasons for the private placement, the targets of the private placement, the qualification criteria, the subscription number, the relationship with the Company, the actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the impact on shareholder's equity from conducting private placement, and the use of funds from private placement securities, the progress of the fund usage plan being implemented, and the benefits realized from the plan, from the point when share capital or share price is fully received to the completion of the fund utilization plan: None.

III. Other Necessary Statements: None.

Chapter 7. Significant factors

In the recent year and up to the date of the printing of the annual report, Article 36.3.2 “any matter which has had a significant impact on shareholders’ rights or the price for the securities”: None.