Stock Code:2616

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

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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 March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, 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 $87,750 thousand and $415,439 thousand, constituting 1.05% and 4.83% of consolidated total assets as of March 31, 2026 and 2025, respectively, total liabilities amounting to $30,793 thousand and $11,607 thousand, constituting 0.54% and 0.24% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and the value of total comprehensive income (loss) amounting to $(93) thousand and $(4) thousand, constituting 0.16% and 0.002% of consolidated total comprehensive income (loss) for the three months ended March 31, 2026 and 2025, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of Shan-Loong Transportation Co., Ltd. and its subsidiaries in its investee companies of $58,618 thousand and $57,240 thousand as of March 31, 2026 and 2025, and its equity in net earnings (losses) on these investee companies of $1,470 thousand and $(1,863) thousand for the three months ended March 31, 2026 and 2025, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Shan-Loong Transportation Co., Ltd. and its subsidiaries as of March 31, 2026 and 2025, and of their consolidated financial performance and their consolidated cash flows for the three months ended March 31, 2026 and 2025 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(b) of the consolidated financial statements, investigative authorities conducted a search and seizure on the Company on February 20, 2025 due to allegations of legal violations by certain management personnel. The Company 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, the Company 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, the Company will fully cooperate with the investigation and plans to 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)
May 7, 2026

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

March 31, 2026, December 31, 2025, and March 31, 2025

(expressed in thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 1,100,581	13	1,655,633	20	910,405	11
1170	Notes and accounts receivable, net (note (6)(c))	344,509	4	304,750	4	176,244	2
1180	Notes and accounts receivable due from related parties, net (notes (6)(c) and (7))	136,795	2	184,678	2	238,833	3
1300	Inventories, net (note (6)(e))	259,019	3	205,763	2	189,676	2
1476	Other current financial assets (notes (6)(d) and (7))	346,825	4	18,601	-	442,525	5
1479	Other current assets	78,479	1	61,748	1	101,632	1
		2,266,208	27	2,431,173	29	2,059,315	24
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note (6)(b))	1,428,160	17	1,305,625	16	1,462,922	17
1550	Investments accounted for using equity method, net (note (6)(f))	58,618	1	57,148	-	57,240	1
1600	Property, plant and equipment (notes (6)(g), (7) and (8))	3,569,089	43	3,605,789	43	3,827,461	44
1755	Right-of-use asset (notes (6)(h) and (7))	660,938	8	664,861	8	766,143	9
1780	Intangible assets	133,053	2	142,508	2	157,861	2
1840	Deferred income tax assets	29,909	-	30,221	-	70,985	1
1990	Other non-current assets (notes (7) and (8))	191,108	2	170,246	2	206,240	2
		6,070,875	73	5,976,398	71	6,548,852	76
	Total assets	**$ 8,337,083**	**100**	**8,407,571**	**100**	**8,608,167**	**100**

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2150	Notes and accounts payable (note (7))	$ 812,867	10	779,367	9	717,087	8
2200	Other payables (note (7))	265,951	3	340,921	4	227,073	3
2230	Current income tax liabilities	3,387	-	5,985	-	3,687	-
2280	Current lease liabilities (notes (6)(j) and (7))	173,910	2	174,918	2	193,719	2
2130	Current contract liabilities (note (6)(o))	255,636	3	216,008	3	83,559	1
2250	Provisions	12,564	-	11,412	-	8,811	-
2399	Other current liabilities	23,885	-	24,079	-	17,564	-
2320	Long-term liabilities, current portion (note (6)(i))	2,020,000	24	1,770,000	21	1,400,000	16
		3,568,200	42	3,322,690	39	2,651,500	30
	Non-current liabilities:						
2540	Long-term borrowings (note (6)(i))	1,500,000	18	1,750,000	21	1,500,000	17
2570	Deferred income tax liabilities	110,332	1	110,332	1	145,361	2
2580	Non-current lease liabilities (notes (6)(j) and (7))	492,620	6	495,618	6	587,537	7
2640	Non-current net defined benefit liability	32,250	1	37,297	-	45,214	1
2645	Guarantee deposits received	7,154	-	7,502	-	6,572	-
		2,142,356	26	2,400,749	28	2,284,684	27
	Total liabilities	5,710,556	68	5,723,439	67	4,936,184	57
	Equity:						
	Equity attributable to owners of parent: (note (6)(m))						
3100	Ordinary shares	1,372,818	17	1,372,818	16	1,372,818	16
3200	Capital surplus	589,896	7	589,896	7	589,490	7
3300	Retained earnings	114,727	1	300,503	4	1,021,391	12
3400	Other equity	522,503	6	396,313	5	506,394	6
3500	Treasury shares	(31,863)	-	(31,863)	-	(31,863)	-
		2,568,081	31	2,627,667	32	3,458,230	41
36XX	**Non-controlling interests**	58,446	1	56,465	1	213,753	2
	Total equity	2,626,527	32	2,684,132	33	3,671,983	43
	Total liabilities and equity	**$ 8,337,083**	**100**	**8,407,571**	**100**	**8,608,167**	**100**

See accompanying notes to consolidated financial statements.

(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 ended March 31, 2026 and 2025

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

		For the three months ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	**Operating revenue** (notes (6)(o) and (7))	$ 1,985,761	100	2,009,063	100
5000	**Operating costs** (notes (6)(e), (7) and (12))	1,839,394	93	1,873,320	93
5900	**Gross profit from operations**	146,367	7	135,743	7
	Operating expenses (notes (7) and (12))**:**				
6100	Selling expenses	116,118	6	120,052	6
6200	Administrative expenses	205,821	10	213,330	11
6450	Expected credit losses (note (6)(c))	807	-	-	-
		322,746	16	333,382	17
6900	**Net operating income**	(176,379)	(9)	(197,639)	(10)
	Non-operating income and expenses:				
7010	Other income (note (7))	5,861	-	6,165	-
7020	Other gains and losses, net (notes (6)(j) and (q))	7,857	-	4,983	-
7050	Finance costs (notes (6)(j) and (7))	(22,425)	-	(17,436)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method, net (note (6)(f))	(901)	-	(1,570)	-
7100	Interest income	3,823	-	1,348	-
7210	Gains on disposals of property, plant and equipment	1,353	-	(259)	-
7590	Miscellaneous disbursements	(1,499)	-	(730)	-
		(5,931)	-	(7,499)	-
7900	**Profit (loss) before tax**	(182,310)	(9)	(205,138)	(10)
7950	**Less: Income tax expenses** (note (6)(l))	2,713	-	2,017	-
8200	**Profit (loss)**	(185,023)	(9)	(207,155)	(10)
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	122,535	6	(14,588)	(1)
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))	2,371	-	(293)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(l))	-	-	875	-
		124,906	6	(14,006)	(1)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	2,824	-	9,223	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note (6)(l))	312	-	(1,092)	-
		2,512	-	8,131	-
8300	**Other comprehensive income (loss)**	127,418	6	(5,875)	(1)
8500	**Total comprehensive income (loss)**	**$ (57,605)**	**(3)**	**(213,030)**	**(11)**
	Profit, attributable to:				
8610	Owners of parent	$ (185,776)	(9)	(209,936)	(10)
8620	Non-controlling interests	753	-	2,781	-
		$ (185,023)	**(9)**	**(207,155)**	**(10)**
	Total comprehensive income attributable to:				
8710	Owners of parent	$ (59,586)	(3)	(219,575)	(11)
8720	Non-controlling interests	1,981	-	6,545	-
		$ (57,605)	**(3)**	**(213,030)**	**(11)**
	Earnings per share (note (6)(n))				
9750	**Basic earnings per share**	**$ (1.37)**		**(1.54)**	
9850	**Diluted earnings per share**	**$ (1.37)**		**(1.54)**	

See accompanying notes to consolidated financial statements.

(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 three months ended March 31, 2026 and 2025

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings			Other equity						
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total 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	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2025	$ 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 three months ended March 31, 2025	-	-	-	(209,936)	(209,936)	-	-	-	-	(209,936)	2,781	(207,155)
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	4,367	(14,006)	(9,639)	-	(9,639)	3,764	(5,875)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	(209,936)	(209,936)	4,367	(14,006)	(9,639)	-	(219,575)	6,545	(213,030)
Balance on March 31, 2025	**$ 1,372,818**	**589,490**	**562,653**	**458,738**	**1,021,391**	**(9,497)**	**515,891**	**506,394**	**(31,863)**	**3,458,230**	**213,753**	**3,671,983**
Balance on January 1, 2026	$ 1,372,818	589,896	562,653	(262,150)	300,503	(31,472)	427,785	396,313	(31,863)	2,627,667	56,465	2,684,132
Profit (loss) for the three months ended March 31, 2026	-	-	-	(185,776)	(185,776)	-	-	-	-	(185,776)	753	(185,023)
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	1,284	124,906	126,190	-	126,190	1,228	127,418
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	(185,776)	(185,776)	1,284	124,906	126,190	-	(59,586)	1,981	(57,605)
Balance on March 31, 2026	**$ 1,372,818**	**589,896**	**562,653**	**(447,926)**	**114,727**	**(30,188)**	**552,691**	**522,503**	**(31,863)**	**2,568,081**	**58,446**	**2,626,527**

See accompanying notes to consolidated financial statements.

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

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the three months ended March 31, 2026 and 2025

(expressed in thousands of New Taiwan Dollars)

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Cash flows from (used in) operating activities:		
Loss before tax	$ (182,310)	(205,138)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	107,105	120,352
Amortization expense	9,455	7,360
Expected credit losses	807	-
Interest expense	22,425	17,436
Interest income	(3,823)	(1,348)
Share of loss of associates accounted for using equity method	901	1,570
Lease modification gains	(655)	(189)
(Gain) loss on disposal of property, plant and equipment	(1,353)	259
Total adjustments to reconcile profit (loss)	134,862	145,440
Changes in operating assets and liabilities:		
Notes and accounts receivable	7,317	48,186
Inventories	(53,256)	(561)
Other current financial assets	(16,269)	(19,011)
Other current assets	(16,704)	(29,262)
Notes and accounts payable	33,500	(22,708)
Provisions	1,152	(2,494)
Other payables and other current liabilities	(75,164)	(43,576)
Net defined benefit liabilities	(5,047)	5,363
Contract liabilities	39,628	(24,679)
Total changes in operating assets and liabilities	(84,843)	(88,742)
Total adjustments	50,019	56,698
Cash outflow generated from (used in) operations	(132,291)	(148,440)
Interest paid	(22,425)	(17,436)
Interest received	3,823	1,348
Income taxes paid	(5,338)	(5,114)
Net cash flows from (used in) operating activities	(156,231)	(169,642)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(25,428)	(68,239)
Proceeds from disposal of property, plant and equipment	3,297	1,757
(Increase) decrease in refundable deposits	(20,862)	1,776
Acquisition of intangible assets	-	(163)
Increase in other financial assets	(311,955)	(8,504)
Net cash flows from (used in) investing activities	(354,948)	(73,373)
Cash flows from (used in) financing activities:		
Proceeds from long-term borrowings	2,400,000	550,000
Repayments of long-term borrowings	(2,400,000)	(500,000)
Decrease in guarantee deposits received	(348)	(897)
Payment of lease liabilities	(46,052)	(47,176)
Net cash flows from (used in) financing activities	(46,400)	1,927
Effect of exchange rate changes on cash and cash equivalents	2,527	9,442
Net increase (decrease) in cash and cash equivalents	(555,052)	(231,646)
Cash and cash equivalents at beginning of period	1,655,633	1,142,051
Cash and cash equivalents at end of period	**$ 1,100,581**	**910,405**

See accompanying notes to consolidated financial statements.

(1) Company history

Shan-Loong Transportation Co., Ltd. (the “Company”) was incorporated on 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 gas station, freight transportation, container trucking, truck repair and maintenance, sale of truck, import and export agent and information service, etc. Furthermore, one of the Group entities engages in the investing activities.

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

These consolidated financial statements were authorized for issue by the Board of Directors on May 7, 2026.

(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, 2026:

- 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”

(Continued)

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

(b) 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:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	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. ● 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. ● 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. ● 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.	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.

(Continued)

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”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(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, 2025. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

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

			Shareholding			
Name of investor	**Name of subsidiary**	**Principal activity**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**	**Note**
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 %	
The Company	Shan-Loong Information Technology Vietnam Co., Ltd (Vietnam Information)	Information services	100 %	- %	- %	Note 1、2
Shan-Loong International	Long Yun Investment Holding Co, Ltd. (Long Yun)	Investing activities	100 %	100 %	100 %	

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding March 31, 2026	December 31, 2025	March 31, 2025	Note
〃	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 2
Loong De	Shan-Loong Logistics Co., Ltd.	Warehousing, freight transportation and related agent	51 %	51 %	51 %	

Note 1:In January 2026, the Company made an investment of USD100,000 in Shan-Loong Information Technology Vietnam Co., Ltd. and obtained 100% ownership of its shares.

Note 2:The financial statements for the three months ended March 31, 2026 and 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, 2025.

(Continued)

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$	96,597	162,018	37,638
Checking accounts and demand deposits		941,584	1,413,375	780,607
Time deposits		62,400	80,240	92,160
	$	**1,100,581**	**1,655,633**	**910,405**

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

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

		March 31, 2026	December 31, 2025	March 31, 2025
Equity investments at fair value through other comprehensive income:				
Stocks listed on domestic markets	$	1,131,988	1,009,453	1,094,059
Stocks unlisted on domestic markets		78,736	78,736	126,982
Stocks unlisted on foreign markets		217,436	217,436	241,881
	$	**1,428,160**	**1,305,625**	**1,462,922**

(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 three months ended March 31, 2026 and 2025.

(iii) For market risk of the Group, please refer to note (6)(q).

(iv) For details regarding the pledge of the aforementioned financial assets, please refer to note (8).

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(c) Notes and accounts receivable (including related parties)

		March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$	5,000	3,881	3,230
Accounts receivable		506,000	514,436	386,170
Less: allowance for impairment		(29,696)	(28,889)	(25,883)
		481,304	489,428	363,517
Installment sales receivable		-	-	72,578
Less: Unearned interests		-	-	(3,352)
		-	-	69,226
Less: Allowance for impairment		-	-	(17,666)
		-	-	51,560
	$	**481,304**	**489,428**	**415,077**
Notes and accounts receivable, net	$	**344,509**	**304,750**	**176,244**
Notes and accounts receivable due from related parties, net	$	**136,795**	**184,678**	**238,833**

(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 March 31, 2026, December 31 and March 31, 2025, the loss allowance provisions were determined as follows:

	March 31, 2026					
		Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Loss allowance provision
Notes and accounts receivable						
Aging under 60 days	$	5,000	463,560	-%	-%	-
Aging 61~90 days		-	936	1%	1%	9
Aging 91~120 days		-	889	5%	60%	534
Aging 121~150 days		-	827	10%	60%	496
Aging 151~180 days		-	1,201	10%	80%	961
Aging 181~365 days		-	8,987	10%	90%	8,088
Aging over 365 days		-	19,608	100%	100%	19,608
Accounts receivable assessed on an individual basis						
Aging over 365 days		-	9,992	-	-	-
	$	**5,000**	**506,000**			**29,696**

(Continued)

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

	December 31, 2025				
	Notes receivable	**Accounts receivable**	**Notes receivable**	**Accounts receivable**	**Loss allowance provision**
Notes and accounts receivable					
Aging under 60 days	$ 3,881	472,934	-%	-%	159
Aging 61~90 days	-	1,420	1%	1%	14
Aging 91~120 days	-	1,150	5%	60%	690
Aging 121~150 days	-	1,031	10%	60%	619
Aging 151~180 days	-	1,072	10%	80%	857
Aging 181~365 days	-	5,734	10%	90%	5,160
Aging over 365 days	-	21,390	100%	100%	21,390
Accounts receivable assessed on an individual basis					
Aging over 365 days	-	9,705	-	-	-
	$ 3,881	**514,436**			**28,889**

	March 31, 2025				
	Notes receivable	**Accounts receivable**	**Notes receivable**	**Accounts receivable**	**Loss allowance provision**
Installment sales receivable	$ -	72,578	-	-	17,666
Notes and accounts receivable					
Aging under 60 days	3,230	353,509	-%	-%	-
Aging 61~90 days	-	9	1%	1%	-
Aging 91~120 days	-	23	5%	60%	13
Aging 121~150 days	-	27	10%	60%	16
Aging 151~180 days	-	37	10%	80%	19
Aging 181~365 days	-	773	10%	90%	685
Aging over 365 days	-	21,921	100%	100%	21,921
Accounts receivable assessed on an individual basis					
Aging over 365 days	-	9,871	-	-	-
	$ 3,230	**458,748**			**40,320**

As of March 31, 2026, December 31 and March 31, 2025, 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
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(ii) The movements in the allowance for notes and accounts receivable were as follows:

	For the three months ended March 31,	
	2026	**2025**
Balance on January 1	$ 28,889	43,549
Impairment losses recognized	807	-
Balance on March 31	**$ 29,696**	**43,549**

(iii) As of March 31, 2026, December 31 and March 31, 2025, the Group did not pledge any notes and accounts receivable as collateral for its borrowings.

(d) Other current financial assets

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Other receivables (including related parties)	$ 47,970	31,701	50,909
Less: loss allowance	(13,100)	(13,100)	(13,100)
	34,870	18,601	37,809
Restricted deposits	-	-	404,716
Time deposits with maturities over three months	311,955	-	-
	$ 346,825	**18,601**	**442,525**

For further credit risk information, please refer to note (6)(q).

(e) Inventories

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Premium Diesel	$ 56,598	44,111	43,047
Unleaded Gasoline #92	45,973	30,204	26,374
Unleaded Gasoline #95	59,919	46,103	33,750
Unleaded Gasoline #98	34,158	22,974	22,337
By-product and other	25,204	25,204	9,271
Merchandise Inventory	37,167	37,167	54,897
	$ 259,019	**205,763**	**189,676**

The Group recognized as cost of sales amounted to $1,579,496 and $1,538,315, respectively, for the three months ended March 31, 2026 and 2025.

The gain on physical inventory amounted to $6,484 and $8,288, respectively, which was recorded as cost of sales for the three months ended March 31, 2026 and 2025.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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As of March 31, 2026, December 31 and March 31, 2025, the Group did not pledge any inventories as collateral for its borrowings.

(f) Investments accounted for using the equity method

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

	March 31, 2026	December 31, 2025	March 31, 2025
Associates	$ 58,618	57,148	57,240

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

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Attributable to the Group:		
Profit (loss)	$ (901)	(1,570)
Other comprehensive income (loss)	2,371	(293)
Total comprehensive income (loss)	$ 1,470	(1,863)

(ii) As of March 31, 2026, December 31 and March 31, 2025, 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) As of March 31, 2026, December 31 and March 31, 2025, 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
Carrying amounts:							
Balance on January 1, 2026	$ 2,009,271	503,377	228,307	670,316	176,830	17,688	3,605,789
Balance on March 31, 2026	$ 2,009,271	507,326	226,525	646,236	162,043	17,688	3,569,089
Balance on January 1, 2025	$ 2,009,271	520,703	263,792	823,683	190,574	25,576	3,833,599
Balance on March 31, 2025	$ 2,009,271	511,476	253,606	793,601	223,695	35,812	3,827,461

(i) There was no significant change for property, plant and equipment for the three months ended March 31, 2026 and 2025. For the depreciation amount for the current period, please refer to note (12). For the related information, please refer to the consolidated financial statements for the year ended December 31, 2025.

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(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 March 31, 2026, December 31 and March 31, 2025, 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 March 31, 2026, December 31 and March 31, 2025, 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

	Land	Buildings	Others	Total
Carrying amount:				
Balance on January 1, 2026	$ 163,191	501,152	518	664,861
Balance on March 31, 2026	$ 156,265	504,197	476	660,938
Balance on January 1, 2025	$ 171,969	579,541	684	752,194
Balance on March 31, 2025	$ 183,968	581,533	642	766,143

There was no significant change for right-of-use assets for the three months ended March 31, 2026 and 2025. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2025.

(i) Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$ 2,458,400	2,458,400	-
Secured bank loans	1,061,600	1,061,600	2,900,000
Less: current portion	2,020,000	1,770,000	1,400,000
	$ 1,500,000	1,750,000	1,500,000
Unused long-term credit lines	$ 1,290,000	1,270,000	1,915,000
Range of interest rates	2.00%~2.60%	1.88%~2.38%	1.88%~2.23%
Maturity year	2026~2029	2026~2029	2025~2030

(i) Issuance and repayment of the loans

The Group's additional amounts in loans for the three months ended March 31, 2026 and 2025, were $2,400,000 and $550,000, respectively; and the repayments, including prepaying the loans, were $2,400,000 and $500,000, respectively.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(ii) As of March 31, 2026, the repayment schedule for the long-term borrowings was as follows:

Period	Amount
2026.4.1~2027.3.31	$ 2,020,000
2027.4.1~2028.3.31	1,150,000
2028.4.1~2029.3.31	-
2029.4.1~2029.12.31	350,000
	$ 3,520,000

(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 2026, 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)(q) for the interest rate risk and liquidity risk information of the Group.

(iv) The Group’s long-term borrowings are jointly and severally guaranteed by key management personnel. Please refer to note (7).

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

(j) Lease liabilities

The lease liabilities of the Group were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	**$ 173,910**	**174,918**	**193,719**
Non-current	**$ 492,620**	**495,618**	**587,537**

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

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
The amounts recognized in profit or loss were as follows:		
Interest on lease liabilities	**$ 2,749**	**3,020**
Expenses relating to short-term leases	**$ 2,430**	**4,439**
Lease modification gains (recorded as other gains and losses)	**$ 655**	**189**

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

	For the three months ended March 31,	
	2026	2025
Total cash outflow for leases	$ 51,231	54,635

(i) Leases of land and buildings

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

(ii) Other leases

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

(k) 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, 2025 and 2024.

	For the three months ended March 31,	
	2026	2025
Operating cost and operating expenses	$ 267	267

(ii) Defined contribution plans

	For the three months ended March 31,	
	2026	2025
Operating cost and operating expenses	$ 7,416	7,639

(iii) Overseas subsidiaries apply defined contribution retirement plans in accordance with local regulations. Pension costs recognized for the three months ended March 31, 2026 and 2025, were $411 and $450, respectively.

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(l) Income taxes

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

	For the three months ended March 31,	
	2026	**2025**
Current income tax expenses		
Current period	$ 2,713	2,017
	$ 2,713	**2,017**

(ii) The amounts of income tax recognized directly in other comprehensive income were as follows:

	For the three months ended March 31,	
	2026	**2025**
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	**$ -**	**(875)**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 312**	**1,092**

(iii) As of March 31, 2026 and 2025, The Group did not recognize any income tax expenses in equity.

(iv) Assessment of tax

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

(m) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to March 31, 2026 and 2025. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2025.

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(i) Ordinary shares

As of March 31, 2026, December 31 and March 31, 2025, the number of authorized ordinary shares were both $1,800,000 with a par value of $10 per share, and of which $1,372,818 were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	$ 520,206	520,206	520,206
Treasury share transactions	68,449	68,449	68,043
Other	1,241	1,241	1,241
	$ 589,896	**589,896**	**589,490**

(iii) Retain earnings-earnings distribution and dividend policy

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. The amount to be reclassified to special reserve shall be a portion of current-period earnings plus other line items in the retained earnings movements and undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Retain earnings-earnings distribution and dividend policy

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

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

On March 12, 2026, the Company's Board of Directors resolved to appropriate the 2025 earnings, which is awaiting the approval of the annual stockholders' meeting. On June 18, 2025, the Company's annual stockholders' meeting resolved to appropriate the 2024 earnings. These earnings was approved, as follows:

	2025		2024	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.30	41,185	0.30	41,185

(iv) Treasury shares

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

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

As of March 31, 2026, December 31 and March 31, 2025, Shan-Loong Investment held a number of the ordinary shares of the Company, the Group accounted it under the treasury stock. The total shares and amounts were as follows:

	March 31, 2026		December 31, 2025		March 31, 2025	
	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		$ 23,009		19,625		22,197

For the year ended December 31, 2025, Shan-Loong Investment, received the cash dividend which was distributed by the Company, amounting to $406, which was recorded as capital surplus - treasury share transactions.

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SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(v) Other equity

		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2026	$	(31,472)	427,785	396,313
Exchange differences on foreign operations		1,284	-	1,284
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	124,906	124,906
Balance on March 31, 2026	$	**(30,188)**	**552,691**	**522,503**
Balance on January 1, 2025	$	(13,864)	529,897	516,033
Exchange differences on foreign operations		4,367	-	4,367
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(14,006)	(14,006)
Balance on March 31, 2025	$	**(9,497)**	**515,891**	**506,394**

(n) Earnings per share

The Group's basic earnings per share was calculated as follows:

		For the three months ended March 31, 2026	For the three months ended March 31, 2025
Basic earnings per share:			
Loss attributable to ordinary shareholders of the Company	$	**(185,776)**	**(209,936)**
Weighted average number of outstanding ordinary shares (thousands of shares)		**135,928**	**135,928**
Basic earnings per share (dollars)	$	**(1.37)**	**(1.54)**
Diluted earnings per share:			
Loss attributable to ordinary shareholders of the Company (after adjustment the influence of potential ordinary shares)	$	**(185,776)**	**(209,936)**
Weighted average number of outstanding ordinary shares (thousands of shares)		**135,928**	**135,928**
Diluted earnings per share (dollars)	$	**(1.37)**	**(1.54)**

(Continued)

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(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2026			
	Transportation segment	Gasoline station segment	Other segment	Total
Primary geographical markets:				
Taiwan	$ 97,700	1,693,204	90,465	1,881,369
Vietnam	104,392	-	-	104,392
	$ 202,092	**1,693,204**	**90,465**	**1,985,761**

	For the three months ended March 31, 2025			
	Transportation segment	Gasoline station segment	Other segment	Total
Primary geographical markets:				
Taiwan	$ 113,932	1,642,450	145,843	1,902,225
Vietnam	106,838	-	-	106,838
	$ 220,770	**1,642,450**	**145,843**	**2,009,063**

(ii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable	$ 511,000	518,317	461,978
Less: Allowance for impairment	(29,696)	(28,889)	(43,549)
Unearned interests	-	-	(3,352)
	$ 481,304	**489,428**	**415,077**
Contract liabilities – Unearned revenue	**$ 255,636**	**216,008**	**83,559**

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.

(p) 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 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 three months ended March 31, 2026 and 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 and directors both amounted to $0 for the years ended December 31, 2025 and 2024. The remunerations above are identical to those of the actual distributions. The information is available on the Market Observation Post System website.

(Continued)

(q) 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 the consolidated financial statements for the year ended December 31, 2025.

(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, 2025.

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

	For the three months ended March 31, 2026	2025
Balance on January 1 (same as balance on March 31)	$ **13,100**	**13,100**

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within a year	1~2 years	Over 2 years
March 31, 2026					
Non-derivative financial liabilities					
Notes and accounts payable	$ 812,867	(812,867)	(812,867)	-	-
Other payables	265,951	(265,951)	(265,951)	-	-
Lease liabilities	666,530	(702,759)	(385,936)	(133,197)	(183,626)
Long-term borrowings	3,520,000	(3,597,549)	(2,070,751)	(1,167,014)	(359,784)
Guarantee deposits received	7,154	(7,154)	(7,154)	-	-
	$ **5,272,502**	**(5,386,280)**	**(3,542,659)**	**(1,300,211)**	**(543,410)**

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		Carrying amount	Contractual cash flows	Within a year	1~2 years	Over 2 years
December 31, 2025						
Non-derivative financial liabilities						
Notes and accounts payable	$	779,367	(779,367)	(779,367)	-	-
Other payables		340,921	(340,921)	(340,921)	-	-
Lease liabilities		670,536	(705,215)	(184,637)	(142,480)	(378,098)
Long-term borrowings		3,520,000	(3,607,847)	(1,819,843)	(1,426,402)	(361,602)
Guarantee deposits received		7,502	(7,502)	(7,502)	-	-
	$	**5,318,326**	**(5,440,852)**	**(3,132,270)**	**(1,568,882)**	**(739,700)**
March 31, 2025						
Non-derivative financial liabilities						
Notes and accounts payable	$	717,087	(717,087)	(717,087)	-	-
Other payables		227,073	(227,073)	(227,073)	-	-
Lease liabilities		781,256	(820,753)	(204,243)	(173,019)	(443,491)
Long-term borrowings		2,900,000	(2,948,932)	(1,424,425)	(657,450)	(867,057)
Guarantee deposits received		6,572	(6,572)	-	-	(6,572)
	$	**4,631,988**	**(4,720,417)**	**(2,572,828)**	**(830,469)**	**(1,317,120)**

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)(i).

(iii) Currency risk

1) Exposure to foreign currency risk

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

		March 31, 2026			December 31, 2025			March 31, 2025		
		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets										
Monetary items										
USD	$	13,391	31.995	428,445	19,093	31.430	600,093	11,852	33.205	393,546
Non-Monetary items										
CNY		46,973	4.629	217,436	48,362	4.496	217,436	52,893	4.573	241,881

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents and financial assets at fair value through other comprehensive income. A strengthening (weakening) of 5% of the TWD against the USD and CNY for the three months ended March 31, 2026 and 2025, would have decreased or increased the loss before tax by $21,422 and $19,677 and would have decreased or increased the other comprehensive income by $10,872 and $12,094. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2026 and 2025, the foreign exchange gains (losses) (including both realized and unrealized) were as follows:

	For the three months ended March 31,	
	2026	**2025**
Foreign exchange gain (loss) (recorded as other gains and losses)	$ **7,202**	**4,794**

(iv) Interest rate analysis

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

	March 31, 2026	December 31, 2025	March 31, 2025
Variable rate instruments (Carrying amount):			
Financial assets	$ 845,517	1,326,610	1,099,349
Financial liabilities	3,520,000	3,520,000	2,900,000

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 $1,672 and $1,126, respectively, for the three month ended March 31, 2026 and 2025, which would be mainly resulted from the bank deposits and bank loans.

(v) Other market price risk

For the three months ended March 31, 2026 and 2025, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the three months ended March 31, 2026		For the three months ended March 31, 2025	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Profit before tax**	**Other comprehensive income before tax**	**Profit before tax**
Increasing 5%	$ **71,408**	**-**	**73,146**	**-**
Decreasing 5%	$ **(71,408)**	**-**	**(73,146)**	**-**

(Continued)

(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:

	March 31, 2026				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 1,131,988	1,131,988	-	-	1,131,988
Unquoted equity instruments	296,172	-	-	296,172	296,172
Subtotal	1,428,160				

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	March 31, 2026				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	1,100,581	-	-	-	-
Notes and accounts receivable, net	344,509	-	-	-	-
Notes and accounts receivable-related parties, net	136,795	-	-	-	-
Other current financial assets	346,825	-	-	-	-
Refundable deposits (recorded as other non-current assets)	181,425	-	-	-	-
Subtotal	2,110,135				
	$ 3,538,295				
Financial liabilities measured at amortized costs					
Notes and accounts payable	$ 812,867	-	-	-	-
Other payables	265,951	-	-	-	-
Lease liabilities	666,530	-	-	-	-
Long-term borrowings	3,520,000	-	-	-	-
Guarantee deposits	7,154	-	-	-	-
	$ 5,272,502				

	December 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 1,009,453	1,009,453	-	-	1,009,453
Unquoted equity instruments	296,172	-	-	296,172	296,172
Subtotal	1,305,625				

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	December 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	1,655,633	-	-	-	-
Notes and accounts receivable, net	304,750	-	-	-	-
Notes and accounts receivable-related parties, net	184,678	-	-	-	-
Other current financial assets	18,601	-	-	-	-
Refundable deposits (recorded as other non-current assets)	160,562	-	-	-	-
Subtotal	2,324,224				
	$ 3,629,849				
Financial liabilities measured at amortized cost					
Notes and accounts payable	$ 779,367	-	-	-	-
Other payables	340,921	-	-	-	-
Lease liabilities	670,536	-	-	-	-
Long-term borrowings	3,520,000	-	-	-	-
Guarantee deposits	7,502	-	-	-	-
	$ 5,318,326				

	March 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock listed on domestic markets	$ 1,094,059	1,094,059	-	-	1,094,059
Unquoted equity instruments	368,863	-	-	368,863	368,863
Subtotal	1,462,922				

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	March 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	910,405	-	-	-	-
Notes and accounts receivable, net	176,244	-	-	-	-
Notes and accounts receivable-related parties, net	238,833	-	-	-	-
Other current financial assets	442,525	-	-	-	-
Refundable deposits (recorded as other non-current assets)	191,009	-	-	-	-
Subtotal	1,959,016				
	$ 3,421,938				
Financial liabilities measured at amortized cost					
Notes and accounts payable	$ 717,087	-	-	-	-
Other payables	227,073	-	-	-	-
Lease liabilities	781,256	-	-	-	-
Long-term borrowings	2,900,000	-	-	-	-
Guarantee deposits	6,572	-	-	-	-
	$ 4,631,988				

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.

4) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

Financial instruments traded 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.

(Continued)

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 three months ended March 31, 2026 and 2025.

6) Reconciliation of Level 3 fair values

	Financial assets at fair value through other comprehensive income
	Unquoted equity instruments
Balance on January 1, 2026	$ 296,172
Total gains and losses recognized:	
In other comprehensive income	-
Balance on March 31, 2026	**$ 296,172**
Balance on January 1, 2025	$ 368,863
Total gains and losses recognized:	
In other comprehensive income	-
Balance on March 31, 2025	**$ 368,863**

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For the three months ended March 31, 2026 and 2025, the total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
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.

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%~47%,20%~47% and 20%~35%, respectively, on March 31, 2026, December 31 and March 31, 2025)	· The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
〃	〃	· Price-Book ratio (0.58~0.77,0.58~0.77 and 0.49~2.77, respectively, on March 31, 2026, December 31 and March 31, 2025)	· The higher the multiple is, the higher the fair value will be.
〃	〃	· EV/SALES (0.98~1.27,0.98~1.27 and 1.15~1.28, respectively, on March 31, 2026, December 31 and March 31, 2025)	〃

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Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
〃	〃	· EV/EBITDA (12.11~17.30,12.11~17.30 and 11.92~12.11, respectively, on March 31, 2026, December 31 and March 31, 2025)	· 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:

	Input	Move up or down	Other comprehensive income Favorable change	Other comprehensive income Unfavorable change
March 31, 2026				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	$ 3,149	(3,155)
〃	Price-to-Book Ratio	5%	$ 2,318	(2,311)
〃	EV/SALES	5%	$ 312	(315)
〃	EV/EBITDA	5%	$ 7,161	(7,152)
December 31, 2025				
Financial assets at fair value through other comprehensive income	Lack-of-Marketability discount rate	5%	$ 3,149	(3,155)
〃	Price-to-Book Ratio	5%	$ 2,318	(2,311)
〃	EV/SALES	5%	$ 312	(315)
〃	EV/EBITDA	5%	$ 7,161	(7,152)
March 31, 2025				
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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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.

(r) 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, 2025.

(s) 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, 2025. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to the consolidated financial statements for the year ended December 31, 2025 for further details.

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

The Group’s investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2026 and 2025, were as follows:

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

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

	January 1, 2026	Cash flows	Non-cash changes Changes in lease payments and others	March 31, 2026
Long-term borrowings	$ 3,520,000	-	-	3,520,000
Guarantee deposits	7,502	(348)	-	7,154
Lease liabilities	670,536	(46,052)	42,046	666,530
Total liabilities from financing activities	**$ 4,198,038**	**(46,400)**	**42,046**	**4,193,684**

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			Non-cash changes	
	January 1, 2025	Cash flows	Changes in lease payments and others	March 31, 2025
Long-term borrowings	$ 2,850,000	50,000	-	2,900,000
Guarantee deposits	7,469	(897)	-	6,572
Lease liabilities	766,723	(47,176)	61,709	781,256
Total liabilities from financing activities	**$ 3,624,192**	**1,927**	**61,709**	**3,687,828**

(7) Related-party transactions:

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Cheng Loong Corporation (Cheng Loong)	This Company is the corporate director of the Company
Shine Far Construction Co., Ltd.	This Company is the corporate director of the Company
Shine Far Property Co., Ltd.	Its parent company is the corporate director of the Company
Shine Far Electromechanical Co., Ltd.	Its parent company is the corporate director of the Company
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)	substantive related parties (other related parties) (Note 1)
Jie Loong Traffic Enterprise Co., Ltd.(Jie Loong)	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

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Name of related party	Relationship with the Group
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
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
Jen-Hong Cheng	The Company's key management personnel

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

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(b) Significant transactions with related parties

(i) Sales

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

	Sales For the three months ended March 31, 2026	Sales For the three months ended March 31, 2025
Other related parties-Cheng Loong	$ 131,978	186,980
Other related parties	129,275	129,441
Associates	123	475
	$ 261,376	316,896

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

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivables	Other related parties -Cheng Loong	$ 78,457	118,113	111,825
〃	Other related parties -Zhong Loong	-	-	5
〃	Other related parties -Jie Loong	-	-	13
〃	Other related parties	58,338	66,548	75,384
〃	Associates	-	17	46
Installment sales receivable, net (recorded as notes and accounts receivable due from related parties, net)	Other related parties -Zhong Loong	-	-	51,560
〃	Other related parties -Jie Loong	-	-	17,666
〃	Other related parties -Allowance for loss-Jie Loong	-	-	(17,666)
		$ 136,795	184,678	238,833

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Account	Related-party categories	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables (recorded as other current financial assets)	Other related parties -Cheng Loong	$ 377	-	-
〃	Other related parties -Zhong Loong	-	-	17
〃	Other related parties	1	21	693
〃	Associates	44	-	-
		$ 422	**21**	**710**

(iii) The costs and expenses paid to related parties

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

Account	Relationship	For the three months ended March 31, 2026	2025
Operating costs and operating expenses	Other related parties	$ 5,069	1,401
〃	Associates	9,196	1,787
		$ 14,265	**3,188**

(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 at the gas stations. The total price was as follows:

	Total price For the three months ended March 31, 2026	2025
Associates	**$ 8,989**	**90**

2) The associates provided system integration development services to the Group. Since the development project has not been fully completed, the prepayments for business facilities of $8,687, $8,687 and $14,234 as of March 31, 2026, December 31 and March 31, 2025, respectively, had been recognized as other non-current assets.

SHAN-LOONG TRANSPORTATION CO., LTD. AND SUBSIDIARIES
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(v) Payable to related parties

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

Account	Relationship	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Other related parties -Zhong Loong	$ -	6,452	49
〃	Other related parties -Jie Loong	-	827	827
〃	Other related parties	747	983	48
		$ 747	8,262	924

Account	Relationship	March 31, 2026	December 31, 2025	March 31, 2025
Other payables	Other related parties	$ 2	87	116
〃	Associates	7,417	1,590	66
		$ 7,419	1,677	182

(vi) Lease

1) Lessee

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

	Lease liabilities			Interest expense For the three months ended March 31,	
	March 31, 2026	December 31, 2025	March 31, 2025	2026	2025
Other related parties-Cheng Loong	$ 18,251	21,097	8,377	95	75

(vii) Provide guarantees

The Group's Short-term and Long-term borrowings is jointly and severally guaranteed by the Chairman of the Company.

(c) Key management personnel compensation

(i) Key management personnel compensation comprised:

	For the three months ended March 31, 2026	2025
Short-term employee benefits	$ 7,299	9,537
Post-employment benefits	104	159
	$ 7,403	9,696

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(ii) Guarantees

As of March 31, 2026 and 2025, the Group's Long-term borrowings is jointly and severally guaranteed by the Key management personnel.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through other comprehensive income	Long-term borrowings	$ 1,131,986	1,009,453	-
Property, plant and equipment－land	〃	90,562	90,562	90,562
Property, plant and equipment－buildings	〃	8,148	8,402	9,164
Refundable deposits (deposit certificate, recorded as other non-current assets)	Deposits for performance guarantee	41,456	41,456	55,755
		$ 1,272,152	1,149,873	155,481

(9) Significant commitments and contingencies:

(a) As of March 31, 2026, December 31 and March 31, 2025, the Group’s unrecognized contractual commitments for gas station engineering, office renovation and computer information system amounted to $52,269, $76,287 and $109,513, respectively.

(b) As of March 31, 2026, December 31 and March 31, 2025, the Group had outstanding stand-by letters of credit provided by the banks totaling $1,780,000, $1,880,000 and $2,174,000, respectively, for purposes of gasoline purchase, transportation and customs guarantee, etc.

(10) Losses due to major disasters: None

(11) Subsequent events: None

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(12) Others:

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

By function / By item	For the three months ended March 31, 2026			2025		
	Operating cost	**Operating Expenses**	**Total**	**Operating cost**	**Operating Expenses**	**Total**
Employee benefits						
Salary	32,276	134,226	166,502	35,771	138,321	174,092
Labor and health insurance	2,854	13,698	16,552	3,239	15,571	18,810
Pension	1,483	6,611	8,094	1,578	6,778	8,356
Others	216	3,728	3,944	265	3,493	3,758
Depreciation	21,735	85,370	107,105	27,358	92,994	120,352
Amortization	-	9,455	9,455	1,110	6,250	7,360

(b) 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 May 7, 2026, 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 fully 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.

(c) Seasonality of operations

The Group’s operations were not affected by seasonality or cyclicality factors.

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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” for the Group for the three months ended March 31, 2026.

(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	1,540,849	400,000	400,000	-	400,000	15.58 %	3,852,122	-	Y	-
2	Shan-Loong Customs Broker	The Company	Note 3	1,540,849	100,000	100,000	-	100,000	3.90 %	3,852,122	-	Y	-
3	ShanLoong International Holdings Co.Ltd	The Company	Note 3	1,540,849	319,950	319,950	-	319,950	12.46 %	3,852,122	-	Y	-

Note 1: Subsidiaries are sorted in a numerical order starting from 1.
Note 2: The total amount of endorsements shall not exceed 150% of the Company's net assets, and the endorsements for a single company shall not exceed 60% of the Company's net assets.
Note 3: Subsidiary whose over 50% common stock is directly or indirectly owned.

(iii) Material securities held as of March 31, 2026 (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	
	Stock:							
The Company	Cheng Loong Corporation	Other related parties	Non current financial assets at fair value through other comprehensive income	19,376	375,898	1.75%	375,898	
〃	Gemtech Optoelectronics Corp.	Other related parties	〃	182	11,001	19.29%	11,001	
〃	Cheng Loong investment Co., Ltd.	-	〃	600	17,731	4.62%	17,731	
〃	Yueh Loong Co., Ltd.	-	〃	323	5,227	10.78%	5,227	
〃	Shine Far Co., Ltd.	-	〃	270	8,891	0.87%	8,891	
	Stocks:							
Shan Loong Investment Co., Ltd.	Cheng Loong Corporation	-	Non-current financial assets at fair value through other comprehensive income	31,819	617,283	2.87%	617,283	
〃	Shan Loong Transportation Co., Ltd.	Parent company	〃	1,353	23,009	0.99%	23,009	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Note
〃	Cheng Loong investment Co., Ltd.	-	〃	1,200	35,424	9.23%	35,424	
〃	Yueh Loong Co., Ltd.	-	〃	29	462	0.95%	462	
	Stocks:							
Shan Loong Customs Broker	Cheng Loong Corporation	-	Non-current financial assets at fair value through other comprehensive income	7,155	138,807	0.65%	138,807	
Shan-Loong International	Chung Loong Paper Holdings Limited	-	〃	1,339	217,436	5.00%	217,436	

(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: Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Transactions with terms different from others: Unit price	Payment terms	Notes/Trade receivables (payable): Ending balance	Percentage of total notes/trade receivables (payable)	Note
The Company	Cheng Loong	Cheng Loong is the corporate director of the Company	Freight and gas revenue	(117,494)	(6.42)%	20-80 days	There is no difference to those of the third-party	No difference	Accounts receivable 67,832	16.37%	

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(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): Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Shan Loong Motors	The Company	2	Operating revenue	2,159	The selling price and payment conditions are not significantly different from other customers	0.13%
1	Shan Loong Motors	The Company	2	Accounts receivable	2,398	The selling price and payment conditions are not significantly different from other customers	0.03%

Note 1: The numbers filled in as follows:
1. 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.

(Continued)

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):

(In thousands of shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of ending of the period			Net income (losses) of investee (Note 2)	Share of profits /losses of investee (Note 2)	Note
				March 31, 2026 (Note 1)	December 31, 2025 (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%	692,907	(270)	(270)	Subsidiary company
〃	Shan Loong Customs Broker	Keelung	Import and export agent services	131,000	131,000	13,100	100.00%	278,174	3,354	3,355	〃
〃	Shan-Loong International	British Virgin Islands	Investing activities	321,454 (USD10,047 thousand)	321,454 (USD10,047 thousand)	10,047	100.00%	732,655	10,005	10,005	〃
〃	Shang Loong Motors	New Taipei City	Truck repair, maintenance and sales	270,000	270,000	27,000	100.00%	195,312	(3,964)	(4,465)	〃
〃	Shan-Loong Information Technology Vietnam Co., Ltd	Vietnam	Information services	3,200 (USD100 thousand)	-	-	100.00%	3,200	-	-	Associates
〃	Ko Loong Industry	New Taipei City	Synthetic resin and plastic manufacturing	31,265	31,265	2,134	20.92%	58,618	(4,311)	(901)	Associates
Shan-Loong International	Long Yun	Samoa	Investing activities	26,268 (USD821 thousand)	26,268 (USD821 thousand)	821	100.00%	32,981	(15)	Investment gains and losses recognized by its parent company	Subsidiary company
〃	Loong De	Samoa	Investing activities	32,635 (USD1,020 thousand)	32,635 (USD1,020 thousand)	1,020	100.00%	107,639	1,723	〃	〃
Loong De	Shan-Loong Logistics Co., Ltd.	Vietnam	Warehousing, freight transportation and related agent	32,635 (USD1,020 thousand)	32,635 (USD1,020 thousand)	-	51.00%	38,451	1,664	〃	〃

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	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Shanghai Shan Tong	Warehousing, freight transportation and related agent	23,145 (RMB5,000 thousand) (Note 3)	(Note1)	45,422 (USD812 thousand and RMB4,200 thousand)	-	-	45,422 (USD812 thousand and RMB4,200 thousand)	60.00%	(156)	(94)	32,254	-

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: 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.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
45,422 (USD812 thousand and RMB4,200 thousand)	45,422 (USD812 thousand and RMB4,200 thousand)	1,540,849

(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 March 31, 2026				
	Freight segment	**Gas station segment**	**Others**	**Reconciliation and elimination**	**Total**
Revenues:					
Revenues from external customers	$ 202,092	1,693,204	90,465	-	1,985,761
Intersegment revenues	-	78,778	3,082	(81,860)	-
Total revenues	**$ 202,092**	**1,771,982**	**93,547**	**(81,860)**	**1,985,761**
Reportable segment profit (loss)	**$ 304**	**(48,186)**	**160**	**(134,588)**	**(182,310)**

	For the three months ended March 31, 2025				
	Freight segment	**Gas station segment**	**Others**	**Reconciliation and elimination**	**Total**
Revenues:					
Revenues from external customers	$ 220,770	1,642,450	145,843	-	2,009,063
Intersegment revenues	-	89,578	19,646	(109,224)	-
Total revenues	**$ 220,770**	**1,732,028**	**165,489**	**(109,224)**	**2,009,063**
Reportable segment profit (loss)	**$ (15,186)**	**(66,745)**	**(3,416)**	**(119,791)**	**(205,138)**