

**Y.C.C. PARTS MFG. CO. LTD. AND
SUBSIDIARIES**
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three 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\$293,583 thousand and NT\$243,079 thousand, constituting 5.68% and

4.45% of the consolidated total assets as at March 31, 2025 and 2024, respectively, total liabilities amounted to NT\$80,988 thousand and NT\$49,499 thousand, constituting 7.25% and 3.31% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and the total comprehensive loss amounted to NT\$12,990 thousand and NT\$1,671 thousand, constituting (17.10%) and (1.13%) of the consolidated total comprehensive income (loss) for the three 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three 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.

Wang, Yu-Chuan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

May 8, 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 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
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 721,693	14	\$ 561,073	11	\$ 742,903	14
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		146,788	3	136,325	3	139,473	3
1136	Current financial assets at	6(3)						
	amortised cost		30,131	1	29,167	1	51,200	1
1150	Notes receivable, net	6(4)	22,889	-	24,909	-	18,387	-
1170	Accounts receivable, net	6(4)	410,001	8	417,199	8	419,781	8
1200	Other receivables		4,355	-	3,226	-	18,037	-
130X	Inventories	6(5)	281,084	5	308,794	6	349,579	6
1470	Other current assets		41,459	1	38,221	1	39,292	1
11XX	Current Assets		<u>1,658,400</u>	<u>32</u>	<u>1,518,914</u>	<u>30</u>	<u>1,778,652</u>	<u>33</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive	6(6)						
	income		134,031	3	127,432	2	129,727	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	2,813,675	54	2,916,174	57	2,893,959	53
1755	Right-of-use assets	6(8)	145,380	3	145,486	3	150,833	3
1760	Investment property, net	6(9)	93,997	2	94,006	2	94,534	2
1780	Intangible assets		2,738	-	3,115	-	3,101	-
1840	Deferred income tax assets	6(24)	92,060	2	94,464	2	107,074	2
1900	Other non-current assets	6(10)	223,919	4	212,999	4	302,998	5
15XX	Non-current assets		<u>3,506,100</u>	<u>68</u>	<u>3,593,976</u>	<u>70</u>	<u>3,682,526</u>	<u>67</u>
1XXX	Total assets		<u>\$ 5,164,500</u>	<u>100</u>	<u>\$ 5,112,890</u>	<u>100</u>	<u>\$ 5,461,178</u>	<u>100</u>

(Continued)

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

	Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Current contract liabilities	6(19)	\$ 7,587	-	\$ 8,800	-	\$ 5,659	-
2150	Notes payable		118,516	3	116,187	3	149,127	3
2170	Accounts payable		66,096	1	63,949	1	95,217	2
2200	Other payables	6(12)	373,620	7	165,158	3	404,641	7
2230	Current income tax liabilities	6(24)	112,946	2	93,206	2	213,490	4
2320	Long-term liabilities, current portion	6(13)	140,463	3	136,815	3	133,167	2
2399	Other current liabilities, others	6(8)	5,949	-	5,923	-	5,792	-
21XX	Current Liabilities		<u>825,177</u>	<u>16</u>	<u>590,038</u>	<u>12</u>	<u>1,007,093</u>	<u>18</u>
Non-current liabilities								
2540	Long-term borrowings	6(13)	274,803	6	311,489	6	413,966	8
2560	Current tax liabilities-non current	6(24)	-	-	969	-	43,230	1
2570	Deferred income tax liabilities	6(24)	3,028	-	1,378	-	6,965	-
2600	Other non-current liabilities	6(8)(14)	14,791	-	15,890	-	21,981	-
25XX	Non-current liabilities		<u>292,622</u>	<u>6</u>	<u>329,726</u>	<u>6</u>	<u>486,142</u>	<u>9</u>
2XXX	Total Liabilities		<u>1,117,799</u>	<u>22</u>	<u>919,764</u>	<u>18</u>	<u>1,493,235</u>	<u>27</u>
Equity attributable to owners of parent								
	Share capital	6(16)						
3110	Share capital - common stock		741,239	14	741,239	14	741,239	14
	Capital surplus	6(17)						
3200	Capital surplus		1,193,369	23	1,193,369	24	1,193,349	22
	Retained earnings	6(18)						
3310	Legal reserve		427,883	8	427,883	8	383,999	7
3320	Special reserve		94,043	2	94,043	2	109,142	2
3350	Unappropriated retained earnings		1,583,229	31	1,733,942	34	1,523,009	28
	Other equity interest							
3400	Other equity interest		(69,065)	(1)	(80,622)	(2)	(82,975)	(2)
31XX	Equity attributable to owners of the parent		<u>3,970,698</u>	<u>77</u>	<u>4,109,854</u>	<u>80</u>	<u>3,867,763</u>	<u>71</u>
36XX	Non-controlling interests		<u>76,003</u>	<u>1</u>	<u>83,272</u>	<u>2</u>	<u>100,180</u>	<u>2</u>
3XXX	Total equity		<u>4,046,701</u>	<u>78</u>	<u>4,193,126</u>	<u>82</u>	<u>3,967,943</u>	<u>73</u>
	Significant events after the balance sheet date	9						
3X2X	Total liabilities and equity		<u>\$ 5,164,500</u>	<u>100</u>	<u>\$ 5,112,890</u>	<u>100</u>	<u>\$ 5,461,178</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 ENDED MARCH 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three months ended March 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(19)	\$ 494,807	100	\$ 512,319	100
5000 Operating costs	6(5)(22)(22)	(300,361)	(61)	(330,727)	(65)
5900 Net operating margin		194,446	39	181,592	35
Operating expenses	6(22)(22)				
6100 Selling expenses		(32,254)	(6)	(40,773)	(8)
6200 General and administrative expenses		(28,596)	(6)	(33,716)	(7)
6300 Research and development expenses		(18,931)	(4)	(16,631)	(3)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(169)	-	3,427	1
6000 Total operating expenses		(79,950)	(16)	(87,693)	(17)
6900 Operating profit		114,496	23	93,899	18
Non-operating income and expenses					
7100 Interest income		4,153	1	6,813	1
7010 Other income	6(20)	7,712	2	12,755	3
7020 Other gains and losses	6(21)	(25,185)	(5)	60,411	12
7050 Finance costs		(2,412)	(1)	(3,563)	(1)
7000 Total non-operating revenue and expenses		(15,732)	(3)	76,416	15
7900 Profit before income tax		98,764	20	170,315	33
7950 Income tax expense	6(24)	(34,449)	(7)	(35,438)	(7)
8200 Profit for the period		<u>\$ 64,315</u>	<u>13</u>	<u>\$ 134,877</u>	<u>26</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)	\$ 6,599	1	\$ 1,428	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		6,599	1	1,428	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		5,033	1	12,049	3
8360 Components of other comprehensive income that will be reclassified to profit or loss		5,033	1	12,049	3
8300 Total other comprehensive income for the period		<u>\$ 11,632</u>	<u>2</u>	<u>\$ 13,477</u>	<u>3</u>
8500 Total comprehensive income for the period		<u>\$ 75,947</u>	<u>15</u>	<u>\$ 148,354</u>	<u>29</u>
Profit (loss), attributable to:					
8610 Owners of parent		\$ 71,659	14	\$ 133,192	26
8620 Non-controlling interests		(7,344)	(1)	1,685	-
Total		<u>\$ 64,315</u>	<u>13</u>	<u>\$ 134,877</u>	<u>26</u>
Comprehensive income (loss) attributable to:					
8710 Owners of parent		\$ 83,216	16	\$ 144,260	28
8720 Non-controlling interests		(7,269)	(1)	4,094	1
Total		<u>\$ 75,947</u>	<u>15</u>	<u>\$ 148,354</u>	<u>29</u>
Basic earnings per share	6(25)				
9750 Basic earnings per share		\$ 0.97		\$ 1.80	
9850 Diluted earnings per share		\$ 0.96		\$ 1.79	

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
THREE MONTHS ENDED MARCH 31, 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						
Three months ended March 31, 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 for the period		-	-	-	-	133,192	-	-	133,192	1,685	134,877			
Other comprehensive income	6(6)	-	-	-	-	-	9,640	1,428	11,068	2,409	13,477			
Total comprehensive income		-	-	-	-	133,192	9,640	1,428	144,260	4,094	148,354			
Appropriation and distribution of 2023 earnings														
Cash dividends	6(18)	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)			
Balance at March 31, 2024		\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,523,009	(\$ 84,167)	\$ 1,192	\$ 3,867,763	\$ 100,180	\$ 3,967,943			
Three months ended March 31, 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		-	-	-	-	71,659	-	-	71,659	(7,344)	64,315			
Other comprehensive income	6(6)	-	-	-	-	-	4,958	6,599	11,557	75	11,632			
Total comprehensive income		-	-	-	-	71,659	4,958	6,599	83,216	(7,269)	75,947			
Appropriation and distribution of 2024 earnings														
Cash dividends	6(18)	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)			
Balance at March 31, 2025		\$ 741,239	\$ 1,193,369	\$ 427,883	\$ 94,043	\$ 1,583,229	(\$ 74,561)	\$ 5,496	\$ 3,970,698	\$ 76,003	\$ 4,046,701			

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
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 98,764	\$ 170,315
Adjustments			
Adjustments to reconcile profit (loss)			
Proceeds from disposal of property, plant and equipment	6(21)	19,301	(142)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(21)	(3,917)	(6,980)
Reversal of expected credit losses	12(2)	169	(3,427)
Impairment loss	6(7)(11)(21)	28,521	-
Depreciation expense	6(7)(22)	91,503	90,883
Depreciation expense - right-of-use assets	6(8)(22)	2,413	2,380
Investment property expense	6(9)(22)	242	234
Amortisation expense	6(22)	1,326	1,497
Interest expense	6(23)	2,412	3,563
Interest income		(4,153)	(6,813)
Government grant income	6(14)	(281)	(358)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		2,020	19,584
Accounts receivable, net		8,943	82,835
Other receivables		(2,912)	(6,738)
Inventories		27,710	7,743
Other current assets		(3,238)	(6,098)
Changes in operating liabilities			
Contract liabilities - current		(1,213)	(16,608)
Notes payable		(26,468)	(39,178)
Accounts payable		2,147	(5,897)
Other payables		(13,261)	(587)
Other current liabilities		111	1,346
Cash inflow generated from operations		230,139	287,554
Interest received		3,937	4,588
Interest paid		(2,438)	(3,404)
Income taxes paid		(9,625)	(12,263)
Net cash flows from operating activities		<u>222,013</u>	<u>276,475</u>

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
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		1,105	-
Increase in financial assets at amortised cost		(964)	74,690
Acquisition of property, plant and equipment	6(26)	(3,923)	(66,143)
Proceeds from disposal of property, plant and equipment		12,472	7,718
Increase in prepaid equipment and construction costs	6(26)	(21,908)	(46,961)
(Increase) decrease in other non-current assets		(450)	461
Increase in refundable deposits		(6)	(25)
Net cash flows used in investing activities		(22,272)	(30,260)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(27)	- (36,759)	
Repayments of long-term borrowings	6(27)	(33,291) (33,292)	
Increase (decrease) in deposits received	6(27)	421 (32)	
Repayments of principal portion of lease liabilities	6(27)	(1,338) (1,321)	
Net cash flows used in financing activities		(34,208) (71,404)	
Effect of exchange rate changes in cash and cash equivalents		(4,913) 17,422	
Net increase in cash and cash equivalents		160,620 192,233	
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>\$ 721,693</u>	<u>\$ 742,903</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
THREE MONTHS ENDED MARCH 31, 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 May 8, 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.

(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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	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
Specific provisions of 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
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 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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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 recognised 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
			March 31, 2025	December 31, 2024	March 31, 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)
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%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)		
			March 31, 2025	December 31, 2024	March 31, 2024
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 March 31, 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 three months ended March 31, 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 March 31, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 227	\$ 243	\$ 232
Checking accounts and demand deposits	369,191	232,202	337,182
Time deposits	352,275	328,628	405,489
	<u>\$ 721,693</u>	<u>\$ 561,073</u>	<u>\$ 742,903</u>
Interest rate range			
Time deposits	0.42%~4.52%	0.55%~5.00%	0.55%~5.53%

- 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.

(Remainder of page intentionally left blank)

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

Items	December 31,		
	March 31, 2025	2024	March 31, 2024
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 109,764	\$ 102,273	\$ 104,823
Valuation adjustment	37,024	33,660	30,133
Total	\$ 146,788	\$ 135,933	\$ 134,956
Financial assets (liabilities) held for trading			
Foreign exchange swap contracts	\$ -	\$ 392	\$ 4,517
Total financial assets at fair value through profit or loss	\$ 146,788	\$ 136,325	\$ 139,473

A. The Group recognized financial assets and liabilities at fair value through profit or loss of \$3,917 and \$6,980 for the three months ended March 31, 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:

As of March 31, 2025: None.

	December 31, 2024	
	Contract amount	Contract period
<u>Derivative financial assets (liabilities)</u>	(Notional principal)	
Foreign exchange swap contracts	USD 900 thousand	2024.12.06 ~ 2025.01.06
March 31, 2024		
<u>Derivative financial assets (liabilities)</u>	Contract amount	
	(Notional principal)	Contract period
Foreign exchange swap contracts	USD 6,800 thousand	2024.02.05 ~ 2025.04.15

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,		
	March 31, 2025	2024	March 31, 2024
Current items:			
Time deposits maturing over three months	\$ 30,131	\$ 29,167	\$ 51,200
Non-current items:			
Restricted time deposits	\$ 300	\$ 300	\$ 300

A. As at March 31, 2025, December 31, 2024 and March 31, 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 \$30,431, \$29,467 and \$51,500, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 23,097	\$ 25,117	\$ 18,595
Less: Allowance for uncollectible accounts	(208)	(208)	(208)
	\$ 22,889	\$ 24,909	\$ 18,387
	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	\$ 420,203	\$ 427,188	\$ 438,815
Less: Allowance for uncollectible accounts	(10,202)	(9,989)	(19,034)
	\$ 410,001	\$ 417,199	\$ 419,781

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

	March 31, 2025	
	Notes receivable	Accounts receivable
Not past due	\$ 23,097	\$ 321,611
1 to 60 days	-	91,006
61 to 120 days	-	3,681
121 to 180 days	-	389
181 to 240 days	-	54
Over 241 days	-	3,462
	<u>\$ 23,097</u>	<u>\$ 420,203</u>

	December 31, 2024	
	Notes receivable	Accounts receivable
Not past due	\$ 25,117	\$ 349,057
1 to 60 days	-	69,032
61 to 120 days	-	4,566
121 to 180 days	-	253
181 to 240 days	-	538
Over 241 days	-	3,742
	<u>\$ 25,117</u>	<u>\$ 427,188</u>

	March 31, 2024	
	Notes receivable	Accounts receivable
Not past due	\$ 18,595	\$ 310,722
1 to 60 days	-	111,505
61 to 120 days	-	6,486
121 to 180 days	-	1,069
181 to 240 days	-	1,822
Over 241 days	-	7,211
	<u>\$ 18,595</u>	<u>\$ 438,815</u>

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

- B. As at March 31, 2025, December 31, 2024 and March 31, 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 March 31, 2025, December 31, 2024 and March 31, 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 \$22,889, \$24,909 and \$18,387 as well as \$410,001, \$417,199 and \$419,781, respectively.

D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(5) Inventories

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 93,665	(\$ 21,953)	\$ 71,712
Work in progress	44,698	(3,239)	41,459
Semi-finished goods	6,754	(2,418)	4,336
Finished goods	168,548	(11,968)	156,580
Merchandise	6,997	-	6,997
Total	\$ 320,662	(\$ 39,578)	\$ 281,084

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
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

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 126,587	(\$ 22,528)	\$ 104,059
Work in progress	65,361	(2,499)	62,862
Semi-finished goods	17,518	(1,507)	16,011
Finished goods	182,974	(16,691)	166,283
Merchandise	364	-	364
Total	\$ 392,804	(\$ 43,225)	\$ 349,579

The cost of inventories recognised as expense for the period :

	Three months ended March 31,	
	2025	2024
Cost of goods sold	\$ 296,879	\$ 330,733
Unallocated fixed overheads	10,752	12,036
Loss on scrapping inventory	3	20
Gain on reversal of market value decline and obsolete and slow-moving inventories	(7,136)	(11,681)
Gain on physical inventory	(137)	(381)
	\$ 300,361	\$ 330,727

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 ended March 31, 2025 and 2024.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Equity instruments			
Listed stocks	\$ 128,535	\$ 128,535	\$ 128,535
Valuation adjustment	\$ 5,496	(1,103)	\$ 1,192
Total	<u>\$ 134,031</u>	<u>\$ 127,432</u>	<u>\$ 129,727</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 \$134,031, \$127,432 and \$129,727, as at March 31, 2025, December 31, 2024 and March 31, 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 March 31,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	<u>\$ 6,599</u>	<u>\$ 1,428</u>

- C. As at March 31, 2025, December 31, 2024 and March 31, 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 \$134,031, \$127,432 and \$129,727, 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

	Three months ended March 31, 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	2,599	-	558	6,370	1,728,571	
Machinery and equipment	1,344,957	959	(120,784)	270	(19,773)	1,205,629	
Molding equipment	2,422,640	10,715	-	9,637	364	2,443,356	
Transportation equipment	33,192	-	-	-	42	33,234	
Furniture equipment	2,951	-	(10)	-	12	2,953	
Other equipment	237,898	5,241	(2,518)	4,376	(101)	244,896	
Unfinished construction and equipment under acceptance	342,455	12,529	-	(4,214)	-	350,770	
	\$ 7,137,202	\$ 32,043	(\$ 123,312)	\$ 10,627	(\$ 13,086)	\$ 7,043,474	
Accumulated Depreciation							
Buildings and structures	(\$ 1,048,956)	(\$ 20,513)	\$ -	\$ -	(\$ 1,629)	(\$ 1,071,098)	
Machinery and equipment	(895,335)	(23,093)	58,680	-	24,578	(835,170)	
Molding equipment	(2,006,428)	(41,411)	-	-	(723)	(2,048,562)	
Transportation equipment	(29,255)	(456)	-	-	(37)	(29,748)	
Furniture equipment	(2,796)	(24)	10	-	(11)	(2,821)	
Other equipment	(168,141)	(6,006)	2,326	-	220	(171,601)	
	(\$ 4,150,911)	(\$ 91,503)	\$ 61,016	\$ -	\$ 22,398	(\$ 4,159,000)	
Accumulated Impairment							
Machinery and equipment	(\$ 64,818)	(\$ 26,163)	\$ 29,735	\$ -	(\$ 4,923)	(\$ 66,169)	
Transportation equipment	-	(291)	26	-	(5)	(270)	
Other equipment	(5,299)	(2,067)	762	-	2,244	(4,360)	
	(\$ 70,117)	(\$ 28,521)	\$ 30,523	\$ -	(\$ 2,684)	(\$ 70,799)	
Total		\$ 2,916,174				\$ 2,813,675	

	Three months ended March 31, 2024						
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance	
Cost							
Land	\$ 956,365	\$ -	\$ -	\$ -	\$ -	\$ 956,365	
Buildings and structures	1,614,968	11,953	(1,311)	3,750	9,645	1,639,005	
Machinery and equipment	1,355,693	1,748	(3,229)	72,524	12,542	1,439,278	
Molding equipment	2,308,680	20,658	(14,895)	29,197	596	2,344,236	
Transportation equipment	35,101	-	(1,996)	-	54	33,159	
Furniture equipment	3,022	-	(48)	-	18	2,992	
Other equipment	223,208	4,728	(2,749)	6,420	935	232,542	
Unfinished construction and equipment under acceptance	288,386	11,683	(272)	(58,929)	872	241,740	
	<u>\$ 6,785,423</u>	<u>\$ 50,770</u>	<u>(\$ 24,500)</u>	<u>\$ 52,962</u>	<u>\$ 24,662</u>	<u>\$ 6,889,317</u>	
Accumulated Depreciation							
Buildings and structures	(\$ 968,179)	(\$ 17,631)	\$ 1,311	\$ -	(\$ 3,021)	(\$ 987,520)	
Machinery and equipment	(904,107)	(25,726)	3,058	-	(5,467)	(932,242)	
Molding equipment	(1,849,061)	(41,468)	7,764	-	(385)	(1,883,150)	
Transportation equipment	(28,898)	(639)	1,996	-	(41)	(27,582)	
Furniture equipment	(2,616)	(73)	48	-	(13)	(2,654)	
Other equipment	(159,144)	(5,346)	2,748	-	(468)	(162,210)	
	<u>(3,912,005)</u>	<u>(\$ 90,883)</u>	<u>\$ 16,925</u>	<u>\$ -</u>	<u>(\$ 9,395)</u>	<u>(3,995,358)</u>	
Total	<u>\$ 2,873,418</u>					<u>\$ 2,893,959</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:

Three months ended March 31, 2025 and 2024 : None.

(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:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 129,530	\$ 128,289	\$ 129,594
Transportation equipment (Business vehicles)	15,850	17,197	21,239
	<u>\$ 145,380</u>	<u>\$ 145,486</u>	<u>\$ 150,833</u>

	Three months ended March 31,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 1,066	\$ 1,032
Transportation equipment (Business vehicles)	1,347	1,348
	<u>\$ 2,413</u>	<u>\$ 2,380</u>

D. For the three months ended March 31, 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 March 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 54	\$ 71
Expense on short-term lease contracts	62	76
Expense on leases of low-value assets	17	535

F. As of March 31, 2025, December 31, 2024 and March 31, 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):

	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities - current	\$ 5,133	\$ 5,272	\$ 5,325
Lease liabilities - non-current	10,884	12,083	16,017

G. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$1,471 and \$2,003, respectively.

(9) Investment property

Three months ended March 31, 2025						
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	\$ 80,887	\$ -	\$ -	\$ -	\$ -	\$ 80,887
Land use right	4,312	-	-	-	78	4,390
Buildings and structures	<u>16,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>16,973</u>
	<u>\$101,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378</u>	<u>\$102,250</u>
Accumulated Depreciation						
Land use right	(\$ 710)	(\$ 32)	\$ -	\$ -	(\$ 14)	(\$ 756)
Buildings and structures	<u>(\$ 7,156)</u>	<u>(210)</u>	<u>-</u>	<u>-</u>	<u>(131)</u>	<u>(7,497)</u>
	<u>(\$ 7,866)</u>	<u>(\$ 242)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 145)</u>	<u>(8,253)</u>
Total						
	<u>\$ 94,006</u>					<u>\$ 93,997</u>

Three months ended March 31, 2024						
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	\$ 80,887	\$ -	\$ -	\$ -	\$ -	\$ 80,887
Land use right	4,151	-	-	-	100	4,251
Buildings and structures	<u>16,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391</u>	<u>16,439</u>
	<u>\$101,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>	<u>\$101,577</u>
Accumulated Depreciation						
Land use right	(\$ 560)	(\$ 31)	\$ -	\$ -	(\$ 14)	(\$ 605)
Buildings and structures	<u>(\$ 6,085)</u>	<u>(203)</u>	<u>-</u>	<u>-</u>	<u>(150)</u>	<u>(6,438)</u>
	<u>(\$ 6,645)</u>	<u>(\$ 234)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 164)</u>	<u>(7,043)</u>
Total						
	<u>\$ 94,441</u>					<u>\$ 94,534</u>

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

	Three months ended March 31,	
	2025	2024
Rental income from investment property	\$ 855	\$ 998
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 242	\$ 234

B. The fair value of the investment property held by the Group, which is the land, as at March 31, 2025, December 31, 2024 and March 31, 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 March 31, 2025, December 31, 2024 and March 31, 2024 were \$22,135, \$27,630 and \$20,046, 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 4.00% 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 its 36.5-year land use right in Changshu City, Jiangsu Province, China to DAQIAOJIXIE JIANGSU YOUNGONGSI (DAQIAOJIXIE) under operating lease agreements. The lease term is 2.5 years. As CHANGSHU FUTE pledged the buildings and structures as collateral to the Shanghai Pudong Development Bank for its loans, it will terminate the agreement early with DAQIAOJIXIE and JIANGSU JIASHENGYU and pay the relevant compensation if the bank exercises its rights to the pledged collateral and disposes it. In January 2024, due to the expiration of the lease and the cancellation of the pledge by CHANGSHU FUTE and the bank, the lease contract was re-signed. The lease period was for one year. There was a notice of expiration of the lease in November 2024, and the lease was subsequently renewed for an additional six months..

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Not later than one year	\$ 976	\$ 8,921	\$ 2,907
Later than one year but not later than five years	-	8,921	-
	<u>\$ 976</u>	<u>\$ 17,842</u>	<u>\$ 2,907</u>

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

(10) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments for business facilities and construction	\$ 215,578	\$ 204,297	\$ 292,831
Guarantee deposits paid	7,052	7,046	7,768
Others	1,289	1,656	2,399
	<u>\$ 223,919</u>	<u>\$ 212,999</u>	<u>\$ 302,998</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 sold certain equipment and recognised a loss on the disposal of property, plant, and equipment amounting to \$19,301 thousand. For details and the recognised amounts, please refer to Note 6(21).
- C. As of March 31, 2025, the Group recognised an impairment loss amounting to \$28,521 thousand on the remaining equipment based on their value in use. For details and the recognised amounts, please refer to Note 6(7).
- D. The aforementioned impairment loss was recognized in the current period's profit and loss under other operating segments.

(12) Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Dividends payable	\$ 222,372	\$ -	\$ 222,372
Salaries and bonus payable	43,064	56,672	50,303
Machinery and equipment payable	42,534	43,211	56,893
Employees' compensation payable	12,225	8,892	13,750
Directors' remuneration payable	7,595	5,928	9,391
Transportation fee payable	4,882	9,182	4,590
Others	40,948	41,273	47,342
	<u>\$ 373,620</u>	<u>\$ 165,158</u>	<u>\$ 404,641</u>

(13) Long-term borrowings

Type of borrowings	Borrowing period	Repayment term	March 31, 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	\$ 21,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	161,000
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	170,139
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
			415,377
Less: Current portion		(140,463)
Less: Discount on government grants		(111)
		\$	274,803
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	March 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	\$ 33,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	199,306
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	253,000
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
			548,544
Less: Current portion		(133,167)	
Less: Discount on government grants		(1,411)	
			\$ 413,966
Interest rate range			1.25%~1.78%

(14) Government grants

As of March 31, 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 \$47,217, 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 \$281 and \$358, respectively, for the three months ended March 31, 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 ended March 31, 2025 and 2024, the estimated appropriations paid to the defined pension plan are \$50 and \$52, 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 March 31, 2025, December 31, 2024 and March 31, 2024 were all 16%. Other than the monthly contributions, the Group has no further obligations.

(c) For the aforementioned pension plan, the Group recognised pension costs of \$2,764 and \$3,313 for the three months ended March 31, 2025 and 2024, respectively.

(16) Share capital

A. As of March 31, 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 March 31	\$ 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.

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Used to offset deficits.</u>			
distributed as cash			
dividends or transferred to			
share capital (Note 1)			
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	\$ 2,215	\$ 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 February 24, 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

The amount of the legal reserve and the special surplus reserve in 2024 has not yet been resolved at the regular meeting of shareholders held on May 29, 2025.

The Company's Board of Directors has passed the proposal and the shareholders' meeting has resolved the profit distribution situation, which is posted at the market observation post system.

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 March 31, 2025			
	Y.C.C.	LIAONING HETAI		Other
		Auto parts	Others	
Auto parts	\$ 406,096	\$ 73,981	\$ 9,263	\$ 489,340
Others	3,025	-	2,442	5,467
	<u>\$ 409,121</u>	<u>\$ 73,981</u>	<u>\$ 11,705</u>	<u>\$ 494,807</u>

	Three months ended March 31, 2024			
	Y.C.C.	LIAONING HETAI		Other
		Auto parts	Others	
Auto parts	\$ 356,942	\$ 89,997	\$ 63,374	\$ 510,313
Others	2,006	-	-	2,006
	<u>\$ 358,948</u>	<u>\$ 89,997</u>	<u>\$ 63,374</u>	<u>\$ 512,319</u>

B. Contract liabilities

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

	March 31,	December	March 31,	January 1,
	2025	31, 2024	2024	2024
Contract liabilities - advance sales receipts	\$ 7,587	\$ 8,800	\$ 5,659	\$ 22,267

For the three months ended March 31, 2025 and 2024, revenue recognized that were included in

the contract liability balance at the beginning of the period amounted to \$4,853 and \$21,483, respectively.

(20) Other income

	Three months ended March 31,	
	2025	2024
Rent income	\$ 1,635	\$ 2,118
Revenue for government grants (Note)	281	931
Other income, others	5,796	9,706
	<u>\$ 7,712</u>	<u>\$ 12,755</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 March 31,	
	2025	2024
Foreign exchange gains	\$ 19,696	\$ 54,098
Gains on financial assets and liabilities at fair value through profit or loss	3,917	6,980
Impairment loss	(28,521)	-
(Losses) gains on disposal of property, plant and equipment	(19,301)	142
Other losses	(976)	(809)
	<u>(\$ 25,185)</u>	<u>\$ 60,411</u>

(22) Expenses by nature

	Three months ended March 31,	
	2025	2024
Employee benefit expense	\$ 68,168	\$ 85,510
Depreciation charges on property, plant and equipment	91,503	90,883
Depreciation charges on right-of-use assets	2,413	2,380
Depreciation charges on investment property	242	234
Amortisation	1,326	1,497
	<u>\$ 163,652</u>	<u>\$ 180,504</u>

(23) Employee benefit expense

	Three months ended March 31,	
	2025	2024
Wages and salaries	\$ 54,717	\$ 67,133
Labour and health insurance fees	5,118	5,340
Pension costs	2,814	3,365
Other personnel expenses	5,519	9,672
	<u>\$ 68,168</u>	<u>\$ 85,510</u>

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall appropriate 1%~3% for employees' compensation and no higher than 3% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.
- B. For the three months ended March 31, 2025 and 2024, the accrued employees' compensation and directors' remuneration were as follows:

	Three months ended March 31,	
	2025	2024
Employees' compensation	\$ 3,333	\$ 5,325
Directors' remuneration	1,667	3,550
	<u>\$ 5,000</u>	<u>\$ 8,875</u>

For the three months ended March 31, 2025 and 2024, the employees' compensation and directors' remuneration were estimated and accrued based on 3.0% and 3.0% as well as 1.5% and 2.0%, 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 March 31,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 30,096	\$ 26,027
Prior year income tax under estimation	299	-
Total income tax for the current period	<u>30,395</u>	<u>26,027</u>
Deferred tax :		
Origination and reversal of temporary differences	4,054	9,411
Total deferred income tax	<u>4,054</u>	<u>9,411</u>
Income tax expense	<u>\$ 34,449</u>	<u>\$ 35,438</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 March 31, 2025, relevant information of current income tax liabilities and non-current income tax liabilities is as follows:

	March 31, 2025		December 31, 2024		March 31, 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	\$ -	\$ -	\$ -	\$ -	\$ 11,748	\$ -
2022	26,760	-	37,055	969	37,055	43,230
2023	-	-	-	-	139,106	-
2024	56,151	-	56,151	-	25,581	-
2025	<u>30,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 112,946</u>	<u>\$ -</u>	<u>\$ 93,206</u>	<u>\$ 969</u>	<u>\$ 213,490</u>	<u>\$ 43,230</u>

(25) Earnings per share

Three months ended March 31, 2025

	Weighted average number of ordinary shares outstanding	Earnings per share
Amount after tax	(share in thousands)	(in dollars)
Basic earnings per share		
Profit attributable to ordinary shareholders of the parent	\$ 71,659	74,124 \$ 0.97
Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent	\$ 71,659	74,124
Assumed conversion of all dilutive potential ordinary shares		
-Employees' compensation		152
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 71,659	74,276 \$ 0.96

Three months ended March 31, 2024

	Weighted average number of ordinary shares outstanding	Earnings per share
Amount after tax	(share in thousands)	(in dollars)
Basic earnings per share		
Profit attributable to ordinary shareholders of the parent	\$ 133,192	74,124 \$ 1.80
Diluted earnings per share		
Profit attributable to ordinary shareholders of the parent	\$ 133,192	74,124
Assumed conversion of all dilutive potential ordinary shares		
-Employees' compensation		161
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 133,192	74,285 \$ 1.79

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.

(26) Supplemental cash flow information

Investing activities with partial cash payments:

Purchase of property, plant and equipment	
Add:Opening balance of notes payable	
Opening balance of payable on equipment and construction	43,211
Less:Ending balance of notes payable	(50,242)
Ending balance of payable on equipment and construction	(42,534)
Cash paid during the period	\$ 3,923

Transfer of property, plant and equipment	
Add: Ending balance of prepayment for equipment	\$ 10,627
Less: Opening balance of prepayment for equipment	215,578
Cash paid during the period	(204,297)
	\$ 21,908

Purchase of property, plant and equipment	
Add:Opening balance of notes payable	\$ 50,770
Opening balance of payable on equipment and construction	105,428
Less:Ending balance of notes payable	(89,615)
Ending balance of payable on equipment and construction	(56,893)
Cash paid during the period	\$ 66,143

Transfer of property, plant and equipment	
Add: Ending balance of prepayment for equipment	\$ 52,962
Less: Opening balance of prepayment for equipment	292,831
Cash paid during the period	(298,832)
	\$ 46,961

<u>Three months ended March 31, 2025</u>
\$ 32,043
21,445
43,211
(50,242)
(42,534)
\$ 3,923

<u>Three months ended March 31, 2025</u>
\$ 10,627
215,578
(204,297)
\$ 21,908

<u>Three months ended March 31, 2024</u>
\$ 50,770
105,428
56,453
(89,615)
(56,893)
\$ 66,143

<u>Three months ended March 31, 2024</u>
\$ 52,962
292,831
(298,832)
\$ 46,961

(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	\$ 1,850	\$ 17,355	\$ -	\$ 467,509
Additions for the period	-	-	-	222,372	222,372
Changes in cash flow from financing activities	(33,291)	421	(1,338)	-	(34,208)
Changes in other non-cash items	253	-	-	-	253
Impact of changes in foreign exchange rate	-	8	-	-	8
At March 31, 2025	<u>\$ 415,266</u>	<u>\$ 2,279</u>	<u>\$ 16,017</u>	<u>\$ 222,372</u>	<u>\$ 655,934</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	(36,759)	(33,292)	(32)	(1,321)	-	(71,404)
Changes in other non-cash items	-	413	-	-	-	413
Impact of changes in foreign exchange rate	973	-	29	-	-	1,002
At March 31, 2024	<u>\$ -</u>	<u>\$ 547,133</u>	<u>\$ 1,173</u>	<u>\$ 21,342</u>	<u>\$ 222,372</u>	<u>\$ 792,020</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
HAO QUN INVESTMENT & DEVELOPMENT CO.,LTD	The corporate representative of the Company's director is its chairman.
SONG QUN INVESTMENT & DEVELOPMENT CO.,LTD	The corporate representative of the Company's director is its director.
HE HAN INVESTMENT CO.,LTD	The corporate representative of the Company's director is its director.

(2) Key management compensation

	Three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 9,146	\$ 8,874
Post-employment benefits	-	4
Total	\$ 9,146	\$ 8,878

8. Pledged Assets

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

Pledged asset	Book value			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Property, plant and equipment	\$ 938,760	\$ 960,582	\$ 1,000,521	Short-term borrowings and long-term borrowings
Financial assets at amortised cost - non-current	300	300	300	Natural gas for manufacturing
	\$ 939,060	\$ 960,882	\$ 1,000,821	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

- A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were \$236,795, \$223,231 and \$203,019, respectively.
- B. CHANGSHU FUTE of the Group entered into a lease contract from December 1, 2024 to February 28, 2027 with Jiangsu ○○○ Materials Co., Ltd. (“○○○ Corporation”) and collected deposits of RMB 200 thousand in December 2024. Since ○○○ Corporation had not paid the rents which were past due over 30 days, CHANGSHU FUTE had the right to rescind the contract and confiscate the deposits according to the contract, and thus, CHANGSHU FUTE sold certain equipment. As of May 8, 2025, attribution of responsibilities for the abovementioned contract is still under negotiation by both parties.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 146,788	\$ 136,325	\$ 139,473
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 134,031	\$ 127,432	\$ 129,727
Financial assets at amortised cost			
Cash and cash equivalents	\$ 721,693	\$ 561,073	\$ 742,903
Financial assets at amortised cost	30,431	29,467	51,500
Notes receivable	22,889	24,909	18,387
Accounts receivable	410,001	417,199	419,781
Other receivables	4,355	3,226	18,037
Guarantee deposits paid (shown as other non-current asset)	7,052	7,046	7,768
	<u>\$ 1,196,421</u>	<u>\$ 1,042,920</u>	<u>\$ 1,258,376</u>

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities			
Financial liabilities at amortised cost			
Notes payable	\$ 118,516	\$ 116,187	\$ 149,127
Accounts payable	66,096	63,949	95,217
Other payables	373,620	165,158	404,641
Long-term borrowings (including current portion)	415,266	448,304	547,133
Guarantee deposits received (shown as other non-current liability)	2,279	1,850	1,173
	<u>\$ 975,777</u>	<u>\$ 795,448</u>	<u>\$ 1,197,291</u>
Lease liabilities (including current portion)	<u>\$ 16,017</u>	<u>\$ 17,355</u>	<u>\$ 21,342</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:

March 31, 2025							
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)			
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$	28,790	33.21	\$ 956,116			
USD : RMB		20	7.26	664			
RMB : NTD		78,029	4.57	356,827			
RMB : USD		1,646	0.14	7,653			
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : RMB	\$	167	7.26	\$ 5,541			
RMB : NTD		1,260	4.57	5,758			

December 31, 2024

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
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

March 31, 2024

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD : NTD	\$ 29,088	32.00	\$ 930,816
USD : RMB	119	7.22	3,790
RMB : NTD	78,500	4.41	346,028
RMB : USD	1,352	0.14	5,988
Financial liabilities			
Monetary items			
USD : NTD	\$ 420	32.00	\$ 13,440
USD : RMB	1,267	7.22	40,349

- 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 ended March 31, 2025 and 2024, amounted to \$19,696 and \$54,098, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2025					
Sensitivity analysis					
Degree of variation	Effect on profit or loss			Effect on other comprehensive income	
	Effect on profit or loss			Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	9,561	\$	-
USD : RMB	1%		7		-
RMB : NTD	1%		3,568		-
RMB : USD	1%		77		-
<u>Financial liability</u>					
<u>Monetary items</u>					
USD : RMB	1%	\$	55	\$	-
RMB : NTD	1%		58		-
Three months ended March 31, 2024					
Sensitivity analysis					
Degree of variation	Effect on profit or loss			Effect on other comprehensive income	
	Effect on profit or loss			Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	9,308	\$	-
USD : RMB	1%		38		-
RMB : NTD	1%		3,460		-
RMB : USD	1%		60		-
<u>Financial liability</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	134	\$	-
USD : RMB	1%		403		-

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.
- 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 ended March 31, 2025 and 2024 would have increased/decreased by \$1,468 and \$1,350, 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 \$1,340 and \$1,297 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 three months ended March 31, 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 ended March 31, 2025 and 2024 would have increased/decreased by \$104 and \$137, 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 March 31, 2025, December 31, 2024 and March 31, 2024, accumulated loss allowance provided for individually assessed receivables amounted to \$0, \$0 and \$4,837, 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 March 31, 2025, December 31, 2024 and March 31, 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>March 31, 2025</u>							
Expected loss rate	0%~0.18%	0.02%~5.57%	0.13%~26.07%	0.84%~100%	5.24%~100%	100%	
Total book value	\$ 344,708	\$ 91,006	\$ 3,681	\$ 389	\$ 538	\$ 3,742	\$ 444,064
Loss allowance	(4,428)	(1,474)	(603)	(389)	(538)	(3,742)	(11,174)
	<u>\$ 340,280</u>	<u>\$ 89,532</u>	<u>\$ 3,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,890</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>March 31, 2024</u>							
Expected loss rate	1%~10%	1%~10%	20%~25%	30%~50%	100%	100%	
Total book value	\$ 329,317	\$ 111,505	\$ 6,419	\$ 994	\$ 663	\$ 3,675	\$ 452,573
Loss allowance	(4,663)	(3,371)	(1,605)	(428)	(663)	(3,675)	(14,405)
	<u>\$ 324,654</u>	<u>\$ 108,134</u>	<u>\$ 4,814</u>	<u>\$ 566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 438,168</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
Provision for impairment loss	-	169	169
Effect of foreign exchange	-	44	44
At March 31	<u>\$ 208</u>	<u>\$ 10,202</u>	<u>\$ 10,410</u>

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 208	\$ 22,141	\$ 22,349
Reversal of impairment loss	-	(3,427)	(3,427)
Effect of foreign exchange	-	320	320
At March 31	<u>\$ 208</u>	<u>\$ 19,034</u>	<u>\$ 19,242</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:

	March 31, 2025	December 31, 2024	March 31, 2024
Floating rate:			
Expiring within one year	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 565,728</u>

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
March 31, 2025						
Notes payable	\$ 118,516	\$ -	\$ -	\$ -	\$ -	\$ 118,516
Accounts payable	66,096	-	-	-	-	66,096
Other payables	373,620	-	-	-	-	373,620
Lease liability	5,305	4,770	3,909	2,383	-	16,367
Long-term borrowings (including current portion)	143,128	119,720	40,645	79,285	47,467	430,245

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
March 31, 2024						
Notes payable	\$ 149,127	\$ -	\$ -	\$ -	\$ -	\$ 149,127
Accounts payable	95,217	-	-	-	-	95,217
Other payables	404,641	-	-	-	-	404,641
Lease liability	5,565	5,306	4,770	6,291	-	21,932
Long-term borrowings (including current portion)	165,129	153,895	121,907	61,319	54,384	556,634

(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 March 31, 2025, December 31, 2024 and March 31, 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
March 31, 2025				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 146,788	\$ -	\$ -	\$ 146,788
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 134,031	\$ -	\$ -	\$ 134,031
	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
March 31, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 134,956	\$ 4,517	\$ -	\$ 139,473
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 129,727	\$ -	\$ -	\$ 129,727

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

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

	Listed shares
Market quoted price	Closing 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.	

- For the three months ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- For the three months ended March 31, 2025 and 2024, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: None.
- Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- 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

- Basic information: Please refer to table 6.
- 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 organisation 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 March 31, 2025		
	Y.C.C.	LIAONING HETAI	Total
Revenue			
External Customer Revenue	\$ 409,121	\$ 73,981	\$ 483,102
Internal Customer Revenue	\$ 10,397	\$ -	\$ 10,397
Total	<u>\$ 419,518</u>	<u>\$ 73,981</u>	<u>\$ 493,499</u>
Departmental Pre-Tax Profit and Loss	<u>\$ 106,108</u>	<u>(\$ 3,150)</u>	<u>\$ 102,958</u>
The departmental profit and loss includes :			
Interest Income	\$ 7,468	\$ 7	\$ 7,475
Interest Expense	\$ 2,017	\$ 824	\$ 2,841
Depreciation and Amortization	\$ 74,108	\$ 7,667	\$ 81,775
Income Tax Expense	<u>\$ 34,449</u>	<u>\$ -</u>	<u>\$ 34,449</u>

	Three months ended March 31, 2024		
	Y.C.C.	LIAONING HETAI	Total
Revenue			
External Customer Revenue	\$ 358,948	\$ 89,997	\$ 448,945
Internal Customer Revenue	\$ 4,155	\$ 400	\$ 4,555
Total	<u>\$ 363,103</u>	<u>\$ 90,397</u>	<u>\$ 453,500</u>
Departmental Pre-Tax Profit and Loss	<u>\$ 168,630</u>	<u>\$ 10,185</u>	<u>\$ 178,815</u>
The departmental profit and loss includes :			
Interest Income	\$ 11,245	\$ 16	\$ 11,261
Interest Expense	\$ 2,512	\$ 1,413	\$ 3,925
Depreciation and Amortization	\$ 72,377	\$ 7,124	\$ 79,501
Income Tax Expense	<u>\$ 35,438</u>	<u>\$ -</u>	<u>\$ 35,438</u>

(4) Reconciliation for segment income (loss)

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

	Three months ended March 31,	
	2025	2024
The Reportable Operating Segments Revenue	\$ 493,499	\$ 453,500
The Revenue from Other Departments	\$ 15,566	\$ 65,885
The Total of Operating Departments	\$ 509,065	\$ 519,385
Elimination of Interdepartmental Revenue	(\$ 14,258)	(\$ 7,066)
The Total Consolidated Operating Revenue	<u>\$ 494,807</u>	<u>\$ 512,319</u>

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

	Three months ended March 31,	
	2025	2024
The Reportable Operating Segments Pre-Tax Net Income	\$ 102,958	\$ 178,815
The Pre-Tax Net Loss from Other Departments	(4,194)	(8,500)
The Total of Operating Departments	98,764	170,315
Elimination of Interdepartmental Profit and Loss	-	-
The Total Consolidated Operating Pre-Tax Net Income	<u>\$ 98,764</u>	<u>\$ 170,315</u>

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

Loans to others

Three months ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Maximum outstanding				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	
				Is a related party	balance during the three months ended March 31, 2025	Balance at March 31, 2025	Actual amount drawn down					Item	Value	(Note 3)		
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Other receivables	Y	\$ 232,435	\$ 232,435	\$ 116,218	1.4%	2	\$ -	Operating capital	\$ -	N	\$ -	\$ 397,070	\$ 1,588,279
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Other receivables	Y	25,000	25,000	25,000	0.77%	2	-	Operating capital	-	N	-	397,070	1,588,279
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	369,363	277,916	205,846	4.00%	2	-	Operating capital	-	N	-	397,070	1,588,279
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD.	Other receivables	Y	91,447	91,447	77,730	4.35%	2	-	Operating capital	-	N	-	397,070	1,588,279
1	CHINA FIRST HOLDINGS LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	16,603	16,603	-	-	2	-	Operating capital	-	N	-	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 March 31, 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 0.1377 and 33.205 on March 31, 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)

March 31, 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 March 31, 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%	\$ 12,182	
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%	101,601	
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%	2,081	
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%	183	
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%	17,506	
Y.C.C. PARTS MFG. CO., LTD.	GLOBAL BRANDS MANUFACTURE LTD.	N	Current financial assets at fair value through profit or loss	20,000	1,284	0.00%	1,280	
UNITED SKILLS CO., LTD.	WANHWA ENTERPRISE COMPANY	N	Current financial assets at fair value through profit or loss	100,000	1,227	0.02%	1,210	
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%	9,324	
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%	1,316	
UNITED SKILLS CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	1,667	235	0.00%	105	
			Valuation adjustment		37,024			\$ 146,788
					\$ 146,788			
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%	\$ 23,512	
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	2,739,000	46,680	1.66%	110,519	
			Valuation adjustment		5,496			\$ 134,031
					\$ 134,031			

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

March 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025 (Note 1)		Turnover rate (Note 4)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 6)		Allowance for doubtful accounts	Footnote
			Amount	Action taken		Amount	Action taken	Amount	Action taken		
Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Subsidiary	\$ 205,846	\$ -	-	\$ -	-	\$ 15,405	\$ -	-	Note 2
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Subsidiary	122,181	-	-	-	-	-	-	-	Note 3

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

Note 2: It pertains to principal and interest aggregating to \$205,846 from loans to the subsidiary shown as other receivables.

Note 3: It pertains to principal and interest aggregating to \$117,609 from loans to the subsidiary shown as other receivables and sales of product amounting to \$4,572 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 May 2, 2025.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries
Significant inter-company transactions during the reporting periods
Three months ended March 31, 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	\$ 117,609	Based on the contract		2.28%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	1	Other receivables	205,846	Based on the contract		3.99%
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD	1	Other receivables	83,109	Based on the contract		1.61%
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD	1	Other receivables	25,080	Based on the contract		0.49%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANG JIE TECHNOLOGY CO., LTD.	1	Accounts receivable	11,493	Based on the contract		0.22%
1	CHANG JIE TECHNOLOGY CO., LTD.	Y.C.C. PARTS MFG. CO., LTD.	2	Contract liabilities	20,283	Based on the contract		0.39%

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

Three months ended March 31, 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 March 31, 2025			Book value	Net profit (loss) of the investee for the three months ended March	Investment income (loss) recognised by the Company for the three months ended March	Footnote
				Balance as at March 31, 2025		Balance as at December 31, 2024		Number of shares				
				\$	98,000	\$	9,800	9,800	100.00%			
Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Taiwan	Wholesale and retail of health supplements, online shopping and mail order							\$ 102,572	(\$ 1,832)	Subsidiary
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Samoa	Holding company	1,235,358	1,235,358			-	100.00%	235,280	(68,234)	68,234) Subsidiary (Note 1)
RISE BRIGHT HOLDINGS LTD.	CHINA FIRST HOLDINGS LTD.	Samoa	Holding company	1,158,673	1,158,673			-	89.44%	231,092	(64,179)	57,402) Subsidiary (Note 1)

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

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 three months ended March 31, 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 March 31, 2025	Net income of investee as of March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2025 (Note 5)	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 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	\$ -	\$ -	\$ 890,664	(\$ 61,430)	89.44%	(\$ 54,943)	\$ 3,877	\$ -	- Note 2
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	(3,150)	73.89%	(2,328)	206,201	-	- Note 3
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	(11,158)	99.83%	(11,139)	109,836	-	- Note 4

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 three months ended March 31, 2025 was based on the financial statements that were audited by parent company's CPA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 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	\$ 1,432,154	\$ 2,382,419	

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.