

**Y.C.C. PARTS MFG. CO. LTD. AND
SUBSIDIARIES**
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Y.C.C. Parts Mfg. Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Y.C.C. Parts Mfg. Co., Ltd. and subsidiaries (the "Group") as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the changes in equity and of cash flows for the six months then ended and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the *Basis for Qualified Conclusion*, 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 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 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 explained in Note 4(3), the financial statements of insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$276,011 thousand and NT\$308,991 thousand, constituting 5.55% and 5.80% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities amounted to NT\$88,383 thousand and NT\$71,133 thousand, constituting 8.36%

and 5.57% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and the total comprehensive income (loss) amounted to NT\$8,102 thousand, NT\$7,871 thousand, NT\$21,092 thousand and NT\$9,542 thousand, constituting 6.17%, (9.54)%, 38.06% and (4.13)% of the consolidated total comprehensive income (loss) for the three months and six months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, 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 the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Lai, Chih-Wei

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

August 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 663,112	13	\$ 561,073	11	\$ 722,087	14
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		108,014	2	136,325	3	131,804	2
1136	Current financial assets at	6(3)						
	amortised cost		11,087	-	29,167	1	-	-
1150	Notes receivable, net	6(4)	25,508	1	24,909	-	19,041	-
1170	Accounts receivable, net	6(4)	325,568	7	417,199	8	345,555	7
1200	Other receivables		3,935	-	3,226	-	5,229	-
130X	Inventories	6(5)	298,916	6	308,794	6	343,402	6
1470	Other current assets		69,466	1	38,221	1	30,221	1
11XX	Current Assets		<u>1,505,606</u>	<u>30</u>	<u>1,518,914</u>	<u>30</u>	<u>1,597,339</u>	<u>30</u>
Non-current assets								
1517	Non-current financial assets at fair	6(6)						
	value through other comprehensive							
	income		136,769	3	127,432	2	122,754	2
1535	Non-current financial assets at	6(3) and 8						
	amortised cost		300	-	300	-	300	-
1600	Property, plant and equipment	6(7) and 8	2,772,705	56	2,916,174	57	3,042,904	57
1755	Right-of-use assets	6(8)	129,341	2	145,486	3	149,508	3
1760	Investment property, net	6(9)	92,387	2	94,006	2	94,407	2
1780	Intangible assets		2,399	-	3,115	-	2,513	-
1840	Deferred income tax assets		103,819	2	94,464	2	92,825	2
1900	Other non-current assets	6(10)	228,824	5	212,999	4	224,934	4
15XX	Non-current assets		<u>3,466,544</u>	<u>70</u>	<u>3,593,976</u>	<u>70</u>	<u>3,730,145</u>	<u>70</u>
1XXX	Total assets		<u>\$ 4,972,150</u>	<u>100</u>	<u>\$ 5,112,890</u>	<u>100</u>	<u>\$ 5,327,484</u>	<u>100</u>

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2120	Financial liabilities at fair value through profit or loss - current	6(2)	\$ 1,403	-	\$ -	-	\$ -	-
2130	Current contract liabilities	6(19)	4,787	-	8,800	-	4,276	-
2150	Notes payable		109,512	2	116,187	3	145,654	3
2170	Accounts payable		58,569	1	63,949	1	66,596	1
2200	Other payables	6(12)	374,312	8	165,158	3	394,458	7
2230	Current income tax liabilities	6(24)	107,083	2	93,206	2	102,621	2
2320	Long-term liabilities, current portion	6(13)	144,112	3	136,815	3	133,167	3
2399	Other current liabilities, others	6(8)	5,521	-	5,923	-	5,716	-
21XX	Current Liabilities		<u>805,299</u>	<u>16</u>	<u>590,038</u>	<u>12</u>	<u>852,488</u>	<u>16</u>
Non-current liabilities								
2540	Long-term borrowings	6(13)	237,361	5	311,489	6	381,054	7
2560	Current tax liabilities-non-current	6(24)	-	-	969	-	19,497	-
2570	Deferred income tax liabilities		1,117	-	1,378	-	3,655	-
2600	Other non-current liabilities	6(8)(14)	13,034	-	15,890	-	20,369	1
25XX	Non-current liabilities		<u>251,512</u>	<u>5</u>	<u>329,726</u>	<u>6</u>	<u>424,575</u>	<u>8</u>
2XXX	Total Liabilities		<u>1,056,811</u>	<u>21</u>	<u>919,764</u>	<u>18</u>	<u>1,277,063</u>	<u>24</u>
Equity attributable to owners of parent								
	Share capital	6(16)						
3110	Share capital - common stock		741,239	15	741,239	14	741,239	14
	Capital surplus	6(17)						
3200	Capital surplus		1,193,369	25	1,193,369	24	1,193,349	22
	Retained earnings	6(18)						
3310	Legal reserve		465,174	9	427,883	8	427,883	8
3320	Special reserve		80,622	2	94,043	2	94,043	2
3350	Unappropriated retained earnings		1,503,587	30	1,733,942	34	1,585,111	30
	Other equity interest							
3400	Other equity interest		(136,566)	(3)	(80,622)	(2)	(87,089)	(2)
31XX	Equity attributable to owners of the parent		<u>3,847,425</u>	<u>78</u>	<u>4,109,854</u>	<u>80</u>	<u>3,954,536</u>	<u>74</u>
36XX	Non-controlling interests		<u>67,914</u>	<u>1</u>	<u>83,272</u>	<u>2</u>	<u>95,885</u>	<u>2</u>
3XXX	Total equity		<u>3,915,339</u>	<u>79</u>	<u>4,193,126</u>	<u>82</u>	<u>4,050,421</u>	<u>76</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 4,972,150</u>	<u>100</u>	<u>\$ 5,112,890</u>	<u>100</u>	<u>\$ 5,327,484</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(19)	\$ 412,403	100	\$ 441,967	100	\$ 907,210	100	\$ 954,286	100
5000 Operating costs	6(5)(22)	(259,735)	(63)	(284,774)	(64)	(560,096)	(62)	(615,501)	(65)
5900 Net operating margin		<u>152,668</u>	<u>37</u>	<u>157,193</u>	<u>36</u>	<u>347,114</u>	<u>38</u>	<u>338,785</u>	<u>35</u>
Operating expenses	6(22)								
6100 Selling expenses		(28,243)	(7)	(36,199)	(8)	(60,497)	(7)	(76,972)	(8)
6200 General and administrative expenses		(21,071)	(5)	(29,400)	(6)	(49,667)	(5)	(63,116)	(7)
6300 Research and development expenses		(24,599)	(6)	(16,110)	(4)	(43,530)	(5)	(32,741)	(3)
6450 Impairment gain determined in accordance with IFRS 9	12(2)	320	-	9,313	2	151	-	12,740	1
6000 Total operating expenses		(73,593)	(18)	(72,396)	(16)	(153,543)	(17)	(160,089)	(17)
6900 Operating profit		<u>79,075</u>	<u>19</u>	<u>84,797</u>	<u>20</u>	<u>193,571</u>	<u>21</u>	<u>178,696</u>	<u>18</u>
Non-operating income and expenses									
7100 Interest income		5,591	1	7,202	2	9,744	1	14,015	2
7010 Other income	6(20)	23,895	6	18,332	4	31,607	3	31,087	3
7020 Other gains and losses	6(21)	(169,259)	(41)	4,245	1	(194,444)	(21)	64,656	7
7050 Finance costs		(1,463)	-	(3,037)	(1)	(3,875)	-	(6,600)	(1)
7000 Total non-operating revenue and expenses		(141,236)	(34)	26,742	6	(156,968)	(17)	103,158	11
7900 Profit (loss) before income tax		(62,161)	(15)	111,539	26	36,603	4	281,854	29
7950 Income tax expense (benefit)	6(24)	6,595	1	(25,711)	(6)	(27,854)	(3)	(61,149)	(6)
8200 Profit (loss) for the period		<u>(\$ 55,566)</u>	<u>(14)</u>	<u>\$ 85,828</u>	<u>20</u>	<u>\$ 8,749</u>	<u>1</u>	<u>\$ 220,705</u>	<u>23</u>
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316 Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	6(6)								
		(\$ 41,806)	(10)	(\$ 6,973)	(2)	(\$ 35,207)	(4)	(\$ 5,545)	(1)
8310 Components of other comprehensive income that will not be reclassified to profit or loss									
		(\$ 41,806)	(10)	(\$ 6,973)	(2)	(\$ 35,207)	(4)	(\$ 5,545)	(1)
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations									
		(\$ 33,990)	(8)	3,623	1	(\$ 28,957)	(3)	15,672	2
8360 Components of other comprehensive income that will be reclassified to profit or loss									
		(\$ 33,990)	(8)	3,623	1	(\$ 28,957)	(3)	15,672	2
8300 Total other comprehensive income (loss) for the period									
8500 Total comprehensive income (loss) for the period									
8500 Total comprehensive income (loss) for the period									
Profit (loss), attributable to:									
8610 Owners of parent									
8620 Non-controlling interests									
Total									
Comprehensive income (loss) attributable to:									
8710 Owners of parent									
8720 Non-controlling interests									
Total									
Basic earnings per share	6(25)								
		(\$ 0.75)	\$ 1.23	\$ 0.21	\$ 3.02				
9750 Basic earnings per share									
9850 Diluted earnings per share									

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent										Non-controlling interests	Total equity		
	Share capital - common stock	Capital surplus, additional paid-in capital	Retained earnings			Other equity interest								
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total						
Six months ended June 30, 2024														
Balance at January 1, 2024		\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875	\$ 96,086	\$ 4,041,961			
Profit (loss) for the period		-	-	-	-	224,079	-	-	224,079	(3,374)	220,705			
Other comprehensive income (loss)	6(6)	-	-	-	-	-	12,499	(5,545)	6,954	3,173	10,127			
Total comprehensive income (loss)		-	-	-	-	224,079	12,499	(5,545)	231,033	(201)	230,832			
Appropriation and distribution of 2023 earnings														
Legal reserve		-	-	43,884	-	(43,884)	-	-	-	-	-			
Special reserve		-	-	-	(15,099)	15,099	-	-	-	-	-			
Cash dividends	6(18)	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)			
Balance at June 30, 2024		\$ 741,239	\$ 1,193,349	\$ 427,883	\$ 94,043	\$ 1,585,111	(\$ 81,308)	(\$ 5,781)	\$ 3,954,536	\$ 95,885	\$ 4,050,421			
Six months ended June 30, 2025														
Balance at January 1, 2025		\$ 741,239	\$ 1,193,369	\$ 427,883	\$ 94,043	\$ 1,733,942	(\$ 79,519)	(\$ 1,103)	\$ 4,109,854	\$ 83,272	\$ 4,193,126			
Profit (loss) for the period		-	-	-	-	15,887	-	-	15,887	(7,138)	8,749			
Other comprehensive loss	6(6)	-	-	-	-	-	(20,737)	(35,207)	(55,944)	(8,220)	(64,164)			
Total comprehensive income (loss)		-	-	-	-	15,887	(20,737)	(35,207)	(40,057)	(15,358)	(55,415)			
Appropriation and distribution of 2024 earnings														
Legal reserve		-	-	37,291	-	(37,291)	-	-	-	-	-			
Special reserve		-	-	-	(13,421)	13,421	-	-	-	-	-			
Cash dividends	6(18)	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)			
Balance at June 30, 2025		\$ 741,239	\$ 1,193,369	\$ 465,174	\$ 80,622	\$ 1,503,587	(\$ 100,256)	(\$ 36,310)	\$ 3,847,425	\$ 67,914	\$ 3,915,339			

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 36,603	\$ 281,854
Adjustments			
Adjustments to reconcile profit (loss)			
Proceeds from disposal of property, plant and equipment	6(21)	13,129	(1,685)
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(21)	34,860	691
Reversal of expected credit losses	12(2)	(151)	(12,740)
Impairment loss	6(7)(11)(21)	28,521	12,052
Depreciation expense	6(7)(22)	185,447	185,239
Depreciation expense - right-of-use assets	6(8)(22)	4,601	4,777
Depreciation expense - investment property	6(9)(22)	470	473
Amortisation expense	6(22)	2,013	2,905
Interest expense	6(23)	3,875	6,600
Interest income		(9,744)	(14,015)
Government grant income	6(14)	(543)	(716)
Dividend income	6(20)	(14,368)	(6,834)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(599)	11,751
Accounts receivable, net		76,473	138,773
Other receivables		(3,720)	11,783
Inventories		9,878	13,920
Other current assets		(31,245)	2,973
Changes in operating liabilities			
Contract liabilities - current		(4,013)	(17,991)
Notes payable		(27,855)	(93,412)
Accounts payable		(5,380)	(34,518)
Other payables		(15,162)	345
Other current liabilities		(227)	2,529
Cash inflow generated from operations		282,863	494,754
Interest received		8,529	14,414
Interest paid		(3,944)	(6,430)
Dividend received		14,368	6,834
Income taxes paid		(19,618)	(146,283)
Net cash flows from operating activities		<u>282,198</u>	<u>363,289</u>

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30	
		2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		(\$ 8,598)	\$ -
Proceeds from disposal of financial assets at fair value through profit or loss		3,452	-
Decrease in financial assets at amortised cost		18,080	125,890
Acquisition of non-current financial assets at fair value through other comprehensive income		(44,544)	-
Acquisition of property, plant and equipment	6(26)	(77,898)	255,081)
Proceeds from disposal of property, plant and equipment		15,286	10,996
Increase in prepaid equipment and construction costs	6(26)	(53,309)	(36,771)
(Increase) decrease in other non-current assets		(50)	461
(Increase) decrease in refundable deposits		(383)	682
Net cash flows used in investing activities		<u>(147,964)</u>	<u>(153,823)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(27)	- (37,060)
Repayments of long-term borrowings	6(27)	(66,583)	(66,583)
Increase in deposits received	6(27)	88	101
Repayments of principal portion of lease liabilities	6(27)	(2,679)	(2,646)
Net cash flows used in financing activities		<u>(69,174)</u>	<u>(106,188)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>36,979</u>	<u>68,139</u>
Net increase in cash and cash equivalents		<u>102,039</u>	<u>171,417</u>
Cash and cash equivalents at beginning of period		<u>561,073</u>	<u>550,670</u>
Cash and cash equivalents at end of period		<u>\$ 663,112</u>	<u>\$ 722,087</u>

The accompanying notes are an integral part of these consolidated financial statements.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Y.C.C. PARTS MFG. CO., LTD. (the “Company”) was incorporated in March 1986 and has been listed on the Taiwan Stock Exchange since April 2012. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacturing and trading automobile parts, import and export and wholesale and retail of health supplements as well as operating and reinvesting related businesses.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on August 7, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(Remainder of page intentionally left blank)

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	
IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.	

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements are the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2024.

- B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	RISE BRIGHT HOLDINGS LTD. (RISE BRIGHT)	Holding company and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	
The Company	UNITED SKILLS CO., LTD. (UNITED SKILLS)	Wholesale and retail of health supplements, online shopping and mail	100.00%	100.00%	100.00%	(Notes 1 and 2)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
RISE BRIGHT	CHINA FIRST HOLDINGS LTD. (CHINA FIRST)	Holding company and selling interior and exterior accessories of automobiles	89.44%	89.44%	89.44%	
RISE BRIGHT	CHANG JIE TECHNOLOGY CO., LTD. (CHANG JIE)	Producing and selling interior and exterior accessories of automobiles	99.83%	99.83%	99.83%	Note 2
CHINA FIRST	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. (CHANGSHU FUTE)	Producing and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	
CHINA FIRST	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD. (LIAONING HETAI)	Producing and selling interior and exterior accessories of automobiles	82.61%	82.61%	82.61%	

Note 1 : The Company passed a resolution by the Board of Directors to invest NT\$100,000 thousand in its subsidiary UNITED SKILLS in installments on March 7, 2024. As of June 30, 2025, the Company increased its capital by NT\$48,000 thousand and the change in registration was completed. However, on November 6, 2024, the Board of Directors resolved to cancel the remaining investment plan for the capital increase as the subsidiary, United Skills Co., Ltd. has no capital needs in the short-term.

Note 2 : The financial statements of the entity as of and for the six months ended June 30, 2025 and 2024 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiaries.

C. Subsidiaries not included in the consolidated financial statements

None.

D. Adjustments for subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group

None.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(6) Income tax

- A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. When the tax rate changes during the interim period, the Group recognizes the impact of the change once in the current period when the change occurs. For income tax related to items recognized out of profit or loss, the impact of the change is recognized in other comprehensive profit or loss or equity items. For income tax related to items recognized in profit or loss, the effect of the change is recognized in profit or loss.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of June 30, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 229	\$ 243	\$ 237
Checking accounts and demand deposits	101,260	232,202	204,236
Time deposits	<u>561,623</u>	<u>328,628</u>	<u>517,614</u>
	<u>\$ 663,112</u>	<u>\$ 561,073</u>	<u>\$ 722,087</u>
Interest rate range			
Time deposits	<u>0.32%~4.5%</u>	<u>0.55%~5.00%</u>	<u>0.57%~5.54%</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The time deposits maturing over three months and time deposits that are restricted and are not held for the purpose of meeting short-term cash commitments were presented as 'financial assets at amortised cost'. Refer to Note 6(3) for details.
- C. Information about the financial assets at amortised cost that were pledged to others as collaterals is provided in Notes 6(3) and 8.

(2) Financial assets and liabilities at fair value through profit or loss - current

Items	June 30, 2025	2024	June 30, 2024
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 108,480	\$ 102,273	\$ 104,825
Valuation adjustment	(\$ 466)	\$ 33,660	\$ 26,240
Total	<u>\$ 108,014</u>	<u>\$ 135,933</u>	<u>\$ 131,065</u>
Financial assets (liabilities) held for trading			
Foreign exchange swap contracts	(\$ 1,403)	\$ 392	\$ 739
Total financial assets at fair value through profit or loss	<u>\$ 108,014</u>	<u>\$ 136,325</u>	<u>\$ 131,804</u>
Total financial liabilities at fair value through profit or loss	(\$ 1,403)	\$ -	\$ -

- A. The Group recognized financial assets and liabilities at fair value through profit or loss of (\$38,777), (\$7,671), (\$34,860) and (\$691) for the three months and six months ended June 30, 2025 and 2024, respectively.
- B. Explanations of the transactions and contract information in respect of derivative financial assets and liabilities that the Group does not adopt hedge accounting are as follows:

	June 30, 2025	
	Contract amount	
<u>Derivative financial assets (liabilities)</u>	(Notional principal)	Contract period
Foreign exchange swap contracts	USD 2,780 thousand	2025.06.13 ~ 2025.07.31
	December 31, 2024	
	Contract amount	
<u>Derivative financial assets (liabilities)</u>	(Notional principal)	Contract period
Foreign exchange swap contracts	USD 900 thousand	2024.12.06 ~ 2025.01.06
	June 30, 2024	
	Contract amount	
<u>Derivative financial assets (liabilities)</u>	(Notional principal)	Contract period
Foreign exchange swap contracts	USD 2,969 thousand	2024.06.03 ~ 2024.07.22

The Group entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. Therefore, the Group did not apply hedge accounting treatment for these forward exchange contracts.

- C. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others as collateral.
- D. Information relating to credit risk of financial assets and liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31,		
	June 30, 2025	2024	June 30, 2024
Current items:			
Time deposits maturing over three months	\$ 11,087	\$ 29,167	\$ -
Non-current items:			
Restricted time deposits	\$ 300	\$ 300	\$ 300

- A. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$11,387, \$29,467 and \$300, respectively.
- B. Information about the financial assets at amortised cost that were pledged to others as collateral is provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable, net

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 25,716	\$ 25,117	\$ 19,249
Less: Allowance for uncollectible accounts	(208)	(208)	(208)
	<u>\$ 25,508</u>	<u>\$ 24,909</u>	<u>\$ 19,041</u>
	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$ 335,213	\$ 427,188	\$ 355,312
Less: Allowance for uncollectible accounts	(9,645)	(9,989)	(9,757)
	<u>\$ 325,568</u>	<u>\$ 417,199</u>	<u>\$ 345,555</u>

A. The aging analysis of notes receivable and accounts receivable are as follows:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
	\$ 25,716	\$ 249,566	\$ 25,117	\$ 349,057	\$ 19,249	\$ 253,942
Not past due						
1 to 60 days	-	82,074	-	69,032	-	87,781
61 to 120 days	-	814	-	4,566	-	2,826
121 to 180 days	-	62	-	253	-	4,239
181 to 240 days	-	-	-	538	-	2,475
Over 241 days	-	2,697	-	3,742	-	4,049
	<u>\$ 25,716</u>	<u>\$ 335,213</u>	<u>\$ 25,117</u>	<u>\$ 427,188</u>	<u>\$ 19,249</u>	<u>\$ 355,312</u>

As at June 30, 2025, December 31, 2024 and June 30, 2024, the ageing analysis was based on past due date.

- B. As at June 30, 2025, December 31, 2024 and June 30, 2024, the balances of accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2024, the balances of accounts receivable and notes receivable from contracts with customers amounted to \$521,330 and \$38,179, respectively.
- C. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$25,508, \$24,909 and \$19,041 as well as \$325,568, \$417,199 and \$345,555, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(Remainder of page intentionally left blank)

(5) Inventories

	June 30, 2025		
	Allowance for valuation loss		Book value
	Cost	valuation loss	
Materials and supplies	\$ 89,626	(\$ 15,057)	\$ 74,569
Work in progress	48,153	(2,021)	46,132
Semi-finished goods	8,371	(2,388)	5,983
Finished goods	186,802	(15,878)	170,924
Merchandise	1,308	-	1,308
Total	\$ 334,260	(\$ 35,344)	\$ 298,916

	December 31, 2024		
	Allowance for valuation loss		Book value
	Cost	valuation loss	
Materials and supplies	\$ 109,018	(\$ 22,147)	\$ 86,871
Work in progress	50,643	(3,155)	47,488
Semi-finished goods	9,987	(4,205)	5,782
Finished goods	184,291	(17,207)	167,084
Merchandise	1,569	-	1,569
Total	\$ 355,508	(\$ 46,714)	\$ 308,794

	June 30, 2024		
	Allowance for valuation loss		Book value
	Cost	valuation loss	
Materials and supplies	\$ 106,195	(\$ 22,561)	\$ 83,634
Work in progress	54,882	(2,297)	52,585
Semi-finished goods	10,104	(3,165)	6,939
Finished goods	213,660	(14,974)	198,686
Merchandise	1,558	-	1,558
Total	\$ 386,399	(\$ 42,997)	\$ 343,402

(Remainder of page intentionally left blank)

The cost of inventories recognised as expense for the period :

	Three months ended June 30,	
	2025	2024
Cost of goods sold	\$ 259,022	\$ 285,373
Unallocated fixed overheads	4,318	934
Loss on scrapping inventory	13	105
Gain on reversal of market value decline and obsolete and slow-moving inventories	(3,832)	(542)
Gain on physical inventory	214	(1,096)
	<u>\$ 259,735</u>	<u>\$ 284,774</u>

	Six months ended June 30,	
	2025	2024
Cost of goods sold	\$ 555,901	\$ 626,576
Unallocated fixed overheads	15,070	2,500
Loss on scrapping inventory	16	125
Gain on reversal of market value decline and obsolete and slow-moving inventories	(10,968)	(12,223)
Gain on physical inventory	77	(1,477)
	<u>\$ 560,096</u>	<u>\$ 615,501</u>

The Group reversed a previous inventory write-down because inventories with decline in market value were partially sold and scrapped by the Group for the three months and six months ended June 30, 2025 and 2024.

(6) Non-current financial assets at fair value through other comprehensive income

Items	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Equity instruments			
Listed stocks	\$ 173,079	\$ 128,535	\$ 128,535
Valuation adjustment	(36,310)	(1,103)	(5,781)
Total	<u>\$ 136,769</u>	<u>\$ 127,432</u>	<u>\$ 122,754</u>

A. The Group has elected to classify investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$136,769, \$127,432 and \$122,754, as at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 41,806)	(\$ 6,973)
Dividend income recognised in profit or loss held at end of period	\$ 8,577	\$ 3,561
 Six months ended June 30,		
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 35,207)	(\$ 5,545)
Dividend income recognised in profit or loss held at end of period	\$ 8,577	\$ 3,561

C. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$136,769, \$127,432 and \$122,754, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(Remainder of page intentionally left blank)

(7) Property, plant and equipment

	Six months ended June 30, 2025					
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	\$ 1,034,065	\$ -	\$ -	\$ -	\$ -	\$ 1,034,065
Buildings and structures	1,719,044	8,835	-	31,034	(38,283)	1,720,630
Machinery and equipment	1,344,957	36,179	(151,655)	170,274	(60,544)	1,339,211
Molding equipment	2,422,640	21,940	-	17,921	(1,285)	2,461,216
Transportation equipment	33,192	1,254	(402)	-	(199)	33,845
Furniture equipment	2,951	-	(19)	-	(60)	2,872
Other equipment	237,898	7,700	(5,043)	4,376	(3,087)	241,844
Unfinished construction and equipment under acceptance	342,455	25,080	-	(185,688)	-	181,847
	\$ 7,137,202	\$ 100,988	(\$ 157,119)	\$ 37,917	(\$ 103,458)	\$ 7,015,530
Accumulated Depreciation						
Buildings and structures	(\$ 1,048,956)	(\$ 41,265)	\$ -	\$ -	\$ 14,949	(\$ 1,075,272)
Machinery and equipment	(895,335)	(48,774)	73,822	-	41,833	(828,454)
Molding equipment	(2,006,428)	(82,484)	-	-	739	(2,088,173)
Transportation equipment	(29,255)	(950)	159	-	174	(29,872)
Furniture equipment	(2,796)	(46)	19	-	55	(2,768)
Other equipment	(168,141)	(11,928)	3,572	-	1,521	(174,976)
	(\$ 4,150,911)	(\$ 185,447)	\$ 77,572	\$ -	\$ 59,271	(\$ 4,199,515)
Accumulated Impairment						
Machinery and equipment	(\$ 64,818)	(\$ 26,163)	\$ 48,386	\$ -	(\$ 618)	(\$ 43,213)
Transportation equipment	-	(291)	285	-	6	-
Other equipment	(5,299)	(2,067)	2,461	-	4,808	(97)
	(\$ 70,117)	(\$ 28,521)	\$ 51,132	\$ -	\$ 4,196	(\$ 43,310)
Total		\$ 2,916,174				\$ 2,772,705

	Six months ended June 30, 2024						
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance	
Cost							
Land	\$ 956,365	\$ 77,700	\$ -	\$ -	\$ -	\$ 1,034,065	
Buildings and structures	1,614,968	58,001	(1,325)	10,599	12,949	1,695,192	
Machinery and equipment	1,355,693	27,186	(65,332)	78,990	16,194	1,412,731	
Molding equipment	2,308,680	40,871	(15,056)	41,460	904	2,376,859	
Transportation equipment	35,101	-	(1,996)	-	73	33,178	
Furniture equipment	3,022	-	(48)	-	24	2,998	
Other equipment	223,208	9,384	(4,549)	14,532	1,228	243,803	
Unfinished construction and equipment under acceptance	288,386	22,344	-	(24,988)	1,332	287,074	
	<u>\$ 6,785,423</u>	<u>\$ 235,486</u>	<u>(\$ 88,306)</u>	<u>\$ 120,593</u>	<u>\$ 32,704</u>	<u>\$ 7,085,900</u>	
Accumulated Depreciation							
Buildings and structures	(\$ 968,179)	(\$ 36,362)	\$ 1,325	\$ -	(\$ 4,090)	(\$ 1,007,306)	
Machinery and equipment	(904,107)	(52,267)	63,230	-	(7,208)	(900,352)	
Molding equipment	(1,849,061)	(83,724)	7,848	-	(572)	(1,925,509)	
Transportation equipment	(28,898)	(1,253)	1,996	-	(56)	(28,211)	
Furniture equipment	(2,616)	(138)	48	-	(18)	(2,724)	
Other equipment	(159,144)	(11,494)	4,548	-	(625)	(166,715)	
	<u>(3,912,005)</u>	<u>(\$ 185,238)</u>	<u>\$ 78,995</u>	<u>\$ -</u>	<u>(\$ 12,569)</u>	<u>(4,030,817)</u>	
Accumulated Impairment							
Machinery and equipment	\$ -	(\$ 8,502)	\$ -	\$ -	(\$ 90)	(\$ 8,592)	
Transportation equipment	-	(346)	-	-	(4)	(350)	
Furniture equipment	-	(12)	-	-	-	(12)	
Other equipment	-	(3,192)	-	-	(33)	(3,225)	
	<u>\$ -</u>	<u>(\$ 12,052)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 127)</u>	<u>(\$ 12,179)</u>	
Total	<u>\$ 2,873,418</u>					<u>\$ 3,042,904</u>	

- A. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.
- B. Transfers for the period were from equipment under acceptance.
- C. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows: Six months ended June 30, 2025 and 2024 : None.
- D. As of June 30, 2025, property, plant, and equipment are for personal use.

(8) Lease transactions – lessee

- A. The Group leases various assets including land and transportation equipment. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes. Upon expiry of the lease, the terms of lease agreements do not give priority rights to renew the lease or purchase the property.
- B. Short-term leases with a lease term of 12 months or less comprise certain buildings.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 114,838	\$ 128,289	\$ 129,616
Transportation equipment (Business vehicles)	14,503	17,197	19,892
	<u>\$ 129,341</u>	<u>\$ 145,486</u>	<u>\$ 149,508</u>

	Three months ended June 30,	
	2025	2024
Land	Depreciation charge	Depreciation charge
Transportation equipment (Business vehicles)	\$ 840	\$ 1,050
	<u>1,348</u>	<u>1,347</u>
	<u>\$ 2,188</u>	<u>\$ 2,397</u>

	Six months ended June 30,	
	2025	2024
Land	Depreciation charge	Depreciation charge
Transportation equipment (Business vehicles)	\$ 1,906	\$ 2,082
	<u>2,695</u>	<u>2,695</u>
	<u>\$ 4,601</u>	<u>\$ 4,777</u>

- D. For the three months and six months ended June 30, 2025 and 2024, there were no additions to right-of-use assets.

E. Information on profit or loss in relation to lease contracts are as follows:

	Three months ended June 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	\$ 49	\$ 66
Expense on short-term lease contracts	(\$ 2)	\$ 50
Expense on leases of low-value assets	\$ 16	\$ 102

	Six months ended June 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	\$ 103	\$ 137
Expense on short-term lease contracts	\$ 15	\$ 126
Expense on leases of low-value assets	\$ 78	\$ 637

F. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balances of lease liabilities - current and lease liabilities - non-current are as follows (shown as other current liabilities - others and other non-current liabilities):

	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities - current	\$ 4,994	\$ 5,272	\$ 5,342
Lease liabilities - non-current	\$ 9,682	\$ 12,083	\$ 14,675

G. For the three months and six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$1404, \$1,543, \$2,875 and \$3,546, respectively.

(9) Investment property

	Six months ended June 30, 2025					
					Net	
	Beginning balance	Additions	Decreases	Transfers	exchange differences	Ending balance
Cost						
Land	\$ 80,887	\$ -	\$ -	\$ -	\$ -	\$ 80,887
Land use right	4,312	-	-	-	(388)	3,924
Buildings and structures	16,673	-	-	-	(1,500)	15,173
	<u>\$ 101,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1,888)</u>	<u>\$ 99,984</u>
Accumulated Depreciation						
Land use right	(\$ 710)	(\$ 63)	\$ -	\$ -	\$ 67	(\$ 706)
Buildings and structures	(7,156)	(407)	-	-	672	(6,891)
	<u>(7,866)</u>	<u>(\$ 470)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 739</u>	<u>(7,597)</u>
Total						
	<u>\$ 94,006</u>					<u>\$ 92,387</u>

Six months ended June 30, 2024

	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	\$ 80,887	\$ -	\$ -	\$ -	\$ -	\$ 80,887
Land use right	4,151	-	-	-	135	4,286
Buildings and structures	<u>16,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>527</u>	<u>16,575</u>
	<u><u>\$101,086</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 662</u></u>	<u><u>\$101,748</u></u>
Accumulated Depreciation						
Land use right	(\$ 560)	(\$ 64)	\$ -	\$ -	(\$ 18)	(\$ 642)
Buildings and structures	<u>(6,085)</u>	<u>(410)</u>	<u>-</u>	<u>-</u>	<u>(204)</u>	<u>(6,699)</u>
	<u><u>(6,645)</u></u>	<u><u>(\$ 474)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>(\$ 222)</u></u>	<u><u>(7,341)</u></u>
Total		<u><u>\$ 94,441</u></u>				<u><u>\$ 94,407</u></u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended June 30,	
	2025	2024
Rental income from investment property	\$ 938	\$ 1,019
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 228	\$ 240
 Six months ended June 30,		
	2025	2024
Rental income from investment property	\$ 1,793	\$ 2,017
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 470	\$ 474

B. The fair value of the investment property held by the Group, which is the land, as at June 30, 2025, December 31, 2024 and June 30, 2024 was all \$92,468. The land price is obtained from the actual value of real estate transactions of the Ministry of Interior, the fair value is classified as a level 2 fair value. The fair values of the investment properties held by the Group, which is the land use right and buildings and structures, as at June 30, 2025, December 31, 2024 and June 30, 2024 were \$19,593, \$27,630 and \$19,998, respectively. The valuations were made using the carrying amount of land use rights upon the expiry of the lease and the discounted inflow of future rental income for 3 years, using the borrowing interest rate of 4.2% and 4.35%, after taking into consideration of future economic growth and results of inflation. The fair value is classified as a level 3 fair value.

C. CHANGSHU FUTE subleases the land use rights of the property located in Changshu City, Jiangsu Province, China, through an operating lease to Kunshan Daqiao Machinery Equipment Co., Ltd. (referred to as Kunshan Daqiao Company) and Jiashengyu Intelligent Technology Co., Ltd. (referred to as Jiashengyu Company). The lease agreements expire in January and May, 2025. Subsequently, in March and June, 2025, half and all of the areas were respectively subleased to Suzhou Youda Material Recycling Co., Ltd. (referred to as Suzhou Youda Company) for a lease term of five years.

D. The Group acquired land located in the Yutengping section of Sanyi Township, Miaoli County in September 2023, and it is expected to be used for sustainable development.

E. The future aggregate minimum lease payments receivable are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not later than one year	\$ 3,951	\$ 8,921	\$ 1,933
Later than one year but not later than five years	17,780	8,921	-
	<u>\$ 21,731</u>	<u>\$ 17,842</u>	<u>\$ 1,933</u>

F. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(10) Other non-current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for business facilities and construction	\$ 219,689	\$ 204,297	\$ 215,010
Guarantee deposits paid	7,429	7,046	7,061
Others	1,706	1,656	2,863
	<u>\$ 228,824</u>	<u>\$ 212,999</u>	<u>\$ 224,934</u>

(11) Impairment of non-financial assets

A. Due to strategic operational adjustments, the subsidiary of the Group in Changshu fully ceased production starting June 2024, leading to the recoverable amount of property, plant, and equipment being lower than their book value. The Group has adjusted their book value to the recoverable amount and recognized an impairment loss of \$69,701 thousand.

B. In the first quarter of 2025, the Group recognized an impairment loss amounting to \$28,521 thousand on the remaining equipment based on their value in use. For details and the recognized amounts, please refer to Note 6(7).

C. The aforementioned impairment loss was recognized in the current period's profit and loss under other operating segments.

(12) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable	\$ 222,372	\$ -	\$ 222,372
Machinery and equipment payable	45,121	43,211	45,767
Salaries and bonus payable	35,587	56,672	52,003
Employees' compensation payable	8,666	8,892	15,480
Directors' remuneration payable	6,604	5,928	10,110
Transportation fee payable	5,023	9,182	-
Others	50,939	41,273	48,726
	<hr/> \$ 374,312	<hr/> \$ 165,158	<hr/> \$ 394,458

(Remainder of page intentionally left blank)

(13) Long-term borrowings

Type of borrowings	Borrowing period	Repayment term	June 30, 2025
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 2026	The loan is disbursed within three years after contract is signed; principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	\$ 18,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	162,847
Secured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	138,000
Secured borrowings	From September 19, 2019 to December 15, 2029	The loan is disbursed within three years after contract is signed; principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 51 installments	63,238
			382,085
Less: Current portion		(144,112)
Less: Discount on government grants		(612)
		\$	237,361
Interest rate range			1.38%~1.91%

Type of borrowings	Borrowing period	Repayment term	December 31, 2024
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 2026	The loan is disbursed within three years after contract is signed; principal and interest are repayable monthly after a 3-year grace period;interest is repayable monthly;principal is repayable monthly in 48 installments	\$ 24,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	177,430
Secured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period;interest is repayable monthly;principal is repayable monthly in 48 installments	184,000
Secured borrowings	From September 19, 2019 to December 15, 2029	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	63,238
			448,668
Less: Current portion		(136,815)
Less: Discount on government grants		(364)
			\$ 311,489
Interest rate range			1.38%~1.91%

Type of borrowings	Borrowing period	Repayment term	June 30, 2024
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 2026	The loan is disbursed within three years after contract is signed; principal and interest are repayable monthly after a 3-year grace period;interest is repayable monthly;principal is repayable monthly in 48 installments	\$ 30,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	192,014
Secured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period;interest is repayable monthly;principal is repayable monthly in 48 installments	230,000
Secured borrowings	From September 19, 2019 to December 15, 2029	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	63,238
			515,252
Less: Current portion		(133,167)	
Less: Discount on government grants		(1,031)	
		\$ 381,054	
Interest rate range		1.375%~1.905%	

(14) Government grants

As of June 30, 2025, the Group obtained government concessional loans under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” from the Bank of Taiwan in the amounts of \$432,000 and \$48,000, respectively, for supporting capital expenditure and working capital. Such loans will mature in December 2029 and December 2026, respectively. The fair values for the loans were \$424,935 and \$47,277, respectively which were calculated at a market rate of 1.25% and 1.375%. The differences between the acquired amount obtained and the fair value were \$7,065 and \$723, respectively, which were deemed as a low interest loan subsidy from government and recognized in deferred revenue (shown as other non-current liabilities). The deferred revenue is reclassified to other income on a straight-line basis over their estimated useful

life during the period of paying interest. The realized deferred government grants revenue were \$262, \$358, \$543 and \$716, respectively, for the three months and six months ended June 30, 2025 and 2024.

(15) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) For the three months and six months ended June 30, 2025 and 2024, the estimated appropriations paid to the defined pension plan are \$54, \$51, \$104 and \$103, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$212.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland China subsidiaries, have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage as at June 30, 2025, December 31, 2024 and June 30, 2024 were all 16%. Other than the monthly contributions, the Group has no further obligations.

(c) For the aforementioned pension plan, the Group recognized pension costs of \$2691, \$2,835, \$5,455 and \$6,148 for the three months and six months ended June 30, 2025 and 2024, respectively.

(16) Share capital

A. As of June 30, 2025, the Company's authorized capital was \$1,000,000, constituting 100,000 thousand shares and the paid-in capital was \$741,239 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025	2024
	Number of thousand shares	Number of thousand shares
At January 1 and June 30	\$ 74,124	\$ 74,124

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Used to offset deficits, distributed as cash dividends or transferred to share capital (Note 1)</u>			
Additional paid-in capital in excess of par-ordinary share	\$ 1,163,298	\$ 1,163,298	\$ 1,163,298
Difference between consideration and carrying amount of subsidiaries acquired	\$ 2,125	\$ 2,125	\$ 2,125
Assets received as donations	\$ 20	\$ 20	\$ -
<u>Used to offset accumulated deficits only (Note 2)</u>			
Changes in ownership interests in subsidiaries	\$ 27,926	\$ 27,926	\$ 27,926

Note 1: Such capital surplus can be used in offsetting deficit and distributed as cash dividends or transferred to capital provided that the Company has no deficit. However, the amount that can be transferred to capital is limited to a certain percentage of paid-in capital every year.

Note 2: Such capital surplus arises from the effect of changes in ownership interests in subsidiaries under equity transactions when there is no actual acquisition or disposal of subsidiaries by the Company, or from changes in capital surplus of subsidiaries.

(18) Retained earnings

- A. According to the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset against prior years' operating losses and then be distributed as follows: 10% as legal reserve, and appropriate or reverse for special reserve until the legal reserve equals the Company's paid-in capital. The remaining earnings, if any, may be appropriated along with the accumulated unappropriated earnings according to a resolution proposed by the Board of Directors and resolved at the shareholders' meeting.
- B. The Board of Directors of the Company may distribute all or part of dividends and bonuses, legal reserve and capital reserve in the form of cash, with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, and reports it to the shareholders' meeting.
- C. The Company's dividend policy is to distribute dividends to shareholders in line with current and future development plans, considering the investment environment, capital needs, and domestic and foreign competition conditions, and taking into account shareholders' interests and other factors. Shareholder dividends shall not be less than 40% of the distributable surplus of the current year, of which cash dividends should be more than 20% of the total dividends for shareholders, and the Board of Directors will submit it to the shareholders' meeting for resolution.
- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- E. (a) In accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
(b) The amounts previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

F. The appropriations of 2024 earnings had been resolved at the Board of Directors' meeting on May 29, 2025. The appropriations of 2023 earnings had been resolved at the shareholders' meeting on May 30, 2024. Details are summarized below:

	Years ended December 31			
	2024		2023	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 37,291		\$ 43,884	
Special reserve reversed	(13,421)		(15,099)	
Cash dividend	222,372	\$ 3.00	222,372	\$ 3.00

G. Refer to Note 6 (23) for further information relating to employees' compensation and directors' remuneration.

(19) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue primarily from the transfer of goods at a point in time in the following products:

	Three months ended June 30, 2025			
	Domestic operating entities		Overseas operating entities	
	Total		Total	
Auto parts	\$ 326,281	\$ 77,261	\$ 3,224	\$ 406,766
Others	3,973	-	1,664	5,637
	<u>\$ 330,254</u>	<u>\$ 77,261</u>	<u>\$ 4,888</u>	<u>\$ 412,403</u>

	Three months ended June 30, 2024			
	Domestic operating entities		Overseas operating entities	
	Total		Total	
Auto parts	\$ 350,345	\$ 77,585	\$ 11,100	\$ 439,030
Others	2,937	-	-	2,937
	<u>\$ 353,282</u>	<u>\$ 77,585</u>	<u>\$ 11,100</u>	<u>\$ 441,967</u>

	Six months ended June 30, 2025			
	Y.C.C.		Other	
	Total		Total	
Auto parts	\$ 740,514	\$ 151,242	\$ 4,351	\$ 896,107
Others	6,997	-	4,106	11,103
	<u>\$ 747,511</u>	<u>\$ 151,242</u>	<u>\$ 8,457</u>	<u>\$ 907,210</u>

Six months ended June 30, 2024				
	Y.C.C.	LIAONING HETAI	Other	Total
Auto parts	\$ 707,287	\$ 167,582	\$ 74,474	\$ 949,343
Others	4,943	-	-	4,943
	<u>\$ 712,230</u>	<u>\$ 167,582</u>	<u>\$ 74,474</u>	<u>\$ 954,286</u>

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities - advance sales receipts	\$ 4,787	\$ 8,800	\$ 4,276	\$ 22,267

For the three months and six months ended June 30, 2025 and 2024, revenue recognized that were included in the contract liability balance at the beginning of the period amounted to \$2,312, \$281, \$7,165 and \$21,764, respectively.

(20) Other income

	Three months ended June 30,	
	2025	2024
Rent income	\$ 1,886	\$ 2,179
Dividend income	14,368	6,834
Revenue for government grants (Note)	262	1,126
Other income, others	7,379	8,193
	<u>\$ 23,895</u>	<u>\$ 18,332</u>

	Six months ended June 30,	
	2025	2024
Rent income	\$ 3,521	\$ 4,297
Dividend income	14,368	6,834
Revenue for government grants (Note)	543	2,057
Other income, others	13,175	17,899
	<u>\$ 31,607</u>	<u>\$ 31,087</u>

Note: This is to obtain relevant information on Tieling City Government's policies and measures to assist enterprises in rescuing enterprises and stabilizing economic growth, government subsidies from the unemployment subsidy fund, and government subsidy income from Taiwanese businessmen returning to Taiwan to invest. Please refer to Note 6 (14) for details.

(21) Other gains and losses

	Three months ended June 30,	
	2025	2024
Foreign exchange (losses) gains	(\$ 135,902)	\$ 22,574
Losses on financial assets and liabilities at fair value through profit or loss	(38,777)	(7,671)
Impairment loss	-	(12,052)
Gains on disposal of property, plant and equipment	6,172	1,543
Other losses	(752)	(149)
	<u>(\$ 169,259)</u>	<u>\$ 4,245</u>
	Six months ended June 30,	
	2025	2024
Foreign exchange (losses) gains	(\$ 116,206)	\$ 76,672
Losses on financial assets and liabilities at fair value through profit or loss	(34,860)	(691)
Impairment loss	(28,521)	(12,052)
(Losses) gains on disposal of property, plant and equipment	(13,129)	1,685
Other losses	(1,728)	(958)
	<u>(\$ 194,444)</u>	<u>\$ 64,656</u>

(22) Expenses by nature

	Three months ended June 30,	
	2025	2024
Employee benefit expense	\$ 57,054	\$ 76,863
Depreciation charges on property, plant and equipment	93,944	94,355
Depreciation charges on right-of-use assets	2,188	2,397
Depreciation charges on investment property	228	240
Amortisation	687	1,408
	<u>\$ 154,101</u>	<u>\$ 175,263</u>
	Six months ended June 30,	
	2025	2024
Employee benefit expense	\$ 125,222	\$ 156,922
Depreciation charges on property, plant and equipment	185,447	185,238
Depreciation charges on right-of-use assets	4,601	4,777
Depreciation charges on investment property	470	474
Amortisation	2,013	2,905
	<u>\$ 317,753</u>	<u>\$ 350,316</u>

(23) Employee benefit expense

	Three months ended June 30,	
	2025	2024
Wages and salaries	\$ 46,157	\$ 65,261
Labour and health insurance fees	5,120	4,792
Pension costs	2,745	2,886
Other personnel expenses	3,032	3,924
	<u>\$ 57,054</u>	<u>\$ 76,863</u>

	Six months ended June 30,	
	2025	2024
Wages and salaries	\$ 100,874	\$ 132,394
Labour and health insurance fees	10,238	10,132
Pension costs	5,559	6,251
Other personnel expenses	8,551	8,145
	<u>\$ 125,222</u>	<u>\$ 156,922</u>

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall appropriate 1%~3% for employees' compensation. The proportion of this compensation allocated to rank-and-file employees , as determined by the Board of Directors, must not be less than 30%. Directors' compensation should not exceed 3% and can only be distributed in cash. However, if the company has accumulated losses, the amount required to cover these losses should be reserved first, before allocating employees' and directors' compensation according to the aforementioned proportions.

B. For the three months and six months ended June 30, 2025 and 2024, the accrued employees' compensation and directors' remuneration were as follows:

	Three months ended June 30,	
	2025	2024
Employees' compensation	(\$ 1,982)	\$ 3,211
Directors' remuneration	(991)	718
	<u>(\$ 2,973)</u>	<u>\$ 3,929</u>

	Six months ended June 30,	
	2025	2024
Employees' compensation	\$ 1,351	\$ 8,536
Directors' remuneration	676	4,268
	<u>\$ 2,027</u>	<u>\$ 12,804</u>

For the six months ended June 30, 2025 and 2024, the employees' compensation and directors' remuneration were estimated and accrued both based on 3.0% and 1.5%, respectively, of distributable profit of current year as of the end of reporting period.

- C. Employees' compensation and directors' remuneration of 2024 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2024 financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense

	Three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 6,944	\$ 18,010
Prior year income tax under (over) estimation	131	(2,914)
Total income tax for the current period	<u>7,075</u>	<u>15,096</u>
Deferred tax :		
Origination and reversal of temporary differences	(13,670)	10,615
Total deferred income tax	<u>(13,670)</u>	<u>10,615</u>
Income tax expense	<u><u>(\$ 6,595)</u></u>	<u><u>\$ 25,711</u></u>

	Six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 37,040	\$ 44,037
Prior year income tax under (over) estimation	430	(2,914)
Total income tax for the current period	<u>37,470</u>	<u>41,123</u>
Deferred tax :		
Origination and reversal of temporary differences	(9,616)	20,026
Total deferred income tax	<u>(9,616)</u>	<u>20,026</u>
Income tax expense	<u><u>\$ 27,854</u></u>	<u><u>\$ 61,149</u></u>

- B. The Company's and domestic subsidiaries' income tax returns through 2023 have been assessed and approved by the Tax Authority.

C. As of June 30, 2025, relevant information of current income tax liabilities and non-current income tax liabilities is as follows:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Income tax payable		Income tax payable		Income tax payable	
	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)
2021	\$ -	\$ -	\$ -	\$ -	\$ 8,748	\$ -
2022	15,271	-	37,055	969	37,055	19,497
2024	55,563	-	56,151	-	56,818	-
2025	<u>36,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 107,083</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 93,206</u></u>	<u><u>\$ 969</u></u>	<u><u>\$ 102,621</u></u>	<u><u>\$ 19,497</u></u>

(25) Earnings per share

	Three months ended June 30, 2025		
	Weighted average number of ordinary shares outstanding		Earnings per share
	Amount after tax	(share in thousands)	(in dollars)
<u><u>Basic and Diluted earnings per share</u></u>			
Profit attributable to ordinary shareholders of the parent	(\$ 55,772)	74,124	(\$ 0.75)
<u><u>Three months ended June 30, 2024</u></u>			
<u><u>Weighted average number of ordinary shares outstanding</u></u>			
Amount after tax	(share in thousands)	(in dollars)	
<u><u>Basic earnings per share</u></u>			
Profit attributable to ordinary shareholders of the parent	\$ 90,887	74,124	\$ 1.23
<u><u>Diluted earnings per share</u></u>			
Profit attributable to ordinary shareholders of the parent	\$ 90,887	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation		-	128
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 90,887	74,252	\$ 1.22

Six months ended June 30, 2025

	Weighted average number of ordinary shares outstanding	Earnings per share
Amount after tax	(share in thousands)	(in dollars)
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 15,887	74,124 \$ 0.21
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 15,887	74,124
Assumed conversion of all dilutive potential ordinary shares		
-Employees' compensation	-	72
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 15,887	74,196 \$ 0.21

Six months ended June 30, 2024

	Weighted average number of ordinary shares outstanding	Earnings per share
Amount after tax	(share in thousands)	(in dollars)
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 224,079	74,124 \$ 3.02
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders of the parent	\$ 224,079	74,124
Assumed conversion of all dilutive potential ordinary shares		
-Employees' compensation	-	169
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 224,079	74,293 \$ 3.02

- The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will all be distributed in the form of shares.
- For the three months ended June 30, 2025, the employees' compensation of the Company had an anti-dilutive effect and was therefore not included in the calculation of diluted earnings per share.

(26) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>Six months ended June 30, 2025</u>
Purchase of property, plant and equipment	\$ 100,988
Add:Opening balance of notes payable	21,445
Opening balance of payable on equipment and construction	43,211
Less:Ending balance of notes payable	(42,625)
Ending balance of payable on equipment and construction	(45,121)
Cash paid during the period	<u>77,898</u>

	<u>Six months ended June 30, 2024</u>
Purchase of property, plant and equipment	\$ 235,486
Add:Opening balance of notes payable	105,428
Opening balance of payable on equipment and construction	56,453
Less:Ending balance of notes payable	(89,340)
Ending balance of payable on equipment and construction	(45,767)
Other (Note)	(7,179)
Cash paid during the period	<u>255,081</u>

Note: In 2024, notes receivable were derecognized to pay for equipment.

	<u>Six months ended June 30, 2025</u>
Transfer of property, plant and equipment	\$ 37,917
Add: Ending balance of prepayment for equipment	219,689
Less: Opening balance of prepayment for equipment	(204,297)
Cash paid during the period	<u>53,309</u>

	<u>Six months ended June 30, 2024</u>
Transfer of property, plant and equipment	\$ 120,593
Add: Ending balance of prepayment for equipment	215,010
Less: Opening balance of prepayment for equipment	(298,832)
Cash paid during the period	<u>36,771</u>

(27) Changes in liabilities from financing activities

	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non- current)	Dividends payable	Liabilities from financing activities gross	
At January 1, 2025	\$ 448,304	\$ 1,849	\$ 17,355	\$ -	\$ 467,508	
Additions for the period	-	-	-	222,372	222,372	
Changes in cash flow from financing activities	(66,583)	88	(2,679)	-	(69,174)	
Changes in other non-cash items	(248)	-	-	-	(248)	
Impact of changes in foreign exchange rate	-	(200)	-	-	(200)	
At June 30, 2025	<u>\$ 381,473</u>	<u>\$ 1,737</u>	<u>\$ 14,676</u>	<u>\$ 222,372</u>	<u>\$ 620,258</u>	
	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non- current)	Dividends payable	
					Liabilities from financing activities gross	
At January 1, 2024	\$ 35,786	\$ 580,012	\$ 1,176	\$ 22,663	\$ -	\$ 639,637
Additions for the period	-	-	-	-	222,372	222,372
Changes in cash flow from financing activities	(37,060)	(66,583)	101	(2,646)	-	(106,188)
Changes in other non-cash items	-	792	-	-	-	792
Impact of changes in foreign exchange rate	1,274	-	39	-	-	1,313
At June 30, 2024	<u>\$ -</u>	<u>\$ 514,221</u>	<u>\$ 1,316</u>	<u>\$ 20,017</u>	<u>\$ 222,372</u>	<u>\$ 757,926</u>

7. Related Party Transactions

Key management compensation

	Three months ended June 30,	
	2025	2024
Short-term employee benefits	\$ 3,168	\$ 5,379
Post-employment benefits	-	4
Total	\$ 3,168	\$ 5,383

	Six months ended June 30,	
	2025	2024
Short-term employee benefits	\$ 12,314	\$ 14,253
Post-employment benefits	-	8
Total	\$ 12,314	\$ 14,261

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Property, plant and equipment	\$ 908,655	\$ 960,582	\$ 993,211	Short-term borrowings and long-term borrowings
Financial assets at amortised cost - non-current	300	300	300	Natural gas for manufacturing
	<u>\$ 908,955</u>	<u>\$ 960,882</u>	<u>\$ 993,511</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were \$283,360, \$223,231 and \$211,682, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

- A. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximize returns for shareholders and to optimize the balance of liabilities and equity.
- B. The Group's capital structure comprises net liabilities (borrowings net of cash and cash equivalents) and equity (common shares, capital surplus, retained earnings, other equity interest and non-controlling interests).
- C. The Group has no obligation to comply with any external capital requirements.
- D. The key management of the Group monitors the capital structure every year, including capital costs and related risks, and the Group may adjust capital structure by paying dividends to shareholders, issuing new shares, buying shares back and issuing new bonds or repaying old bonds based on the advices from the management.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 108,014	\$ 136,325	\$ 131,804
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 136,769	\$ 127,432	\$ 122,754
Financial assets at amortised cost			
Cash and cash equivalents	\$ 663,112	\$ 561,073	\$ 722,087
Financial assets at amortised cost	11,387	29,467	300
Notes receivable	25,508	24,909	19,041
Accounts receivable	325,568	417,199	345,555
Other receivables	3,935	3,226	5,229
Guarantee deposits paid (shown as other non-current asset)	7,429	7,046	7,061
	<u>\$ 1,036,939</u>	<u>\$ 1,042,920</u>	<u>\$ 1,099,273</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ 1,403	\$ -	\$ -
Financial liabilities at amortised cost			
Notes payable	\$ 109,512	\$ 116,187	\$ 145,654
Accounts payable	58,569	63,949	66,596
Other payables	374,312	165,158	394,458
Long-term borrowings (including current portion)	381,473	448,304	514,221
Guarantee deposits received (shown as other non-current liability)	1,737	1,850	1,316
	<u>\$ 925,603</u>	<u>\$ 795,448</u>	<u>\$ 1,122,245</u>
Lease liabilities (including current portion)	<u>\$ 14,676</u>	<u>\$ 17,355</u>	<u>\$ 20,017</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used for hedging exchange rate risk arising from export proceeds by using forward foreign exchange contracts.
- (b) The Company treasury performs the financial risk management for each business unit. The treasury operates in domestic and international financial markets through planning and coordination, as well as monitors and manages the financial risks related to the Group's operation based on internal risk reports about exposure to risk with the analysis of the extent and width of risk.
The Board of Directors of the Group supervises the compliance by the management with financial risk policy and procedure, and reviews the appropriateness of structure of financial risk related to the Company. The internal auditors act as supervisors to assist the Board of Directors of the Company by conducting regular and irregular reviews, and report the results to the Board of Directors.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the United States Dollar and Chinese Renminbi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The companies within the Group are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable United States Dollar and Chinese Renminbi expenditures. Entities of the Group use natural hedge to decrease the risk exposure in the foreign currency through the Group treasury.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: New Taiwan Dollars; certain subsidiaries' functional currency: New Taiwan Dollars, United States Dollar and Chinese Renminbi). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations and analysis of foreign currency market risk arising from significant foreign exchange variation is as follows:

June 30, 2025							
		Foreign			Book value		
		currency amount			(NTD)		
		(In thousands)	Exchange rate				
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
USD : NTD	\$	30,218	29.30	\$	885,387		
USD : RMB		103	7.17		3,021		
RMB : NTD		76,897	4.09		314,509		
RMB : USD		1,678	0.14		6,883		
Financial liabilities							
Monetary items							
USD : RMB	\$	30	7.17	\$	867		
RMB : NTD		417	4.09		1,703		

December 31, 2024

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	\$ 22,994	32.79	\$ 753,853
USD : RMB	103	7.30	3,369
RMB : NTD	81,152	4.48	363,401
RMB : USD	1,931	0.14	8,864
Financial liabilities			
Monetary items			
USD : RMB	\$ 113	7.30	\$ 3,696
RMB : NTD	719	4.48	3,221

June 30, 2024

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	\$ 27,388	32.45	\$ 888,742
USD : RMB	112	7.27	5,890
RMB : NTD	82,987	4.45	603,277
RMB : USD	1,503	0.14	6,753
Financial liabilities			
Monetary items			
USD : RMB	\$ 1,334	7.27	\$ 43,105

iv. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024, amounted to (\$135,902), \$22,574, (\$116,206) and \$76,672, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Six months ended June 30, 2025				
Sensitivity analysis				
Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD : NTD	1%	\$ 8,854	\$ -	-
USD : RMB	1%	30	-	-
RMB : NTD	1%	3,145	-	-
RMB : USD	1%	69	-	-
Financial liability				
Monetary items				
USD : RMB	1%	9	\$ -	-
RMB : NTD	1%	17	-	-
Six months ended June 30, 2024				
Sensitivity analysis				
Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD : NTD	1%	\$ 8,887	\$ -	-
USD : RMB	1%	59	-	-
RMB : NTD	1%	6,033	-	-
RMB : USD	1%	68	-	-
Financial liability				
Monetary items				
USD : RMB	1%	431	-	-

Price risk

- The Group's equity securities, which are exposed to price risk, are the held financial assets (liabilities) at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, per-tax profit for the three months and six months ended June 30, 2025 and 2024 would have increased/decreased by \$388, \$32, \$1,080 and \$1,318, respectively, as a result of losses/gains on equity securities classified as at fair value through profit or loss. Other components of equity would have decreased/increased by \$28, \$69, \$1,368 and \$1,228 respectively, as a result of other comprehensive income on classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the six months ended June 30, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan Dollars and Chinese Renminbi.
- ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit before tax for the three months and six months ended June 30, 2025 and 2024 would have increased/decreased by \$87, \$121, \$191 and \$258, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of equity instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.
- ii. For banks and financial institutions, after reviewing deposit ratings, only the counterparties with good credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts credit risk management procedure to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 3 months based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. In line with credit risk management procedure, the default occurs when the contract payments are past due over 180 days.

v. Impairment loss is assessed and recognized when there is objective evidence that individual receivables cannot be recovered. The Group used historical and timely information to establish loss rate of remaining receivables and used the forecast ability to assess the default possibility of accounts receivable. As of June 30, 2025, December 31, 2024, and June 30, 2024, accumulated loss allowance provided for individually assessed receivables amounted to \$0, \$0 and \$173, respectively. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of remaining receivables (including notes receivable). On June 30, 2025, December 31, 2024, and June 30, 2024, the provision matrix is as follows:

	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>June 30, 2025</u>							
Expected loss rate	0%~0.18%	0.01%~5.57%	0.13%~26.72%	0.84%~100%	100%	100%	
Total book value	\$ 275,282	\$ 82,074	\$ 814	\$ 62	\$ -	\$ 2,697	\$ 360,929
Loss allowance	(5,458)	(1,309)	(327)	(62)	(-)	(2,697)	(9,853)
	<u>\$ 269,824</u>	<u>\$ 80,765</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,076</u>
<u>December 31, 2024</u>							
Expected loss rate	0%~0.05%	0.05%~1.07%	0.14%~13.93%	0.67%~69.54%	8.08%~100%	100%	
Total book value	\$ 374,174	\$ 69,032	\$ 4,566	\$ 253	\$ 538	\$ 3,742	\$ 452,305
Loss allowance	(3,671)	(1,196)	(903)	(147)	(538)	(3,742)	(10,197)
	<u>\$ 370,503</u>	<u>\$ 67,836</u>	<u>\$ 3,663</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 442,108</u>
<u>June 30, 2024</u>							
Expected loss rate	1%~10%	1%~10%	1%~10%	1%~10%	100%	100%	
Total book value	\$ 273,191	\$ 87,781	\$ 2,826	\$ 4,239	\$ 2,475	\$ 3,876	\$ 374,388
Loss allowance	(2,015)	(1,059)	(300)	(67)	(2,475)	(3,876)	(9,792)
	<u>\$ 271,176</u>	<u>\$ 86,722</u>	<u>\$ 2,526</u>	<u>\$ 4,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,596</u>

vi. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2025		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 208	\$ 9,989	\$ 10,197
Reversal of impairment loss	-	(151)	(151)
Effect of foreign exchange	-	(193)	(193)
At June 30	<u>\$ 208</u>	<u>\$ 9,645</u>	<u>\$ 9,853</u>

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 208	\$ 22,141	\$ 22,349
Reversal of impairment loss	-	(12,740)	(12,740)
Effect of foreign exchange	-	356	356
At June 30	<u>\$ 208</u>	<u>\$ 9,757</u>	<u>\$ 9,965</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

ii. The Group has the following undrawn borrowing facilities:

	June 30, 2025	December 31, 2024	June 30, 2024
Floating rate:			
Expiring within one year	\$ 300,000	\$ 300,000	\$ 567,907

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
June 30, 2025						
Notes payable	\$ 109,512	\$ -	\$ -	\$ -	\$ -	\$ 109,512
Accounts payable	58,569	-	-	-	-	58,569
Other payables	374,312	-	-	-	-	374,312
Lease liability	5,283	4,512	3,908	1,406	-	15,109
Long-term borrowings (including current portion)	144,906	93,336	40,478	105,309	11,387	395,416

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
December 31, 2024						
Notes payable	\$ 116,187	\$ -	\$ -	\$ -	\$ -	\$ 116,187
Accounts payable	63,949	-	-	-	-	63,949
Other payables	165,158	-	-	-	-	165,158
Lease liability	5,461	4,943	3,995	3,361	-	17,760
Long-term borrowings (including current portion)	141,343	146,185	40,812	79,619	57,232	465,191

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
June 30, 2024						
Notes payable	\$ 145,654	\$ -	\$ -	\$ -	\$ -	\$ 145,654
Accounts payable	66,596	-	-	-	-	66,596
Other payables	394,458	-	-	-	-	394,458
Lease liability	5,565	5,150	4,512	5,314	-	20,541
Long-term borrowings (including current portion)	140,015	144,906	93,336	80,288	76,886	535,431

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and over-the-counter stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in foreign exchange swap contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

The carrying amounts of financial instruments not measured at fair value are approximate to their fair value, including cash and cash equivalents, current financial assets at fair value through profit or loss, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, other payables, long-term borrowings (including current portion), guarantee deposits received and lease liabilities (including current portion).

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities on June 30, 2025, December 31, 2024 and June 30, 2024, are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

	Level 1	Level 2	Level 3	Total
June 30, 2025				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 108,014	\$ -	\$ -	\$ 108,014
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 136,769	\$ -	\$ -	\$ 136,769
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	\$ -	\$ 1,403	\$ -	\$ 1,403
	Level 1	Level 2	Level 3	Total
December 31, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 135,933	\$ 392	\$ -	\$ 136,325
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 127,432	\$ -	\$ -	\$ 127,432

	Level 1	Level 2	Level 3	Total
June 30, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 131,065	\$ 739	\$ -	\$ 131,804
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 122,754	\$ -	\$ -	\$ 122,754

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
	Closing price
Market quoted price	
ii. Foreign exchange swap contracts are usually valued based on the current foreign exchange swap rate and the transactions are included in Level 2.	

E. For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

F. For the six months ended June 30, 2025 and 2024, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Note 13(1), Significant transactions information.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The reportable operating segments are separated as Y.C.C. PARTS MFG. CO., LTD. and LIAONING HETAI AUTOMOTIVE PARTS CO., LTD. The Group's reportable operating segments are the result of the organization divided by operating business.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on a measure of adjusted profit from operations.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments are as follows:

	Three months ended June 30, 2025		
	Y.C.C.	LIAONING HETAI	Total
Revenue			
External Customer Revenue	\$ 330,254	\$ 77,261	\$ 407,515
Internal Customer Revenue	3,592	-	3,592
Total	\$ 333,846	\$ 77,261	\$ 411,107
Departmental Pre-Tax Profit and Loss	(\$ 54,514)	\$ 1,748	(\$ 52,766)

	Three months ended June 30, 2024		
	Y.C.C.	LIAONING HETAI	Total
Revenue			
External Customer Revenue	\$ 353,282	\$ 77,585	\$ 430,867
Internal Customer Revenue	4,190	408	4,598
Total	\$ 357,472	\$ 77,993	\$ 435,465
Departmental Pre-Tax Profit and Loss	\$ 103,092	(\$ 1,003)	\$ 102,089

	Six months ended June 30, 2025		
	Y.C.C.	LIAONING HETAI	Total
Revenue			
External Customer Revenue	\$ 747,511	\$ 151,242	\$ 898,753
Internal Customer Revenue	5,592	-	5,592
Total	\$ 753,103	\$ 151,242	\$ 904,345
Departmental Pre-Tax Profit and Loss	\$ 121,660	(\$ 1,402)	\$ 120,258

	Six months ended June 30, 2024		
	Y.C.C.	LIAONING HETAI	Total
Revenue			
External Customer Revenue	\$ 712,230	\$ 167,582	\$ 879,812
Internal Customer Revenue	8,345	808	9,153
Total	\$ 720,575	\$ 168,390	\$ 888,965
Departmental Pre-Tax Profit and Loss	\$ 271,722	\$ 9,182	\$ 280,904

(4) Reconciliation for segment income (loss)

i. The reconciliation of current period continuing operations departmental revenue is as follows:

	Three months ended June 30,	
	2025	2024
The Reportable Operating Segments Revenue	\$ 411,107	\$ 435,365
The Revenue from Other Departments	6,189	13,528
The Total of Operating Departments	417,296	448,893
Elimination of Interdepartmental Revenue	(4,893)	(7,026)
The Total Consolidated Operating Revenue	\$ 412,403	\$ 441,867

	Six months ended June 30,	
	2025	2024
The Reportable Operating Segments Revenue	\$ 904,345	\$ 888,965
The Revenue from Other Departments	22,016	79,413
The Total of Operating Departments	926,361	968,378
Elimination of Interdepartmental Revenue	(19,151)	(14,092)
The Total Consolidated Operating Revenue	\$ 907,210	\$ 954,286

ii. The reconciliation of current period reportable operating segments pre-tax net income is as follows:

	Three months ended June 30,	
	2025	2024
The Reportable Operating Segments Pre-Tax Net Income	(\$ 52,766)	\$ 102,089
The Pre-Tax Net Loss from Other Departments	(9,395)	9,450
The Total of Operating Departments	(62,161)	111,539
Elimination of Interdepartmental Profit and Loss	-	-
The Total Consolidated Operating Pre-Tax Net Income	(\$ 62,161)	\$ 111,539

	Six months ended June 30,	
	2025	2024
The Reportable Operating Segments Pre-Tax Net Income	\$ 120,258	\$ 280,904
The Pre-Tax Net Loss from Other Departments	(83,655)	950
The Total of Operating Departments	36,603	281,854
Elimination of Interdepartmental Profit and Loss	-	-
The Total Consolidated Operating Pre-Tax Net Income	<u>\$ 36,603</u>	<u>\$ 281,854</u>

(Remainder of page intentionally left blank)

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Loans to others

Six months ended June 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30,			Balance at June 30, 2025	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower			Reason for short-term financing	Allowance for doubtful accounts	Limit on loans granted to a single party		Ceiling on total loans granted (Note 3)	Footnote
					2025	2025	2025					2	\$	-	N	\$	-	\$	384,743	\$
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Other receivables	Y	\$ 205,100	\$ 102,550	\$ 102,550	1.4%	2	\$ -	Operating capital	\$ -	-	N	\$ -	-	\$ 384,743	\$ 384,743	\$ 1,538,970	
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Other receivables	Y	\$ 75,000	\$ 50,000	\$ 30,500	0.77%	2	\$ -	Operating capital	\$ -	-	N	\$ -	-	\$ 384,743	\$ 384,743	\$ 1,538,970	
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	\$ 425,936	\$ 314,889	\$ 190,389	4.00%	2	\$ -	Operating capital	\$ -	-	N	\$ -	-	\$ 384,743	\$ 384,743	\$ 1,538,970	
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD.	Other receivables	Y	\$ 114,446	\$ 114,446	\$ 69,485	4.35%	2	\$ -	Operating capital	\$ -	-	N	\$ -	-	\$ 384,743	\$ 384,743	\$ 1,538,970	
1	CHINA FIRST HOLDINGS LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	\$ 14,650	\$ -	\$ -	-	2	\$ -	Operating capital	\$ -	-	N	\$ -	-	\$ 25,838	\$ 25,838	\$ 103,351	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Balance at June 30, 2025 and actual amount drawn down were calculated at the RMB to USD and USD to TWD spot buy and selling spot exchange rate of 0.1395 and 29.3 on June 30, 2025.

Note 3: Limit on total loans granted to others by the Company is 40% of the net assets and limit on loans granted to a single party is 10% of the net assets.

Note 4: The nature of the loan are as follows:

(1) Fill in '1' for business transaction.

(2) Fill in '2' for short-term financing.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities	General ledger account	As of June 30, 2025				
				Number of shares	Book value	Ownership (%)	Fair value	Footnote
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Current financial assets at fair value through profit or loss	443,000	\$ 27,518	0.53%	\$ 10,787	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Current financial assets at fair value through profit or loss	2,518,000	25,540	1.52%	70,882	
Y.C.C. PARTS MFG. CO., LTD.	SHUN ON ELECTRONIC CO., LTD.	N	Current financial assets at fair value through profit or loss	73,000	3,342	0.05%	1,486	
Y.C.C. PARTS MFG. CO., LTD.	NUUO INC.	N	Current financial assets at fair value through profit or loss	2,053	112	0.02%	126	
Y.C.C. PARTS MFG. CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	277,869	37,717	0.12%	14,588	
UNITED SKILLS CO., LTD.	WANHWA ENTERPRISE COMPANY	N	Current financial assets at fair value through profit or loss	100,000	1,227	0.02%	1,135	
UNITED SKILLS CO., LTD.	LASTER TECH CO., LTD.	N	Current financial assets at fair value through profit or loss	315,000	10,751	0.26%	7,781	
UNITED SKILLS CO., LTD.	COWEALTH MEDICAL HOLDING CO., LTD.	N	Current financial assets at fair value through profit or loss	68,000	2,038	0.09%	1,142	
UNITED SKILLS CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	1,667	235	0.00%	87	
			Valuation adjustment	(466)				
					\$ 108,014			
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Non-current financial assets at fair value through other comprehensive income	855,000	\$ 81,855	1.02%	\$ 20,819	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Non-current financial assets at fair value through other comprehensive income	4,119,000	91,224	2.49%	115,950	
			Valuation adjustment	(36,310)				
					\$ 136,769			

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

June 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30,			Overdue receivables		Amount collected subsequent to the balance sheet date		(Note5)	Allowance for doubtful accounts	Footnote
			2025 (Note 1)	Turnover rate (Note 4)	Amount	Action taken	\$	\$	\$			
Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Subsidiary	\$ 192,010	\$ -	\$ -	\$ -	\$ 30,470	\$ -	\$ -			Note 2
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Subsidiary	109,573	-	-	-	3,008	-	-			Note 3

Note 1: The transactions were eliminated when preparing the consolidated financial statements.

Note 2: It pertains to principal and interest aggregating to \$192,010 from loans to the subsidiary shown as other receivables.

Note 3: It pertains to principal and interest aggregating to \$102,703 from loans to the subsidiary shown as other receivables and sales of product amounting to \$6,870 shown as accounts receivable.

Note 4: Only accounts receivable was used for the calculation of turnover rate.

Note 5: Subsequent collection is the amount collected as of August 1, 2025.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Significant inter-company transactions during the reporting periods

Six months ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms		
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Other receivables	\$ 102,703	Based on the contract		2.07%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	1	Other receivables	192,010	Based on the contract		3.86%
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD	1	Other receivables	74,148	Based on the contract		1.49%
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD	1	Other receivables	30,536	Based on the contract		0.61%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANG JIE TECHNOLOGY CO., LTD.	1	Accounts receivable	10,274	Based on the contract		0.21%
1	CHANG JIE TECHNOLOGY CO., LTD.	Y.C.C. PARTS MFG. CO., LTD.	2	Contract liabilities	20,277	Based on the contract		0.41%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, and subsidiaries or between subsidiaries refer to it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Transaction amount that did not reach \$10 million or more will not be disclosed.

Note 5: The transactions were eliminated when preparing the consolidated financial statements.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries

Information on investees

Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six months ended June 30, 2025		Investment income (loss) recognised by the Company for the six months ended June 30, 2025		Footnote	
				Balance as at June 30, 2025		Balance as at December 31, 2024		Number of shares	Ownership (%)	Book value	2025	30, 2025		
				\$	98,000	\$	9,800							
Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Taiwan	Wholesale and retail of health supplements, online shopping and mail order					9,800	100.00%	\$ 89,999	(\$ 9,467)	(\$ 9,467)	Subsidiary (Note 2)	
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Samoa	Holding company	1,235,358	1,235,358			-	100.00%	208,648	(69,171)	(69,171)	Subsidiary (Note 1、2)	
RISE BRIGHT HOLDINGS LTD.	CHINA FIRST HOLDINGS LTD.	Samoa	Holding company	1,158,673	1,158,673			-	89.44%	204,081	(65,095)	(58,221)	Subsidiary (Note 1、2)	

Note 1: The company does not hold any share in the investee because the investee is a limited company.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan	Taiwan to Mainland China as of June 30, 2025	Net income of investee as of June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025 (Note 5)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
				(\$)	(\$)										
CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and electronic plastic parts	\$ 483,600	2	\$ 890,664	\$ -	\$ 890,664	\$ -	\$ -	\$ 63,738	89.44%	(\$ 57,008)	\$ 113	\$ -	-	Note 2 ~ 6
LIAONING HETAI AUTOMOTIVE PARTS CO., LTD.	Injecting and surface coating parts of air bags with inflation system,covers, interior and exterior accessories of air bag and electronic equipment systems	347,588	2	268,009	-	-	-	-	268,009	(1,402)	73.89%	(1,036)	185,471	-	Note 3 ~ 6
CHANG JIE TECHNOLOGY CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and automatic production equipments for spraying	176,406	2	177,602	-	-	-	-	177,602	(11,625)	99.83%	(11,605)	97,462	-	Note 4 ~ 6

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in existing companies in the third area, RISE BRIGHT HOLDINGS LTD. and CHINA FIRST HOLDINGS LTD. , which then invested in the investee in Mainland China.
- (3) Others.

Note 2: Paid-in capital is US\$16,000 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$28,300 thousand.

Note 3: Paid-in capital is US\$11,500 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$8,591 thousand.

Note 4: Paid-in capital is US\$6,080 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$6,070 thousand.

Note 5: Investment income (loss) recognised by the Company for the six months ended June 30, 2025 was based on the financial statements that were audited by parent company's CPA.

Note 6: The transactions were eliminated when preparing the consolidated financial statements.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
		(\$)	(\$)	
Y.C.C. PARTS MFG. CO., LTD.	\$ 1,336,275	\$ 1,337,564	\$ 2,308,454	

Note 1: Calculation for ceiling on investments in Mainland China (60% of net assets) is based on MOEA "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area".

Note 2: At the end of this period, the investment amount transmitted from Taiwan to mainland China was US\$42,961 thousand. The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) was US\$48,765 thousand.

Note 3: The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) to CHANG JIE TECHNOLOGY CO., LTD. was RMB\$10,000 thousand.

There is US\$10 thousand difference with MOEA due to exchange rate fluctuations. Paid-in capital is US\$1,560 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$1,570 thousand.