

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2025 and 2024**

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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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## 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 September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, 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 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 \$388,126 thousand, constituting 4.64% of consolidated total assets as of September 30, 2025, total liabilities amounting to \$11,044 thousand, constituting 0.21% of consolidated total liabilities as of September 30, 2025, and the value of total comprehensive income (loss) amounting \$(42) to \$(87) thousand, constituting 0.022% and 0.012% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2025.

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 \$56,760 thousand and \$69,349 thousand as of September 30, 2025 and 2024, and its equity in net earnings (losses) on these investee companies of \$(1,064) thousand, \$(396) thousand, \$(1,980) thousand and \$(710) thousand for the three months and nine months ended September 30, 2025 and 2024, 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 September 30, 2025 and 2024, and of their consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as their consolidated cash flows for the nine months ended September 30, 2025 and 2024 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.

## **Emphasis of Matter**

As stated in Note 12 of the consolidated financial statements, investigative authorities conducted a search and seizure on Shan-Loong Transportation Co., Ltd. on February 20, 2025 due to allegations of legal violations by certain management personnel. Shan-Loong Transportation Co., Ltd. conducted an internal review and discovered undisclosed related parties and transactions with certain vendors. Based on these findings, transactions with these vendors have been disclosed as related party transactions and prior financial statements have been corrected accordingly. Regarding the allegations against certain management personnel, Shan-Loong Transportation Co., Ltd. stated that it lacks judicial investigative authority and due to the confidentiality of the investigation, the facts and legal responsibilities will be clarified by investigative and judicial authorities before taking corresponding measures. However, Shan-Loong Transportation Co., Ltd. will actively cooperate with the investigation and plans to engage commission external experts to analyze the reasonableness of related party procurement prices to protect its shareholder interests. The auditor has not modified the review conclusion due to this matter.

The engagement partners on the reviews resulting in this independent auditors' review report are Mei, Yuan-Chen and Kuo, Yang-Lun.

KPMG

Taipei, Taiwan (Republic of China)  
November 10, 2025

## **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)

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

## Consolidated Balance Sheets

September 30, 2025, December 31, 2024, and September 30, 2024

(expressed in thousands of New Taiwan Dollars)

Assets	September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>													
1100 Cash and cash equivalents (note (6)(a))	\$ 1,047,487	12	1,142,051	13	1,003,987	11	2150 Notes and accounts payable (note (7))	\$ 662,384	8	739,795	8	806,771	9
1170 Notes and accounts receivable, net (note (6)(c))	223,786	3	224,909	2	331,428	3	2200 Other payables (note (7))	275,906	3	270,383	3	255,862	3
1180 Notes and accounts receivable due from related parties, net (notes (6)(c) and (7))	212,071	3	238,354	3	271,393	3	2230 Current income tax liabilities	3,564	-	6,768	-	6,436	-
1476 Other current financial assets (notes (6)(d) and (7))	392,677	5	415,010	5	450,566	5	2280 Current lease liabilities (notes (6)(l) and (7))	149,979	2	187,331	2	184,232	2
1300 Inventories, net (note (6)(e))	191,588	2	189,115	2	238,990	2	2130 Current contract liabilities (note (6)(q))	116,816	2	108,238	1	60,792	1
1479 Other current assets	69,031	1	71,019	1	144,520	2	2250 Provisions	17,464	-	11,305	-	11,600	-
	<u>2,136,640</u>	<u>26</u>	<u>2,280,458</u>	<u>26</u>	<u>2,440,884</u>	<u>26</u>	2399 Other current liabilities	21,249	-	17,568	-	20,856	-
							2320 Long-term liabilities, current portion (note (6)(k))	<u>1,600,000</u>	<u>19</u>	<u>1,550,000</u>	<u>19</u>	<u>1,000,000</u>	<u>11</u>
								<u>2,847,362</u>	<u>34</u>	<u>2,891,388</u>	<u>33</u>	<u>2,346,549</u>	<u>26</u>
<b>Non-current assets:</b>													
1517 Non-current financial assets at fair value through other comprehensive income (note (6)(b))	1,389,985	16	1,477,510	17	1,935,507	21	2540 Non-current liabilities:						
1550 Investments accounted for using equity method, net (note (6)(f))	56,760	1	59,103	1	69,349	-	2570 Long-term borrowings (note (6)(k))	1,650,000	20	1,300,000	15	1,650,000	17
1600 Property, plant and equipment (notes (6)(g), (7) and (8))	3,694,056	44	3,833,599	43	3,719,612	40	2570 Deferred income tax liabilities	140,984	2	146,236	2	181,512	2
1755 Right-of-use asset (notes (6)(h) and (7))	680,425	8	752,194	8	739,900	8	2580 Non-current lease liabilities (notes (6)(l) and (7))	546,246	6	579,392	6	580,548	6
1780 Intangible assets (note (6)(i))	151,188	2	165,058	2	161,561	2	2640 Non-current net defined benefit liability	24,514	-	39,851	-	58,383	1
1840 Deferred income tax assets	75,154	1	72,077	1	77,685	1	2645 Guarantee deposits received	6,564	-	7,469	-	8,519	-
1990 Other non-current assets (notes (7) and (8))	172,045	2	209,350	2	218,038	2		<u>2,368,308</u>	<u>28</u>	<u>2,072,948</u>	<u>23</u>	<u>2,478,962</u>	<u>26</u>
	<u>6,219,613</u>	<u>74</u>	<u>6,568,891</u>	<u>74</u>	<u>6,921,652</u>	<u>74</u>		<u>5,215,670</u>	<u>62</u>	<u>4,964,336</u>	<u>56</u>	<u>4,825,511</u>	<u>52</u>
<b>Total assets</b>													
	<u>\$ 8,356,253</u>	<u>100</u>	<u>8,849,349</u>	<u>100</u>	<u>9,362,536</u>	<u>100</u>	<b>Equity:</b>						
							<b>Equity attributable to owners of parent: (note (6)(o))</b>						
							3100 Ordinary shares	1,372,818	17	1,372,818	15	1,372,818	15
							3200 Capital surplus	589,896	7	589,490	7	589,490	6
							3300 Retained earnings	590,513	7	1,231,327	14	1,447,234	15
							3400 Other equity	418,955	5	516,033	6	939,578	10
							3500 Treasury shares	(31,863)	-	(31,863)	-	(31,863)	-
								<u>2,940,319</u>	<u>36</u>	<u>3,677,805</u>	<u>42</u>	<u>4,317,257</u>	<u>46</u>
								<u>200,264</u>	<u>2</u>	<u>207,208</u>	<u>2</u>	<u>219,768</u>	<u>2</u>
								<u>3,140,583</u>	<u>38</u>	<u>3,885,013</u>	<u>44</u>	<u>4,537,025</u>	<u>48</u>
							<b>Total liabilities and equity</b>	<u>\$ 8,356,253</u>	<u>100</u>	<u>8,849,349</u>	<u>100</u>	<u>9,362,536</u>	<u>100</u>

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)**  
**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statement of Comprehensive Income**  
**For the three months and nine months ended September 30, 2025 and 2024**  
**(expressed in thousands of New Taiwan Dollars, except for earnings per share)**

	For the three months ended September 30,				For the nine months ended September 30,			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 <b>Operating revenue</b> (notes (6)(q) and (7))	\$ 2,065,757	100	2,172,382	100	6,067,381	100	8,752,205	100
5000 <b>Operating costs</b> (notes (6)(e), (7) and (12))	<u>1,927,111</u>	93	<u>2,050,601</u>	94	<u>5,660,014</u>	93	<u>8,087,617</u>	92
5900 <b>Gross profit from operations</b>	<u>138,646</u>	7	<u>121,781</u>	6	<u>407,367</u>	7	<u>664,588</u>	8
<b>Operating expenses</b> (notes (7) and (12)):								
6100 Selling expenses	122,097	6	116,438	5	364,318	6	372,791	4
6200 Administrative expenses	220,269	11	244,099	12	629,813	11	580,039	7
6450 Expected credit losses (note (6)(c))	<u>-</u>	<u>-</u>	<u>2,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,549</u>	<u>-</u>
	<u>342,366</u>	<u>17</u>	<u>363,086</u>	<u>17</u>	<u>994,131</u>	<u>17</u>	<u>955,379</u>	<u>11</u>
6900 <b>Net operating income</b>	<u>(203,720)</u>	<u>(10)</u>	<u>(241,305)</u>	<u>(11)</u>	<u>(586,764)</u>	<u>(10)</u>	<u>(290,791)</u>	<u>(3)</u>
<b>Non-operating income and expenses:</b>								
7010 Other income (note (7))	5,129	-	3,139	-	16,419	-	37,227	-
7020 Other gains and losses, net (note (6)(s))	15,256	1	(9,666)	-	(29,376)	-	9,400	-
7050 Finance costs (notes (6)(l) and (7))	<u>(19,971)</u>	<u>(1)</u>	<u>(17,968)</u>	<u>(1)</u>	<u>(56,556)</u>	<u>(1)</u>	<u>(47,700)</u>	<u>(1)</u>
7060 Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(f))	<u>(948)</u>	<u>-</u>	<u>3,858</u>	<u>-</u>	<u>(286)</u>	<u>-</u>	<u>5,034</u>	<u>-</u>
7100 Interest income	1,001	-	5,801	-	6,410	-	12,408	-
7130 Dividend income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,600</u>	<u>1</u>	<u>55,254</u>	<u>1</u>
7210 Gains on disposals of property, plant and equipment	6,431	-	365	-	19,174	-	2,417	-
7590 Miscellaneous disbursements	<u>(260)</u>	<u>-</u>	<u>(8,969)</u>	<u>-</u>	<u>(1,393)</u>	<u>-</u>	<u>(24,643)</u>	<u>-</u>
	<u>6,638</u>	<u>-</u>	<u>(23,440)</u>	<u>(1)</u>	<u>(1,008)</u>	<u>-</u>	<u>49,397</u>	<u>-</u>
7900 <b>Profit (loss) before tax</b>	<u>(197,082)</u>	<u>(10)</u>	<u>(264,745)</u>	<u>(12)</u>	<u>(587,772)</u>	<u>(10)</u>	<u>(241,394)</u>	<u>(3)</u>
7950 <b>Less: Income tax expenses</b> (note (6)(n))	<u>1,578</u>	<u>-</u>	<u>(33,947)</u>	<u>(2)</u>	<u>6,280</u>	<u>-</u>	<u>(20,728)</u>	<u>-</u>
8200 <b>Profit (loss)</b>	<u>(198,660)</u>	<u>(10)</u>	<u>(230,798)</u>	<u>(10)</u>	<u>(594,052)</u>	<u>(10)</u>	<u>(220,666)</u>	<u>(3)</u>
<b>8300 Other comprehensive income:</b>								
<b>8310 Items that may not be reclassified subsequently to profit or loss:</b>								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(5,835)</u>	<u>-</u>	<u>(227,565)</u>	<u>(11)</u>	<u>(87,525)</u>	<u>(1)</u>	<u>(297,584)</u>	<u>(3)</u>
8320 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note (6)(f))	<u>(116)</u>	<u>-</u>	<u>(4,254)</u>	<u>-</u>	<u>(1,694)</u>	<u>-</u>	<u>(5,744)</u>	<u>-</u>
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(n))	<u>(350)</u>	<u>-</u>	<u>(13,728)</u>	<u>(1)</u>	<u>(5,252)</u>	<u>-</u>	<u>(18,379)</u>	<u>-</u>
	<u>(5,601)</u>	<u>-</u>	<u>(218,091)</u>	<u>(10)</u>	<u>(83,967)</u>	<u>(1)</u>	<u>(284,949)</u>	<u>(3)</u>
<b>8360 Items that may be reclassified subsequently to profit or loss:</b>								
8361 Exchange differences on translation of foreign financial statements	18,664	1	7,852	-	(28,910)	-	19,004	-
8399 Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(n))	<u>2,190</u>	<u>-</u>	<u>925</u>	<u>-</u>	<u>(3,278)</u>	<u>-</u>	<u>2,250</u>	<u>-</u>
	<u>16,474</u>	<u>1</u>	<u>6,927</u>	<u>-</u>	<u>(25,632)</u>	<u>-</u>	<u>16,754</u>	<u>-</u>
	<u>10,873</u>	<u>1</u>	<u>(211,164)</u>	<u>(10)</u>	<u>(109,599)</u>	<u>(1)</u>	<u>(268,195)</u>	<u>(3)</u>
<b>8300 Other comprehensive income (loss)</b>	<u>\$ (187,787)</u>	<u>(9)</u>	<u>(441,962)</u>	<u>(20)</u>	<u>(703,651)</u>	<u>(11)</u>	<u>(488,861)</u>	<u>(6)</u>
<b>8500 Total comprehensive income (loss)</b>								
<b>Profit, attributable to:</b>								
8610 Owners of parent	\$ (199,931)	(10)	(236,022)	(10)	(599,629)	(10)	(234,802)	(3)
8620 Non-controlling interests	<u>1,271</u>	<u>-</u>	<u>5,224</u>	<u>-</u>	<u>5,577</u>	<u>-</u>	<u>14,136</u>	<u>-</u>
	<u>\$ (198,660)</u>	<u>(10)</u>	<u>(230,798)</u>	<u>(10)</u>	<u>(594,052)</u>	<u>(10)</u>	<u>(220,666)</u>	<u>(3)</u>
<b>Total comprehensive income attributable to:</b>								
8710 Owners of parent	\$ (196,772)	(9)	(450,413)	(20)	(696,707)	(11)	(510,751)	(6)
8720 Non-controlling interests	<u>8,985</u>	<u>-</u>	<u>8,451</u>	<u>-</u>	<u>(6,944)</u>	<u>-</u>	<u>21,890</u>	<u>-</u>
	<u>\$ (187,787)</u>	<u>(9)</u>	<u>(441,962)</u>	<u>(20)</u>	<u>(703,651)</u>	<u>(11)</u>	<u>(488,861)</u>	<u>(6)</u>
<b>Earnings per share (note (6)(p))</b>								
9750 <b>Basic earnings per share</b>	\$ <u>(1.47)</u>		<u>(1.74)</u>		<u>(4.41)</u>		<u>(1.73)</u>	
9850 <b>Diluted earnings per share</b>	\$ <u>(1.47)</u>		<u>(1.74)</u>		<u>(4.41)</u>		<u>(1.73)</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES****Consolidated Statement of Changes in Equity****For the nine months ended September 30, 2025 and 2024**

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												Total equity attributable to owners of parent	Non-controlling interests	Total equity			
	Other equity																	
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury shares								
Ordinary shares	Capital surplus	Legal reserve	Retained earnings	Unappropriated retained earnings	Total retained earnings	(20,884)	1,236,411	1,215,527	(31,863)	4,886,457	197,878	5,084,335						
<b>Balance on January 1, 2024</b>	\$ 1,372,818	588,908	556,797	1,184,270	1,741,067	(234,802)	(234,802)	-	-	-	(234,802)	14,136	(220,666)					
Profit (loss) for the nine months ended September 30, 2024	-	-	-	(234,802)	(234,802)	9,000	(284,949)	(275,949)	-	(275,949)	7,754	(268,195)						
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	9,000	(284,949)	(275,949)	-	(510,751)	21,890	(488,861)						
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	(234,802)	(234,802)	9,000	(284,949)	(275,949)	-	(510,751)	21,890	(488,861)						
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	582	-	-	-	-	-	-	-	-	582	-	582					
Appropriation and distribution of retained earnings:																		
Legal reserve appropriated	-	-	5,856	(5,856)	-	-	-	-	-	-	-	-	-	-	-			
Cash dividends on ordinary share	-	-	(59,031)	(59,031)	-	-	-	-	-	(59,031)	-	(59,031)	-	(59,031)				
	-	5,856	(64,887)	(59,031)	-	-	-	-	-	(59,031)	-	(59,031)	-	(59,031)				
<b>Balance on September 30, 2024</b>	\$ 1,372,818	589,490	562,653	884,581	1,447,234	(11,884)	951,462	939,578	(31,863)	4,317,257	219,768	4,537,025						
<b>Balance on January 1, 2025</b>	\$ 1,372,818	589,490	562,653	668,674	1,231,327	(13,864)	529,897	516,033	(31,863)	3,677,805	207,208	3,885,013						
Profit (loss) for the nine months ended September 30, 2025	-	-	-	(599,629)	(599,629)	-	-	-	-	(599,629)	5,577	(594,052)						
Other comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	(13,111)	(83,967)	(97,078)	-	(97,078)	(12,521)	(109,599)						
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	(599,629)	(599,629)	(13,111)	(83,967)	(97,078)	-	(696,707)	(6,944)	(703,651)						
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	406	-	-	-	-	-	-	-	-	406	-	406					
Appropriation and distribution of retained earnings:																		
Cash dividends on ordinary share	-	-	(41,185)	(41,185)	-	-	-	-	-	(41,185)	-	(41,185)	-	(41,185)				
	-	-	(41,185)	(41,185)	-	-	-	-	-	(41,185)	-	(41,185)	-	(41,185)				
<b>Balance on September 30, 2025</b>	\$ 1,372,818	589,896	562,653	27,860	590,513	(26,975)	445,930	418,955	(31,863)	2,940,319	200,264	3,140,583						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES****Consolidated Statement of Cash Flows****For the nine months ended September 30, 2025 and 2024**

(expressed in thousands of New Taiwan Dollars)

	<b>For the nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used in) operating activities:</b>		
Loss before tax	\$ (587,772)	(241,394)
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	351,120	334,614
Amortization expense	24,139	20,963
Expected credit losses	-	2,549
Interest expense	56,556	47,700
Interest income	(6,410)	(12,408)
Dividend income	(44,600)	(55,254)
Share of loss of associates accounted for using equity method	286	(5,034)
Gains on disposal of property, plant and equipment	(19,174)	(2,417)
Others	(189)	(26)
	<u>361,728</u>	<u>330,687</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease in notes and accounts receivable	27,406	299,169
Decrease (increase) in inventories	(2,473)	32,110
Decrease in other current financial assets	4,232	23,488
Decrease (increase) in other current assets	3,678	(25,959)
Decrease in notes and accounts payable	(77,411)	(1,449,751)
Increase (decrease) in provisions	6,159	(3,540)
Increase (decrease) in other payables and other current liabilities	25,665	(97,273)
Increase (decrease) in net defined benefit liabilities	(15,337)	1,159
Increase in contract liabilities	8,578	25,522
	<u>(19,503)</u>	<u>(1,195,075)</u>
<b>Total adjustments</b>	<u>342,225</u>	<u>(864,388)</u>
Cash outflow generated from (used in) operations	(245,547)	(1,105,782)
Dividends received	44,963	55,682
Interest paid	(56,556)	(47,700)
Interest received	6,410	12,408
Income taxes paid	(9,639)	(6,338)
<b>Net cash flows from (used in) operating activities</b>	<u>(260,369)</u>	<u>(1,091,730)</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(116,325)	(150,033)
Proceeds from disposal of property, plant and equipment	63,555	10,520
Decrease (increase) in refundable deposits	30,424	(5,875)
Acquisition of intangible assets	(2,242)	(9,846)
Decrease (increase) in other financial assets	18,101	(12,890)
Increase in prepayments for business facilities	-	(4,231)
<b>Net cash flows from (used in) investing activities</b>	<u>(6,487)</u>	<u>(172,355)</u>
<b>Cash flows from (used in) financing activities:</b>		
Proceeds from long-term borrowings	3,950,000	2,700,000
Repayments of long-term borrowings	(3,550,000)	(2,100,000)
Decrease in guarantee deposit received	(905)	(3,785)
Payment of lease liabilities	(141,093)	(146,230)
Cash dividends paid	(57,240)	(58,449)
Changes in non-controlling interests	-	(9,181)
<b>Net cash flows from (used in) financing activities</b>	<u>200,762</u>	<u>382,355</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(28,470)</u>	<u>19,110</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(94,564)</u>	<u>(862,620)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,142,051</u>	<u>1,866,607</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 1,047,487</b></u>	<u><b>1,003,987</b></u>

See accompanying notes to consolidated financial statements.

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)**

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

**Notes to the Consolidated Financial Statements**

**September 30, 2025 and 2024**

**(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 November 10, 2025.

**(3) New standards, amendments and interpretations adopted:**

(a) The impact of the IFRS Accounting Standards 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, 2025:

- Amendments to IAS21 "Lack of Exchangeability"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	<p>January 1, 2027  note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

(Continued)

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

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other 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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

**(4) Summary of material 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 Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2024.

**(b) Basis of consolidation**

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
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 %	
The Company	Shan Loong Motors Co., Ltd. (Shan Loong Motors)	Truck repair, maintenance and sales	100 %	100 %	100 %	
The Company	Shan-Loong International holding 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 %	Note 1

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
Loong De	Shan-Loong Logistics Co., Ltd.	Warehousing, freight transportation and related agent	51 %	51 %	51 %	

Note 1: The financial statements for the nine months ended September 30, 2025 have not been reviewed.

(ii) Unlisted subsidiaries in the consolidated financial statements: None

(c) Employee benefits

The pension cost under defined benefit plans in the interim period was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, the significant market fluctuation, significant curtailment, settlement and others, subsequent to the reporting date and was adjusted together with.

(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.

**(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 IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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, 2024. For related information, please refer to the consolidated financial statements for the year ended December 31, 2024.

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

**(6) Explanation of significant accounts:**

Except for the following, disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to the 2024 annual consolidated financial statements.

**(a) Cash and cash equivalents**

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Cash on hand	\$ 42,763	39,781	37,525
Checking accounts and demand deposits	927,204	1,010,830	787,168
Time deposits	77,520	91,440	179,294
	<b>\$ 1,047,487</b>	<b>1,142,051</b>	<b>1,003,987</b>

Please refer to note (6)(s) 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**

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic markets	\$ 1,021,122	1,108,647	1,438,324
Stocks unlisted on domestic markets	126,982	126,982	173,005
Stocks unlisted on foreign markets	241,881	241,881	324,178
	<b>\$ 1,389,985</b>	<b>1,477,510</b>	<b>1,935,507</b>

- (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) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2025 and 2024.
- (iii) For market risk of the Group, please refer to note (6)(s).
- (iv) The Group had not been pledged any financial assets as collateral for its borrowings.

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

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

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Notes receivable	\$ 3,327	2,478	4,430
Accounts receivable	429,910	435,551	542,578
Less: allowance for impairment	<u>(25,883)</u>	<u>(25,883)</u>	<u>(25,883)</u>
	<u>407,354</u>	<u>412,146</u>	<u>521,125</u>
Installment sales receivable	48,222	73,890	87,369
Less: Unearned interests	<u>(2,053)</u>	<u>(5,107)</u>	<u>(5,673)</u>
	<u>46,169</u>	<u>68,783</u>	<u>81,696</u>
Less: Allowance for impairment	<u>(17,666)</u>	<u>(17,666)</u>	-
	<u>28,503</u>	<u>51,117</u>	<u>81,696</u>
	<b>\$ 435,857</b>	<b>463,263</b>	<b>602,821</b>
Notes and accounts receivable, net	<b>\$ 223,786</b>	<b>224,909</b>	<b>331,428</b>
Notes and accounts receivable due from related parties, net	<b>\$ 212,071</b>	<b>238,354</b>	<b>271,393</b>

(i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for 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. In addition, accounts receivable with risk characteristics differing from those of general customers are assessed individually.

As of September 30, 2025 and December 31, 2024, certain accounts receivable assessed on an individual basis primarily resulted from a shareholding dispute involving the Group, who proactively notified its related parties to temporarily suspend the collection of receivables and will continue to reassess their recoverability and estimate the expected credit losses using the individual assessment approach.

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

As of September 30, 2025, December 31 and September 30, 2024, the loss allowance provisions were determined as follows:

	September 30, 2025				
	Gross carrying amount		Loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Installment sales receivable	\$ -	48,222	-	-	17,666
Notes and accounts receivable					
Aging under 60 days	3,327	391,019	-%	-%	-
Aging 61~90 days	-	1,972	1%	1%	20
Aging 91~120 days	-	1,547	5%	60%	928
Aging 121~150 days	-	1,516	10%	60%	910
Aging 151~180 days	-	3,018	10%	80%	2,414
Aging 181~365 days	-	83	10%	90%	75
Aging over 365 days	-	21,536	100%	100%	21,536
Accounts receivable assessed on an individual basis					
Aging over 365 days	-	9,219	-	-	-
	<u>\$ 3,327</u>	<u>478,132</u>			<u>43,549</u>
December 31, 2024					
	Gross carrying amount		Loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
	\$ -	73,890	-	-	17,666
Installment sales receivable					
Notes and accounts receivable					
Aging under 60 days	2,478	397,906	-%	-%	-
Aging 61~90 days	-	92	1%	1%	-
Aging 91~120 days	-	1,011	5%	60%	607
Aging 121~150 days	-	1,533	10%	60%	920
Aging 151~180 days	-	877	10%	80%	702
Aging 181~365 days	-	1,256	10%	90%	1,130
Aging over 365 days	-	22,524	100%	100%	22,524
Accounts receivable assessed on an individual basis					
Aging over 365 days	-	10,352			-
	<u>\$ 2,478</u>	<u>509,441</u>			<u>43,549</u>

(Continued)

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

	September 30, 2024				
	Gross carrying amount		Loss rate		
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Installment sales receivable	\$ -	87,369	-	-	-
Notes and accounts receivable					
Aging under 60 days	4,430	500,785	-	-	-
Aging 61~90 days	-	3,739	1%	1%	28
Aging 91~120 days	-	2,699	5%	60%	1,485
Aging 121~150 days	-	583	10%	60%	307
Aging 151~180 days	-	78	10%	80%	62
Aging 181~365 days	-	2,125	10%	90%	1,912
Aging over 365 days	-	32,569	100%	100%	21,928
	<u>4,430</u>	<u>629,947</u>			<u>25,722</u>

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

	Gross installment sales (Tax included)	Unearned interests	Present value of installment sales receivable
<b>September 30, 2025</b>			
Within 1 year	\$ 9,774	(1,102)	8,672
Beyond 1 year to 5 years	38,448	(951)	37,497
	<u>48,222</u>	<u>(2,053)</u>	<u>46,169</u>
<b>December 31, 2024</b>			
Within 1 year	\$ 23,746	(2,041)	21,705
Beyond 1 year to 5 years	50,144	(3,066)	47,078
	<u>73,890</u>	<u>(5,107)</u>	<u>68,783</u>
<b>September 30, 2024</b>			
Within 1 year	\$ 27,274	(2,588)	24,686
Beyond 1 year to 5 years	60,095	(3,085)	57,010
	<u>87,369</u>	<u>(5,673)</u>	<u>81,696</u>

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

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

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

	For the nine months ended September 30,	
	2025	2024
Balance on January 1	\$ 43,549	23,334
Impairment losses recognized	-	2,549
Balance on September 30	<u><u>\$ 43,549</u></u>	<u><u>25,883</u></u>

(iv) As of September 30, 2025, December 31 and September 30, 2024, the Group did not pledge any notes and accounts receivable as collateral for its borrowings.

(d) Other current financial assets

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables (including related parties)	\$ 27,665	31,898	63,586
Less: loss allowance	<u>(13,100)</u>	<u>(13,100)</u>	<u>(13,100)</u>
	14,565	18,798	50,486
Restricted deposits	<u>378,112</u>	<u>396,212</u>	<u>400,080</u>
	<u><u>\$ 392,677</u></u>	<u><u>415,010</u></u>	<u><u>450,566</u></u>

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

(e) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Premium Diesel	\$ 38,506	37,396	43,128
Unleaded Gasoline #92	22,925	27,884	35,391
Unleaded Gasoline #95	32,328	34,902	46,648
Unleaded Gasoline #98	20,164	23,308	26,569
By-product and other	26,768	10,728	13,051
Merchandise Inventory	<u>50,897</u>	<u>54,897</u>	<u>74,203</u>
	<u><u>\$ 191,588</u></u>	<u><u>189,115</u></u>	<u><u>238,990</u></u>

The Group recognized as cost of sales amounted to \$1,602,590, \$1,638,539, \$4,652,993 and \$6,548,152, respectively, for the three months and nine months ended September 30, 2025 and 2024. Additionally, the cost of goods sold recognized due to the write-downs of inventory to net realizable value were \$0, \$788, \$0 and \$2,617, respectively.

The gain or (loss) on physical inventory amounted to \$1,331, \$11,019, \$16,646 and \$(6,005), respectively, which was recorded as cost of sales for the three months and nine months ended September 30, 2025 and 2024.

(Continued)

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

As of September 30, 2025, December 31 and September 30, 2024, 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Associates	\$ <u>56,760</u>	<u>59,103</u>	<u>69,349</u>

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

Attributable to the Group:	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Profit (loss)	\$ (948)	3,858	(286)	5,034
Other comprehensive income (loss)	(116)	(4,254)	(1,694)	(5,744)
Total comprehensive income (loss)	<u>\$ (1,064)</u>	<u>(396)</u>	<u>(1,980)</u>	<u>(710)</u>

(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

	Land	Buildings	Gasoline equipment	Transportation equipment	Miscellaneous equipment	Unfinished construction and equipment under installation	Total
<b>Carrying amounts:</b>							
Balance on January 1, 2025	\$ <u>2,009,271</u>	<u>520,703</u>	<u>263,792</u>	<u>823,683</u>	<u>190,574</u>	<u>25,576</u>	<u>3,833,599</u>
Balance on September 30, 2025	<u>\$ 2,009,271</u>	<u>511,878</u>	<u>266,299</u>	<u>700,036</u>	<u>192,895</u>	<u>13,677</u>	<u>3,694,056</u>
Balance on January 1, 2024	<u>\$ 2,009,271</u>	<u>545,535</u>	<u>87,366</u>	<u>959,089</u>	<u>120,443</u>	<u>33,410</u>	<u>3,755,114</u>
Balance on September 30, 2024	<u>\$ 2,009,271</u>	<u>530,427</u>	<u>149,335</u>	<u>857,957</u>	<u>146,302</u>	<u>26,320</u>	<u>3,719,612</u>

(Continued)

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

- (i) There was no significant change for property, plant and equipment for the nine months ended September 30, 2025 and 2024. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2024.
- (ii) The Group is restricted by the law and cannot acquire any agricultural land in the name of the Group; therefore, the agricultural land located in Mailiao and Taoyuan is registered in the name of the Chairman of the Company. As of September 30, 2025, December 31 and September 30, 2024, the carrying value of the above land was both \$215,304. The Group has either "Other rights certificate" of the land or an agreement with both parties to verify that the Group is the actual owner of the land.
- (iii) As of September 30, 2025, December 31 and September 30, 2024, 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

<b>Carrying amount:</b>	<b>Land</b>	<b>Buildings</b>	<b>Others</b>	<b>Total</b>
Balance on January 1, 2025	\$ <u>171,969</u>	\$ <u>579,541</u>	\$ <u>684</u>	\$ <u>752,194</u>
Balance on September 30, 2025	\$ <u>170,116</u>	\$ <u>485,251</u>	\$ <u>25,058</u>	\$ <u>680,425</u>
Balance on January 1, 2024	\$ <u>139,983</u>	\$ <u>686,688</u>	\$ <u>2,269</u>	\$ <u>828,940</u>
Balance on September 30, 2024	\$ <u>177,712</u>	\$ <u>561,466</u>	\$ <u>722</u>	\$ <u>739,900</u>

There was no significant change for right-of-use assets for the nine months ended September 30, 2025 and 2024. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2024.

(i) Intangible assets

<b>Carrying amount:</b>	<b>Computer software</b>
Balance on January 1, 2025	\$ <u>165,058</u>
Balance on September 30, 2025	\$ <u>151,188</u>
Balance on January 1, 2024	\$ <u>161,863</u>
Balance on September 30, 2024	\$ <u>161,561</u>

There were no significant additions, disposals, impairments, or reversals for intangible assets for the nine months ended September 30, 2025 and 2024. For the amortization amounts for the current period and related information, please refer to note (12) and the 2024 consolidated financial statements, respectively.

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(j) Short-term borrowings

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Short-term borrowings	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</u>
Unused short-term credit lines	\$ <u>540,000</u>	\$ <u>590,000</u>	\$ <u>895,000</u>
Range of interest rates	\$ <u>      -</u>	\$ <u>      -</u>	\$ <u>      -</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)(s).

(k) Long-term borrowings

	<b>Currency</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Secured bank loans	NTD	\$ 3,250,000	\$ 2,850,000	\$ 2,650,000
Less: current portion		\$ 1,600,000	\$ 1,550,000	\$ 1,000,000
		<u>\$ 1,650,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,650,000</u>
Unused long-term credit lines		\$ 1,570,000	\$ 1,815,000	\$ 1,135,000
Range of interest rates		<u>1.88%~2.28%</u>	<u>1.88%~2.19%</u>	<u>1.67%~2.14%</u>
Maturity year		2025~2030	2025~2029	2024~2029

(i) Issuance and repayment of the loans

The Group's additional amounts in loans for the nine months ended September 30, 2025 and 2024, were \$3,950,000 and \$2,700,000, respectively; and the repayments, including prepaying the loans, were \$3,550,000 and \$2,100,000, respectively.

(ii) As of September 30, 2025, the repayment schedule for the long-term borrowings was as follows:

<b>Period</b>	<b>Amount</b>
2025.10.1~2026.9.30	\$ 1,600,000
2026.10.1~2027.9.30	850,000
2027.10.1~2028.9.30	450,000
2028.10.1~2029.9.30	200,000
2029.10.1~2030.9.30	150,000
	<u>\$ 3,250,000</u>

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(iii) Some of the Group's borrowings are classified based on their original contractual maturity dates, and are therefore listed as liabilities due within one year on the balance sheet. However, these borrowings are mostly extendable in nature, and based on historical practices and stable relationships with financial institutions, the company expect to complete the extensions throughout the year 2025, thus assessing no significant liquidity risk. Additionally, the Group holds highly liquid securities and possesses real estate that can be pledged, serving as backup sources for fund allocation and financing to ensure short-term debt repayment capability and overall financial stability. Please refer to note (6)(s) 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.

(l) Lease liabilities

The lease liabilities of the Group were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 149,979	187,331	184,232
Non-current	\$ 546,246	579,392	580,548

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
The amounts recognized in profit or loss were as follows:				
Interest on lease liabilities	\$ 2,763	2,857	8,681	9,870
Expenses relating to short-term leases	\$ 5,103	4,540	13,127	16,813
Lease modification gains (recorded as other gains and losses)	\$ -	(1)	189	26

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

	For the nine months ended September 30,	
	2025	2024
Total cash outflow for leases	\$ 162,901	172,913

(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.

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(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.

(m) 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, 2024 and 2023.

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Operating cost and operating expenses	\$ 267	390	801	1,170

(ii) Defined contribution plans

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Operating cost and operating expenses	\$ 8,100	8,288	24,267	28,269

(n) Income taxes

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Current income tax expenses				
Current period	\$ 1,578	2,876	6,080	13,653
Adjustment for prior periods	-	-	-	(2,058)
	<u>1,578</u>	<u>2,876</u>	<u>6,080</u>	<u>11,595</u>
Deferred income tax expenses				
Origination and reversal of temporary differences	-	(36,823)	200	(32,323)
	<u>1,578</u>	<u>(33,947)</u>	<u>6,280</u>	<u>(20,728)</u>

(Continued)

**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
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(ii) The amounts of income tax recognized directly in other comprehensive income were as follows:

	<b>For the three months ended September 30, 2025</b>		<b>For the nine months ended September 30, 2025</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
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>(350)</u>	<u>(13,728)</u>	<u>(5,252)</u>	<u>(18,379)</u>
Items that may be reclassified subsequently				
to profit or loss:				
Exchange differences on translation of				
foreign financial statements	\$ <u>2,190</u>	<u>925</u>	<u>(3,278)</u>	<u>2,250</u>

(iii) Assessment of tax

The tax returns of Shan Loong Customs Broker and Shan Loong Investment for the years through 2023 were assessed by the Taipei National Tax Administration. The tax returns of the Company and Shan Loong Motors for the years through 2022 were assessed by the Taipei National Tax Administration.

(o) 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 September 30, 2025 and 2024. For the related information, please refer to note (6)(n) of the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

As of September 30, 2025, December 31 and September 30, 2024, 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:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Additional paid-in capital	\$ 520,206	520,206	520,206
Treasury share transactions	68,449	68,043	68,043
Other	1,241	1,241	1,241
	<b>\$ <u>589,896</u></b>	<b><u>589,490</u></b>	<b><u>589,490</u></b>

(Continued)

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

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

Based on the resolutions of the annual stockholders' meeting held on June 18, 2025 and June 6, 2024, the appropriations of dividends from the distributable retained earnings of 2024 and 2023, respectively, were as follows:

	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.3	<u>41,185</u>	0.43	<u>59,031</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.

**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
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As of September 30, 2025, December 31 and September 30, 2024, 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:

	September 30, 2025		December 31, 2024		September 30, 2024	
	Shares (thousands)	Amount	Shares (thousands)	Amount	Shares (thousands)	Amount
Shan-Loong Investment	1,353	\$ 31,863	1,353	\$ 31,863	1,353	\$ 31,863
Fair value		\$ 19,625		\$ 23,144		\$ 29,099

For the nine months ended September 30, 2025 and 2024, Shan-Loong Investment, received the cash dividends which were distributed by the Company, amounting to \$406 and \$582, which were recorded as capital surplus - treasury share transactions.

(v) Other equity

		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
	Exchange differences on translation of foreign financial statements		
Balance on January 1, 2025		\$ (13,864)	529,897
Exchange differences on foreign operations		(13,111)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(83,967)
Balance on September 30, 2025		\$ (26,975)	445,930
			418,955
Balance on January 1, 2024		\$ (20,884)	1,236,411
Exchange differences on foreign operations		9,000	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(284,949)
Balance on September 30, 2024		\$ (11,884)	951,462
			939,578

(Continued)

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<b>Basic earnings per share:</b>				
Loss attributable to ordinary shareholders of the Company	\$ <u>(199,931)</u>	(236,022)	(599,629)	(234,802)
Weighted average number of ordinary shares (thousands)	<u>135,928</u>	<u>135,928</u>	<u>135,928</u>	<u>135,928</u>
Basic earnings per share (dollars)	\$ <u>(1.47)</u>	(1.74)	(4.41)	(1.73)
<b>Diluted earnings per share:</b>				
Loss attributable to ordinary shareholders of the Company (after adjustment the influence of potential ordinary shares)	\$ <u>(199,931)</u>	(236,022)	(599,629)	(234,802)
Weighted average number of ordinary shares (thousands)	135,928	135,928	135,928	135,928
Weighted average number of ordinary shares (after adjustment the influence of potential ordinary shares)	<u>135,928</u>	<u>135,928</u>	<u>135,928</u>	<u>135,928</u>
Diluted earnings per share (dollars)	\$ <u>(1.47)</u>	(1.74)	(4.41)	(1.73)

(Continued)

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

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>For the three months ended September 30, 2025</u>			
	<u>Transportation segment</u>	<u>Gasoline station segment</u>	<u>Other segment</u>	<u>Total</u>
<b>Primary geographical markets:</b>				
Taiwan	\$ 88,690	1,717,626	157,330	1,963,646
Vietnam	<u>102,111</u>	<u>-</u>	<u>-</u>	<u>102,111</u>
	<b><u>\$ 190,801</u></b>	<b><u>1,717,626</u></b>	<b><u>157,330</u></b>	<b><u>2,065,757</u></b>

	<u>For the three months ended September 30, 2024</u>			
	<u>Transportation segment</u>	<u>Gasoline station segment</u>	<u>Other segment</u>	<u>Total</u>
<b>Primary geographical markets:</b>				
Taiwan	\$ 208,233	1,751,341	75,498	2,035,072
Vietnam	<u>137,310</u>	<u>-</u>	<u>-</u>	<u>137,310</u>
	<b><u>\$ 345,543</u></b>	<b><u>1,751,341</u></b>	<b><u>75,498</u></b>	<b><u>2,172,382</u></b>

	<u>For the nine months ended September 30, 2025</u>			
	<u>Transportation segment</u>	<u>Gasoline station segment</u>	<u>Other segment</u>	<u>Total</u>
<b>Primary geographical markets:</b>				
Taiwan	\$ 307,019	4,985,891	447,777	5,740,687
Vietnam	<u>326,694</u>	<u>-</u>	<u>-</u>	<u>326,694</u>
	<b><u>\$ 633,713</u></b>	<b><u>4,985,891</u></b>	<b><u>447,777</u></b>	<b><u>6,067,381</u></b>

	<u>For the nine months ended September 30, 2024</u>			
	<u>Transportation segment</u>	<u>Gasoline station segment</u>	<u>Other segment</u>	<u>Total</u>
<b>Primary geographical markets:</b>				
Taiwan	\$ 1,186,195	6,989,653	207,850	8,383,698
Vietnam	<u>368,507</u>	<u>-</u>	<u>-</u>	<u>368,507</u>
	<b><u>\$ 1,554,702</u></b>	<b><u>6,989,653</u></b>	<b><u>207,850</u></b>	<b><u>8,752,205</u></b>

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

(ii) Contract balances

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Notes and accounts receivable	\$ 481,459	511,919	634,377
Less: Allowance for impairment	(43,549)	(43,549)	(25,883)
Unearned interests	<u>(2,053)</u>	<u>(5,107)</u>	<u>(5,673)</u>
	<b>\$ 435,857</b>	<b>463,263</b>	<b>602,821</b>
Contract liabilities – Unearned revenue	<b><u>\$ 116,816</u></b>	<b><u>108,238</u></b>	<b><u>60,792</u></b>

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.

(r) Employee compensation and directors' remuneration

Based on the Company's articles of incorporation amended on June 18, 2025, if the Company has any pre-tax earnings, no less than 1% shall be allocated as employee compensation based on the pre-tax earnings before the amount of employee compensation to be distributed is deducted. If there are any pre-tax earnings in the current year, the Company shall allocate no less than 1% to adjust the salaries or distribute compensation for grassroots employees. The aforementioned grassroots employees are non-managers with salary levels below the definition of grassroots employee salary levels as per the "SME Employee Salary Increase Expense Deduction and Addition Measures." But if the Company still has an accumulated loss, it shall reserve the recovery amount in advance. Employee compensation can be paid in stocks or cash, and the payment recipients may include employees of controlling or affiliated companies that meet certain conditions. The payment method and rate of employee remuneration shall be determined by the Board of Directors based on a resolution approved by more than two-thirds of the Directors present and more than half of the attending Directors, and shall be reported to the Shareholders' Meeting. If the employees' remuneration mentioned in the preceding paragraph is distributed in shares and resolved by the Board of Directors, a resolution may be resolved to issue new shares or buy back the Company's shares in the same meeting.

Provisions prior to the amendment of the 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

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**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
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same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.

The Group incurred a pre-tax net loss for the nine months ended September 30, 2025, therefore, no remunerations to employees and directors were accrued. If there is a difference between the actual distribution amount and the accrued amount in the following year, the difference will be treated as a change in accounting estimate and will be recognized in profit or loss in the following year.

The Company's remuneration to employees amounted to \$0 and \$2,070, and the remuneration to directors both amounted to \$0 for the years ended December 31, 2024 and 2023. The remunerations above are identical to those of the actual distributions. The information is available on the Market Observation Post System website.

**(s) 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, 2024.

**(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, 2024.

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

	<b>For the nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1 (same as balance on September 30)	\$ <b>13,100</b>	<b>13,100</b>

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(ii) Liquidity risk

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

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within a year</b>	<b>1~2 years</b>	<b>Over 2 years</b>
<b>September 30, 2025</b>					
Non-derivative financial liabilities					
Notes and accounts payable	\$ 662,384	(662,384)	(662,384)	-	-
Other payables	275,906	(275,906)	(275,906)	-	-
Lease liabilities (including current and non-current)	696,225	(731,228)	(194,890)	(154,782)	(381,556)
Long-term borrowings (including current portion)	3,250,000	(3,347,191)	(1,650,188)	(883,141)	(813,862)
Guarantee deposits received	<u>6,564</u>	<u>(6,564)</u>	<u>(6,564)</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 4,891,079</b></u>	<u><b>(5,023,273)</b></u>	<u><b>(2,789,932)</b></u>	<u><b>(1,037,923)</b></u>	<u><b>(1,195,418)</b></u>
<b>December 31, 2024</b>					
Non-derivative financial liabilities					
Notes and accounts payable	\$ 739,795	(739,795)	(739,795)	-	-
Other payables	270,383	(270,383)	(270,383)	-	-
Lease liabilities (including current and non-current)	766,723	(804,762)	(197,460)	(165,976)	(441,326)
Long-term borrowings (including current portion)	2,850,000	(2,908,177)	(1,579,842)	(962,404)	(365,931)
Guarantee deposits received	<u>7,469</u>	<u>(7,469)</u>	<u>-</u>	<u>-</u>	<u>(7,469)</u>
	<u><b>\$ 4,634,370</b></u>	<u><b>(4,730,586)</b></u>	<u><b>(2,787,480)</b></u>	<u><b>(1,128,380)</b></u>	<u><b>(814,726)</b></u>
<b>September 30, 2024</b>					
Non-derivative financial liabilities					
Notes and accounts payable	\$ 806,771	(806,771)	(806,771)	-	-
Other payables	255,862	(255,862)	(255,862)	-	-
Lease liabilities (including current and non-current)	764,780	(800,707)	(193,954)	(170,720)	(436,033)
Long-term borrowings (including current portion)	2,650,000	(2,743,017)	(1,044,567)	(827,268)	(871,182)
Guarantee deposits received	<u>8,519</u>	<u>(8,519)</u>	<u>(8,519)</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 4,485,932</b></u>	<u><b>(4,614,876)</b></u>	<u><b>(2,309,673)</b></u>	<u><b>(997,988)</b></u>	<u><b>(1,307,215)</b></u>

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The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts, please refer to note(6)(k).

**(iii) Currency risk**

**1) Exposure to foreign currency risk**

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

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<b>Financial assets</b>									
Monetary items									
USD	\$ 12,977	USD/TWD =30.445	395,085	11,844	USD/TWD =32.785	388,306	12,113	USD/TWD =31.65	383,313
Non-Monetary items									
CNY	56,633	CNY/TWD =4.271	241,881	54,015	CNY/TWD =4.478	241,881	71,673	CNY/TWD =4.523	324,178

**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 nine months ended September 30, 2025 and 2024, would have decreased or increased the loss before tax by \$19,754 and the other comprehensive income by \$12,094 and would have increased or decreased the profit before tax by \$19,166 and the other comprehensive income by \$16,209. 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 nine months ended September 30, 2025 and 2024, the foreign exchange gains (losses) (including both realized and unrealized) were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Foreign exchange gain (loss) (recorded as other gains and losses) \$	<u>15,256</u>	<u>(9,665)</u>	<u>(29,565)</u>	<u>9,374</u>

(Continued)

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

(iv) Interest rate analysis

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

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Variable rate instruments (Carrying amount):			
Financial assets	\$ 1,246,681	1,271,537	1,087,382
Financial liabilities	3,250,000	2,850,000	2,650,000

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 loss before tax would have increased or decreased by \$3,756 for the nine months ended September 30, 2025; the Group's net profit before tax would have decreased or increased by \$2,930 for the nine months ended September 30, 2024, which would be mainly resulted from the bank deposits and bank loans.

(v) Other market price risk

For the nine months ended September 30, 2025 and 2024, 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:

Prices of securities at the reporting date	<b>For the nine months ended September 30, 2025</b>		<b>For the nine months ended September 30, 2024</b>	
	Other comprehensive income before tax	Profit before tax	Other comprehensive income before tax	Profit before tax
Increasing 5%	\$ 69,499	-	96,775	-
Decreasing 5%	\$ (69,499)	-	(96,775)	-

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(vi) Fair value of financial instruments

1) Procedure of valuation and Fair value hierarchy

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

2) The categories and the fair value of financial instruments

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

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

	<u>September 30, 2025</u>				
	<u>Fair Value</u>				
	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Stock listed on domestic markets	\$ 1,021,122	1,021,122	-	-	1,021,122
Unquoted equity instruments	<u>368,863</u>	-	-	368,863	368,863
Subtotal	<u>1,389,985</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	1,047,487	-	-	-	-
Notes and accounts receivable, net	223,786	-	-	-	-
Notes and accounts receivable-related parties, net	212,071	-	-	-	-
Other current financial assets	392,677	-	-	-	-
Refundable deposits (recorded as other non-current assets)	<u>162,361</u>	-	-	-	-
Subtotal	<u>2,038,382</u>				
	<u><u>\$ 3,428,367</u></u>				
<b>Financial liabilities measured at amortized cost</b>					
Notes and accounts payable	\$ 662,384	-	-	-	-
Other payables	275,906	-	-	-	-
Lease liabilities (including current and non-current)	696,225	-	-	-	-
Long-term borrowings (including current portion)	3,250,000	-	-	-	-
Guarantee deposits	<u>6,564</u>	-	-	-	-
	<u><u>\$ 4,891,079</u></u>				

(Continued)

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

	<b>December 31, 2024</b>				
	<b>Fair Value</b>				
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through other comprehensive income</b>					
Stock listed on domestic markets	\$ 1,108,647	1,108,647	-	-	1,108,647
Unquoted equity instruments	<u>368,863</u>	-	-	368,863	368,863
Subtotal	<u>1,477,510</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	1,142,051	-	-	-	-
Notes and accounts receivable, net	224,909	-	-	-	-
Notes and accounts receivable-related parties, net	238,354	-	-	-	-
Other current financial assets	415,010	-	-	-	-
Refundable deposits (recorded as other non-current assets)	<u>192,785</u>	-	-	-	-
Subtotal	<u>2,213,109</u>				
	<u><u>\$ 3,690,619</u></u>				
<b>Financial liabilities measured at amortized costs</b>					
Notes and accounts payable	\$ 739,795	-	-	-	-
Other payables	270,383	-	-	-	-
Lease liabilities (including current and non-current)	766,723	-	-	-	-
Long-term borrowings (including current portion)	2,850,000	-	-	-	-
Guarantee deposits	<u>7,469</u>	-	-	-	-
	<u><u>\$ 4,634,370</u></u>				

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

	<u>September 30, 2024</u>				
	<u>Carrying amount</u>	<u>Fair Value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets at fair value through other comprehensive income</b>					
Stock listed on domestic markets	\$ 1,438,324	1,438,324	-	-	1,438,324
Unquoted equity instruments	<u>497,183</u>	-	-	497,183	497,183
Subtotal	<u>1,935,507</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	1,003,987	-	-	-	-
Notes and accounts receivable, net	331,428	-	-	-	-
Notes and accounts receivable-related parties, net	271,393	-	-	-	-
Other current financial assets	450,566	-	-	-	-
Refundable deposits (recorded as other non-current assets)	<u>194,397</u>	-	-	-	-
Subtotal	<u>2,251,771</u>				
	<u><u>\$ 4,187,278</u></u>				
<b>Financial liabilities measured at amortized cost</b>					
Notes and accounts payable	\$ 806,771	-	-	-	-
Other payables	255,862	-	-	-	-
Lease liabilities (including current and non-current)	764,780	-	-	-	-
Long-term borrowings (including current portion)	2,650,000	-	-	-	-
Guarantee deposits	<u>8,519</u>	-	-	-	-
	<u><u>\$ 4,485,932</u></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.

(Continued)

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

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

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

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

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

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

5) There were no transfers from one level to another of the Group for the nine months ended September 30, 2025 and 2024.

6) Reconciliation of Level 3 fair values

	<b>Financial assets at fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
Balance on January 1, 2025	\$ 368,863
Total gains and losses recognized:	
In other comprehensive income	-
Balance on September 30, 2025	<u><u>\$ 368,863</u></u>

**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
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	<b>Financial assets at fair value through other comprehensive income</b>	
	<b>Unquoted equity instruments</b>	
	<b>\$</b>	<b>497,183</b>
Balance on January 1, 2024	\$	497,183
Total gains and losses recognized:		
In other comprehensive income	-	-
Balance on September 30, 2024	<b>\$</b>	<b>497,183</b>

For the three months and nine months ended September 30, 2025 and 2024, 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:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
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.

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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%, 20%~35% and 10%~35%, respectively, on September 30, 2025, December 31 and September 30, 2024)	The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
"	"	Price-Book ratio (0.49~2.77, 0.49~2.77 and 0.62~1.79, respectively, on September 30, 2025, December 31 and September 30, 2024)	The higher the multiple is, the higher the fair value will be.
"	"	EV/SALES (1.15~1.28, 1.15~1.28 and 0.88~1.82, respectively, on September 30, 2025, December 31 and September 30, 2024)	"
"	"	EV/EBITDA (11.92~12.11, 11.92~12.11 and 7.97~17.01, respectively, on September 30, 2025, December 31 and September 30, 2024)	The higher the EBITDA multiple is, the higher the fair value will be.

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:

September 30, 2025	Input	Move up or down	Other comprehensive income	
			Favorable change	Unfavorable change
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	\$ 4,858	(4,844)
"	Price-to-Book Ratio	5%	\$ 3,753	(3,737)
"	EV/SALES	5%	\$ 350	(349)
"	EV/EBITDA	5%	\$ 7,876	(7,860)

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

	Input	Move up or down	Other comprehensive income	
			Favorable change	Unfavorable change
<b>December 31, 2024</b>				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	\$ <u>4,858</u>	<u>(4,844)</u>
"	Price-to-Book Ratio	5%	\$ <u>3,753</u>	<u>(3,737)</u>
"	EV/SALES	5%	\$ <u>350</u>	<u>(349)</u>
"	EV/EBITDA	5%	\$ <u>7,876</u>	<u>(7,860)</u>
<b>September 30, 2024</b>				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	\$ <u>6,357</u>	<u>(6,343)</u>
"	Price-to-Book Ratio	5%	\$ <u>3,604</u>	<u>(3,600)</u>
"	EV/SALES	5%	\$ <u>522</u>	<u>(521)</u>
"	EV/EBITDA	5%	\$ <u>14,126</u>	<u>(14,122)</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.

**(t) Financial risk management**

There were no significant changes in the Group's financial risk management and policies as disclosed in the consolidated financial statements for the year ended December 31, 2024.

**(u) 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, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to the consolidated financial statements for the year ended December 31, 2024 for further details.

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(v) 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 nine months ended September 30, 2025 and 2024, were as follows:

(i) The acquisition of right-of-use assets by lease, please refer to notes (6)(h) and (6)(l).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Non-cash changes</b>		<b>September 30, 2025</b>
			<b>Changes in lease</b>	<b>payments and others</b>	
Long-term borrowings	\$ 2,850,000	400,000	-	-	3,250,000
Guarantee deposits	7,469	(905)	-	-	6,564
Lease liabilities	766,723	(141,093)	70,595	70,595	696,225
Total liabilities from financing activities	<u>\$ 3,624,192</u>	<u>258,002</u>	<u>70,595</u>	<u>70,595</u>	<u>3,952,789</u>
	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>		<b>September 30, 2024</b>
			<b>Changes in lease</b>	<b>payments and others</b>	
Long-term borrowings	\$ 2,050,000	600,000	-	-	2,650,000
Guarantee deposits	12,304	(3,785)	-	-	8,519
Lease liabilities	846,720	(146,230)	64,290	64,290	764,780
Total liabilities from financing activities	<u>\$ 2,909,024</u>	<u>449,985</u>	<u>64,290</u>	<u>64,290</u>	<u>3,423,299</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:

<b>Name of related party</b>	<b>Relationship with the Group</b>
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

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**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
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<b>Name of related party</b>	<b>Relationship with the Group</b>
Shine Far Electromechanical Co., Ltd.	Its parent company is the corporate director of the Company
Gemtech Optoelectronics Corp.	The relationship between the chairman of the Company and of this Company is within second degree of kinship
Ko Loong Industry Co., Ltd.	The associate of the Company
Zhong Loong International Co., Ltd.(Zhong Loong)	The company and the mentioned company are substantive related parties (other related parties) (Note 1)
Jie Loong Traffic Enterprise Co., Ltd.(Jie Loong)	The company and the mentioned company are substantive related parties (other related parties) (Note 1)
Sun Favorite Co., Ltd.	Half of the directors of this company are the directors of the Company
Shanghai Chung Hao Paper Co., Ltd.	Its ultimate parent company is the corporate director of the Company
ChengDu ChengLoong Packing Products Co., Ltd.	Its ultimate parent company is the corporate director 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
Chung Ming Global Business Co., Ltd.	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

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<b>Name of related party</b>	<b>Relationship with the Group</b>
Cheng Loong Binh Duong 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
Cheng Loong Bac Giang Company Limited	Its ultimate parent company is the corporate director of the Company
Cheng Loong Ben Cat Company Limited	Its ultimate parent company is the corporate director of the Company
Vina Tawana Container Co., Ltd.	Its ultimate parent company is the corporate director of the Company
Phu Kieu Vietnam Company Limited	Its ultimate parent company is the corporate director of the Company

Note 1: The group discloses these companies as other related parties, please refer to notes (12)(c).

(b) Significant transactions with related parties

(i) Sales

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

	<b>Sales</b>			
	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>	<b>2025</b>	<b>2024</b>
Other related parties- Cheng Loong	\$ 168,280	242,457	531,389	846,392
Other related parties- Zhong Loong	-	4,424	-	21,028
Other related parties- Jie Loong	-	12	-	5,260
Other related parties	125,972	160,079	396,162	421,837
Associates	161	136	922	362
	<b>\$ 294,413</b>	<b>407,108</b>	<b>928,473</b>	<b>1,294,879</b>

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

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**SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES**  
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(ii) Receivables from related parties

The receivables from related parties were as follows:

<b>Account</b>	<b>Related-party categories</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Accounts receivables	Other related parties -Cheng Loong	\$ 111,318	117,622	97,475
"	Other related parties -Zhong Loong	5	5	3,403
"	Other related parties -Jie Loong	13	13	469
"	Other related parties	72,216	69,546	88,297
"	Associates	16	51	53
Installment sales receivable, net (recorded as notes and accounts receivable due from related parties, net)	Other related parties -Zhong Loong	28,503	51,117	63,796
"	Other related parties -Jie Loong	17,666	17,666	17,900
"	Other related parties -Allowance for loss-Jie Loong	(17,666)	(17,666)	-
		<u>\$ 212,071</u>	<u>238,354</u>	<u>271,393</u>
<b>Account</b>	<b>Related-party categories</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Other receivables (recorded as other current financial assets)	Other related parties -Zhong Loong	\$ 17	17	17
"	Other related parties	625	581	1,295
"	Associates	16	190	-
		<u>\$ 658</u>	<u>788</u>	<u>1,312</u>

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(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 September 30,		For the nine months ended September 30,	
		2025	2024	2025	2024
Operating costs and operating expenses	Other related parties -Zhong Loong	\$ -	28,754	-	139,184
"	Other related parties -Jie Loong	-	-	-	19,891
"	Other related parties	18,168	25,114	23,705	34,626
"	Associates	36,529	7,289	40,758	11,568
		<b>\$ 54,697</b>	<b>61,157</b>	<b>64,463</b>	<b>205,269</b>

(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:

	Accumulated amounts			
	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Associates	\$ 18,947	10,013	19,037	22,749

2) The associates provided system integration development services to the Group at the amounts of \$15,551, \$2,139, \$15,714 and \$16,749 for the three months and nine months ended September 30, 2025 and 2024, respectively. Since the development project has not been fully completed, the cumulative amounts of \$8,687, \$15,569 and \$20,459 as of September 30, 2025, December 31 and September 30, 2024, respectively, had been recognized as prepayments for business facilities (other non-current assets).

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(v) Payable to related parties

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

<b>Account</b>	<b>Relationship</b>	<b>September 30,</b>		<b>December 31,</b>		<b>September 30,</b>	
		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Accounts payable	Other related parties -Zhong Loong	\$ 6,452		49		50	
"	Other related parties -Jie Loong	827		827		827	
"	Other related parties	711		100		1,175	
"	Associates	-		11,244		-	
		<b>\$ 7,990</b>		<b>12,220</b>		<b>2,052</b>	
<b>Account</b>	<b>Relationship</b>	<b>September 30,</b>		<b>December 31,</b>		<b>September 30,</b>	
		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	Other related parties	\$ 104		117		137	
	Associates	20,840		-		3,282	
		<b>\$ 20,944</b>		<b>117</b>		<b>3,419</b>	

(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:

	<b>Lease liabilities</b>			<b>Interest expense</b>			
	<b>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
				<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Other related parties -Cheng Loong	\$ 23,930	10,737	13,621	113	61	309	137

(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:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>September 30,</b>	
			<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 8,247	9,577	28,048	26,759
Post-employment benefits	-	99	159	298
	<b>\$ 8,247</b>	<b>9,676</b>	<b>28,207</b>	<b>27,057</b>

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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:

<b>Pledged assets</b>	<b>Object</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Property, plant and equipment—land	Long-term borrowings	\$ 90,562	90,562	90,562
Property, plant and equipment—buildings	"	8,656	9,418	9,672
Refundable deposits (deposit certificate, recorded as other non-current assets)	Deposits for performance guarantee	46,220	60,755	61,203
		<u>\$ 145,438</u>	<u>160,735</u>	<u>161,437</u>

**(9) Significant commitments and contingencies:**

- (a) As of September 30, 2025, December 31 and September 30, 2024, the Group's unrecognized contractual commitments for gas station engineering, office renovation and computer information system amounted to \$84,133, \$58,332 and \$58,332, respectively.
- (b) As of September 30, 2025, December 31 and September 30, 2024, the Group had outstanding standby letters of credit provided by the banks totaling \$1,880,000, \$2,130,000 and \$2,130,000, 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:

<b>By item</b>	<b>For the three months ended September 30,</b>						
	<b>2025</b>			<b>2024</b>			
	<b>By funtion</b>	<b>Operating cost</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Operating cost</b>	<b>Operating Expense</b>	<b>Total</b>
Employee benefits							
Salary	36,299	151,968	188,267	44,107	153,122	197,229	
Labor and health insurance	3,067	14,914	17,981	3,592	14,686	18,278	
Pension	1,449	6,918	8,367	1,752	6,926	8,678	
Others	215	4,041	4,256	372	5,194	5,566	
Depreciation	23,353	90,295	113,648	33,994	77,568	111,562	
Amortization	1,156	8,108	9,264	-	7,333	7,333	

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By item	By function	For the nine months ended September 30,				
		2025			2024	
		Operating cost	Operating Expenses	Total	Operating cost	Operating Expenses
Employee benefits						
Salary		103,792	415,607	519,399	146,437	407,903
Labor and health insurance		9,341	45,281	54,622	15,420	47,440
Pension		4,487	20,581	25,068	7,801	21,638
Others		686	11,489	12,175	893	14,828
Depreciation		76,114	275,006	351,120	109,170	225,444
Amortization		3,422	20,717	24,139	-	20,963

(b) Seasonality of operations

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

(c) others

On February 20, 2025, investigative authorities conducted a search and seizure on the Company, requesting cooperation from its Chairman, Jen-Hong Cheng (the Chairman), and others for investigation. According to news reports on February 21, 2025, after questioning, the prosecutor charged the Chairman with irregular transactions under the Securities Exchange Act and violations of the Business Accounting Act, setting bail at \$3,000. Eight company executives were also granted bail ranging from \$50 to \$150. As of Nov 10, 2025, the investigation has yet to be concluded.

To protect its shareholder profits, the Company conducted an internal review and discovered that certain vendors had management personnel holding shares and safeguarding financial seals, classifying them as substantive related parties (please refer to note (7)). Transactions with these vendors have been disclosed as related party transactions and prior financial statements have been corrected accordingly. Due to the confidentiality of the investigation, this handling may not be final. The Company will take appropriate actions following judicial clarification.

Additionally, news reports mentioned that the personnel involved may have engaged in irregular transactions, embezzlement, and breach of trust. As the Company lacks judicial investigative authority and due to the confidentiality of the investigation, the facts and legal responsibilities will be clarified by investigative and judicial authorities before the Company takes corresponding measures.

The Company will actively cooperate with the investigation and plans to commission external experts to assist the matter, such as analyzing the reasonableness of related party procurement prices to protect shareholder profits. Currently, the Company's finances and operations remain normal, and the investigation has not significantly impacted the Company's operations.

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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 nine months ended September 30, 2025.

**(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										
1	Shan-Loong Investment	The Company	Note 3	2,205,239	400,000	400,000	-	-	9.07 %	4,410,479	-	Y	-
2	Shan-Loong Customs Broker	The Company	Note 3	2,205,239	100,000	100,000	-	-	2.27 %	4,410,479	-	Y	-

Note 1: Subsidiaries are sorted in a numerical order starting from 1.

Note 2: The endorsement and total amount of endorsement provided by the Company and its subsidiaries for a single entity shall not exceed 60% and 150% of the Company's net assets, respectively.

Note 3: Subsidiary whose over 50% common stock is directly or indirectly owned.

Note 4: The above counter-party of guarantee and endorsement is one of the entities in the consolidated financial statements.

**(iii) Securities held as of September 30, 2025 (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	Cheng Loong is the corporate director of the Company	Non current financial assets at fair value through other comprehensive income	19,376	339,083	1.75%	339,083	
	Gemtech Optoelectronics Corp.	The relationship between the chairman of the Company and of this company is within second degree of kinship	"	3,644	54,478	19.29%	54,478	
	Cheng Loong investment Co., Ltd.	-	"	600	19,123	4.62%	19,123	
	Yueh Loong Co., Ltd.	-	"	323	5,625	10.78%	5,625	
	Shine Far Co., Ltd.	-	"	270	9,053	0.87%	9,053	
	Stocks: Cheng Loong Corporation	-	Non-current financial assets at fair value through other comprehensive income	31,819	556,827	2.87%	556,827	
	Shan Loong Transportation Co., Ltd.	Parent company	"	1,353	19,625	0.99%	19,625	

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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	
"	Cheng Loong investment Co., Ltd.	-	"	1,200	38,206	9.23%	38,206	
"	Yueh Loong Co., Ltd.	-	"	29	497	0.95%	497	
Shan Loong Customs Broker	Stocks: Cheng Loong Corporation	-	Non-current financial assets at fair value through other comprehensive income	7,155	125,212	0.65%	125,212	
Shan-Loong International	Chung Loong Paper Holdings Limited	-	"	1,339	241,881	5.00%	241,881	

(iv) 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	(446,439)	7.35 %	20-80 days	There is no difference to those of the third-party	No difference	Accounts receivable 100,253	31.26%	

(v) 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	100,253	5.84	-		Accounts receivable 46,967	-

Note 1: Information as of Nov 5, 2025.

(vi) Business relationships and significant intercompany transactions:

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions (Note 3)				Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms		
1	Shan Loong Motors	The Company	2	Operating revenue	53,329	The selling price and payment conditions are not significantly different from other customers		0.88%
1	Shan Loong Motors	The Company	2	Accounts receivable	7,625	The selling price and payment conditions are not significantly different from other customers		0.09%

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.

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

**(b) Information on investees:**

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

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
				September 30, 2025 (Note 1)	December 31, 2024 (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%	623,574	14,016	13,610	Subsidiary company
"	Shan Loong Customs Broker	Keelung	Import and export agent services	131,000	131,000	13,100	100.00%	254,418	12,873	12,875	"
"	Shan-Loong International	British Virgin Islands	Investing activities	305,881 (USD10,047 thousand)	305,881 (USD10,047 thousand)	10,047	100.00%	912,102	(6,311)	(6,311)	"
"	Shang Loong Motors	New Taipei City	Truck repair, maintenance and sales	270,000	270,000	27,000	100.00%	244,158	(14,263)	(11,443)	"
"	Ko Loong Industry	New Taipei City	Synthetic resin and plastic manufacturing	31,265	31,265	2,134	20.92%	56,760	(1,365)	(286)	Associates
Shan-Loong International	Long Yun	Samoa	Investing activities	24,995 (USD821 thousand)	24,995 (USD821 thousand)	821	100.00%	<u>2,091,012</u>	<u>(82)</u>	<u>8,445</u>	Subsidiary company
"	Loong De	Samoa	Investing activities	31,054 (USD1,020 thousand)	31,054 (USD1,020 thousand)	1,020	100.00%	98,329	2,226	"	"
Loong De	Shan-Loong Logistics Co., Ltd.	Vietnam	Warehousing, freight transportation and related agent	31,054 (USD1,020 thousand)	31,054 (USD1,020 thousand)	-	51.00%	51,449	11,452	"	"

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

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

**(c) Information on investment in mainland China:**

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

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of beginning of the period	Investment flows		Accumulated outflow of investment from Taiwan as of ending of the period	Percentage of ownership	Net income (losses) of the investee (Note 5)	Investment income (losses) (Note 5)	Book value (Note 4)	Accumulated remittance of earnings in current period
					Outflow	Inflow (Note 4)						
Shanghai Shan Tong	Warehousing, freight transportation and related agent	21,355 (RMB5,000 thousand) (Note 6)	(Note 1)	42,660 (USD812 thousand and RMB4,200 thousand)	-	-	42,660 (USD812 thousand and RMB4,200 thousand)	60.00%	(87)	(52)	226,249	-

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.

Note4: The amounts of New Taiwan Dollars were exchange by the closing rates on the reporting date.

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

Note6: 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.

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(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
42,660 (USD812 thousand and RMB4,200 thousand)	42,660 (USD812 thousand and RMB4,200 thousand)	1,764,191

(iii) Significant transactions: None

**(14) Segment information:**

(a) Information about reportable segments and their measurement and reconciliation

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

	For the three months ended September 30, 2025				
	Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
<b>Revenues:</b>					
Revenues from external customers	\$ 190,801	1,717,626	157,330	-	2,065,757
Intersegment revenues	-	91,803	20,669	(112,472)	-
Total revenues	<u>\$ 190,801</u>	<u>1,809,429</u>	<u>177,999</u>	<u>(112,472)</u>	<u>2,065,757</u>
Reportable segment profit (loss)	<u>\$ 1,733</u>	<u>(57,856)</u>	<u>(48)</u>	<u>(140,911)</u>	<u>(197,082)</u>
	For the three months ended September 30, 2024				
	Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
<b>Revenues:</b>					
Revenues from external customers	\$ 345,543	1,751,341	75,498	-	2,172,382
Intersegment revenues	-	19,475	30,072	(49,547)	-
Total revenues	<u>\$ 345,543</u>	<u>1,770,816</u>	<u>105,570</u>	<u>(49,547)</u>	<u>2,172,382</u>
Reportable segment profit (loss)	<u>\$ (21,969)</u>	<u>(42,295)</u>	<u>1,352</u>	<u>(199,284)</u>	<u>(262,196)</u>
	For the nine months ended September 30, 2025				
	Freight segment	Gas station segment	Others	Reconciliation and elimination	Total
<b>Revenues:</b>					
Revenues from external customers	\$ 633,713	4,985,891	447,777	-	6,067,381
Intersegment revenues	-	272,808	57,732	(330,540)	-
Total revenues	<u>\$ 633,713</u>	<u>5,258,699</u>	<u>505,509</u>	<u>(330,540)</u>	<u>6,067,381</u>
Reportable segment profit (loss)	<u>\$ (50,164)</u>	<u>(179,001)</u>	<u>16,043</u>	<u>(374,650)</u>	<u>(587,772)</u>

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	<b>For the nine months ended September 30, 2024</b>				
	<b>Freight segment</b>	<b>Gas station segment</b>	<b>Others</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
<b>Revenues:</b>					
Revenues from external customers	\$ 1,554,702	6,989,653	207,850	-	8,752,205
Intersegment revenues	-	88,908	111,982	(200,890)	-
Total revenues	<u><u>\$ 1,554,702</u></u>	<u><u>7,078,561</u></u>	<u><u>319,832</u></u>	<u><u>(200,890)</u></u>	<u><u>8,752,205</u></u>
Reportable segment profit (loss)	<u><u>\$ 42,189</u></u>	<u><u>(38,957)</u></u>	<u><u>46,399</u></u>	<u><u>(288,476)</u></u>	<u><u>(238,845)</u></u>