

**SHAN-LOONG TRANSPORTATION CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022**

Address: 1F., No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City 22069,
Taiwan (R.O.C.)
Telephone: (02)2959-9611

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

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安侯建業聯合會計師事務所
KPMG

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

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

Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Shan-Loong Transportation Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022 (restated), and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022 (restated), and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$961,094 thousand and \$1,057,195 thousand, constituting 9.69% and 10.28% of consolidated total assets as of March 31, 2023 and 2022 (restated), respectively, total liabilities amounting to \$243,085 thousand and \$328,187 thousand, constituting 5.04% and 6.86% of consolidated total liabilities as of March 31, 2023 and 2022 (restated), respectively, and the absolute value of total comprehensive income (loss) amounting to \$(46,012) thousand and \$(16,025) thousand, constituting 53.80% and 33.71% of consolidated total comprehensive income (loss) for the three months ended March 31, 2023 and 2022 (restated), respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of Shan-Loong Transportation Co., Ltd. and its subsidiaries in its investee companies of \$66,027 thousand and \$72,140 thousand as of March 31, 2023 and 2022, and its equity in net earnings (losses) on these investee companies of \$898 thousand and \$815 thousand for the three months ended March 31, 2023 and 2022, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Shan-Loong Transportation Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022 (restated), and of their consolidated financial performance and their consolidated cash flows for the three months ended March 31, 2023 and 2022 (restated) in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yiu-Kwan Au and Yu-Ting Hsin.

KPMG

Taipei, Taiwan (Republic of China)
May 12, 2023

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2023, December 31, 2022, March 31, 2022 and January 1, 2022

(expressed in thousands of New Taiwan Dollars)

		March 31, 2023		December 31, 2022		March 31, 2022		January 1, 2022				March 31, 2023		December 31, 2022		March 31, 2022		January 1, 2022										
		Amount		%		Amount		%				Amount		%		Amount		%										
Assets																												
Current assets:																												
1100	Cash and cash equivalents (note (6)(a))	\$	1,103,324	11		1,057,797	11		1,514,936	15		1,553,286	15		2100	Short-term borrowings (note (6)(i))	\$	20,000	-		40,000	1		40,000	-			
1170	Notes and accounts receivable, net (note (6)(c))		481,002	5		455,219	5		604,361	6		649,969	6		2150	Notes and accounts payable (note (7))		1,364,017	14		1,544,695	16		1,590,656	16		1,586,129	16
1180	Notes and accounts receivable due from related parties, net (notes (6)(c) and (7))		362,907	4		351,714	3		297,670	3		316,727	3		2200	Other payables (note (7))		367,462	4		391,241	4		397,651	4		507,468	5
1476	Other current financial assets (notes (6)(d) and (7))		477,869	5		460,317	5		82,100	1		78,793	1		2230	Current income tax liabilities		13,781	-		6,052	-		58,350	1		45,481	-
1300	Inventories, net (note (6)(e))		250,351	2		274,517	3		232,930	2		217,656	2		2280	Current lease liabilities (notes (6)(k) and (7))		207,051	2		201,323	2		209,134	2		209,461	2
1479	Other current assets (note (7))		172,831	2		129,763	1		70,176	1		45,318	-		2130	Current contract liabilities (note (6)(p))		80,881	1		23,940	-		25,230	-		21,815	-
			2,848,284	29		2,729,327	28		2,802,173	28		2,861,749	27		2250	Provisions		11,378	-		11,540	-		14,310	-		18,863	-
															2399	Other current liabilities		45,887	-		14,672	-		20,739	-		17,422	-
															2320	Long-term liabilities, current portion (note (6)(j))		400,000	4		100,000	1		1,111,094	11		1,047,651	10
																		2,510,457	25		2,333,463	24		3,467,164	34		3,494,290	33
Non-current assets:																Non-current liabilities:												
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(b))		2,026,894	20		1,974,379	20		2,428,628	24		2,446,133	24		2540	Long-term borrowings (note (6)(j))		1,279,000	13		1,379,000	14		163,606	2		227,049	2
1550	Investments accounted for using equity method, net (note (6)(f))		66,027	1		65,129	1		72,140	1		71,325	1		2570	Deferred income tax liabilities		170,442	2		167,246	2		163,517	2		164,292	2
1600	Property, plant and equipment (notes (6)(g), (7) and (8))		3,684,092	37		3,710,240	38		3,616,568	35		3,609,511	35		2580	Non-current lease liabilities (notes (6)(k) and (7))		764,432	8		792,312	8		867,833	8		890,087	9
1755	Right-of-use asset (notes (6)(h) and (7))		952,108	10		965,879	10		1,060,456	10		1,075,528	10		2640	Non-current net defined benefit liability		87,265	1		87,349	1		102,252	1		102,434	1
1840	Deferred income tax assets		36,595	-		36,783	-		34,997	-		37,052	-		2645	Guarantee deposits received		13,066	-		13,032	-		18,262	-		18,262	-
1990	Other non-current assets (note (7) and (8))		305,094	3		299,571	3		264,161	2		246,278	3					2,314,205	24		2,438,939	25		1,315,470	13		1,402,124	14
			7,070,810	71		7,051,981	72		7,476,950	72		7,485,827	73					4,824,662	49		4,772,402	49		4,782,634	47		4,896,414	47
Total assets		\$	9,919,094	100		9,781,308	100		10,279,123	100		10,347,576	100		Total liabilities			4,824,662	49		4,772,402	49		4,782,634	47		4,896,414	47
																Equity:												
																Equity attributable to owners of parent: (note (6)(n))												
3100	Ordinary shares		1,372,818	14		1,372,818	14		1,372,818	13		1,372,818	13		3100	Ordinary shares		1,372,818	14		1,372,818	14		1,372,818	13		1,372,818	13
3200	Capital surplus		586,742	6		586,742	6		583,359	6		583,359	6		3200	Capital surplus		586,742	6		586,742	6		583,359	6		583,359	6
3300	Retained earnings		1,926,318	19		1,895,791	19		1,982,662	19		1,938,528	19		3300	Retained earnings		1,926,318	19		1,895,791	19		1,982,662	19		1,938,528	19
3400	Other equity		1,042,235	10		991,242	10		1,379,954	13		1,387,647	13		3400	Other equity		1,042,235	10		991,242	10		1,379,954	13		1,387,647	13
3500	Treasury shares		(31,863)	-		(31,863)	-		(31,863)	-		(31,863)	-		3500	Treasury shares		(31,863)	-		(31,863)	-		(31,863)	-		(31,863)	-
			4,896,250	49		4,814,730	49		5,286,930	51		5,250,489	51					4,896,250	49		4,814,730	49		5,286,930	51		5,250,489	51
36XX	Non-controlling interests		198,182	2		194,176	2		209,559	2		200,673	2					198,182	2		194,176	2		209,559	2		200,673	2
			5,094,432	51		5,008,906	51		5,496,489	53		5,451,162	53					5,094,432	51		5,008,906	51		5,496,489	53		5,451,162	53
Total liabilities and equity		\$	9,919,094	100		9,781,308	100		10,279,123	100		10,347,576	100					5,094,432	51		5,008,906	51		5,496,489	53		5,451,162	53

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

		For the three months ended March 31,			
		2023		2022 (restated)	
		Amount	%	Amount	%
4000	Operating revenue (notes (6)(p) and (7))	\$ 3,948,969	100	4,781,748	100
5000	Operating costs (notes (6)(e), (7) and (12))	<u>3,620,819</u>	<u>92</u>	<u>4,375,683</u>	<u>92</u>
5900	Gross profit from operations	<u>328,150</u>	<u>8</u>	<u>406,065</u>	<u>8</u>
	Operating expenses (notes (7) and (12)):				
6100	Selling expenses	140,793	3	137,198	3
6200	Administrative expenses	158,225	4	214,082	5
6450	Expected credit losses (gains) (note (6)(c))	-	-	-	-
		<u>299,018</u>	<u>7</u>	<u>351,280</u>	<u>8</u>
6900	Net operating income	<u>29,132</u>	<u>1</u>	<u>54,785</u>	-
	Non-operating income and expenses:				
7010	Other income (note (7))	19,357	-	16,968	-
7020	Other gains and losses, net (notes (6)(r))	23	-	4,113	-
7050	Finance costs (notes (6)(k) and (7))	(11,283)	-	(10,118)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(f))	(24)	-	(1)	-
7100	Interest income	1,077	-	859	-
7210	Gains (losses) on disposals of property, plant and equipment	-	-	(250)	-
7590	Miscellaneous disbursements	(627)	-	(6,690)	-
		<u>8,523</u>	-	<u>4,881</u>	-
7900	Profit before tax	<u>37,655</u>	<u>1</u>	<u>59,666</u>	-
7950	Less: Income tax expenses (note (6)(m))	<u>3,665</u>	-	<u>13,984</u>	-
8200	Profit	<u>33,990</u>	<u>1</u>	<u>45,682</u>	-
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note (6)(r))	52,515	1	(17,505)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note (6)(f))	922	-	816	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	<u>3,196</u>	-	<u>(775)</u>	-
		<u>50,241</u>	<u>1</u>	<u>(15,914)</u>	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	1,483	-	17,614	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(m))	<u>188</u>	-	<u>2,055</u>	-
		<u>1,295</u>	-	<u>15,559</u>	-
8300	Other comprehensive income (loss)	<u>51,536</u>	<u>1</u>	<u>(355)</u>	-
8500	Total comprehensive income	<u>\$ 85,526</u>	<u>2</u>	<u>45,327</u>	-
	Profit, attributable to:				
8610	Owners of parent	\$ 30,527	1	44,134	-
8620	Non-controlling interests	<u>3,463</u>	-	<u>1,548</u>	-
		<u>\$ 33,990</u>	<u>1</u>	<u>45,682</u>	-
	Total comprehensive income attributable to:				
8710	Owners of parent	\$ 81,520	2	36,441	-
8720	Non-controlling interests	<u>4,006</u>	-	<u>8,886</u>	-
		<u>\$ 85,526</u>	<u>2</u>	<u>45,327</u>	-
	Earnings per share (note (6)(o))				
9750	Basic earnings per share	<u>\$ 0.22</u>		<u>0.32</u>	
9850	Diluted earnings per share	<u>\$ 0.22</u>		<u>0.32</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the three months ended March 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Exchange differences on translation of foreign financial statements	Other equity		Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
				Unappropriated retained earnings	Total retained earnings		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity				
Balance on January 1, 2022	\$ 1,372,818	583,359	481,074	1,463,075	1,944,149	(21,937)	1,409,584	1,387,647	(31,863)	5,256,110	200,673	5,456,783
Effect of retrospective application and retrospective restatement	-	-	-	(5,621)	(5,621)	-	-	-	-	(5,621)	-	(5,621)
Balance on January 1, 2022 as restated	1,372,818	583,359	481,074	1,457,454	1,938,528	(21,937)	1,409,584	1,387,647	(31,863)	5,250,489	200,673	5,451,162
Profit (loss) for the three months ended March 31, 2022	-	-	-	44,134	44,134	-	-	-	-	44,134	1,548	45,682
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	8,221	(15,914)	(7,693)	-	(7,693)	7,338	(355)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	44,134	44,134	8,221	(15,914)	(7,693)	-	36,441	8,886	45,327
Balance on March 31, 2022	\$ 1,372,818	583,359	481,074	1,501,588	1,982,662	(13,716)	1,393,670	1,379,954	(31,863)	5,286,930	209,559	5,496,489
Balance on January 1, 2023	\$ 1,372,818	586,742	526,676	1,375,482	1,902,158	(16,129)	1,007,371	991,242	(31,863)	4,821,097	194,176	5,015,273
Effect of retrospective application and retrospective restatement	-	-	-	(6,367)	(6,367)	-	-	-	-	(6,367)	-	(6,367)
Balance on January 1, 2023 as restated	1,372,818	586,742	526,676	1,369,115	1,895,791	(16,129)	1,007,371	991,242	(31,863)	4,814,730	194,176	5,008,906
Profit (loss) for the three months ended March 31, 2023	-	-	-	30,527	30,527	-	-	-	-	30,527	3,463	33,990
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	752	50,241	50,993	-	50,993	543	51,536
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	30,527	30,527	752	50,241	50,993	-	81,520	4,006	85,526
Balance on March 31, 2023	\$ 1,372,818	586,742	526,676	1,399,642	1,926,318	(15,377)	1,057,612	1,042,235	(31,863)	4,896,250	198,182	5,094,432

See accompanying notes to consolidated financial statements.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
For the three months ended March 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2023	2022 (restated)
Cash flows from (used in) operating activities:		
Profit before tax	\$ 37,655	59,666
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense and amortization expense	115,357	120,888
Interest expense	11,283	10,118
Interest income	(1,077)	(859)
Share of loss of associates and joint ventures accounted for using equity method	24	1
Loss (gain) on disposal of property, plant and equipment	-	250
	<u>125,587</u>	<u>130,398</u>
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	(36,976)	64,665
Decrease (increase) in inventories	24,166	(15,274)
Decrease (increase) in other current financial assets	(15,289)	(892)
Decrease (increase) in other current assets	(37,544)	(24,854)
Increase (decrease) in notes and accounts payable	(180,678)	4,527
Increase (decrease) in provisions	(162)	(4,553)
Increase (decrease) in other payables and other current liabilities	7,436	(106,500)
Increase (decrease) in net defined benefit liabilities	(84)	(182)
Increase (decrease) in contract liabilities	56,941	3,415
	<u>(182,190)</u>	<u>(79,648)</u>
Total adjustments	<u>(56,603)</u>	<u>50,750</u>
Cash inflow (outflow) generated from (used in) operations	(18,948)	110,416
Interest paid	(11,283)	(10,118)
Interest received	1,077	859
Income taxes paid	(1,460)	(1,119)
Net cash flows from (used in) operating activities	<u>(30,614)</u>	<u>100,038</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(34,367)	(91,158)
Proceeds from disposal of property, plant and equipment	-	1,087
Decrease (increase) in refundable deposits	(647)	(747)
Acquisition of intangible assets	(514)	-
Increase in other financial assets	(2,263)	-
Increase in prepayments for business facilities	(4,402)	-
Net cash flows from (used in) investing activities	<u>(42,193)</u>	<u>(90,818)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(20,000)	-
Proceeds from long-term borrowings	200,000	-
Increase (decrease) in guarantee deposit received	34	-
Payment of lease liabilities	(63,257)	(64,817)
Net cash flows from (used in) financing activities	<u>116,777</u>	<u>(64,817)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,557</u>	<u>17,247</u>
Net increase (decrease) in cash and cash equivalents	45,527	(38,350)
Cash and cash equivalents at beginning of period	1,057,797	1,553,286
Cash and cash equivalents at end of period	<u>\$ 1,103,324</u>	<u>1,514,936</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2023 and 2022

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

(1) Company history

Shan-loong Transportation Co., Ltd. (the “Company”) was incorporated in April 6, 1976 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 1F, No. 1-2, Sec. 1, Minsheng Rd., Banqiao Dist., New Taipei City. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The major business activities of the Group are freight transportation, container trucking, truck repair and maintenance, sale of truck, gas station, and import and export agent, etc. Furthermore, one of the Group entities engages in the investing activities. Please refer to note 4(b) for related information.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on May 12, 2023.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	Shan Loong Investment Co., Ltd. (Shan-Loong Investment)	Investing activities	100 %	100 %	100 %	
The Company	Shan Loong International & Customs Broker Co., Ltd. (Shan Loong Customs Broker)	Import and export agent services	100 %	100 %	100 %	Note 1
The Company	Shan Loong Motors Co., Ltd. (Shan Loong Motors)	Truck repair, maintenance and sales	100 %	100 %	100 %	Note 1
The Company	Shan-Loong International holdings Co., Ltd. (Shan-Loong International)	Investing activities	100 %	100 %	100 %	
Shan-Loong International	Long Yun Investment Holding Co, Ltd. (Long Yun)	Investing activities	100 %	100 %	100 %	
"	Loong De Investment Co., Ltd. (Loong De)	Investing activities	100 %	100 %	100 %	
Long Yun	Shanghai Shan Tong Logistic Co., Ltd. (Shanghai Shan Tong)	Truck freight transportation and warehousing	60 %	60 %	60 %	
Loong De	Shan-Loong Logistics Co., Ltd.	Warehousing, freight transportation and related agent	51 %	51 %	51 %	Note 1

Note 1: The subsidiary is a non-significant subsidiary, and its financial statements have not been reviewed.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Inventories

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

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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

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

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

Consolidated Balance Sheet

Accounts	January 1, 2022		
	Before restatement	Adjustment	After restatement
Inventories	\$ 223,277	(5,621)	217,656
Retained earnings	1,944,149	(5,621)	1,938,528

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2022			
Accounts	Before restatement	Adjustment	After restatement
Inventories	\$ 240,768	(7,838)	232,930
Retained earnings	1,990,500	(7,838)	1,982,662

December 31, 2022			
Accounts	Before restatement	Adjustment	After restatement
Inventories	\$ 280,884	(6,367)	274,517
Retained earnings	1,902,158	(6,367)	1,895,791

Consolidated statement of Comprehensive Income

For the three months ended March 31, 2022				
Accounts	For the three months ended March 31, 2023	Before restatement	Adjustment	After restatement
Operating costs	\$ 3,620,819	4,373,466	2,217	4,375,683
Basic earnings per share (NTD)	0.22	0.34	(0.02)	0.32

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 25,195	14,053	19,585
Checking accounts and demand deposits	836,729	897,179	1,330,518
Time deposits	241,400	146,565	164,833
	<u><u>\$ 1,103,324</u></u>	<u><u>1,057,797</u></u>	<u><u>1,514,936</u></u>

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic markets	\$ 1,648,384	1,595,869	2,042,244
Stocks unlisted on domestic markets	175,139	175,139	181,579
Stocks unlisted on foreign markets	<u>203,371</u>	<u>203,371</u>	<u>204,805</u>
	<u>\$ 2,026,894</u>	<u>1,974,379</u>	<u>2,428,628</u>

- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.
- (ii) Base on the resolution approved during the stockholders' meeting held on July 18, 2022, Chung Loong Paper Holdings Limited, which the Group holds as equity investments at fair value through other comprehensive income, decided to reduce 60% of its capital by cash. In July 2022, the Group received all the refund amount of \$60,176 (US\$2,009 thousand) in proportion to the percentage of ownership in its investment. The Group assessed the transaction mentioned above was the return of the original investment cost and decreased the carrying amount of the investment.
- (iii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2023 and 2022.
- (iv) For market risk of the Group, please refer to note (6)(r).
- (v) The Group had not been pledged any financial assets as collateral for its borrowings.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ 18,541	27,278	25,571
Accounts receivable	765,217	721,984	879,529
Less: allowance for impairment	<u>(23,334)</u>	<u>(23,334)</u>	<u>(3,069)</u>
	<u>760,424</u>	<u>725,928</u>	<u>902,031</u>
Installment sales receivable	90,690	88,157	-
Less: Unearned interests	<u>(7,205)</u>	<u>(7,152)</u>	<u>-</u>
	<u>83,485</u>	<u>81,005</u>	<u>-</u>
	<u>\$ 843,909</u>	<u>806,933</u>	<u>902,031</u>
Notes and accounts receivable, net	<u>\$ 481,002</u>	<u>455,219</u>	<u>604,361</u>
Notes and accounts receivable due from related parties, net	<u>\$ 362,907</u>	<u>351,714</u>	<u>297,670</u>

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

	March 31, 2023				
	Gross carrying amount		Loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Installment sales receivable	\$ -	90,690	-	-	-
Notes and accounts receivable					
Aging under 60 days	9,715	715,053	-	-	-
Aging 61~90 days	8,826	19,057	1%	1%	189
Aging 91~120 days	-	314	5%	60%	188
Aging 121~150 days	-	17	10%	60%	10
Aging 151~180 days	-	200	10%	80%	-
Aging 181~365 days	-	16,427	10%	90%	16,426
Aging over 365 days	-	14,149	100%	100%	4,504
	\$ 18,541	855,907			21,317

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2022					
	Gross carrying amount		Loss rate		Loss allowance provision
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	
Installment sales receivable	\$ -	88,157	-	-	-
Notes and accounts receivable					
Aging under 60 days	15,750	689,414	-	-	-
Aging 61~90 days	1,881	101	1%	1%	13
Aging 91~120 days	9,647	5,608	5%	60%	4,876
Aging 121~150 days	-	1,582	10%	60%	1,580
Aging 151~180 days	-	5,710	10%	80%	5,674
Aging 181~365 days	-	9,390	10%	90%	9,332
Aging over 365 days	-	10,179	100%	100%	664
	<u>\$ 27,278</u>	<u>810,141</u>			<u>22,139</u>
March 31, 2022					
	Gross carrying amount		Loss rate		Loss allowance provision
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	
Installment sales receivable	\$ -	-	-	-	-
Notes and accounts receivable					
Aging under 60 days	18,399	858,255	-	-	-
Aging 61~90 days	4,980	10,679	1%	1%	85
Aging 91~120 days	2,192	34	5%	60%	110
Aging 121~150 days	-	-	10%	60%	-
Aging 151~180 days	-	-	10%	80%	-
Aging 181~365 days	-	170	10%	90%	153
Aging over 365 days	-	10,391	100%	100%	664
	<u>\$ 25,571</u>	<u>879,529</u>			<u>1,012</u>

(ii) The Group's installment sales receivable and related accounts were as follows:

	Gross installment sales (Tax included)	Unearned interests	Present value of installment sales receivable
March 31, 2023			
Within 1 year	\$ 16,810	(2,434)	14,376
Beyond 1 year to 5 years	73,880	(4,771)	69,109
	<u>\$ 90,690</u>	<u>(7,205)</u>	<u>83,485</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Gross installment sales (Tax included)	Unearned interests	Present value of installment sales receivable
December 31, 2022			
Within 1 year	\$ 15,934	(2,354)	13,580
Beyond 1 year to 5 years	<u>72,223</u>	<u>(4,798)</u>	<u>67,425</u>
	<u>\$ 88,157</u>	<u>(7,152)</u>	<u>81,005</u>

The clients pledged their trucks purchased from the Group as collateral for the above mentioned installment sales receivable.

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

	For the three months ended March 31,
	2023 2022
Balance on January 1 (Same as balance on March 31)	<u>\$ 23,334 3,069</u>

(iv) As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group did not pledge any notes and accounts receivable as collateral for its borrowings.

(d) Other current financial assets

	March 31, 2023	December 31, 2022	March 31, 2022
Other receivables	\$ 99,173	83,884	90,370
Less: loss allowance	<u>(13,100)</u>	<u>(13,100)</u>	<u>(13,100)</u>
	86,073	70,784	77,270
Restricted deposits	391,796	389,533	-
Refundable deposits-current	<u>-</u>	<u>-</u>	<u>4,830</u>
	<u>\$ 477,869</u>	<u>460,317</u>	<u>82,100</u>

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

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Inventories

	March 31, 2023	December 31, 2022 (restated)	March 31, 2022 (restated)	January 1, 2022 (restated)
Premium Diesel	\$ 51,656	34,715	53,049	60,529
Unleaded Gasoline #92	47,456	57,633	41,478	48,073
Unleaded Gasoline #95	62,700	84,268	56,434	66,665
Unleaded Gasoline #98	27,698	30,088	30,165	28,364
By-product and other	34,606	17,628	16,114	14,025
Merchandise Inventory	<u>26,235</u>	<u>50,185</u>	<u>35,690</u>	<u>-</u>
	<u>\$ 250,351</u>	<u>274,517</u>	<u>232,930</u>	<u>217,656</u>

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

The Group recognized as cost of sales amounted to \$2,920,279 and \$3,172,053, respectively, for the three months ended March 31, 2023 and 2022 (restated).

The gain on physical inventory amounted to \$12,924 and \$12,949, respectively, which was recorded as cost of sales for the three months ended March 31, 2023 and 2022 (restated).

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

(f) Investments accounted for using the equity method

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

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	<u>\$ 66,027</u>	<u>65,129</u>	<u>72,140</u>

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

	For the three months ended March 31,	
	2023	2022
Attributable to the Group:		
Profit (loss)	\$ (24)	(1)
Other comprehensive income (loss)	<u>922</u>	<u>816</u>
Total comprehensive income (loss)	<u>\$ 898</u>	<u>815</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The investments were accounted for using the equity method, and the share of profit or loss and other comprehensive income of those investments was calculated based on the financial statements that have not been reviewed.

(iii) The Group did not provide any investment accounted for using the equity method as collateral for its loans.

(g) Property, plant and equipment

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

	Land	Buildings	Gasoline equipment	Transportation equipment	Miscellaneous equipment	Unfinished construction and equipment under installation	Total
Cost:							
Balance on January 1, 2023	\$ 2,009,271	912,904	174,990	2,240,040	507,004	7,972	5,852,181
Additions	429	8,793	180	19,250	3,558	2,157	34,367
Reclassifications	-	(10,306)	129,660	-	(119,537)	183	-
Effect of movements in exchange rates	-	-	-	(104)	-	-	(104)
Balance on March 31, 2023	<u>\$ 2,009,700</u>	<u>911,391</u>	<u>304,830</u>	<u>2,259,186</u>	<u>391,025</u>	<u>10,312</u>	<u>5,886,444</u>
Balance on January 1, 2022	\$ 2,006,541	903,316	155,502	2,019,052	448,412	13,911	5,546,734
Additions	-	4,929	620	13,549	25,776	26,733	71,607
Disposals	-	-	-	(7,544)	(2,388)	-	(9,932)
Reclassifications	-	90	8,261	-	-	(8,351)	-
Effect of movements in exchange rates	-	-	-	732	2	-	734
Balance on March 31, 2022	<u>\$ 2,006,541</u>	<u>908,335</u>	<u>164,383</u>	<u>2,025,789</u>	<u>471,802</u>	<u>32,293</u>	<u>5,609,143</u>
Depreciation:							
Balance on January 1, 2023	\$ -	405,793	121,157	1,274,530	340,461	-	2,141,941
Depreciation	-	9,157	4,995	36,327	9,962	-	60,441
Reclassifications	-	(1,704)	87,919	-	(86,215)	-	-
Effect of movements in exchange rates	-	-	-	(30)	-	-	(30)
Balance on March 31, 2023	<u>\$ -</u>	<u>413,246</u>	<u>214,071</u>	<u>1,310,827</u>	<u>264,208</u>	<u>-</u>	<u>2,202,352</u>
Balance on January 1, 2022	\$ -	368,701	111,360	1,147,617	309,545	-	1,937,223
Depreciation	-	9,433	2,925	39,834	11,388	-	63,580
Disposals	-	-	-	(7,544)	(1,051)	-	(8,595)
Effect of movements in exchange rates	-	-	-	366	1	-	367
Balance on March 31, 2022	<u>\$ -</u>	<u>378,134</u>	<u>114,285</u>	<u>1,180,273</u>	<u>319,883</u>	<u>-</u>	<u>1,992,575</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings	Gasoline equipment	Transportation equipment	Miscellaneous equipment	Unfinished construction and equipment under installation	Total
Carrying amounts:							
Balance on January 1, 2023	\$ <u>2,009,271</u>	<u>507,111</u>	<u>53,833</u>	<u>965,510</u>	<u>166,543</u>	<u>7,972</u>	<u>3,710,240</u>
Balance on March 31, 2023	\$ <u>2,009,700</u>	<u>498,145</u>	<u>90,759</u>	<u>948,359</u>	<u>126,817</u>	<u>10,312</u>	<u>3,684,092</u>
Balance on January 1, 2022	\$ <u>2,006,541</u>	<u>534,615</u>	<u>44,142</u>	<u>871,435</u>	<u>138,867</u>	<u>13,911</u>	<u>3,609,511</u>
Balance on March 31, 2022	\$ <u>2,006,541</u>	<u>530,201</u>	<u>50,098</u>	<u>845,516</u>	<u>151,919</u>	<u>32,293</u>	<u>3,616,568</u>

- (i) There was no significant change for property, plant and equipment for the three months ended March 31, 2023 and 2022. For the related information, please refer to note (6)(g) of the consolidated financial statements for the year ended December 31, 2022.
- (ii) As of March 31, 2023, December 31, 2022 and March 31, 2022, the portion of property, plant and equipment of the Group had been pledged as collateral for its credit lines of the bank. Please refer to note (8).

(h) Right-of-use assets

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

	Land	Buildings	Others	Total
Cost or deemed cost:				
Balance on January 1, 2023	\$ 287,201	1,492,372	13,987	1,793,560
Additions	-	41,105	-	41,105
Balance on March 31, 2023	\$ <u>287,201</u>	<u>1,533,477</u>	<u>13,987</u>	<u>1,834,665</u>
Balance on January 1, 2022	\$ 264,408	1,393,037	14,571	1,672,016
Additions	15,612	26,624	-	42,236
Balance on March 31, 2022	\$ <u>280,020</u>	<u>1,419,661</u>	<u>14,571</u>	<u>1,714,252</u>
Depreciation:				
Balance on January 1, 2023	\$ 110,523	708,099	9,059	827,681
Depreciation	9,179	45,032	665	54,876
Balance on March 31, 2023	\$ <u>119,702</u>	<u>753,131</u>	<u>9,724</u>	<u>882,557</u>
Balance on January 1, 2022	\$ 69,243	520,687	6,558	596,488
Depreciation	9,527	47,102	679	57,308
Balance on March 31, 2022	\$ <u>78,770</u>	<u>567,789</u>	<u>7,237</u>	<u>653,796</u>
Carrying amount:				
Balance on January 1, 2023	\$ <u>176,678</u>	<u>784,273</u>	<u>4,928</u>	<u>965,879</u>
Balance on March 31, 2023	\$ <u>167,499</u>	<u>780,346</u>	<u>4,263</u>	<u>952,108</u>
Balance on January 1, 2022	\$ <u>195,165</u>	<u>872,350</u>	<u>8,013</u>	<u>1,075,528</u>
Balance on March 31, 2022	\$ <u>201,250</u>	<u>851,872</u>	<u>7,334</u>	<u>1,060,456</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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The Group's right-of-use assets increased resulting from the new lease contracts including gas stations and container yard.

(i) Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Short-term borrowings	\$ <u>20,000</u>	<u>40,000</u>	<u>40,000</u>
Unused short-term credit lines	\$ <u>220,000</u>	<u>124,000</u>	<u>444,000</u>
Range of interest rates	<u>2.00%</u>	<u>2.00%</u>	<u>1.5%~1.63%</u>

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

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

(j) Long-term borrowings

	Currency	March 31, 2023	December 31, 2022	March 31, 2022
Secured bank loans	NTD	\$ 1,679,000	1,479,000	1,274,700
Less: current portion		<u>400,000</u>	<u>100,000</u>	<u>1,111,094</u>
		<u>\$ 1,279,000</u>	<u>1,379,000</u>	<u>163,606</u>
Unused long-term credit lines		<u>\$ 200,000</u>	<u>200,000</u>	<u>254,300</u>
Range of interest rates		<u>1.67%~2.45%</u>	<u>1%~2.17%</u>	<u>1%~1.3%</u>
Maturity year		<u>2023~2028</u>	<u>2023~2027</u>	<u>2022~2025</u>

(i) Issuance and repayment of the loans

The Group's additional amounts in loans for the three months ended March 31, 2023 and 2022, were \$200,000 and \$0, respectively; and the repayments, including prepaying the loans, were both \$0.

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

Period	Amount
2023.04.01~2024.03.31	\$ 400,000
2024.04.01~2025.03.31	887,157
2025.04.01~2026.03.31	82,859
2026.04.01~2027.03.31	84,491
2027.04.01~2028.03.31	<u>224,493</u>
	<u>\$ 1,679,000</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(iii) Please refer to note (6)(r) for the interest rate risk and liquidity risk information of the Group.

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

(k) Lease liabilities

The lease liabilities of the Group were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	\$ <u>207,051</u>	<u>201,323</u>	<u>209,134</u>
Non-current	\$ <u>764,432</u>	<u>792,312</u>	<u>867,833</u>

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

	For the three months ended March 31,	
	2023	2022
The amounts recognized in profit or loss were as follows:		
Interest on lease liabilities	\$ <u>3,326</u>	<u>3,742</u>
Expenses relating to short-term leases	\$ <u>5,520</u>	<u>4,323</u>

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

	For the three months ended March 31,	
	2023	2022
Total cash outflow for leases	\$ <u>72,103</u>	<u>72,882</u>

(i) Leases of land and buildings

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

(ii) Other leases

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

(l) Employee benefits

(i) Defined benefit plans

The management believes there was no material volatility of the market and no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

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

	For the three months ended March 31,	
	2023	2022
Operating cost and operating expenses	\$ <u>346</u>	<u>967</u>
(ii) Defined contribution plans		

The Group recognized its pension costs under the defined contribution plans were as follows:

	For the three months ended March 31,	
	2023	2022
Operating cost and operating expenses	\$ <u>11,707</u>	<u>13,589</u>
(m) Income taxes		

The Group entities are subject to income tax rates according to the profit before tax of the interim reporting period multiplied by the best estimated measurement of the expected effective tax rate by the management in all the year.

(i) The amounts of income tax expenses were as follows:

	For the three months ended March 31,	
	2023	2022
Current income tax expenses		
Current period	\$ 9,189	13,984
Adjustment for prior periods	<u>(5,524)</u>	<u>-</u>
	\$ <u>3,665</u>	<u>13,984</u>
(ii) The amounts of income tax recognized directly in other comprehensive income were as follows:		

	For the three months ended March 31,	
	2023	2022
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	\$ <u>3,196</u>	<u>(775)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ <u>188</u>	<u>2,055</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(iii) Assessment of tax

The tax returns of Shan Loong Motors for the years through 2020 were assessed by the Taipei National Tax Administration. The tax returns of the Company, Shan Loong Customs Broker and Shan Loong Investment for the years through 2021 were assessed by the Taipei National Tax Administration.

(n) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to March 31, 2023 and 2022. For the related information, please refer to note (6)(n) of the consolidated financial statements for the year ended December 31, 2022.

(i) Ordinary shares

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

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Additional paid-in capital	\$ 520,206	520,206	520,206
Treasury share transactions	65,295	65,295	61,912
Other	1,241	1,241	1,241
	<u>\$ 586,742</u>	<u>586,742</u>	<u>583,359</u>

(iii) Retain earnings-earnings distribution and dividend policy

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

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

On March 13, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings, which is waiting for approval by the annual shareholders' meeting. On May 26, 2022, the shareholders' meeting resolved to distribute the 2021 earnings. These earnings were appropriated as follows:

	2022		2021	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.6	<u><u>219,651</u></u>	2.5	<u><u>343,205</u></u>

(iv) Treasury shares

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

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

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

	March 31, 2023		December 31, 2022		March 31, 2022	
	Shares (thousands)	Amount	Shares (thousands)	Amount	Shares (thousands)	Amount
Shan-Loong Investment	<u>1,353</u>	<u>\$ 31,863</u>	<u>1,353</u>	<u>31,863</u>	<u>1,353</u>	<u>31,863</u>
Fair value		<u>\$ 43,920</u>		<u>43,175</u>		<u>54,003</u>

For the year ended December 31, 2022, Shan-Loong Investment, received the cash dividend which was distributed by the Company, amounting to \$3,383, which was recorded as capital surplus - treasury share transactions.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(o) Earnings per share

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

	For the three months ended March 31,	
	2023	2022 (restated)
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>30,527</u>	<u>44,134</u>
Weighted average number of ordinary shares (thousands)	<u>135,928</u>	<u>135,928</u>
Basic earnings per share (dollars)	\$ <u>0.22</u>	<u>0.32</u>
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (after adjustment the influence of potential ordinary shares)	\$ <u>30,527</u>	<u>44,134</u>
Weighted average number of ordinary shares (thousands)	135,928	135,928
Dilutive effect of potential ordinary shares (thousands):		
Employee share bonus	718	568
Weighted average number of ordinary shares (after adjustment the influence of potential ordinary shares)	<u>136,646</u>	<u>136,496</u>
Diluted earnings per share (dollars)	\$ <u>0.22</u>	<u>0.32</u>

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2023			
	Transportation segment	Gasoline station segment	Other segment	Total
Primary geographical markets:				
Taiwan	\$ 437,667	3,154,236	268,498	3,860,401
Vietnam	<u>88,568</u>	<u>-</u>	<u>-</u>	<u>88,568</u>
	<u>\$ 526,235</u>	<u>3,154,236</u>	<u>268,498</u>	<u>3,948,969</u>

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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For the three months ended March 31, 2022				
	Transportation segment	Gasoline station segment	Other segment	Total
Primary geographical markets:				
Taiwan	\$ 782,036	3,396,342	538,919	4,717,297
Vietnam	64,451	-	-	64,451
	\$ 846,487	3,396,342	538,919	4,781,748

(ii) Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts receivable	\$ 874,448	837,419	905,100
Less: allowance for impairment	(23,334)	(23,334)	(3,069)
Unearned interests	(7,205)	(7,152)	-
	\$ 843,909	806,933	902,031
Contract liabilities – Unearned revenue	\$ 80,881	35,042	25,230

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

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

(q) Employee compensation and directors' remuneration

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

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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The Company's remuneration to employees amounted to \$5,188 and \$5,500, respectively, and the remuneration to directors were both \$0 for the three months ended March 31, 2023 and 2022. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of the remuneration to employees and directors as specified in company's articles. The remuneration were expensed under operating costs or operating expenses for each period. The differences between the amounts estimated and recognized as profit or loss in the distribution year.

The Company's remuneration to employees were both \$22,000, and the remuneration to directors both amounted to \$0 for the years ended December 31, 2022 and 2021. The remunerations above are identical to those of the actual distributions. The information is available on the Market Observation Post System website.

(r) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2022.

(i) Credit risk

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

The abovementioned other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g) for the year ended December 31, 2022.

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

		For the three months ended March 31,	
		2023	2022
Balance on January 1 (same as balance on March 31)	\$	<u><u>13,100</u></u>	<u><u>13,100</u></u>

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(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1~2 years</u>	<u>Over 2 years</u>
March 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	\$ 20,000	(20,100)	(20,100)	-	-
Notes and accounts payable	1,364,017	(1,364,017)	(1,364,017)	-	-
Other payables	367,462	(367,462)	(367,462)	-	-
Lease liabilities (including current and non-current)	971,483	(1,012,603)	(219,258)	(190,082)	(603,263)
Long-term borrowings (including current portion)	1,679,000	(1,746,257)	(431,832)	(901,307)	(413,118)
Guarantee deposits received	13,066	(13,066)	-	-	(13,066)
	<u><u>\$ 4,415,028</u></u>	<u><u>(4,523,505)</u></u>	<u><u>(2,402,669)</u></u>	<u><u>(1,091,389)</u></u>	<u><u>(1,029,447)</u></u>
December 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	\$ 40,000	(40,300)	(40,300)	-	-
Notes and accounts payable	1,544,695	(1,544,695)	(1,544,695)	-	-
Other payables	391,241	(391,241)	(391,241)	-	-
Lease liabilities (including current and non-current)	993,635	(1,036,630)	(213,499)	(184,851)	(638,280)
Long-term borrowings (including current portion)	1,479,000	(1,527,272)	(125,988)	(1,191,447)	(209,837)
Guarantee deposits received	13,032	(13,032)	-	-	(13,032)
	<u><u>\$ 4,461,603</u></u>	<u><u>(4,553,170)</u></u>	<u><u>(2,315,723)</u></u>	<u><u>(1,376,298)</u></u>	<u><u>(861,149)</u></u>
March 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	\$ 40,000	(40,409)	(40,409)	-	-
Notes and accounts payable	1,590,656	(1,590,656)	(1,590,656)	-	-
Other payables	397,651	(397,651)	(397,651)	-	-
Lease liabilities (including current and non-current)	1,076,967	(1,127,820)	(222,525)	(192,240)	(713,055)
Long-term borrowings (including current portion)	1,274,700	(1,285,999)	(1,118,326)	(106,129)	(61,544)
Guarantee deposits received	18,262	(18,262)	-	-	(18,262)
	<u><u>\$ 4,398,236</u></u>	<u><u>(4,460,797)</u></u>	<u><u>(3,369,567)</u></u>	<u><u>(298,369)</u></u>	<u><u>(792,861)</u></u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2023			December 31, 2022			March 31, 2022			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
Financial assets										
Monetary items										
USD	\$	10,273	USD/TWD =30.450	312,813	10,327	USD/TWD =30.710	317,142	6,253	USD/TWD =28.625	178,992
Non-Monetary items										
CNY		45,897	CNY/TWD =4.431	203,371	46,137	CNY/TWD =4.408	203,371	45,452	CNY/TWD =4.506	204,805

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents and financial assets at fair value through other comprehensive income. A strengthening (weakening) of 5% of the TWD against the USD and CNY for the three months ended March 31, 2023 and 2022, would have increased or decreased the profit before tax by \$15,641 and \$8,950, respectively; and would have increased or decreased the other comprehensive income by \$10,169 and \$10,240, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2023 and 2022, the foreign exchange gains (losses) (including both realized and unrealized) were as follows:

	For the three months ended March 31,	
	2023	2022
Foreign exchange gain (loss) (recorded as other gains and losses)	\$ <u>23</u>	<u>4,113</u>

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Variable rate instruments (Carrying amount):			
Financial assets	\$ 1,158,952	1,180,842	1,290,667
Financial liabilities	1,089,000	801,700	901,700

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The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group's management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Group's net profit before tax would have increased or decreased by \$44 and \$243, respectively, for the three months ended March 31, 2023 and 2022, which would be mainly resulted from the bank deposits and bank loans.

(v) Other market price risk

For the three months ended March 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the three months ended March 31, 2023		For the three months ended March 31, 2022	
	Other comprehensive income before tax	Profit before tax	Other comprehensive income before tax	Profit before tax
Prices of securities at the reporting date				
Increasing 5%	\$ <u>101,345</u>	<u>-</u>	<u>121,431</u>	<u>-</u>
Decreasing 5%	\$ <u>(101,345)</u>	<u>-</u>	<u>(121,431)</u>	<u>-</u>

(vi) Fair value of financial instruments

1) Procedure of valuation and Fair value hierarchy

The Group's accounting policies and disclosure include fair value method on financial assets and financial liabilities. The Group's management is responsible in performing independent test on fair value by using independent source of information to obtain the fair value which is close to the market status. The management also confirms the independence, reliability and matching of the information source, and regularly test the valuation model, update the input and other information, and make necessary adjustment to ensure the output of valuation is reasonable.

The Group uses observable market data to evaluate its assets and liabilities when it is possible. The different inputs of levels of fair value hierarchy in determining the fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

2) The categories and the fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2023				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	\$ 1,648,384	1,648,384	-	-	1,648,384
Unquoted equity instruments	<u>378,510</u>	-	-	378,510	378,510
Subtotal	<u>2,026,894</u>				
Financial assets measured at amortized cost					
Cash and cash equivalents	1,103,324	-	-	-	-
Notes and accounts receivable, net	481,002	-	-	-	-
Notes and accounts receivable-related parties, net	362,907	-	-	-	-
Other current financial assets (including refundable deposits-current)	477,869	-	-	-	-
Refundable deposits (recorded as other non-current assets)	<u>192,087</u>	-	-	-	-
Subtotal	<u>2,617,189</u>				
	<u><u>\$ 4,644,083</u></u>				
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 20,000	-	-	-	-
Notes and accounts payable	1,364,017	-	-	-	-
Other payables	367,462	-	-	-	-
Lease liabilities (including current and non-current)	971,483	-	-	-	-
Long-term borrowings (including current portion)	1,679,000	-	-	-	-
Guarantee deposits	<u>13,066</u>	-	-	-	-
	<u><u>\$ 4,415,028</u></u>				

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		December 31, 2022			
			Fair Value		
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	\$ 1,595,869	1,595,869	-	-	1,595,869
Unquoted equity instruments	<u>378,510</u>	-	-	378,510	378,510
Subtotal	<u>1,974,379</u>				
Financial assets measured at amortized cost					
Cash and cash equivalents	1,057,797	-	-	-	-
Notes and accounts receivable, net	455,219	-	-	-	-
Notes and accounts receivable-related parties, net	351,714	-	-	-	-
Other current financial assets	460,317	-	-	-	-
Refundable deposits (recorded as other non-current assets)	<u>191,440</u>	-	-	-	-
Subtotal	<u>2,516,487</u>				
	<u><u>\$ 4,490,866</u></u>				
Financial liabilities measured at amortized costs					
Short-term borrowings	\$ 40,000	-	-	-	-
Notes and accounts payable	1,544,695	-	-	-	-
Other payables	391,241	-	-	-	-
Lease liabilities (including current and non-current)	993,635	-	-	-	-
Long-term borrowings (including current portion)	1,479,000	-	-	-	-
Guarantee deposits	<u>13,032</u>	-	-	-	-
	<u><u>\$ 4,461,603</u></u>				

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	March 31, 2022				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	2,042,244	2,042,244	-	-	2,042,244
Unquoted equity instruments	<u>386,384</u>	-	-	386,384	386,384
Subtotal	<u>2,428,628</u>				
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,514,936	-	-	-	-
Notes and accounts receivable, net	604,361	-	-	-	-
Notes and accounts receivable- related parties, net	297,670	-	-	-	-
Other current financial assets (including refundable deposits-current)	82,100	-	-	-	-
Refundable deposits (recorded as other non-current assets)	<u>214,631</u>	-	-	-	-
Subtotal	<u>2,713,698</u>				
	<u>\$ 5,142,326</u>				
Financial liabilities measured at amortized costs					
Short-term borrowings	\$ 40,000	-	-	-	-
Notes and accounts payable	1,590,656	-	-	-	-
Other payables	397,651	-	-	-	-
Lease liabilities (including current and non-current)	1,076,967	-	-	-	-
Long-term borrowings (including current portion)	1,274,700	-	-	-	-
Guarantee deposits	<u>18,262</u>	-	-	-	-
	<u>\$ 4,398,236</u>				

3) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Unquoted liability instruments and financial liabilities measured at amortized cost: If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

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4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments or other valuation technique including a model using observable market data at the reporting date.

The measurement of fair value of a non-active market financial equity instruments held by the Group which do not have quoted market prices are based on the comparable market approach, with the use of key assumptions of EV/EBIT or price-to-book ratio of comparable listed companies as its basic measurement. These assumptions have been adjusted for the effect of discount for lack of marketability of the equity securities.

The fair value of the structured deposits held by the Group is measured at observable prices other than market prices. The used estimates and assumptions are based on the quoted prices of the financial institutions.

5) There were no transfers from one level to another of the Group for the three months ended March 31, 2023 and 2022.

6) Reconciliation of Level 3 fair values

	Financial assets at fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2023	\$ 378,510
Total gains and losses recognized:	
In other comprehensive income	-
Balance on March 31, 2023	<u><u>\$ 378,510</u></u>

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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	Financial assets at fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2022	\$ 386,384
Total gains and losses recognized:	
In other comprehensive income	-
Balance on March 31, 2022	<u><u>\$ 386,384</u></u>

For the three months ended March 31, 2023 and 2022, the total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	For the three months ended March 31,	
	2023	2022
Total gains and losses recognized:		
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	\$ -	-

- 7) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “fair value through other comprehensive income – equity investments”.

Most of fair value measurements of the Group which are categorized as equity investment instruments into level 3 have several significant unobservable inputs. Significant unobservable inputs of equity instruments without quoted price are independent of each other.

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income — unquoted equity instruments	Comparable transaction method	· Lack-of-Marketability discount rate (20%~35% on March 31, 2023, December 31, 2022 and March 31, 2022)	· The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
"	"	· EV/EBIT (8.91~19.36 on March 31, 2022)	· The higher the multiple is, the higher the fair value will be.
"	"	· Price-Book ratio (0.73~2.6, 0.73~2.6 and 0.91~1.6, respectively, on March 31, 2023, December 31, 2022 and March 31, 2022)	"
"	"	· EV/SALES (0.9~2.18 both of March 31, 2023 and December 31, 2022)	"
"	"	· EV/EBITDA (4.30~9.99 both of March 31, 2023 and December 31, 2022)	· The higher the EBITDA multiple is, the higher the fair value will be.
"	Net asset value method	· Net Asset Value	· Not applicable

8) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters changed, the impacts on other comprehensive income or loss are as follows:

		Move up or	Other comprehensive income	
	Input	down	Favorable change	Unfavorable change
March 31, 2023				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	\$ 4,990	(4,971)
"	Price-to-Book Ratio	5%	\$ 4,303	(4,285)
"	EV/SALES	5%	\$ 699	(698)
"	EV/EBITDA	5%	\$ 5,372	(5,355)

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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		Move up or	Other comprehensive income	
	Input	down	Favorable change	Unfavorable change
December 31, 2022				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	\$ <u>4,990</u>	<u>(4,971)</u>
	Price-to-Book Ratio	5%	\$ <u>4,303</u>	<u>(4,285)</u>
"	EV/SALES	5%	\$ <u>699</u>	<u>(698)</u>
"	EV/EBITDA	5%	\$ <u>5,372</u>	<u>(5,355)</u>
March 31, 2022				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	\$ <u>4,616</u>	<u>(4,686)</u>
"	EV/EBIT	5%	\$ <u>3,376</u>	<u>(3,443)</u>
"	Price-to-Book Ratio	5%	\$ <u>7,616</u>	<u>(7,684)</u>

The favorable and unfavorable impacts reflect the movement of the fair value, in which the fair value is calculated by using the significant unobservable inputs in the valuation technique. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(s) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(s) of the consolidated financial statements for the year ended December 31, 2022.

(t) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022. Please refer to note (6)(t) of the consolidated financial statements for the year ended December 31, 2022 for further details.

(u) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2023 and 2022, were as follows:

- (i) The acquisition of right-of-use assets by lease, please refer to notes (6)(h) and (6)(k).
- (ii) Reconciliation of liabilities arising from financing activities was as follows:

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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	January 1, 2023	Cash flows	Non-cash changes Changes in lease payments and others	March 31, 2023
Short-term borrowings	\$ 40,000	(20,000)	-	20,000
Long-term borrowings	1,479,000	200,000	-	1,679,000
Guarantee deposits	13,032	34	-	13,066
Lease liabilities	993,635	(63,257)	41,105	971,483
Total liabilities from financing activities	<u>\$ 2,525,667</u>	<u>116,777</u>	<u>41,105</u>	<u>2,683,549</u>

	January 1, 2022	Cash flows	Non-cash changes Changes in lease payments and others	March 31, 2022
Short-term borrowings	\$ 40,000	-	-	40,000
Long-term borrowings	1,274,700	-	-	1,274,700
Guarantee deposits	18,262	-	-	18,262
Lease liabilities	1,099,548	(64,817)	42,236	1,076,967
Total liabilities from financing activities	<u>\$ 2,432,510</u>	<u>(64,817)</u>	<u>42,236</u>	<u>2,409,929</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in consolidated financial statements:

Name of related party	Relationship with the Group
Cheng Loong Corporation (Cheng Loong)	This Company is the corporate director of the Company
Shine Far Construction Co., Ltd.	This Company is the corporate director of the Company
Shine Far Property Co., Ltd.	Its parent company is the corporate director of the Company
Shine Far Electromechanical Co., Ltd.	Its parent company is the corporate director of the Company

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
Gemtech Optoelectronics Corp.	The relationship between the chairman of the Company and of this Company is within second degree of kinship
Ko Loong Industry Co., Ltd.	The associate of the Company
Zhonglong International Co., Ltd.	It has the same chairman as that of the Board of the Company since December 2022
Sun Favorite Co., Ltd.	Half of the directors of this company are the directors of the Company
Suzhou Cheng Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Shan Fu Paper (Kunsan) Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong (Gwangtung) Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Dongguan Ming Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Zhangzhou Cheng Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Qingdao Chung Loong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong (Hangzhou) Investment Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Chung Ming International Limited Taiwan Branch	Its ultimate parent company is the corporate director of the Company
Zhongming International Limited	Its ultimate parent company is the corporate director of the Company
Wen Gin Development Co., Ltd. (Wen Gin Development)	The relationship between the chairman of the Company and of this company is within second degree of kinship
Chung Ming International Limited	Its ultimate parent company is the corporate director of the Company
Cheng Loong Binh Duong Container Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Vina Tawana Container Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong Long An Container Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Cheng Loong Binh Duong Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales transactions between the Group and related parties were as followings:

	Sales	
	For the three months ended	
	March 31,	
	2023	2022
Other related parties — Cheng Loong	\$ 350,858	372,031
Other related parties	103,322	114,519
Associates	66	46
	\$ 454,246	486,596

Sales prices and other transaction terms for related parties were similar to those of the third-party customers.

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivables	Other related parties — Cheng Loong	\$ 239,204	227,318	236,361
Accounts receivables	Other related parties	62,577	60,759	61,290
Accounts receivables	Associates	17	23	19
Installment sales receivable, net (recorded as notes and accounts receivable due from related parties, net)	Other related parties	61,109	63,614	-
Other receivables (recorded as other current financial assets)	Other related parties	735	360	2,833
		\$ 363,642	352,074	300,503

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) The costs and expenses paid to related parties

The costs and expenses paid to related parties were as follows:

Account	Relationship	For the three months ended March 31,	
		2023	2022
Operating costs and operating expenses	Other related parties	\$ 88,185	11,482
"	Associates	-	1,275
		\$ 88,185	12,757

(iv) Property transactions

1) Purchases of property, plant and equipment

The Group purchased the transportation equipment from the related parties and engaged related parties to engineer the facilities on the leased land. The total price was as follows:

	Total price For the three months ended March 31,	
	2023	2022
Other related parties	\$ -	148
Associates	-	10,304
	\$ -	10,452

2) The associates provided system integration development services to the Group, as of March 31, 2023 and December 31 2022, the development projects had not been completed, and the cumulative amount is \$38,843, and the accounts were recorded as prepayments for business facilities (other non-current assets).

(v) Payable to related parties

The payables to related parties resulting from the above transactions were as follows:

Account	Relationship	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable	Other related parties	\$ 29,728	15,922	1,910
Other payables	Other related parties	7	362	4,214
"	Associates	-	2,057	5,063
		\$ 29,735	18,341	11,187

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Lease

1) Lessee

The Group rented several office spaces and lands from Cheng Loong. The rental fee is determined based on nearly office rental rates. The details of the above lease transactions are as follows:

	Lease liabilities			Interest expense	
	March 31, 2023	December 31, 2022	March 31, 2022	For the three months ended March 31,	
				2023	2022
Other related parties—Cheng Loong	\$ 45,783	49,702	61,797	115	165

2) Lessor

The Group rented out the office building to other related parties. The details of the above lease transactions are as follows:

	Rental income (recorded as other income)		Other receivables from related parties		
	For the three months ended March 31,		March 31,	December 31,	March 31,
	2023	2022	2023	2022	2022
Other related parties	\$ -	750	-	-	-

(vii) Provide guarantees

The Group short-term credit borrowing is jointly and severally guaranteed by the Chairman of the Company.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2023	2022
Short-term employee benefits	\$ 4,927	10,596
Post-employment benefits	147	113
	\$ 5,074	10,709

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment—land	Long-term borrowings	\$ 90,562	90,562	90,562
Property, plant and equipment—buildings	"	11,726	12,222	16,914
Refundable deposits (deposit certificate, recorded as other non-current assets)	Deposits for performance guarantee	45,744	46,235	76,293
		<u><u>\$ 148,032</u></u>	<u><u>149,019</u></u>	<u><u>183,769</u></u>

(9) Significant commitments and contingencies:

- (a) As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group's unrecognized contractual commitments for gas station engineering, office renovation and computer information system amounted to \$34,982, \$28,597 and \$15,501, respectively.
- (b) As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group had outstanding stand-by letters of credit provided by the banks totaling \$2,095,000, \$2,096,000 and \$2,126,000, respectively, for purposes of gasoline purchase, transportation and customs guarantee, etc.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others:

- (a) A summary of current-period employee benefits and depreciation, by function, is as follows:

By item	By function	For the three months ended March 31,					
		2023			2022		
		Operating cost	Operating Expenses	Total	Operating cost	Operating Expenses	Total
Employee benefits							
Salary		95,693	160,260	255,953	112,722	189,406	302,128
Labor and health insurance		9,136	17,940	27,076	10,639	20,317	30,956
Pension		1,667	10,386	12,053	5,923	8,633	14,556
Others		498	5,760	6,258	820	5,722	6,542
Depreciation		44,756	70,561	115,317	50,714	70,174	120,888
Amortization		-	40	40	-	-	-

- (b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(13) Additional disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2023.

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Shan-Loong Motors	Note 2	2,448,125	150,000	150,000	-	-	3.06 %	4,896,250	Y	-	-

Note 1: The total amount of endorsements shall not exceed the Company's net assets, and the endorsements for a single company shall not exceed 50% of the Company's net assets.

Note 2: Subsidiary whose over 50% common stock is directly or indirectly owned.

Note 3: The above counter-party of guarantee and endorsement is one of the entities in the consolidated financial statements.

(iii) Securities held as of March 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In thousands of shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock: Cheng Loong Corporation stock	Cheng Loong is the corporate director of the Company	Non current financial assets at fair value through other comprehensive income	19,376	547,376	1.75%	547,376	
"	Gemtech Optoelectronics Corp. stock	The relationship between the chairman of the Company and of this company is within second degree of kinship	"	3,644	72,589	19.29%	72,589	
"	Cheng Loong Investment Co., Ltd. stock	-	"	600	26,187	4.62%	26,187	
"	Shin Loong Lifecare Corp. stock	-	"	350	1,799	5.83%	1,799	
"	Yueh Loong Co., Ltd. stock	-	"	323	10,380	10.78%	10,380	
"	Shine Far Co., Ltd. stock	-	"	270	10,949	0.87%	10,949	
	Stocks:							

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Shan Loong Investment Co., Ltd.	Cheng Loong Corporation stock	-	Non-current financial assets at fair value through other comprehensive income	31,819	898,879	2.87%	898,879	
"	Shan Loong Transportation Co., Ltd. stock	Parent company	"	1,353	43,920	0.99%	43,920	Note 1
"	Cheng Loong investment Co., Ltd. stock	-	"	1,200	52,317	9.23%	52,317	
"	Yueh Loong Co., Ltd. stock	-	"	29	918	0.95%	918	
Shan Loong Customs Broker	Cheng Loong Corporation stock	-	Non current financial assets at fair value through other comprehensive income	7,155	202,129	0.65%	202,129	
Shan-Loong International	Chung Loong Paper Holdings Limited	-	"	1,339	203,371	5.00%	203,371	

Note 1: The transactions have been eliminated in the consolidated financial statement.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Trade receivables (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payable)	
The Company	Cheng Loong	Cheng Loong is the corporate director of the Company	Freight and gas revenue	(312,033)	(8.25)%	20-80 days	There is no difference to those of the third-party	No difference	Accounts receivable 222,251	34.77%	

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
The Company	Cheng Loong	Cheng Loong is the corporate director of the Company	222,251	5.74	-		Accounts receivable 134,526	-

Note 1: Information as of April 28, 2023.

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(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions (Note 3)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Shan Loong Motors	The Company	2	Operating revenue	65,671	The selling price and payment conditions are not significantly different from other customers	1.66%
1	Shan Loong Motors	The Company	2	Accounts receivable	23,827	The selling price and payment conditions are not significantly different from other customers	0.24%

Note 1: The numbers filled in as follows:

1.0 represents in the Company.

2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

1. represents the transactions from the parent company to its subsidiaries.

2. represents the transactions from the subsidiaries to its parent company.

3. represents the transactions between subsidiaries.

Note 3: The transactions above have been eliminated in the consolidated financial statement.

(b) Information on investees:

The following is the information on investees (excluding information on investees in Mainland China):

(In thousands of shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of ending of the period			Net income (losses) of investee (Note 2)	Share of profits /losses of investee (Note 2)	Note
				March 31, 2023 (Note 1)	December 31, 2022 (Note 1)	Shares	Percentage of ownership	Carrying value (Note 1)			
The Company	Shan-Loong Investment	New Taipei City	Investing activities	400,000	400,000	40,000	100.00%	993,000	(1,080)	(1,080)	Subsidiary company (Note3)
The Company	Shan Loong Customs Broker	Keelung	Import and export agent services	131,000	131,000	13,100	100.00%	330,655	(3,253)	(3,253)	"
The Company	Shan-Loong International	British Virgin Islands	Investing activities	305,931 (USD10,047 thousand)	305,931 (USD10,047 thousand)	10,047	100.00%	772,330	2,982	2,982	"
The Company	Shang Loong Motors	New Taipei City	Truck repair, maintenance and sales	270,000	200,000	27,000	100.00%	312,455	5,276	5,653	"
The Company	Ko Loong Industry	New Taipei City	Synthetic resin and plastic manufacturing	28,655	28,655	2,014	19.75%	66,027	(121)	(24)	-
								2,474,467		4,278	
Shan-Loong International	Long Yun	Samoa	Investing activities	24,999 (USD821 thousand)	24,999 (USD821 thousand)	821	100.00%	235,673	59	Investment gains and losses recognized by its parent company	Subsidiary company (Note3)
Shan-Loong International	Loong De	Samoa	Investing activities	31,059 (USD1,020 thousand)	31,059 (USD1,020 thousand)	1,020	100.00%	65,105	3,563	"	"
Loong De	Shan-Loong Logistics Co., Ltd.	Vietnam	Warehousing, freight transportation and related agent	31,059 (USD1,020 thousand)	31,059 (USD1,020 thousand)	-	51.00%	43,130	6,986	"	"

Note 1: The amounts of New Taiwan Dollars were exchanged by the closing rates on the reporting date.

Note 2: The amounts of New Taiwan Dollars were exchanged by the average rates on the reporting date.

Note 3: The transactions above have been eliminated in the consolidated financial statement.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus (Note 8)	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of beginning of the period	Investment flows		Accumulated outflow of investment from Taiwan as of ending of the period	Percentage of ownership	Net income (losses) of the investee (Note 6)	Investment income (losses) (Note 6)	Book value (Note 5)	Accumulated remittance of earnings in current period
					Outflow	Inflow (Note 5)						
Shanghai Chung Loong Paper Co., Ltd. (Shanghai Chung Loong)	Corrugated medium and kraft linerboard	(Note 8)	(Note 1)	176,062 (USD 5,782 thousand)	-	-	176,062 (USD 5,782 thousand)	-%	-	-	-	-
Shanghai Shan Tong	Warehousing, freight transportation and related agent	22,155 (RMB5,000 thousand) (Note 7)	(Note 1)	43,336 (USD812 thousand and RMB4,200 thousand)	-	-	43,336 (USD812 thousand and RMB4,200 thousand)	60.00%	100	60	235,117	-
Loong Fu Paper (Kunsan) Co., Ltd.	Corrugated paper boxes, cardboard and paper products	304,500 (USD10,000 thousand)	(Note 1)	33,952 (USD1,115 thousand)	-	-	33,952 (USD1,115 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Cheng Loong (Gwangtung) Paper Co., Ltd.	Cardboard, paper boxes, paper products and packing decoration printing	943,950 (USD31,000 thousand)	(Note 1)	25,852 (USD849 thousand)	-	-	25,852 (USD849 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Zhangzhou Cheng Loong Paper Co., Ltd.	Cardboard, paper boxes and paper products	389,151 (USD12,780 thousand)	(Note 1)	19,427 (USD638 thousand)	-	-	19,427 (USD638 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Qingdao Chung Loong Paper Co., Ltd.	Cardboard, paper boxes and paper products	(Note 8)	(Note 1)	4,568 (USD150 thousand)	-	-	4,568 (USD150 thousand)	-%	-	-	-	-
Tianjin Chung Loong Paper Co., Ltd.	Corrugated cardboard, paper boxes, paper pallets and paper products	(Note 8)	(Note 1)	15,255 (USD501 thousand)	-	-	15,255 (USD501 thousand)	-%	-	-	-	-
Suzhou Cheng Loong Paper Co., Ltd.	Cardboard	563,325 (USD18,500 thousand)	(Note 1)	5,329 (USD175 thousand)	-	-	5,329 (USD175 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Chong Qing Cheng Loong Paper Co., Ltd.	Corrugated, cardboard, corrugated boxes, display boxes, paper pallets and paper products	411,075 (USD13,500 thousand)	(Note 1)	5,146 (USD169 thousand)	-	-	5,146 (USD169 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Chengdu Cheng Loong Packing Products Co., Ltd.	Corrugated cardboard, paper boxes, paper pallets and paper products	123,201 (USD4,046 thousand)	(Note 1)	3,806 (USD125 thousand)	-	-	3,806 (USD125 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-
Henan Cheng Loong Packing Products Co., Ltd.	Corrugated cardboard and packaging products	304,196 (USD9,990 thousand)	(Note 1)	12,759 (USD419 thousand)	-	-	12,759 (USD419 thousand)	5.00%	(Note 4)	(Note 4)	(Note 4)	-

(Continued)

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(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
345,492 (USD10,735 thousand and RMB4,200 thousand)	345,492 (USD10,735 thousand and RMB4,200 thousand)	2,937,750

Note1: Indirectly investment in Mainland China through companies registered in the third region.

Note2: The amounts of New Taiwan Dollars were exchanged by the rates at the reporting date.

Note3: The Group recognized its investment profit and loss in Shanghai Shan Tong based on the investees' self-reported financial statements. On the other hand, the Group did not used the equity method in investing in the remaining invested companies; hence, no profit or loss was recognized in the current period.

Note4: Indirectly investment in Mainland China through Chung Loong Paper Holdings Limited.

Note5: The amounts of New Taiwan Dollars were exchange by the closing rates on the reporting date.

Note6: The amounts of New Taiwan Dollars were exchange by the average rates on the reporting date.

Note7: Shanghai Shan Tong performed capital reduction RMB32,000 thousand in 2018, and Shan Loong International received capital reduction RMB19,200 thousand. As of the reporting date, the funds have not come back to Taiwan yet.

Note8: Indirectly investment in Mainland China through Chung Loong Paper Holdings Limited. These companies had been disposed in previous years. As of the reporting date, the investment amounts have not been repatriated yet.

(iii) Significant transactions: None

(d) Major shareholders:

Unit: shares

Shareholder's Name	Shareholding	Shares	Percentage
Cheng Loong Corporation		12,690,010	9.24 %
YE, CYONG - MIAO		9,578,000	6.97 %
Shine Far Co., Ltd.		8,367,944	6.09 %

(Continued)

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(14) Segment information:

(a) The Group's operation segment information and reconciliation are as follows:

For the three months ended March 31, 2023					
	Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
Revenues:					
Revenues from external customers	\$ 526,235	3,154,236	268,498	-	3,948,969
Intersegment revenues	-	48,864	77,341	(126,205)	-
Total revenues	<u>\$ 526,235</u>	<u>3,203,100</u>	<u>345,839</u>	<u>(126,205)</u>	<u>3,948,969</u>
Reportable segment profit (loss)	<u>\$ 15,314</u>	<u>54,701</u>	<u>2,262</u>	<u>(34,622)</u>	<u>37,655</u>
For the three months ended March 31, 2022					
	Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
Revenues:					
Revenues from external customers	\$ 846,487	3,396,342	538,919	-	4,781,748
Intersegment revenues	-	59,755	43,018	(102,773)	-
Total revenues	<u>\$ 846,487</u>	<u>3,456,097</u>	<u>581,937</u>	<u>(102,773)</u>	<u>4,781,748</u>
Reportable segment profit (loss)	<u>\$ 15,482</u>	<u>103,824</u>	<u>18,003</u>	<u>(77,643)</u>	<u>59,666</u>