

Stock Code : 1443



LILY LOGISTICS DEVELOPMENT CO., LTD.

**(Previous Known as LILY TEXTILE CO.,
LTD.)**

2023 General Meeting of Shareholders

Meeting Handbook

Shareholders Meeting conducted in physical manner

Time and Date: 9AM, June 13, 2023

Venue: No. 65, Sec. 1, Shuangfu Road, Pingzhen Dist., Taoyuan County

Activity Center of the Company's HQ

TABLE OF CONTENTS

I. AGENDA FOR GENERAL MEETING OF SHAREHOLDERS

1. Report Items	4
2. Ratification Items	7
3. Extempore Motion	

II. APPENDICES

1. 2022 Business Report	4
2. Audit Committee's Review Report	5
3. Independent Auditor's Report	8
4. 2022 Financial Statements and Business Statement	17
5. 2022 Profit and Loss Appropriation Table	27

III. ANNEX

1. Articles of Incorporation	28
2. Rules of Procedure for Shareholder Meetings	34
3. Current Shareholding of Directors and Supervisors	39
4. Other Matters	40

LILY LOGISTICS DEVELOPMENT CO., LTD.

2023 Agenda of General Meeting of Shareholders

I. Call the Meeting to Order

II. Opening Address by Chairperson

III. Report Items

1. 2022 Business Report.

2. Audit Committee's Review on 2022 Financial Statements and Consolidated Financial Statements.

3. Report on the Status of Endorsement and Guarantee and Loaning of Company Funds in 2022.

IV. Ratification Items

1. 2022 financial statements and consolidated financial statements.

2. 2022 earnings and loss appropriation plan.

V. Extempore Motion

VI. Adjournment

Report Items

I. 2022 Business Report

1. 2022 Business Status Report

1.1 Business Overview

In 2022, the Company's net operating income was NT\$577.96 million. Cost of Revenue was NT\$311.77 million. Operating Expenses was NT\$41.36 million and Operating Income was NT\$224.83 million.

1.2 Profit and Loss Overview

The Company's non-operating income and expense was NT\$62 thousand, and net income after tax was NT\$225.45 million in 2022.

1.3 Financial Status

As of 2022, the Company's total asset was NT\$6,676.65 million, and liabilities was NT\$4,987.40 million. Shareholder's equity was NT\$1,689.25 million.

2. The Company's improvement plan on Kunshan Lily Textile Co., Ltd.'s accounts receivable and long-term accounts receivable.

The Company shall execute its improvement plan on accounts receivable and long-term accounts receivable from subsidiary Kunshan Lily Textile Co., Ltd. as per approved by the Board. The execution details shall be submitted to the Board at the end of every quarter for discussion and decision of next quarter's improvement plan to be handed over to the Company for execution.

3. 2023 Business Plan Overview

As the impact of this global pandemic still severe, economy is much abiding by it, stay-at-home economy is continuing to rise. The trend of consumers using home delivery service to purchase goods has kept on expanding, hence the demand of delivery and logistics industry is rising as well. The Company not only improve service to our existing customers, but also actively expanding to new customer groups. The newly built warehousing building in Yang Mei Warehouse Logistics Center is in operation in 2023. The Phase 3 Warehousing Building in Ping Zhen Warehouse Logistics Center has started construction in October 2022, as well as other building projects on schedule as planned. With all these, the Company believes profit will increase yearly.

Chairman:

Manager:

Accounting Officer:

II. Audit Committee's Review Report on 2022 Financial Statements and Consolidated Financial Statements

Lily Logistics Development Co., Ltd.

Audit Committee's Review Report

Date: March 20, 2023

To: 2023 General Meeting of Shareholders of Lily Logistics Development Co., Ltd.

The Board of Directors has prepared the Company's 2022 Annual Business Report, the profit and loss appropriation proposal, the Consolidated Financial Reports and the Parent Company Only Financial Statements, of which the Consolidated Financial Reports and the Parent Company Only Financial Statements have been audited by CPA CHEN KUI-MEI and CPA DAVID WANG (partner) from Crowe LLP, and has issued a report thereon; the above-mentioned reports have been examined by the Audit Committee and found to be in order, and the Committee hereby respectfully submits its report in accordance with the Securities and Exchange Act and the Company Act.

Lily Logistics Development Co., Ltd.

Audit Committee Convener: CHIEN HUA YUEH

Committee Member: SU, TING

Committee Member: LIEN, SAN-HO

III. Statues of Endorsement and Guarantee and Loaning of Company Funds in 2022

Explanation:

1. The Company's endorsements and guarantees for Kunshan Lily Textile Co., Ltd. at the end of 2022 was RMB41 million.
2. In 2022, the Company's short-term financing loan to Kunshan Lily Textile Co., Ltd. was USD5 million. Business transaction loan to Kunshan Lily Textile Co., Ltd. was USD 10.334466 million and EURO 88.2 thousand.

Ratification Items

1.Proposed by the Board

Proposal: Adoptions of the 2022 Financial Statements and Consolidated Financial Statements.

Explanation: 2022 Business Report of the Company, Balance Sheet, Income Statement, Statement of Changes in Shareholder's Equity and Cash Flow Statement, as well as 2022 Consolidated Balance Sheet, Income Statement, Statement of Changes in Shareholder's Equity and Cash Flow Statement (please refer to page 4, 8-26) were audited by auditors and approved by the Board on March 13, 2023.

Resolution:

2.Proposed by the Board

Proposal: Adoption of Proposal for distribution of 2022 Profit and Loss.

Explanation: The Board has adopted the Proposal for Distribution of 2022 Profit and Loss (please refer to page 27) on March 13, 2002. It has been respectively submitted to Audit Committee for approval.

Resolution:

Independent Auditor's Report

To: Lily Logistics Development Co., Ltd.

Opinion

Lily Logistics Development Co., Ltd.'s parent company only balance sheet of December 31 of 2022 and 2021, the parent company only comprehensive income statement, parent company only statement of changes of equity, and parent company only cash flow statement from January 1 to December 31 of 2022 and 2021 and the notes to the parent company only financial statements (including the summary of major accounting policies) have been audited by the Auditor of the Firm.

According to the opinions of the Auditor, the above-mentioned parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, which are sufficient to express the parent company only financial status of Lily Logistics Development Co., Ltd. on December 31, 2022 and 2021, and parent company only financial performance and parent company only cash flow from January 1 to December 31 in 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Parent-Only Financial Statements section of our report. We are independent of the Lily Logistics Development Co., Ltd. (the Company) in accordance with the Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. The Auditor believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing audit opinion.

Key Audit Matters

Key audit issues are those that, in our professional judgment, were of utmost significance in our audit of the parent company only financial statements of the Company for the year 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these issues. The key audit items of Lily Logistics Development Co., Ltd.'s parent company only financial statements in 2022 are as follows:

Impairment of accounts receivable

Please refer to Notes (4)6, (6)4 and (7) of the parent company only financial statement for relevant disclosures on impairment of receivables.

For Lily Logistics Development Co., Ltd.'s receivables (including related parties) on December 31, 2022, the impairment was recognized by the management level via various external evidence evaluations. Since it involves the judgment of the management level, it is listed as the key items to be verified by the Auditor when reviewing the financial statement.

The major audit procedures performed by the Auditor in response to the above key audit matters include:

1. Obtain the aging analysis table of accounts receivable, calculate the aging interval, and audit

the original documents to verify that the accounts receivable have been listed in the appropriate period in the aging analysis table; and select the sample and send the letter for confirmation.

2. Review historical collection records, industrial economic conditions, and customer credit risk information, and test the collection situation after the period to evaluate the rationality of the Company's allowance for impairment and impairment loss of receivables.
3. Obtain the evaluation document for the impairment of accounts receivable, confirm whether it complies with the Company's accounting policies, and review whether the management level's disclosure of the allowance for accounts receivable is appropriate.

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

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

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

The governing unit of Lily Logistics Development Co., Ltd. is responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty

exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-only financial statements, including the accompanying notes, and whether the parent-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions for Lily Logistics Development Co., Ltd.

The planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year 2022, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe Global

Accountants:

Accountants:

License Number: Jin Guan Zheng Shen Zi No.
10200032833

March 13, 2023

Lily Logistics Development Co., Ltd.
Parent Only Balance Sheets
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11xx	Current assets	\$ 1,350,452	20	\$ 1,329,508	21
1100	Cash and cash equivalents (Note (6)1)	68,490	1	144,257	2
1120	Financial assets measured at fair value through other profit or loss - Current (Note (6)2)	5,824	-	6,003	-
1150	Notes receivable, net (Note (6)3)	2,402	-	12,229	-
1170	Accounts receivable, net (Note (6)4)	60,120	1	52,851	1
1180	Accounts receivable, net of related parties (Note (7))	2,701	-	1,828	-
1200	Other receivables (Note (6)5)	6,211	-	3,552	-
1210	Other receivable, related parties (Note (7))	1,009,488	15	907,704	14
1220	Current tax assets	762	-	841	-
1310	Inventory, net (Note (6)6)	1,655	-	1,908	-
1321	Real estate (Note (6)7)	4,918	-	4,918	-
1410	Prepayments	4,601	-	13,417	1
1476	Other financial assets - current (Notes (6)9, (8))	181,533	3	178,253	3
1479	Other current assets - others (Note (7))	1,747	-	1,747	-
15xx	Non-current assets	5,326,198	80	5,030,290	79
1517	Financial assets measured at fair value through other profit or loss - Non-current (Note (6)2)	153,246	2	125,536	2
1550	Investments Accounted for Using Equity Method (Note 6(10))	527,432	8	482,522	8
1600	Property, plant and equipment (Notes (6)11 and (8))	4,260,576	64	4,095,153	64
1755	Right-of-use assets (Note (6)12)	7,917	-	1,173	-
1900	Other non-current assets (Notes (13) and (7))	377,027	6	325,906	5
1xxx	Total liabilities and equity	\$ 6,676,650	100	\$ 6,359,798	100

(Continued to next page)

(Contd.)

Code	Financial liabilities and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
21xx	Current liabilities	\$ 383,034	6	\$ 298,079	5
2100	Short-term loans (Note (6)14)	185,000	3	100,000	2
2130	Contract liabilities - current (Note (6) 24)	1,637	-	3,025	-
2150	Notes payable	13,472	-	8,160	-
2160	Notes payable-Related parties (Note (7))	152	-	48	-
2170	Accounts payable	3,567	-	29,893	-
2200	Other payables	40,537	1	32,670	1
2220	Other payables-Related parties (Note (7))	210	-	96	-
2250	Contract liabilities - current (Note (6)15)	3,018	-	2,736	-
2280	Lease liabilities - current (Note (6)12)	3,124	-	1,197	-
2320	Long-term liabilities due within one year or within one business cycle (Note (6)16)	132,000	2	120,000	2
2399	Other current liabilities-Others	317	-	254	-
25xx	Non-current liabilities	4,604,367	69	4,632,658	73
2540	Long-term loans (Note (6)16)	2,900,000	43	3,075,000	48
2570	Deferred income tax liabilities (Note (6)29)	370,231	6	370,231	6
2580	Lease liabilities - Non-current (Note (6)12)	4,819	-	-	-
2640	Net defined benefit liability - Non-current (6)17)	17,247	-	16,699	-
2670	Other non-current liability - Others (Note (6)18)	1,312,070	20	1,170,728	19
2xxx	Total liabilities	4,987,401	75	4,930,737	78
Equity					
3100	Capital (Note (6)19)	1,353,430	20	1,353,430	21
3200	Capital surplus (Note (6)20)	701	-	701	-
3300	Retained earnings (Note (6)21)	(390,514)	(6)	(614,008)	(10)
3350	Accumulated deficit	(390,514)	(6)	(614,008)	(10)
3400	Other equity (Note (6)22)	725,632	11	688,938	11
3410	Exchange differences on translation of foreign operations	83,624	1	98,839	2
3420	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	138,376	2	86,467	1
3460	Real estate revaluation appreciation	503,632	8	503,632	8
3500	Treasury stock (Note (6)23)	-	-	-	-
3xxx	Total equity	1,689,249	25	1,429,061	22
	Total Liabilities and Equity	\$ 6,676,650	100	\$ 6,359,798	100

(The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Lily Logistics Development Co., Ltd.
Parent Only Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Code	Items	2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(24))	\$ 577,959	100	\$ 532,014	100
5000	Operating costs	(311,768)	(54)	(342,959)	(64)
5900	Gross profit	266,191	46	189,055	36
6000	Operating expenses	(41,361)	(7)	(40,461)	(8)
6100	Sales and marketing expenses	(7,009)	(1)	(6,126)	(1)
6200	General and administrative expenses	(34,352)	(6)	(33,653)	(7)
6450	Expected loss on credit impairment (Note 6(4))	-	-	(682)	-
6900	Operating income	224,830	39	148,594	28
7000	Non-operating income and expenses	616	-	76,212	14
7100	Interest income	7,029	1	6,339	1
7010	Operating revenue (Note 6(26))	1,178	-	1,851	-
7020	Other gains and losses (Note 6(27))	134,088	23	(22,782)	(4)
7050	Finance costs (Note 6(28))	(46,655)	(8)	(37,376)	(7)
7070	Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method (Note 6(10))	(95,024)	(16)	128,180	24
7900	Income before income tax	225,446	39	224,806	42
7950	Income tax relating to components of other comprehensive income (Note 6(29))	-	-	2	-
8000	Profit of (loss) for the period from continuing operations	225,446	39	224,808	42
8100	Loss from discontinued operations, net of tax (Note 6(8))	-	-	(2,621)	-
8200	Net income	225,446	39	222,187	42
8300	Net of other comprehensive income (Note 6(30))	34,742	6	37,936	7
8310	Not to be reclassified to profit or loss in subsequent periods				
8311	Remeasurements of defined benefit plans (Note 6(17))	(1,952)	-	(1,221)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	14,583	3	1,976	-
8336	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(10))	37,326	6	44,113	8
8360	To be reclassified to profit or loss in subsequent periods				
8361	Exchange differences on translation of foreign operations	(15,215)	(3)	(6,932)	(1)
8500	Total comprehensive income	\$ 260,188	45	\$ 260,123	49
	Basic earnings per share (NT\$) (Note 6(31))				
9710	Profit of (loss) from continuing operations	\$ 1.67		\$ 1.67	
9720	Net profit or loss from discontinued operation	-		(0.02)	
9750	Net profit for the year (NT\$)	\$ 1.67		\$ 1.65	

(The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Lily Logistics Development Co., Ltd.
Parent Only Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Items	Common stock	Capital surplus	Retained earnings Accumulated deficit	Other Components of Equity			Treasury stock	Total Equity
				Exchange differences on translation of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	Real estate revaluation appreciation		
Balance as of January 1, 2021	\$ 1,353,430	\$ 701	(\$ 833,657)	\$ 105,771	\$ 40,378	\$ 503,632	(\$ 9,056)	\$ 1,161,199
Net of 2021	-	-	222,187	-	-	-	-	222,187
Other comprehensive income for 2021	-	-	(1,221)	(6,932)	46,089	-	-	37,936
Changes in ownership interests in subsidiaries	-	-	(1,317)	-	-	-	9,056	7,739
Balance as of December 31, 2021	1,353,430	701	(614,008)	98,839	86,467	503,632	-	1,429,061
Net of 2022	-	-	225,446	-	-	-	-	225,446
Other comprehensive income for 2022	-	-	(1,952)	(15,215)	51,909	-	-	34,742
Balance as of December 31, 2022	\$ 1,353,430	\$ 701	(\$ 390,514)	\$ 83,624	\$ 138,376	\$ 503,632	\$ -	\$ 1,689,249

(The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Lily Logistics Development Co., Ltd.
Parent Only Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: In
Thousands of New
Taiwan Dollars

Items	2022	2021
Cash flows from operating activities		
Net profit before tax from continuing operations	\$ 225,446	\$ 224,806
Net profit before tax from discontinuing operations	-	(2,621)
Profit before tax from continuing operations	225,446	222,185
Net income before tax		
Adjustments to reconcile profit (loss) not affected		
Depreciation	87,857	66,613
Amortization expenses	5,180	5,034
Expected loss on credit impairment	-	682
Interest expense	46,655	37,376
Interest income	(7,029)	(6,339)
Dividend income	(1,115)	(1,615)
Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method	95,024	(128,180)
Gain on disposal and scrapping of property, plant and equipment	-	(1,205)
Loss of investments disposed of	1	4,921
Changes in current assets and liabilities related to operating activities		
Decrease of notes receivable	9,827	7,313
Increase of accounts receivable	(7,269)	(3,795)
Accounts receivable - Increase of related parties	(873)	(1,828)
Decrease (increase) of other accounts receivable	(2,625)	1,444
Other accounts receivable-Decrease (increase) of related parties	(86,584)	10,538
Decrease of inventory	253	11,796
Decrease of prepayments	8,155	6,441
Decrease of other current assets	-	78
Increase in their financial assets	(3,280)	(1,640)
Decrease of contract liabilities	(1,388)	(995)
Increase (decrease) of notes payable	5,312	(8,295)
Notes payable-Increase (decrease) of related parties	104	(31)
Increase (decrease) of accounts payable	(26,326)	17,427
Accounts payable - Increase of related parties	-	90
Increase of other payables	1,563	1,396
Other payables - Increase of related parties	114	-
Increase for allowance for liabilities	282	322
Increase (decrease) of other current liabilities	63	(154)
Decrease of confirmed benefit debt	(1,404)	(769)
Cash flow generated from operating activities	347,943	238,810
Interest received	6,995	6,333
Dividends received	9,665	1,615

(Continued to next page)

(Contd.)

Items	2022	2021
Interest paid	(\$ 45,801)	(\$ 36,479)
Income tax returned	79	210
Inflow of net cash used in operating activities	318,881	210,489
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(12,948)	(4,037)
Disposal of investments accounted for under the equity method	10	837
Acquisition of property, plant and equipment	(240,826)	(282,913)
Decrease (increase) in refundable deposits	(600)	2,490
Other accounts receivable-Decrease (increase) of related parties (financing)	(15,200)	2,100
(Increase) decrease of collection (including long-term receivables)	(32,321)	6,424
Increase of other non-current assets	(1,695)	(80)
Increase of prepaid of equipment	(25,330)	(93,006)
Net cash used in investing activities	(328,910)	(368,185)
Cash flows from financing activities:		
Increase (decrease) of short-term loans	85,000	(2,377,000)
Proceeds from/repayment of long-term debt	(163,000)	2,595,000
Decrease of guarantee deposits	14,958	25,290
Repayment of principal of lease liabilities	(2,696)	(3,165)
Net cash generated by (used in) financing activities	(65,738)	240,125
Net increase (decrease) in cash and cash equivalents	(75,767)	82,429
Cash and cash equivalents at beginning of year	144,257	61,828
Cash and cash equivalents at end of year	\$ 68,490	\$ 144,257

(The notes attached to the parent company only financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Independent Auditor's Report

To: Lily Logistics Development Co., Ltd.

Opinion

Lily Logistics Development Co., Ltd. and its subsidiaries' balance sheet for December 31 of 2022 and 2021, the comprehensive income statement, the parent company only statement of changes of equity, and the cash flow statement from January 1 to December 31 of 2022 and 2021 and the notes to the financial statements (including the summary of major accounting policies) have been audited by the Auditor of the Firm.

According to the opinions of the Auditor, the above-mentioned financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, which are sufficient to express the financial status of Lily Logistics Development Co., Ltd. and its subsidiaries on December 31, 2022 and 2021, and parent company only financial performance and parent company only cash flow from January 1 to December 31 in 2022 and 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Lily Logistics Development Co., Ltd. (the Company) and its subsidiaries in accordance with the Professional Ethics for Certified Public Accountants of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. The Auditor believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing audit opinion.

Key Audit Matters

Key audit issues are those that, in our professional judgment, were of utmost significance in our audit of the consolidated financial statements of the Company and its subsidiaries for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit items of Lily Logistics Development Co., Ltd. and its subsidiaries' financial statements in 2022 are as follows:

Impairment of accounts receivable

Please refer to Notes (4)7, (6)5 and (7) of the financial statement for relevant disclosures on

impairment of receivables.

For Lily Logistics Development Co., Ltd. and its subsidiaries' receivables (including related parties) on December 31, 2022, the impairment was recognized by the management level via various external evidence evaluations. Since it involves the judgment of the management level, it is listed as the key items to be verified by the Auditor when reviewing the financial statement.

The major audit procedures performed by the Auditor in response to the above key audit matters include:

1. Obtain the aging analysis table of accounts receivable, calculate the aging interval, and audit the original documents to verify that the accounts receivable have been listed in the appropriate period in the aging analysis table; and select the sample and send the letter for confirmation.
2. Review historical collection records, industrial economic conditions, and customer credit risk information, and test the collection situation after the period to evaluate the rationality of the Company's allowance for impairment and impairment loss of receivables.
3. Obtain the evaluation document for the impairment of accounts receivable, confirm whether it complies with the Company's accounting policies, and review whether the management level's disclosure of the allowance for accounts receivable is appropriate.

Miscellaneous

Lily Logistics Development Co., Ltd. has prepared the parent company only financial reports for the 2022 and 2021, and the audit report issued by the Auditor with unqualified opinions has been issued for reference.

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

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

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

The governing unit of Lily Logistics Development Co., Ltd. and its subsidiaries are responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

The planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year 2022, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe Global
Accountants:

Accountants:

License Number: Jin Guan Zheng Shen Zi No.
10200032833
March 13, 2023

Lily Logistics Development Co., Ltd. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT\$1,000

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11xx	Current assets	\$ 595,350	9	\$ 731,367	11
1100	Cash and cash equivalents (Note (6)1)	132,941	2	171,216	3
1110	Financial assets measured at fair value through profit or loss - Current (Note (6)2)	4,763	-	6,217	-
1120	Financial assets measured at fair value through other profit or loss - Current (Note (6)3)	5,824	-	6,003	-
1150	Notes receivable, net (Note (6)4)	7,335	-	26,324	-
1160	Notes receivable, net of related parties (Note (7))	24,202	-	12,546	-
1170	Accounts receivable, net (Note (6)5)	134,242	2	192,475	3
1180	Accounts receivable, net of related parties (Note (7))	3,624	-	2,781	-
1200	Other receivables (Note (6)6)	27,602	1	38,964	1
1210	Other receivable, related parties (Note (7))	5,897	-	15,459	-
1220	Current tax assets	762	-	841	-
1310	Accounts receivable, net (Note (6)7)	51,396	1	54,785	1
1320	Real estate and construction land (Note (6)8)	4,918	-	4,918	-
1410	Prepayments	5,300	-	17,841	-
1476	Other financial assets - current (Notes (6)10 and (8))	186,544	3	180,997	3
15xx	Non-current assets	5,910,194	91	5,666,191	89
1517	Financial assets measured at fair value through other profit or loss - Non-current (Note (6)3)	153,246	2	125,536	2
1550	Investments Accounted for Using Equity Method (Note (6)11)	386,802	6	338,791	5
1600	Property, plant and equipment (Notes (6)12) and (8)	4,409,349	68	4,244,550	66
1755	Right-of-use assets (Note (6)13)	7,917	-	1,173	-
1760	Investment property (Notes (6)14 and (8))	906,251	14	926,061	15
1840	Deferred income tax assets (Note (6)31)	2,980	-	3,250	-
1900	Other non-current assets (Note (6)15)	43,649	1	26,830	1
1xxx	Total liabilities and equity	\$ 6,505,544	100	\$ 6,397,558	100

(Continued to next page)

(Contd.)

Code	Financial liabilities and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
21xx	Current liabilities	\$ 1,578,435	24	\$ 1,499,357	24
2100	Short-term loans (Note (6)16)	531,400	8	448,060	7
2130	Contract liabilities - current (Note (6)26)	1,818	-	3,206	-
2150	Notes payable	15,657	-	15,442	-
2160	Notes payable-Related parties (Note (7))	213	-	100	-
2170	Accounts payable	67,621	1	124,401	2
2180	Accounts payable-Related parties (Note (7))	2,198	-	2,158	-
2200	Other payables	239,077	4	211,683	4
2220	Other payables-Related parties (Note (7))	563,961	9	513,025	8
2230	Tax liability	3,134	-	8,113	-
2250	Contract liabilities - current (Note (6)17)	3,018	-	2,736	-
2280	Lease liabilities - current (Note (6)13)	3,124	-	1,197	-
2320	Long-term liabilities due within one year or within one business cycle (Note (6)18)	146,723	2	168,819	3
2399	Other current liabilities-Others	491	-	417	-
25xx	Non-current liabilities	3,588,982	55	3,719,035	58
2540	Long-term loans (Note (6)18)	3,129,710	48	3,280,289	51
2570	Deferred income tax liabilities (Note (6)31)	370,231	6	370,231	6
2580	Lease liabilities - Non-current (Note (6)13)	4,819	-	-	-
2640	Net defined benefit liability - Non-current (6)19)	17,256	-	16,708	-
2670	Other non-current liabilities-Others	66,966	1	51,807	1
2xxx	Total liabilities	5,167,417	79	5,218,392	82
	Equity				
31xx	Equity attributable to the parent	1,689,249	26	1,429,061	22
3100	Capital (Note (6)20)	1,353,430	21	1,353,430	21
3200	Capital surplus (Note (6)21)	701	-	701	-
3300	Retained earnings (Note (6)22)	(390,514)	(6)	(614,008)	(10)
3350	Accumulated deficit	(390,514)	(6)	(614,008)	(10)
3400	Other equity (Note (6)23)	725,632	11	688,938	11
3410	Exchange differences on translation of foreign operations	83,624	1	98,839	2
3420	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	138,376	2	86,467	1
3460	Real estate revaluation appreciation	503,632	8	503,632	8
3500	Treasury stock (Note (6)24)	-	-	-	-
36xx	Other non-controlling equity (Note (6)25)	(351,122)	(5)	(249,895)	(4)
3xxx	Total equity	1,338,127	21	1,179,166	18
	Total Liabilities and Equity	\$ 6,505,544	100	\$ 6,397,558	100

(The notes attached to the financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Lily Logistics Development Co., Ltd. and its Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

Code	Items	2022		2021	
		Amount	%	Amount	%
4000	Net operating revenue (Note (6)26)	\$ 847,500	100	\$ 866,817	100
5000	Operating costs	(501,431)	(59)	(609,797)	(70)
5900	Gross profit	346,069	41	257,020	30
6000	Operating expenses	(100,240)	(12)	(74,926)	(9)
6100	Sales and marketing expenses	(18,120)	(2)	(17,082)	(2)
6200	General and administrative expenses	(69,563)	(8)	(57,762)	(7)
6450	Expected loss on credit impairment (Note (6)5)	(12,557)	(2)	(82)	-
6900	Operating income	245,829	29	182,094	21
7000	Non-operating income and expenses	(99,364)	(12)	32,529	4
7100	Interest income	5,065	-	4,583	-
7010	Operating revenue (Note (6)28)	5,212	1	5,436	1
7020	Other gains and losses (Note (6)29)	(25,950)	(3)	(35,808)	(4)
7050	Finance costs (Note (6)30)	(94,387)	(11)	(89,656)	(10)
7070	Profit and loss of subsidiaries, associates and joint ventures recognized by using equity method (Note (6)11)	10,696	1	147,974	17
7900	Income before income tax	146,465	17	214,623	25
7950	Income tax expense (Note (6)31)	(3,452)	-	(7,868)	(1)
8000	Profit of (loss) for the period from continuing operations	143,013	17	206,755	24
8100	Loss from discontinued operations, net of tax (Note (6)9)	-	-	(2,621)	-
8200	Net income	143,013	17	204,134	24
	Other comprehensive income (loss) of the current period (Note (6)32)				
8310	Not to be reclassified to profit or loss in subsequent periods				
8311	Remeasurements of defined benefit plans (Note (6)19)	(1,952)	-	(1,221)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	14,583	2	1,976	-
8326	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note (6)11)	37,326	4	44,113	5
8360	To be reclassified to profit or loss in subsequent periods				
8361	Exchange differences on translation of foreign operations	(27,559)	(3)	(12,556)	(2)
8300	Net of other comprehensive income of the current period	22,398	3	32,312	3
8500	Total comprehensive income	\$ 165,411	20	\$ 236,446	27
8600	Net profit (loss) attributable to:				
8610	Shareholders of the parent company	\$ 225,446		\$ 222,187	
8620	Non-controlling interests	(82,433)		(18,053)	
		\$ 143,013		\$ 204,134	
8700	Comprehensive income attributable to:				
8710	Shareholders of the parent company	\$ 260,188		\$ 260,123	
8720	Non-controlling interests	(94,777)		(23,677)	
		\$ 165,411		\$ 236,446	
	Basic earnings per share (NT\$) (Note (6)33)				
9710	Profit of (loss) from continuing operations	\$ 1.67		\$ 1.67	
9720	Net profit or loss from discontinued operation	-		(0.02)	
9750	Basic earnings per share (NT\$)	\$ 1.67		\$ 1.65	

(The notes attached to the financial statements constitute a part of this parent company only financial statements)
Chairman: Managerial officers: Head-Finance & Accounting:

Lily Logistics Development Co., Ltd. and its Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

Items	Equity attributable to the parent										Total Equity
	Common stock	Capital surplus	Retained earnings	Other Components of Equity				Treasury stock	Total equity attributable to the parent	Non-controlling interests	
			Unappropriated earnings (accumulated deficit)	Exchange differences on translation of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	Real estate revaluation appreciation					
Balance as of January 1, 2021	\$ 1,353,430	\$ 701	(\$ 833,657)	\$ 105,771	\$ 40,378	\$ 503,632	(\$ 9,056)	\$ 1,161,199	(\$ 372,254)	\$ 788,945	
Profit (loss) for the year	-	-	222,187	-	-	-	-	222,187	(18,053)	204,134	
Other comprehensive income for the year	-	-	(1,221)	(6,932)	46,089	-	-	37,936	(5,624)	32,312	
Changes in ownership interests in subsidiaries	-	-	(1,317)	-	-	-	9,056	7,739	146,036	153,775	
Balance as of December 31, 2021	1,353,430	701	(614,008)	98,839	86,467	503,632	-	1,429,061	(249,895)	1,179,166	
Profit (loss) for the year	-	-	225,446	-	-	-	-	225,446	(82,433)	143,013	
Other comprehensive income for the year	-	-	(1,952)	(15,215)	51,909	-	-	34,742	(12,344)	22,398	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(6,450)	(6,450)	
Balance as of December 31, 2022	\$ 1,353,430	\$ 701	(\$ 390,514)	\$ 83,624	\$ 138,376	\$ 503,632	\$ -	\$ 1,689,249	(\$ 351,122)	\$ 1,338,127	

(The notes attached to the financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Lily Logistics Development Co., Ltd. and its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

Items	2022	2021
Cash flows from operating activities:		
Net profit before tax from continuing operations	\$ 146,465	\$ 214,623
Net profit before tax from discontinuing operations	-	(2,621)
Income before income tax	146,465	212,002
Net income before tax		
Adjustments to reconcile profit (loss) not affected		
Depreciation	88,488	68,962
Amortization expenses	9,458	7,234
Expected loss on credit impairment	12,557	82
Financial asset loss measured at fair value through profit or loss	114	1,839
Interest expense	94,387	89,656
Interest income	(5,065)	(4,583)
Dividend income	(1,534)	(1,697)
Share of the profit of associates and joint ventures accounted for using the equity method	(10,696)	(147,974)
Loss on disposal of property, plant and equipment (gain)	-	(1,205)
Loss of investments disposed of	1,228	2,034
Loss of investment real estate adjusted by fair value	38,054	46,272
Changes in current assets and liabilities related to operating activities		
Decrease of notes receivable	18,989	3,928
Notes receivable - Increase of related parties	(11,656)	(1,589)
Decrease (increase) of accounts receivable	43,627	(52,062)
Accounts receivable-Decrease (increase) of related parties	969	(2,349)
Decrease of other receivables	11,699	4,680
Other accounts receivable - Decrease of related parties	9,562	1,291
Decrease of inventory	3,389	20,207
Decrease of prepayments	14,183	4,896
Decrease of other current assets	-	78
Other financial assets - (Increase) decrease of current	(5,547)	582
Decrease of contract liabilities	(1,388)	(995)
Increase (decrease) of notes payable	215	(4,667)
Notes payable-Increase (decrease) of related parties	113	(819)
Increase (decrease) of accounts payable	(56,780)	36,124
Accounts payable - Increase of related parties	40	20
Increase of other payables	16,214	53,593
Allowance for liabilities - Increase in flow	282	322
Increase (decrease) of other current liabilities	74	(141)
Decrease of confirmed benefit debt	(1,404)	(770)
Cash flow generated from operating activities	416,037	334,951
Interest received	4,611	4,789
Dividends received	1,534	1,697
Interest paid	(88,657)	(93,907)
Income tax (paid) returned	(8,082)	563
Inflow of net cash used in operating activities	325,443	248,093

(Continued to next page)

(Contd.)

Items	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income (\$	12,948)	(\$ 4,037)
Acquired financial asset measured at fair value through profit or loss (	2,354)	(18,872)
Financial asset disposed of measured at fair value through profit or loss	2,467	25,059
Disposal of investments accounted for under the equity method	10	837
Disposal of subsidiary	-	(8,093)
Acquisition of property, plant and equipment (	240,826)	(282,913)
Decrease (increase) in refundable deposits (	600)	2,490
Acquisition of investment property (	1,508)	(2,210)
Decrease of collections	-	600
Increase of other non-current assets (	5,704)	(1,704)
Increase of prepaid of equipment (	25,921)	(93,006)
Net cash used in investing activities (	287,384)	(381,849)
Cash flows from financing activities:		
Increase (decrease) of short-term loans	83,340	(2,410,921)
Increase in long-term loans	-	2,584,321
Decrease in long-term loans (	172,675)	-
Decrease of guarantee deposits	15,159	25,371
Other payables - Increase of related parties	50,936	36,946
Repayment of principal of lease liabilities (	2,696)	(3,165)
Changes in non-controlling interests (	6,450)	-
Net cash generated by (used in) financing activities (	32,386)	232,552
Effect of exchange rate changes on cash and cash equivalents (	43,948)	(21,184)
Net increase (decrease) in cash and cash equivalents (	38,275)	77,612
Cash and cash equivalents at beginning of year	171,216	93,604
Cash and cash equivalents at end of year	\$ 132,941	\$ 171,216

(The notes attached to the financial statements constitute a part of this parent company only financial statements)

Chairman:

Managerial officers:

Head-Finance & Accounting:

Lily Logistics Development Co., Ltd.
Profit and Loss Appropriation Statement
2022

Unit: NTD \$

Accumulated deficit at beginning of period	(\$614,008,282)
--	-----------------

Add: 2022 net profit after tax	\$225,446,143
--------------------------------	---------------

Less: other comprehensive income	(\$1,951,674)
----------------------------------	---------------

(Reconsideration of defined benefit plans)

Deficit yet to be compensated at the end of period	(\$390,513,813)
--	--

Lily Logistics Development Co., Ltd.
Articles of Incorporation
Chapter 1 General Provisions

Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act, and its name shall be Lily Logistics Development Co., Ltd.

Article 2: The scope of business of the Company:

1. The spinning, weaving, processing, trading, bidding and representing business of natural cotton, artificial fiber and various chemical fiber.
2. To consign construction companies to build commercial building and public housing to lease, and to consign construction companies to develop industrial zones approved by industrial authorities.
3. Processing and selling of various vegetables and fruits.
4. Sales of canned food, coffee, soft drinks, juices, canned drinks, and snacks.
5. Packaging and refrigeration businesses of the aforementioned product.
6. Manufacturing, processing and selling of ready-made frozen food (including frozen fish, pawns and meat).
7. Leasing service of refrigerated warehouse.
8. Import and wholesale business of alcohols.
9. Processing and import/export businesses of grains, beans (corns, wheat, barley, oat (buckwheat, rye), rice, potatoes, soybeans, and etc.) and their byproducts.
10. General import and export trading and agency businesses (except those that are subject to special approval).
11. Manufacturing, assembling, installation, contracting and leasing business of various machinery and its equipment
12. Ice making business.
13. I301010 Information Software Services.
14. IZ06010 Tally Packaging.
15. I103010 Enterprise Management Consultancy.
16. G801010 Warehousing.
17. F102100 Wholesale of Sugar Confectionery.
18. F102110 Wholesale of Bakery Product.
19. F102160 Wholesale of Assist Food Products.
20. F107080 Wholesale of Environmental Agents
21. F108040 Wholesale of Cosmetics
22. F108060 Wholesale of the Second Type Patent Medicine
23. F109040 Wholesale of Toys and Recreational Articles
24. F110020 Wholesale of Spectacles
25. F118010 Wholesale of Computer Software
26. F113020 Wholesale of Household Appliance
27. F113050 Wholesale of Computers and Clerical Machinery Equipment
28. F113110 Wholesale of Batteries
29. I103030 Hospital Management Consultancy
30. F203010 Retail Sale of Food, Grocery and Beverage
31. F203020 Retail Sale of Tobacco and Alcoholic Drinks
32. F207080 Retail Sale of Environmental Agents
33. F208040 Retail Sale of Cosmetics
34. F208050 Retail Over-the-counter drugs class B
35. F210020 Retail Sale of Glasses
36. F218010 Retail Sale of Computer Software
37. F213010 Retail Sale of Electrical Appliances
38. F213030 Retail Sale of Computers and Clerical Machinery Equipment
39. F213110 Retail Sale of Batteries
40. I301020 Data Processing Services
41. I301030 Electronic Information Supply Services
42. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's re-investment is not limited by Article 13 of the Company Act.

Article 4: The Company may make endorsements and guarantees for its subsidiaries and other businesses of the same trade.

Article 5: The Company is incorporated in Taoyuan County, Province of Taiwan, and may set up branch offices within or outside of Taiwan when deemed necessary.

Article 6: The Company's announcement method is in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 7: The registered capital of the Company is NTD 3,530 million, divided into 353,000,000 ordinary shares of NTD 10 per share. The Board of Directors is authorized to issue these shares separately, and are allowed to issue preferred shares.

Among the aforementioned total capital, NTD 50 million is reserved for issuing of employee stock option certificates divided into 5 million shares of NTD 10 per share. The Board of Directors is authorized to issue these shares separately.

Article 8: The rights and other important issuance terms of the Company's A type preferred shares are as follows:

1. Any earnings concluded in a fiscal year shall first make up for losses of previous years, right after statutory taxation and accounting adjustments. Any surpluses are subject to provision of legal reserves and special reserves according to the Articles of Incorporation, and the remaining earnings shall be paid to preferred shareholders as preferred share dividends and bonus after remuneration of Directors and Supervisors and employee bonus are paid.
2. The dividend and bonus rate are capped at 4% per annum on the issue price. Cash dividends will be distributed annually. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable cash dividends and bonus shall be calculated based on the actual number of days in that year. Issuance date is defined the same as the capital increase reference date. The year when preferred shares are transferred to ordinary shares, there is no distribution of preferred share cash dividends or bonus; however, the current year's ordinary share dividends and additional paid-in capital can be distributed.
3. If there is no earning or insufficient earning for distributing dividends or bonus, the aforementioned preferred share dividends and bonus shall be cumulative to accrue and be payable in subsequent years where there are earnings. However, when preferred shares are transferred to ordinary shares, the aforementioned cumulative preferred share dividends and bonus shall cease to be payable.
4. Preferred Shareholders are not entitled to participate in the earning distribution of ordinary shares.
5. When the Company uses earnings or additional paid-in capital to increase capital, preferred shareholders are not entitled for distribution. However, at this specific issuance of preferred shares as additional paid-in capital to undistributed earnings, there is an exception for preferred shareholders to share in the distribution as ordinary shareholders per shareholding percentage.
6. Upon the issue of new shares with cash, preferred shareholders and ordinary shareholders have the same stock options.
7. Preferred shares have preference over ordinary shares upon distribution of remaining properties, but it shall not exceed the issue amount.
8. Preferred shareholders have no voting rights and no right to vote on election of directors at the General Meeting of Shareholders.
9. If the bonus share of ordinary share is distributed more than 0.2 share (not including) during the issuance period which is the following year after the Company issued preferred shares, it has to be resolved in the General Meeting of the Preferred Shareholders attended by shareholders representing more than one-half of the total preferred shares issued, and the resolution has to be approved by more than two-thirds of the attended shareholders.
10. Preferred share cannot be converted to ordinary shares when issued. Preferred shares shall be converted to ordinary share in whole at the same share number 6 years after issued date. One preferred share shall be converted to one ordinary share. Upon conversion, the converted shares shall have the same rights and obligations as common shares.

Article 9: The Company's share certificates are name-bearing share certificates and shall be signed, sealed and numbered by the Board of Director representing the Company, and issued under the authority of registrar.

The Company may issue shares and be exempted from printing any share certificate for shares issued and shall register the issued shares with a centralized securities depository enterprise; and comply with the regulations of that enterprise.

Article 10: The Company's shareholder's services shall be governed by Company Act, Regulations of Governing the Administration of Shareholder Services of Public Companies and relevant regulations and rules.

Article 11: Following are procedures to request for issue of share replacement(s):

1. Shareholder or legal owner shall report the event to the police authority and complete an application for reporting loss of stock certificates, and send such to the Company for the record. In cases where the transfer procedure has not been completed, the applicant shall also attach a proof of document provided by the securities firm or the transferor.
2. The applicant shall, within 5 days, apply to the court for a public summons under the Code of Civil Procedure, and send to the Company a photocopy of the application affixed with the court's stamp indicating its receipt of the application; where such procedure is not commenced upon the expiration of the time period, the Company may cancel the application for reporting loss of stock certificates.
3. Upon issuance of a public summons ruling by the court, the applicant shall make a public notice in a manner required in the court ruling, and upon the expiration of the period of public summons, the applicant shall apply to the company for issuance of replacement stock certificates by attaching the court's judgment of abridgment of rights.

Article 12: No share shall be transferred within 60 days prior to the convening date of a general meeting of shareholders, or within 30 days prior to the convening date of a special shareholder's meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3 General Meeting of Shareholders

Article 13: There are two types of shareholders' meetings: general shareholders' meetings and special shareholders' meetings. The General Meeting of Shareholders shall be convened annually within six months after the end of each fiscal year. Special Meeting shall be convened as required in accordance with applicable laws and regulations. The General Meeting is convened by the Board of Directors unless otherwise specified in the Company Act.

Notice shall be given to the shareholders at least thirty (30) days prior to an general meeting, and at least fifteen (15) days prior to a special meeting, stating the date, place, and purpose of the meeting. Notice to shareholders holding less than a thousand (1,000) shares may be given by public announcement.

Notification of convening of a shareholder's meeting can be sent via e-mail if the recipients of such notification give their consent.

Article 14: Shareholders who cannot attend a shareholders' meeting can provide the power of attorney provided by the Company to authorize a proxy to attend the meeting and to state the scope of authorization vested to the proxy. Designating a proxy to attending a shareholders' meeting by a shareholder should comply with Article 177 of the Company Act as well as the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings promulgated by the government.

Article 15: Unless otherwise required by laws and regulations, the resolution of shareholders' meetings will be adopted if the meeting is attended by more than one-half of the total shareholders, and more than one-half of the attended shareholders approved it by vote.

Article 16: Each share of the Company is entitled to one vote. Shares as prescribed under Article 179 of the Company Act has no voting rights.

Voting rights of preferred shares shall be governed by Article 8 of this chapter.

The shareholders may exercise their voting rights by mail or electronic transmission. The notice of the shareholders' meeting shall specify the instructions for voting by mail or electronic transmission. A shareholder who exercises his voting rights by mail or electronic transmission will be deemed to have waived his rights to vote on any ad hoc motions and amendments to the original proposals at such meeting.

Article 17: The resolutions adopted at the shareholders' meeting shall be made into minutes, which shall be signed by or affixed with seal of the chairperson of the meeting and distributed to all shareholders within the time required by law. Minutes of the meeting shall include the date and place of the meeting, the name of the chairperson at the meeting, the resolutions.
Meeting minutes can be made and distributed electronically.
The foregoing minutes may be distributed by public announcements.

Chapter 4 Board of Directors

Article 18: The Company shall have seven to nine directors (including 3 independent directors), with adoption of candidates' nomination system, the directors shall be elected by the shareholders with disposing capacity, and complying with Article 198 of the Company Act.
There shall be at least three independent directors among the number of directors to be elected. And the independent directors shall represent at least one-fifth of the total number of directors to be elected. The term of office for directors is three years, and when the term is over yet not due for re-election, the term shall be extended for executing his/her duties until next elected directors take office.
The Audit Committee of the Company is composed of all Independent Directors. The exercise of the duty by members of the Audit Committee and other regulations is in compliance with the regulations of the competent authority of securities and the Company.
All registered shares owned by all Board of Directors of the Company shall not be less than certain percentage of the totally Company shares. The percentage and review method shall be in accordance with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies issued by Securities and Futures Bureau of Financial Regulatory Commission of Executive Yuan.

Article 19: The Board of Directors shall decide the Company's business directions and other important issues. These important issues including acquisition or disposal of important assets and properties.

Article 20: The meeting of the Board of Directors shall be participated by at least two-third of the directors, and half of the participants agree to elect one of the directors as Chairperson of the Board. The Chairperson is the chairperson for the General Meeting of shareholder and Meeting of the Board internally, and representing the Company externally.

If the Chairperson of the Board cannot exercise his/her powers and duties for any reason, a director shall be appointed by the Chairperson as proxy. When there is no proxy appointed, the Board of Directors shall elect a director as proxy.

Article 21: The Chairperson of the Board or his/her proxy shall preside as chairperson at the board meeting. Unless otherwise prescribed by the Company Act, resolution of the Board of Directors should be approved by at least half of the Directors at the meeting attended by more than half of the Directors. Directors who cannot attend the meeting can provide a power of attorney, specifying the scope of power vested to the proxy, and who should be the director attending the meeting. A director's proxy may act as a proxy for only one other Director.

If the Board meeting is held in the form of video conference, those participated by video conference are deemed as participation in person.

Article 21-1: The notice for the Board Meeting shall specify the reasons for the meeting and shall be served to each Director at least seven (7) days prior to the meeting.
A Board Meeting may be held at any time in case of an emergency.
Notice must be sent via mail, email or fax.

Article 22: Resolutions adopted at a Board of Directors' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be keep in the Company and distributed to all directors of the Company within days required by law.

Article 23: If one-third of the Directors are absent from the Meeting of the Board, a provisional meeting of shareholders must be held within sixty (60) days to elect new Director/s. The new Director/s elected from such provisional meetings is to finish the remaining tenures of the original elected person/s.

Article 24: The monthly meeting attendance fees of the Directors, irrespectively of whether the Company makes a profit or loss, is delegated to the Remuneration Committee to determine, and the total amount is not to be exceeding NTD 20 thousand.

The Chairperson and the Board of Directors shall receive salary for exercising the duty for the Company's business. The amount of their compensation is based on their level of involvement in the Company's operations, the value of their contributions, and the average level of compensation for directors in the same industry.

The Company may purchase liability insurance for the directors during their tenures. This is authorized to be executed by the Board of Directors.

Chapter 5 Managers

Article 25: The Company shall have managers. Their appointments and dismissals shall be agreed by at least one-half of the Board of Directors.

Article 26: The Company shall pay remuneration for employees regardless of profit or loss of the Company.

Chapter 6 Accounting

Article 27: The fiscal year of the Company shall be from 1 of January to 31 of December each year.

Article 28: At the end of the fiscal year, the Board of Directors shall prepare the following statements:

1. Business Report.
2. Financial Statements.
3. Earnings distribution and Loss make-up proposals to be presented at the General Meeting of Shareholder as proposals.

Article 29: If the Company makes a profit in a year, the Company shall distribute not less than 3% of such profit to the employees of the Company in the form of shares or cash as resolved by the Board of Directors, provided that the distribution shall be made to employees of the Company's subsidiaries who satisfy certain conditions; the Company may also distribute not more than 3% of such profit to the Directors, subject to the resolution of the Board of Directors. The distribution of remuneration to employees and directors shall be reported to the General Meeting of Shareholders.

If there is any accumulated loss in the Company's annual results, the Company shall reserve the make-up amount first, and may follow the previous Article's directions to distribute remuneration for employees and the Boards of Directors.

Article 29-1: If after the annual closing of the books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, and then set aside 10% as legal reserve, except that if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remaining balance shall be set aside or reversed to be a special reserve in accordance with law; if there is any remaining surplus and together with the accumulated undistributed earnings, the Board of Directors shall prepare a proposal for the dividend distribution and submit it to the shareholder's meeting for resolution.

The Company's dividend policy is to enhance sales expansion, and to take into consideration of the Company's capital expenses and operation needs. The annual distribution of dividends shall be in cash or in shares, and cash distribution to shareholders shall be no less than 10% of shareholder bonus.

Chapter 7 Supplemental Provisions

Article 30: Matters not addressed by these Articles shall be governed by the Company Act and other applicable laws.

Article 31: These Articles of Incorporation were adopted on November 16, 1972.

The first amendment was made on April 20, 1973

The Second amendment was made on March 14, 1977

The Third amendment was made on May 15, 1977

The Fourth amendment was made on April 30, 1980,

The Fifth amendment was made on October 14, 1982

The Sixth amendment was made on June 12, 1984

The Seventh amendment was made on May 30, 1985
The Eighth amendment was made on June 27, 1987
The Ninth amendment was made on June 7, 1988
The Tenth amendment was made on May 25, 1989
The 11th amendment was made on March 30, 1990
The 12th amendment was made on April 23, 1991
The 13th amendment was made on May 27, 1992
The 14th amendment was made on May 7, 1993
The 15th amendment was made on May 20, 1994
The 16th amendment was made on May 12, 1995
The 17th amendment was made on May 17, 1996
The 18th amendment was made on May 23, 1997
The 19th amendment was made on April 30, 1998
The 20th amendment was made on May 28, 1999
The 21st amendment was made on May 26, 2000
The 22nd amendment was made on June 8, 2001
The 23rd amendment was made on June 14, 2002
The 24th amendment was made on June 14, 2005
The 25th amendment was made on June 15, 2006
The 26th amendment was made on June 18, 2010
The 27th amendment was made on June 10, 2011
The 28th amendment was made on June 12, 2012
The 29th amendment was made on June 17, 2014
The 30th amendment was made on June 13, 2016
The 31st amendment was made on June 14, 2018
The 32nd amendment was made on June 9, 2020
The 33rd amendment was made on June 15, 2022

Lily Logistics Development Co., Ltd.
Rules of Procedure for Shareholder Meetings

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a general shareholders meeting or 15 days before the date of a special shareholders meeting.

This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the general shareholders meeting or 15 days before the date of the special shareholders meeting.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Proposals submitted by shareholders are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall specify in its notice for shareholders meeting the time for attendance registrations for shareholders, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and sufficient manpower shall be assigned to handle the registrations.

Shareholders or shareholders' proxies (hereinafter referred to as "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 (The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the Board of Directors be chaired by the chairperson of the board in person and attended by majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend shareholders meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The meeting time has arrived, and the chairman should announce the commencement of the meeting and simultaneously disclose the number of non-voting shares and shares present.

However, when the attending shareholders do not represent majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

Amendment to the motion and original proposal.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

The election of Directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected, and the names of Directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of Directors. The minutes shall be retained for the duration of the existence of the Company.

Article 16 (Public disclosure)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies. This shall be disclosed at the same and place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

The chair may direct the proctors or security personnel to help maintain order at the meeting place.

When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the Chairperson may announce a break based on time considerations. If a force majeure event occurs, he/she may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all the matters (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effective in the same manner.

Article 20

These Rules were adopted on June 15, 2022.

Lily Logistics Development Co., Ltd. Shareholding of Directors

1. The shareholding of directors and supervisors are as per required percentage stipulated in Article 26 of the Securities and Exchange Act:
 (1) The minimum number of shares required by law to be held by all directors is 8,120,581 shares.
2. The shareholdings of all directors as of the date of closure of the Register of Members (book closure date) are (were) as follows:

Title	Name	Number of shares held	Share ratio
Chairman	SU TUNG YUNG	5,820,072	4.30%
Board of Director	SU CHIN YUAN	8,438,958	6.23%
Board of Director	SU PAI HUANG	3,737,510	2.76%
Board of Director	SU TING KUEI	2,739,221	2.02%
Board of Director	SU TING HUNG	5,230,597	3.86%
Board of Director	LU HSUEH TUNG	50,665	0.03%
Independent Director	SU TING	500,536	0.36%
Independent Director	CHIEN HUA YUEH	-	-
Independent Director	LIEN SAN HO	-	-
Total non-independent director held shares		26,017,023	19.22%

Note: The date for this general meeting of shareholders is on June 13, 2023 (book closure date is from April 15 to June 13, 2023).

Share capital: 135,343,011 shares

LILY LOGISTICS CO., LTD.

Other Matters

According to Article 172, paragraph 1 of the Company Act, shareholders may make proposals. There is no proposals from shareholders during this general meeting.