

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND
2024
(Stock Code: 4557)

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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.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW
REPORT

For the three months ended March 31, 2025 and 2024

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To Yusin Holding Corp.

Opinion

We have reviewed the accompanying consolidated balance sheets of Yusin Holding Corp. and its subsidiaries (the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as discussed in the following paragraph, we conducted our reviews in accordance with the International Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." 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.

Conclusion

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 Company as of March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China..

Lin, Se-Kai

Liang, Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

Reference Number of the FSC Approval letter: No. Taiwan-Finance-Securities-VI-0960072936

Reference Number of the FSC Approval letter: No. Financial-Supervisory-Securities-Auditing - 1070303009

May 5, 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.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025 AND MARCH 31, DECEMBER 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)	\$ 1,181,972	22	\$ 1,061,984	20	\$ 1,138,412	27
1150	Notes receivable, net	6(23) and 8	607,911	11	483,373	9	431,407	10
1170	Accounts receivable, net	6(2)(3) and 12(2)	1,499,517	27	1,476,530	28	897,771	21
1200	Other receivables		41,395	1	79,486	2	17,301	-
1220	Current income tax assets		6,443	-	6,454	-	2,601	-
130X	Inventories	6(4)	609,821	11	664,846	13	550,183	13
1470	Other current assets		18,005	-	25,630	1	18,150	1
11XX	Total current assets		3,965,064	72	3,798,303	73	3,055,825	72
Non-current assets								
1600	Property, plant and equipment	6(5) and 8	1,193,465	22	1,181,832	23	1,030,065	24
1755	Right-of-use assets	6(6)	113,614	2	114,889	2	70,378	2
1780	Intangible assets	6(7)	7,298	-	7,988	-	8,846	-
1840	Deferred income tax assets		21,503	1	21,676	1	22,516	1
1915	Prepayments for business facilities		127,191	2	41,341	1	58,677	1
1920	Guarantee deposits paid	8	67,194	1	19,969	-	10,498	-
1990	Other non-current assets-others	8	3,249	-	3,446	-	1,317	-
15XX	Total non-current assets		1,533,514	28	1,391,141	27	1,202,297	28
1XXX	Total assets		\$ 5,498,578	100	\$ 5,189,444	100	\$ 4,258,122	100

(Continued)

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025 AND MARCH 31, DECEMBER 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								
2100	Short-term borrowings	6(8)	\$ 790,244	14	\$ 1,154,072	22	\$ 984,310	23
2130	Current contract liabilities	6(16)	7,109	-	6,429	-	5,411	-
2170	Accounts payable		726,977	13	810,106	16	471,692	11
2180	Accounts payable to related parties	7	26,236	1	24,012	1	28,895	1
2200	Other payables	6(10)	227,359	4	245,825	5	198,785	5
2230	Current income tax liabilities		26,847	1	22,359	-	66,954	2
2280	Current lease liabilities		8,305	-	8,182	-	3,857	-
2320	Long-term liabilities, current portion	6(9)	152,050	3	142,236	3	16,242	-
2399	Other current liabilities		4,239	-	1,413	-	1,843	-
21XX	Total current liabilities		1,969,366	36	2,414,634	47	1,777,989	42
Non-current liabilities								
2540	Non-current portion of borrowings	6(9)	141,348	3	141,073	3	22,000	-
2570	Deferred tax liabilities		58,426	1	52,344	1	43,274	1
2580	Non-current lease liabilities		29,309	-	30,940	-	27,583	1
25XX	Total non-current liabilities		229,083	4	224,357	4	92,857	2
2XXX	Total liabilities		2,198,449	40	2,638,991	51	1,870,846	44
Equity attributable to owners of parent								
Share capital		6(13)						
3110	Share capital		479,718	9	419,718	8	419,718	10
Capital surplus		6(14)						
3200	Capital surplus		1,374,003	25	812,403	15	812,403	19
Retained earnings		6(15)						
3310	Legal reserve		240,028	4	240,028	5	202,798	5
3320	Special reserve		201,497	4	201,497	4	139,496	3
3350	Unappropriated retained earnings		824,518	15	713,173	14	708,760	17
Other equity interest								
3400	Other equity interest		(46,796)	(1)	(60,468)	(1)	(93,994)	(3)
31XX	Total equity attributable to owners of parent		3,072,968	56	2,326,351	45	2,189,181	51
36XX	Non-controlling interests		227,161	4	224,102	4	198,095	5
3XXX	Total equity		3,300,129	60	2,550,453	49	2,387,276	56
Significant contingent liabilities and unrecognized contract commitments		9						
3X2X	Total liabilities and equity		\$ 5,498,578	100	\$ 5,189,444	100	\$ 4,258,122	100

The accompanying notes are an integral part of these consolidated financial statements.
Chairman: Ji, Jing-De General Manager: Hsu, Yao-Ren Accounting Officer: Chang, Yuan-Zhi

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Three months ended March 31,			
		2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	6(16)	\$ 1,085,699	100	\$ 763,567	100
5000 Operating costs	6(4)(21)(22) and 7	(763,126)	(71)	(549,101)	(72)
5900 Gross profit		<u>322,573</u>	<u>29</u>	<u>214,466</u>	<u>28</u>
Operating expenses	6(21)(22)				
6100 Selling expenses		(51,884)	(5)	(44,621)	(6)
6200 General and administrative expenses		(81,997)	(7)	(54,746)	(7)
6300 Research and development expenses		(40,530)	(4)	(26,372)	(4)
6450 Expected credit losses	12(2)	(856)	-	(3,349)	-
6000 Total operating expenses		<u>(175,267)</u>	<u>(16)</u>	<u>(129,088)</u>	<u>(17)</u>
6900 Operating profit		<u>147,306</u>	<u>13</u>	<u>85,378</u>	<u>11</u>
Non-operating income and expenses					
7100 Interest income	6(17)	2,744	-	7,116	1
7010 Other income	6(18)	1,886	-	4,952	1
7020 Other gains and losses	6(19)	8,234	1	14,381	2
7050 Finance costs	6(20)	(16,100)	(1)	(13,346)	(2)
7000 Total non-operating income and expenses		<u>(3,236)</u>	<u>-</u>	<u>13,103</u>	<u>2</u>
7900 Profit before income tax		<u>144,070</u>	<u>13</u>	<u>98,481</u>	<u>13</u>
7950 Income tax expense	6(23)	(31,883)	(3)	(26,520)	(4)
8200 Profit for the year		<u>\$ 112,187</u>	<u>10</u>	<u>\$ 71,961</u>	<u>9</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8341 Financial statements translation differences of foreign operations		(\$ 28,455)	(2)	\$ 101,923	13
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		44,344	4	5,013	1
8300 Total other comprehensive income (loss) for the year		<u>\$ 15,889</u>	<u>2</u>	<u>\$ 106,936</u>	<u>14</u>
8500 Total comprehensive income for the year		<u>\$ 128,076</u>	<u>12</u>	<u>\$ 178,897</u>	<u>23</u>
Profit (loss), attributable to:					
8610 Owners of the parent		<u>\$ 111,345</u>	<u>10</u>	<u>\$ 72,201</u>	<u>9</u>
8620 Non-controlling interests		<u>\$ 842</u>	<u>-</u>	<u>(\$ 240)</u>	<u>-</u>
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		<u>\$ 125,017</u>	<u>12</u>	<u>\$ 179,703</u>	<u>23</u>
8720 Non-controlling interests		<u>\$ 3,059</u>	<u>-</u>	<u>(\$ 806)</u>	<u>-</u>
Earnings per share (In dollars)	6(24)				
9750 Basic earnings per share		<u>\$ 2.58</u>		<u>\$ 1.72</u>	
9850 Diluted earnings per share		<u>\$ 2.58</u>		<u>\$ 1.72</u>	

The accompanying notes are an integral part of these consolidated financial statements.
Chairman: Ji, Jing-De General Manager: Hsu, Yao-Ren Accounting Officer: Chang, Yuan-Zhi

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of parent														

The accompanying notes are an integral part of these consolidated financial statements.
Chairman: Ji, Jing-De General Manager: Hsu, Yao-Ren Accounting Officer: Chang, Yuan-Zhi

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>Three months ended March 31,</u>	
		<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 144,070	\$ 98,481
Adjustments:			
Items of income and expenses			
Depreciation (including right-of-use assets)	6(5)(6)(21)	37,425	31,734
Amortizations	6(21)	4,244	3,005
Compensation costs of employee stock options	6(22)	21,600	-
Expected credit impairment loss	12(2)	856	3,349
Interest income	6(17)	(2,744)	(7,116)
Loss on disposal of property, plant and equipment	6(19)	36	1,179
Interest expense	6(20)	16,100	13,346
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Notes receivables		(114,966)	(127,300)
Accounts receivables		(19,959)	50,847
Other receivables		36,866	8,947
Inventories		62,153	13,858
Other current assets		4,759	(3,697)
Changes in operating liabilities			
Contract liabilities		674	(1,139)
Accounts payable		(91,522)	(23,946)
Accounts payable - related parties		1,839	(15,905)
Other payables		(20,068)	(28,409)
Other payables - related parties		-	(1,780)
Other current liabilities		2,832	554
Cash generated from operations		84,195	16,008
Interest received		2,744	7,116
Interest paid		(16,100)	(13,346)
Income taxes paid		(21,550)	(14,653)
Net cash generated from (used in) operating activities		49,289	(4,875)

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YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 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>			
Consideration of acquisition of property, plant and equipment	6(26)	(119,754)	(\$ 51,200)
Proceeds from disposal of property, plant and equipment	6(5)	832	9,477
Acquisition of intangible assets	6(7)	(270)	-
Increase in guaranteed deposits paid		(46,246)	(437)
Net cash flows used in investing activities		(165,438)	(42,160)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	662,379	609,526
Repayments of short-term borrowings	6(27)	(1,056,786)	(556,508)
Increase in long-term borrowings	6(27)	(3,678)	-
Repayments of long-term borrowings	6(27)	11,448	(5,525)
Repayments of principal portion of lease liabilities	6(27)	(1,966)	(2,739)
Cash capital increase	6(13)	600,000	-
Dividend distributed to non-controlling interests		-	(3,600)
Net cash flows generated from financing activities		211,397	41,154
Effect of foreign exchange rate changes on cash and cash equivalents		24,740	54,657
Net increase in cash and cash equivalents		119,988	48,776
Cash and cash equivalents at beginning of year		1,061,984	1,089,636
Cash and cash equivalents at end of year		<u>\$ 1,181,972</u>	<u>\$ 1,138,412</u>

The accompanying notes are an integral part of these consolidated financial statements.
Chairman: Ji, Jing-De General Manager: Hsu, Yao-Ren Accounting Officer: Chang, Yuan-Zhi

YUSIN HOLDING CORPORATION 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

Yusin Holding Corporation (the “Company”) was incorporated in February 2011 in Cayman Islands. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacturing and selling of vehicle’s brake master cylinder, clutch master cylinder, caliper, and brake assembly of scooter and bicycle. The Company is the Group’s ultimate parent company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were submitted to the Board of Directors and issued on May 5, 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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 IFRSs 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Part of the amendments to IFRS 9 and IFRS 7 “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) IFRSs issued by IASB but not yet endorsed by the FSC

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Part of the amendments to IFRS 9 and IFRS 7 “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
Amendments to IFRS 17 “Insurance Contract”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments 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”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the issue to be evaluated as follows, 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”

IFRS 18 “Presentation and Disclosure in Financial Statements” will replace IAS 1, and update the structure of statements of comprehensive income, increase the disclosure of management-defined performance measures, and enhance guidance on the principles of aggregation and disaggregation in the primary financial statements or in the notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are the same in Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for compliance statement, basis of preparation, basis of consolidation and additions as explained as follows. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC.
- B. Please read the consolidated financial statements with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to 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:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between company within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main business activities	Percentage of Ownership (%)		
			2025.3.31	2024.12.31	2024.3.31
The Company	Xiamen Yougyu Machinery Co. Ltd. ("Xiamen Yougyu")	Manufacturing and sales of vehicle's brake master cylinder and clutch master cylinder	100.00	100.00	100.00
The Company	Yusin Brake Corp. (Samoa) ("Yusin Samoa")	Sales of vehicle's brake master cylinder and clutch master cylinder	100.00	100.00	100.00
The Company	G.D.M Bourne. Inc. ("GDM")	Agency sales of vehicle's brake master cylinder and clutch master cylinder	55.00	55.00	55.00
The Company	Glorious Moon Limited	General investment business	100.00	100.00	100.00
The Company	Xiamen Yonghuangxing Friction Material Co., Ltd. ("Xiamen Yonghuangxing")	Manufacturing and sales of Brake Shoe	90.00	90.00	90.00
The Company	Horng Fuu Industrial Co., Ltd. ("Horng Fuu")	Production and sales of hydraulic brake system of scooter and bicycle	100.00	100.00	100.00
The Company	Yusin Machinery (Malaysia) Sdn Bhd ("Yusin Malaysia")	Manufacturing and sales of vehicle's disc brake pads and drum brake pads	100.00	100.00	100.00
The Company	Yongding (Xiamen) Trading Co., Ltd. ("Yongding")	Import and export agent	100.00	-	-
Glorious Moon Limited	YCS Automotive Parts Sdn Bhd ("YCS")	Manufacturing and sales of vehicle's disc brake pads and drum brake pads	90.97	90.97	90.97
Xiamen Yougyu	Wuhu Sanyan Machinery Company ("Wuhu Sanyan")	Processing, manufacturing, and sales of vehicles parts	77.83	77.83	77.83
Xiamen Yougyu	Guangzhou Ou Hua Ruei Rih Auto Parts Co., Ltd. ("Guangzhou Ou Hua Ruei Rih")	Sales of vehicles parts	51.00	51.00	51.00
Xiamen Yougyu	Yung-Yu-Shing (Xiamen) Technology Co., Ltd. ("Yung-Yu-Shing")	Sales of vehicles parts	70.00	70.00	70.00
Xiamen Yougyu	Fuzhou Assured Brake Systems Co., Ltd. ("Fuzhou Assured")	Manufacturing and sales of brake shoes	56.81	56.81	56.81
Fuzhou Assured	Fuzhou Ruixin Industrial Technology Co., Ltd. ("Fuzhou Ruixin")	Processing, manufacturing, and sales of vehicles parts	70.00	-	-

Note 1: The Group established and contributed to acquire 100% of the shares of the company in March 2024.

Note 2: The Group established and contributed to acquire 100% of the shares of the company in January 2025.

Note 3: YCS Automotive Parts Sdn Bhd executed cash capital increase of MYR8,500 thousand on March 1, 2024. As Glorious Moon Limited did not subscribe by its percentage of ownership, the percentage of ownership increased from 76.75% to 90.97%.

Note 4: Fuzhou Assured established and contributed to acquire 70% of the share of the company in March 2025.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions

Cash and short-term deposits of \$802,679 deposited in mainland China are under local foreign exchange control which restricts the capital to be remitted outside the borders (except for normal dividend distribution).

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

As of March 31, 2025, December 31, 2024, and March 31, 2024, the non-controlling interest amounted to \$227,161, \$224,102, and \$198,095, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

<u>Non-controlling interests</u>							
<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>March 31, 2025</u>		<u>December 31, 2024</u>		<u>March 31, 2024</u>	
		<u>Amount</u>	<u>Percentage of ownership</u>	<u>Amount</u>	<u>Percentage of ownership</u>	<u>Amount</u>	<u>Percentage of ownership</u>
Fuzhou Assured	China	<u>\$188,092</u>	43.19%	<u>\$185,773</u>	43.19%	<u>\$160,024</u>	43.19%

Summarized financial information of the subsidiaries:

Balance sheets

	<u>Fuzhou Assured</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 1,031,618	\$ 1,067,684	\$ 776,755
Non-current assets	393,459	395,415	323,656
Current liabilities	(924,593)	(969,435)	(698,623)
Non-current liabilities	(65,633)	(66,445)	(31,547)
Total net assets	<u>\$ 434,851</u>	<u>\$ 427,219</u>	<u>\$ 370,241</u>

Statements of comprehensive income

	<u>Fuzhou Assured</u>	
	<u>For the three months ended March 31, 2025</u>	<u>For the three months ended March 31, 2024</u>
Revenue	\$ 266,002	\$ 206,231
Profit (loss) before income tax	(743)	7,588
Income tax benefit	-	-
Profit (loss) for the year	(743)	7,588
Other comprehensive income (net of tax)	-	-
Total comprehensive income for the period	<u>(\$ 743)</u>	<u>\$ 7,588</u>
Comprehensive income attributable to non-controlling interest	<u>(\$ 321)</u>	<u>\$ 3,277</u>

Statements of cash flows

	<u>Fuzhou Assured</u>	
	<u>For the three months ended March 31, 2025</u>	<u>For the three months ended March 31, 2024</u>
Net cash used in operating activities	\$ 1,055	(\$ 11,025)
Net cash used in investing activities	(6,056)	(19,259)
Net cash generated by financing activities	(678)	46,996
Increase in cash and cash equivalents	(5,679)	16,712
Cash and cash equivalents, beginning of period	16,333	10,107
Cash and cash equivalents, end of period	<u>\$ 10,654</u>	<u>\$ 26,819</u>

(4) Employees' share-based payments

For equity-settled share-based payment agreements, during the vesting period, the Group measures the employees' services acquired at the fair value of the equity instruments granted at the grant date and recognizes the compensation costs and the corresponding adjustments in equity. Grant date of the share-based payments is the date that the board of directors have approved the subscription prices and the number of shares allowed employees to subscribe. Fair value of equity instruments shall reflect the effects of market vesting conditions and non-vesting conditions. The compensation costs recognized are adjusted by the number of the awards expected to meet the service condition and non-market vesting conditions. The amount ultimately recognized is measured on the basis of the numbers at the vesting date.

(5) Income tax

The interim period income tax expense is assessed 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. Relevant information is disclosed in accordance with the aforementioned policies.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There is no significant change. Please refer to Note 5 to the consolidated financial statements for the Three months ended March 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 533	\$ 393	\$ 378
Checking and demand deposits	752,780	785,098	261,969
Time deposits	428,659	276,493	876,065
	<u>\$ 1,181,972</u>	<u>\$ 1,061,984</u>	<u>\$ 1,138,412</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Please refer to Note 8 for the details about the restricted cash and cash equivalents for performance bonds, etc., classified under "other non-current assets" amounting to \$2,914, \$2,873, and \$0 as of March 31, 2025, December 31, 2024, March 31, 2024, respectively.

(2) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	<u>\$ 607,911</u>	<u>\$ 483,373</u>	<u>\$ 431,407</u>
Accounts receivable			
Less: Allowance for uncollectible accounts	\$ 1,524,202	\$ 1,500,234	\$ 927,008
Notes receivable	(24,685)	(23,704)	(29,237)
	<u>\$ 1,499,517</u>	<u>\$ 1,476,530</u>	<u>\$ 897,771</u>

- A. The Group grants credit term to their clients from 30 days to 150 days after the delivery date. Ageing analysis was based on past due date. As of March 31, 2025, December 31, 2024, and March 31, 2024, none of the Group's notes receivable were past due. Please refer to Note 12(2) for information on aging analysis and movement of impairment of accounts receivable.
- B. As of March 31, 2025, December 31, 2024, and March 31, 2024, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2024, the balance of notes and accounts receivables from contracts with customers amounted to \$1,254,356, with loss allowances amounting to \$25,636.
- C. As of March 31, 2025, December 31, 2024, and March 31, 2024, notes receivables transferred to others by indorsement to pay the same amounts to suppliers which are undue amounted to \$23,196, \$47,739, and \$213,602, respectively. If the drawer or acceptor rejects the payment at maturity, the Group bears the duty of fulfilment as the endorser.
- D. As of March 31, 2025, December 31, 2024, and March 31, 2024, notes receivables discounted outstanding amounted to \$339,491, \$278,549, and \$110,277, respectively. If the acceptor rejects the payment at maturity, the Group bears the duty of fulfilment as the endorser. However, under normal condition, the Group does not expect the acceptor will reject the payment. The liabilities arising from the notes receivables discounted are recognized as short-term borrowings. Please refer to Note 6(8).
- E. Please refer to Note 8 for the notes receivables pledged as collaterals.
- F. As of March 31, 2025, December 31, 2024, and March 31, 2024, without considering 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 and accounts receivable was \$607,911, \$483,373, and \$431,407; \$1,499,517, \$1,476,530, and \$897,771, respectively.

(3) Transfer of financial assets

A. On November 24, 2015 and February 12, 2015, the Group entered into factoring agreements with Bank of America and J. P. Morgan Bank, respectively, to sell its accounts receivable in accordance with customers' indication. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group may derecognize the transferred accounts receivable once they are overdue, and the interest expense is incurred if the Group derecognized them before their maturity date. The information of outstanding accounts receivable transferred as of March 31, 2025, December 31, 2024, and March 31, 2024 is as follows:

March 31, 2025			
Purchaser of accounts receivable	Accounts receivable transferred	Derecognized the transferred accounts receivable	Recognized accounts receivable
Bank of America	\$ 539,686	\$ 154,658	\$ 385,028
J. P. Morgan Bank	327,138	30,471	296,667

December 31, 2024			
Purchaser of accounts receivable	Accounts receivable transferred	Derecognized the transferred accounts receivable	Recognized accounts receivable
Bank of America	\$ 873,841	\$ 584,080	\$ 289,761
J. P. Morgan Bank	399,146	144,902	254,244

March 31, 2024			
Purchaser of accounts receivable	Accounts receivable transferred	Derecognized the transferred accounts receivable	Recognized accounts receivable
Bank of America	\$ 299,956	\$ 131,266	\$ 168,690
J. P. Morgan Bank	155,469	30,765	124,704

B. Interest expense for accounts receivable transferred derecognized beforehand amounted to \$201 and \$783 (shown as 'Finance costs') for the three months ended March 31, 2025 and 2024, respectively

- C. The Group evaluates that part of the notes receivables discounted by bank eligible for financial assets derecognition. However, if the drawer or acceptor rejects the payment at maturity, the Group bears the duty of fulfilment as the endorser, but the aforementioned drawers or acceptors are with high credit rating.

The information on undue notes receivables derecognized is summarized as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Discounting by bank	\$ 73,644	\$ 52,737	\$ 68,269
	(CNY15,920 thousand)	(CNY 11,563 thousand)	(CNY 15,137 thousand)

(4) Inventories

	<u>March 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 357,912	(\$ 67,032)	\$ 290,880
Work in progress	58,195	(253)	57,942
Finished goods	<u>279,192</u>	<u>(18,193)</u>	<u>260,999</u>
Total	<u>\$ 695,299</u>	<u>(\$ 85,478)</u>	<u>\$ 609,821</u>

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 391,641	(\$ 64,667)	\$ 326,974
Work in progress	35,376	(416)	34,960
Finished goods	<u>321,803</u>	<u>(18,891)</u>	<u>302,912</u>
Total	<u>\$ 748,820</u>	<u>(\$ 83,974)</u>	<u>\$ 664,846</u>

	<u>March 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 350,756	(\$ 65,598)	\$ 285,158
Work in progress	38,510	(503)	38,007
Finished goods	<u>241,023</u>	<u>(14,005)</u>	<u>227,018</u>
Total	<u>\$ 630,289</u>	<u>(\$ 80,106)</u>	<u>\$ 550,183</u>

The cost of inventories recognized as expense for the year:

	<u>For the three months ended March 31, 2025</u>	<u>For the three months ended March 31, 2024</u>
Cost of inventories sold	\$ 765,949	\$ 551,315
Loss (reversal gain) on inventory valuation	472	(284)
Loss on scraps	1,132	1,456
Revenue from sale of scraps	(4,427)	(3,386)
	<u>\$ 763,126</u>	<u>\$ 549,101</u>

As the Group actively destock and scrap part of the inventories for the three months ended March 31, 2024, the increase in net realizable value of inventories was recognized as decrease in costs of goods sold.

(5) Property, plant and equipment

2025

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Lease improvements</u>	Unfinished construction and equipment under <u>acceptance</u>	<u>Total</u>
January 1									
Cost	\$ 186,980	\$ 630,758	\$ 920,642	\$ 446,911	\$ 31,979	\$ 114,710	\$ 21,242	\$ 10,075	\$ 2,363,297
Accumulated depreciation and impairment	<u>-</u>	<u>(225,811)</u>	<u>(522,904)</u>	<u>(344,326)</u>	<u>(19,106)</u>	<u>(66,977)</u>	<u>(2,341)</u>	<u>-</u>	<u>(1,181,465)</u>
	<u>\$ 186,980</u>	<u>\$ 404,947</u>	<u>\$ 397,738</u>	<u>\$ 102,585</u>	<u>\$ 12,873</u>	<u>\$ 47,733</u>	<u>\$ 18,901</u>	<u>\$ 10,075</u>	<u>\$ 1,181,832</u>
January 1	\$ 186,980	\$ 404,947	\$ 397,738	\$ 102,585	\$ 12,873	\$ 47,733	\$ 18,901	\$ 10,075	\$ 1,181,832
Additions	-	356	3,889	7,651	-	1,720	-	12,884	26,500
Reclassifications (Note)	-	150	20,496	(16,729)	-	650	457	(55)	4,969
Disposals	-	-	-	(782)	(71)	(15)	-	-	(868)
Depreciation expenses	-	(4,801)	(17,721)	(5,245)	(1,083)	(3,992)	(1,766)	-	(34,608)
Net exchange differences	<u>1,934</u>	<u>5,247</u>	<u>5,598</u>	<u>1,427</u>	<u>132</u>	<u>627</u>	<u>233</u>	<u>442</u>	<u>15,640</u>
March 31	<u>\$ 188,914</u>	<u>\$ 405,899</u>	<u>\$ 410,000</u>	<u>\$ 88,907</u>	<u>\$ 11,851</u>	<u>\$ 46,723</u>	<u>\$ 17,825</u>	<u>\$ 23,346</u>	<u>\$ 1,193,465</u>
March 31									
Cost	\$ 188,914	\$ 639,571	\$ 959,510	\$ 440,928	\$ 29,938	\$ 118,545	\$ 22,065	\$ 23,346	\$ 2,422,817
Accumulated depreciation and impairment	<u>-</u>	<u>(233,672)</u>	<u>(549,510)</u>	<u>(352,021)</u>	<u>(18,087)</u>	<u>(71,822)</u>	<u>(4,240)</u>	<u>-</u>	<u>(1,229,352)</u>
	<u>\$ 188,914</u>	<u>\$ 405,899</u>	<u>\$ 410,000</u>	<u>\$ 88,907</u>	<u>\$ 11,851</u>	<u>\$ 46,723</u>	<u>\$ 17,825</u>	<u>\$ 23,346</u>	<u>\$ 1,193,465</u>

2024

<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	Unfinished construction and	<u>Total</u>
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							equipment under acceptance	
January 1								
Cost	\$ 177,400	\$ 563,069	\$ 767,480	\$ 372,337	\$ 29,104	\$ 94,203	\$ 15,164	\$ 2,018,757
Accumulated depreciation and impairment	-	(197,920)	(464,567)	(306,225)	(15,940)	(56,356)	-	(1,041,008)
	<u>\$ 177,400</u>	<u>\$ 365,149</u>	<u>\$ 302,913</u>	<u>\$ 66,112</u>	<u>\$ 13,164</u>	<u>\$ 37,847</u>	<u>\$ 15,164</u>	<u>\$ 977,749</u>
January 1	\$ 177,400	\$ 365,149	\$ 302,913	\$ 66,112	\$ 13,164	\$ 37,847	\$ 15,164	\$ 977,749
Additions	-	-	1,258	16,665	955	1,269	4,824	24,971
Reclassifications (Note)	-	-	267	101	352	2,991	26,420	30,131
Disposals	-	-	(8,730)	(628)	-	(1,298)	-	(10,656)
Depreciation expenses	-	(4,229)	(14,688)	(6,361)	(1,082)	(3,167)	-	(29,527)
Net exchange differences	<u>5,964</u>	<u>13,336</u>	<u>9,831</u>	<u>4,683</u>	<u>402</u>	<u>1,580</u>	<u>1,601</u>	<u>37,397</u>
March 31	<u>\$ 183,364</u>	<u>\$ 374,256</u>	<u>\$ 290,851</u>	<u>\$ 80,572</u>	<u>\$ 13,791</u>	<u>\$ 39,222</u>	<u>\$ 48,009</u>	<u>\$ 1,030,065</u>
March 31								
Cost	\$ 183,364	\$ 583,799	\$ 781,087	\$ 404,462	\$ 31,378	\$ 99,975	\$ 48,009	\$ 2,132,074
Accumulated depreciation and impairment	-	(209,543)	(490,236)	(323,890)	(17,587)	(60,753)	-	(1,102,009)
	<u>\$ 183,364</u>	<u>\$ 374,256</u>	<u>\$ 290,851</u>	<u>\$ 80,572</u>	<u>\$ 13,791</u>	<u>\$ 39,222</u>	<u>\$ 48,009</u>	<u>\$ 1,030,065</u>

Note: Transferred from prepayments for equipment, and inspected unfinished construction reclassified to buildings and structures.

A. The property, plant and equipment held by the Group are for self-use.

B. There is no interest capitalized for property, plant and equipment for the three months ended March 31, 2025 and 2024.

C. Please refer to Note 8 for the property, plant and equipment pledged as collaterals.

(6) Leasing arrangements — lessee

- A. The Group leases various assets including land use rights, land, buildings, and business vehicles. The terms of land use rights are 27 to 50 years, and the terms of other lease contracts are usually 2 to 10 years. Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be pledged as collaterals, without other restrictions.
- B. The lease terms of part of the buildings and business vehicles do not exceed 12 months. The underlying assets of leases of low value are multifunction printers.
- C. The carrying amount of right-of-use assets and the depreciation expenses recognized are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 77,391	\$ 77,089	\$ 40,545
Buildings and structures	<u>36,223</u>	<u>37,800</u>	<u>29,833</u>
	<u>\$ 113,614</u>	<u>\$ 114,889</u>	<u>\$ 70,378</u>

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land	\$ 770	\$ 465
Buildings and structures	<u>2,047</u>	<u>1,742</u>
	<u>\$ 2,817</u>	<u>\$ 2,207</u>

- D. For the three months ended March 31, 2025 and 2024, the additions to right-of-use assets were \$0 and \$1,360, respectively.

- E. The information on items of profit or loss accounts relating to lease contracts is as follows:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 438	\$ 359
Expense on short-term lease contracts	1,021	861
Expense on leases of low-value assets	1,911	1,755

- F. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$5,336 and \$5,714, respectively.

- G. The right-of-use assets held by the Group were not pledged as collaterals.

(7) Intangible assets

	<u>2025</u>			
	Patent right	Computer software	Goodwill	Total
January 1				
Cost	\$ 2,982	\$ 17,428	\$ 998	\$ 21,408
Accumulated amortization and impairment	(1,402)	(12,018)	-	(13,420)
	<u>\$ 1,580</u>	<u>\$ 5,410</u>	<u>\$ 998</u>	<u>\$ 7,988</u>
January 1	\$ 1,580	\$ 5,410	\$ 998	\$ 7,988
Additions	-	270	-	270
Amortization expenses	(144)	(911)	-	(1,055)
Net exchange differences	<u>19</u>	<u>61</u>	<u>15</u>	<u>95</u>
March 31	<u>\$ 1,455</u>	<u>\$ 4,830</u>	<u>\$ 1,013</u>	<u>\$ 7,298</u>
March 31				
Cost	\$ 3,022	\$ 12,157	\$ 1,013	\$ 16,192
Accumulated amortization and impairment	(1,567)	(7,327)	-	(8,894)
	<u>\$ 1,455</u>	<u>\$ 4,830</u>	<u>\$ 1,013</u>	<u>\$ 7,298</u>
	<u>2024</u>			
	Patent right	Computer software	Goodwill	Total
January 1				
Cost	\$ 2,807	\$ 12,981	\$ 949	\$ 16,737
Accumulated amortization and impairment	(777)	(8,532)	-	(9,309)
	<u>\$ 2,030</u>	<u>\$ 4,449</u>	<u>\$ 949</u>	<u>\$ 7,428</u>
January 1	\$ 2,030	\$ 4,449	\$ 949	\$ 7,428
Reclassifications (Note)	-	2,044	-	2,044
Amortization expenses	(138)	(825)	-	(963)
Net exchange differences	<u>81</u>	<u>219</u>	<u>37</u>	<u>337</u>
March 31	<u>\$ 1,973</u>	<u>\$ 5,887</u>	<u>\$ 986</u>	<u>\$ 8,846</u>
March 31				
Cost	\$ 2,924	\$ 15,738	\$ 986	\$ 19,648
Accumulated amortization and impairment	(951)	(9,851)	-	(10,802)
	<u>\$ 1,973</u>	<u>\$ 5,887</u>	<u>\$ 986</u>	<u>\$ 8,846</u>

Note: transferred from prepayments for equipment.

(8) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 316,814	2.05%~3.80%	None.
Secured borrowings	133,939	1.95%~3.55%	Please refer to Note 8.
Liabilities arising from discounted notes receivable	<u>339,491</u>	0.85%~4.90%	Please refer to Note 8.
	<u>\$ 790,244</u>		
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 780,816	2.05%~5.57%	None.
Secured borrowings	94,707	1.95%~3.55%	Please refer to Note 8.
Liabilities arising from discounted notes receivable	<u>278,549</u>	0.70%~4.90%	Please refer to Note 8.
	<u>\$ 1,154,072</u>		
<u>Type of borrowings</u>	<u>March 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 724,569	1.93%~6.37%	None.
Secured borrowings	149,464	1.82%~3.90%	Please refer to Note 8.
Liabilities arising from discounted notes receivable	<u>110,277</u>	0.02%~2.60%	Please refer to Note 8.
	<u>\$ 984,310</u>		

Liabilities arising from discounted notes receivable are notes receivables discounted which are not eligible for derecognition. Please refer to explanations in Note 6(2). The interest expenses recognized in profit or loss for the three months ended March 31, 2025 and 2024 amounted to \$2,727 and \$773.

(9) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>March 31, 2025</u>
Installment-repayment borrowings			
Secured borrowings	Borrowing period is from June 16, 2022 to June 15, 2025; the first 12 months is the grace period; interest is repayable monthly; the principal is repayable \$3,000 thousand quarterly starting from the June, 2023, and the remaining balance is fully repaid at maturity.	2.05%	\$ 22,000
Secured borrowings	Borrowing period is from October 10, 2024 to November 10, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	34,268
Secured borrowings	Borrowing period is from January 23, 2025 to January 22, 2035; the first 24 months is the grace period; interest is repayable monthly; after the grace period, principal is repaid in installments in every 6 months.	2.00%	11,722
Unsecured borrowing	Borrowing period is from August 8, 2024 to September 8, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	45,812
Unsecured borrowing	Borrowing period is from August 20, 2024 to September 20, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	9,246

Unsecured borrowing	Borrowing period is from September 9, 2024 to October 9, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	18,912
Unsecured borrowing	Borrowing period is from November 6, 2024 to August 12, 2030; the first 18 months is the grace period; interest is repayable monthly; after the grace period expires, principal is repaid in installments every six months.	2.00%	35,978
Unsecured borrowing	Borrowing period is from November 6, 2024 to August 12, 2030; the first 15 months is the grace period; interest is repayable monthly; after the grace period expires, principal is repaid in installments every six months.	1.75%	1,816
Unsecured borrowing	Borrowing period is from December 19, 2024 to December 17, 2027; the first 12 months is the grace period; interest is repayable monthly; the principal is repayable US\$3,000 thousand quarterly starting from the December 2025, and the remaining balance is fully repaid at maturity.	5.30%	113,646
Subtotal			293,398
Less: Current portion			(152,050)
			<u>\$ 141,348</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	December 31, 2024
Installment-repayment borrowings			
Secured borrowings	Borrowing period is from June 16, 2022 to June 15, 2025; the first 12 months is the grace period; interest is repayable monthly; the principal is repayable \$3,000 thousand quarterly starting from the June, 2023, and the remaining balance is fully repaid at maturity.	2.05%	\$ 25,000
Unsecured borrowing	Borrowing period is from October 10, 2024 to November 10, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	33,786
Unsecured borrowing	Borrowing period is from August 8, 2024 to September 8, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	45,396

Unsecured borrowing	Borrowing period is from August 20, 2024 to September 20, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	9,344
Unsecured borrowing	Borrowing period is from September 9, 2024 to October 9, 2025; principal is fully repaid at maturity; interest is repayable monthly.	3.55%	18,874
Unsecured borrowing	Borrowing period is from November 6, 2024 to August 12, 2030; the first 18 months is the grace period; interest is repayable monthly; after the grace period expires, principal is repaid in installments every six months.	2.00%	35,473
Unsecured borrowing	Borrowing period is from November 6, 2024 to August 12, 2030; the first 15 months is the grace period; interest is repayable monthly; after the grace period expires, principal is repaid in installments every six months.	1.75%	1,790
Unsecured borrowing	Borrowing period is from December 19, 2024 to December 17, 2027; the first 12 months is the grace period; interest is repayable monthly; the principal is repayable US\$3,000 thousand quarterly starting from the December 2025, and the remaining balance is fully repaid at maturity.	5.30%	113,646
Subtotal			283,309
Less: Current portion			(142,236)
			\$ 141,073
Type of borrowings	Borrowing period and repayment term	Interest rate range	December 31, 2023
Installment-repayment borrowings			
Secured borrowings	Borrowing period is from June 16, 2022 to June 15, 2025; interest is repayable monthly; the principal is repayable \$3,000 thousand quarterly starting from the June, 2023, and the remaining balance is fully repaid at maturity.	1.92%	\$ 37,000
Unsecured borrowing	Borrowing period is from August 20, 2021 to August 20, 2024; interest is repayable monthly; principal is repayable in 24 installments from October, 2022	2.35%	6,767
Subtotal			43,767
Less: Current portion			(18,767)

			<u>\$ 25,000</u>
Type of borrowings	Borrowing period and repayment term	Interest rate range	March 31, 2024
Installment-repayment borrowings			
Secured borrowings	Borrowing period is from June 16, 2022 to June 15, 2025; interest is repayable monthly; the principal is repayable \$3,000 thousand quarterly starting from the June, 2023, and the remaining balance is fully repaid at maturity.	1.92%	\$ 34,000
Unsecured borrowing	Borrowing period is from August 20, 2021 to August 20, 2024; interest is repayable monthly; principal is repayable in 24 installments from October, 2022	2.35%	4,242
Subtotal			<u>38,242</u>
Less: Current portion			<u>(16,242)</u>
			<u>\$ 22,000</u>

- A. The subsidiary of the Company, Xiamen Yougyu, has signed a technology innovation fund syndicated loan contract with Agricultural Bank of China in March 2024. The credit line is CNY64 million, only for the purpose of the working capital of plants and supporting facilities of Xiamen Yougyu. As of March 31, 2025, the drawn down amount is CNY2.53 million. The original annual interest rate was 3.5%. As Xiamen Youngyu is eligible for interest subsidy in accordance with the Xiamen City technology innovation fund policies when signing the contract, the actual annual interest rate of the first drawdown is 2%.
- B. The Company has signed a long-term borrowing contract with CTBC Bank on July 23, 2024. During the credit period, the debt ratio of the consolidated financial statements of the Group shall be reviewed in July each year whether it is no higher than 100%, whether the percentage of ownership to Yusin Malaysia remains 100%, and the average deposit balance (excluding the pledged portion) in CTBC Bank in prior six months shall be checked every six months whether it exceeds 20% of the borrowing balance in the recent six months. As of March 31, 2025, the Company does not breach the terms in the contract with the bank.
- C. The subsidiary of the Company, Xiamen Yougyu, is the joint guarantor of the borrowing contract signed by the subsidiary of the Company, Fuzhou Assured, with Xiamen Bank in May 2024. The Company is the joint guarantor of the borrowing contract signed by the subsidiary of the Company, Fuzhou Assured, with CTBC Bank in October 2023.

- D. Please refer to Note 6(20) for the explanation about interest expenses recognized in profit or loss.
- E. Please refer to Note 8 for the information on collaterals for long-term borrowings. Please refer to Note 12(2)C(iii) for the explanation about liquidity risk.

(10) Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Employee benefits payable	\$ 125,626	\$ 140,365	\$ 109,364
Commissions payable	32,431	33,225	20,165
Employees' compensation and remuneration for directors and supervisors	29,695	25,533	28,530
Payable on machinery and equipment	7,645	10,080	1,097
Service fees payable	6,630	6,560	5,277
Business tax payable	2,362	1,875	2,819
Others	<u>22,970</u>	<u>28,187</u>	<u>31,533</u>
	<u>\$ 227,359</u>	<u>\$ 245,825</u>	<u>\$ 198,785</u>

(11) Pensions

- A. Since July 1, 2005, based on Labor Pension Act., the Company's subsidiaries, Yusin Samoa Taiwan Branch and Horng Fuu Industrial Co., Ltd. have defined contribution plan, and make monthly contributions of 6% based on each individual employee's salary or wage to employees' pension accounts for employees who chose be subject to the pension mechanism under the Labor Standards Act. The contribution plan accrued dividends from an employee's individual account are paid monthly or in lump sum upon retirement of an employee.
- B. The Company's mainland China subsidiaries, Xiamen Yougyu, Xiaman Yonghuangxing, Wuhu Sanyan, Guangzhou Ou Hua Ruei Rih, Yung-Yu-Shing, Yongding, Fuzhou Assured, and Fuzhou Ruixin 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 percentages for the three months ended March 31, 2025 and 2024 are both 16%. As the pension is managed and arranged by the local government, other than the monthly contributions, the Group has no further obligations.
- C. The other foreign subsidiaries of the Group contribute pension to the relevant pension management business based on local regulations.
- D. The pension costs under the aforementioned pension plans of the Group for the three months ended March 31, 2025 and 2024 were \$11,995 and \$11,408, respectively.

(12) Share-based payments (For the three months ended March 31, 2024: None.)

A. The share-based payment agreement of the Company is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Granted quantity(shares)</u>	<u>Contract period</u>
Cash capital increase reserved for subscription by employees	2025.1.17	900,000	NA

B. Detailed information on the aforementioned share-based payment is as follows:

	<u>2025</u> <u>Number of</u> <u>stock options (in</u> <u>thousand)</u>	<u>Weighted average</u> <u>exercise price (\$)</u>
Beginning outstanding stock options as of January 1	-	\$ -
Stock options granted in the current period	900	100
Stock options exercised in the current period	(900)	100
Ending outstanding stock options as of March 31	<u>-</u>	
Ending exercisable stock options as of March 31	<u>-</u>	

C. The weighted average stock price at the exercise date of the stock options exercised for the three months ended March 31, 2025 is \$124.

D. The relevant information on the fair value of stock options estimated by Black-Scholes option pricing model of the share-based transactions at the grant date is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Stock price (\$)</u>	<u>Exercise price (\$)</u>	<u>Expected volatility (Note)</u>	<u>Expected duration</u>	<u>Expected dividend</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit (\$)</u>
Cash capital increase reserved for subscription by employees	2025.1.17	\$ 124	\$ 100	31.74%	0.01 year	-	1.37%	\$ 24.01

Note: the expected volatility takes the stock prices during the period equivalent to the expected duration of the stock option in the most recent period as samples, and is estimated by the standard deviation of returns on the stock during the period.

E. The expenses arising from share-based payment transactions are as follows:

	<u>For the three months ended</u> <u>March 31, 2025</u>
Compensation costs of employee stock options	<u>\$ 21,600</u>

(13) Share capital

A. As of March 31, 2025, the Company's authorized capital was \$1,400,000, consisting of 86,000 thousand shares of ordinary shares, and the paid-in capital was \$479,718 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The reconciliation of the beginning and ending number of outstanding ordinary shares of the Company is as follows:

	<u>2025 (thousand shares)</u>	<u>2024 (thousand shares)</u>
January 1	41,972	41,972
Cash capital increase	<u>6,000</u>	<u>-</u>
March 31	<u><u>47,972</u></u>	<u><u>41,972</u></u>

B. The Company has resolved by the board of directors on December 16, 2024 to issue 6,000 thousand new shares by cash capital increase. The issue price is NT\$100 per share. The Company acquired \$600,000 by the cash capital increase. The base date of the capital increase is March 14, 2025. The change of registration has been completed.

(14) Capital surplus

According to the Articles of Incorporation of the Company, without violating the instructions provided at the shareholders meeting, the Board of Directors may cover the accumulated deficit and distribute earnings by capital surplus on behalf of the Company based on Cayman Islands Companies Law.

(15) Retained earnings

According to the previous version of the Articles of Incorporation of the Company, for the current year's earnings, if any, the Board of Directors shall consider the future capital needs in deciding the amount of dividend distribution. The amendments resolved by the shareholders at the interim shareholders' meeting on December 19, 2014 were as follows:

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside in accordance with the regulations. The remaining amount, if any, along with all or part of accumulated unappropriated retained earnings of prior years, after considering the financial, business, and operating factors, shall be distributed as dividends which shall be at least 15% of profit after tax of the current year in proportion to the Group's ownership based on Cayman Islands Companies Law and Regulations

of Public Company. Dividends are distributed in the form of stock dividends and cash dividends, as proposed by the Board of Directors, and to be retained or to be appropriated shall be resolved by the shareholders at the shareholders' meeting.

- B. As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results, and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 15% of profit after tax of the current year as of the end of the period shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributed.
- C. In accordance with the regulations, 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.
- D. The appropriations of earnings for the year ended December 31, 2024 proposed by the board of directors on April 8, 2025, and the appropriations of earnings for the year ended December 31, 2023 resolved by the shareholders meeting on June 7, 2024 are as follows:

	Year ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 42,175		\$ 37,230	
Appropriation (reversal) of special reserve	(141,028)		62,001	
Cash dividends	311,817	\$ 6.5	251,831	\$ 6.0

As of May 5, 2025, the abovementioned 2024 earnings appropriation has not yet been resolved by the shareholders meeting.

(16) Operating revenue

	Three months ended March 31,	
	2025	2024
Revenue from contracts with customers	\$ 1,085,699	\$ 763,567

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

Three months ended March 31, 2025						
	Asia	North America	Central and South America	Europe	Others	Total
Brake master cylinder	\$ 40,493	\$ 178,891	\$ 30,094	\$ 10,839	\$ 8,085	\$ 268,402
Brake cylinder	35,783	92,930	40,873	11,850	8,973	190,409
Clutch master cylinder	21,724	1,119	2,990	2,915	4,519	33,267
Clutch slave cylinder	15,352	3,586	2,948	2,041	3,149	27,076
Brake caliper	10,924	186,835	81	-	1,160	199,000
Two-wheel brake master cylinder	37,412	11,668	-	370	-	49,450
Brake pad	283,229	-	-	-	-	283,229
Others	<u>30,311</u>	<u>3,318</u>	<u>282</u>	<u>34</u>	<u>921</u>	<u>34,866</u>
Total	<u>\$ 475,228</u>	<u>\$ 478,347</u>	<u>\$ 77,268</u>	<u>\$ 28,049</u>	<u>\$ 26,807</u>	<u>\$1,085,699</u>

Three months ended March 31, 2024						
	Asia	North America	Central and South America	Europe	Others	Total
Brake master cylinder	\$ 28,814	\$ 107,606	\$ 27,048	\$ 8,648	\$ 4,788	\$ 176,904
Brake cylinder	33,639	51,958	42,721	10,022	4,346	142,686
Clutch master cylinder	18,845	819	5,514	3,622	1,916	30,716
Clutch slave cylinder	11,911	1,580	2,420	2,692	1,740	20,343
Brake caliper	6,007	82,248	-	-	1,144	89,399
Two-wheel brake master cylinder	43,263	3,744	-	6	-	47,013
Brake pad	218,736	-	-	-	-	218,736
Others	<u>31,973</u>	<u>5,580</u>	<u>131</u>	<u>64</u>	<u>22</u>	<u>37,770</u>
Total	<u>\$ 393,188</u>	<u>\$ 253,535</u>	<u>\$ 77,834</u>	<u>\$ 25,054</u>	<u>\$ 13,956</u>	<u>\$ 763,567</u>

B. Contract liabilities

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities - advance payment	<u>\$ 7,109</u>	<u>\$ 6,429</u>	<u>\$ 5,411</u>	<u>\$ 6,506</u>

The revenue recognized in the current period from beginning contract liabilities

Three months ended March 31,	
	2025
	2024
Advance payment	\$ 2,216
	\$ 5,602

(17) Interest income

Three months ended March 31,	
2025	2024
\$ 2,744	\$ 7,116

(18) Other income

Three months ended March 31,	
2025	2024
\$ 944	\$ 3,177
942	1,775
\$ 1,886	\$ 4,952

(19) Other gains and losses

Three months ended March 31,	
2025	2024
\$ 8,359	\$ 15,802
(36)	(1,179)
(89)	(242)
\$ 8,234	\$ 14,381

(20) Finance costs

Three months ended March 31,	
2025	2024
\$ 12,565	\$ 10,672
2,896	1,532
438	359
2013	783
\$ 16,100	\$ 13,346

(21) Additional information on expenses by nature

Three months ended March 31,	
2025	2024
\$ 183,169	\$ 129,561
37,425	31,734
4,244	3,005
\$ 224,838	\$ 164,300

(22) Employee benefit expense

	Three months ended March 31,	
	2025	2024
Wages and salaries	\$ 132,569	\$ 100,952
Compensation costs of employee stock options	21,600	-
Pension costs	11,995	11,408
Other personnel expenses	17,005	17,201
	<u>\$ 183,169</u>	<u>\$ 129,561</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 0.5% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the three months ended March 31, 2025 and 2024, employees' compensations were both accrued at \$3,750; while directors' remuneration were both accrued at \$1,250. The aforementioned amounts were recognized in salary expenses.

The portion for the three months ended March 31, 2024 is accrued by the profit performance as of the current period in accordance with the ratios stipulated in the Articles of Incorporation.

Employees' compensation and directors' remuneration of 2024 resolved by the Board of Directors amounting to \$15,000 and \$5,000, respectively, were consistent with those amounts recognized in financial statements for the year ended December 31, 2024.

The aforementioned employees' compensation and directors' remuneration are paid by cash.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended March 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	\$ 25,911	\$ 19,333
Overestimation on the income tax of previous years	(699)	-
Income tax on dividends	-	1,303
Effect of foreign exchange	416	351
Total current tax	<u>25,628</u>	<u>20,987</u>
Deferred tax:		
Origination and reversal of temporary differences	6,255	6,357
Tax loss	-	(824)
	<u>\$ 31,883</u>	<u>\$ 26,520</u>

B. On November 17, 2022, Xiamen Yougyu Machinery Co., Ltd. obtained a high-tech enterprise certificate issued by the relevant government agency. In accordance with local regulations, Xiamen Yougyu Machinery Co., Ltd. could pay its tax at the benefit tax rate of 15% from 2022 to 2025.

C. On December 4, 2024, Fuzhou Assured Brake Systems Co., Ltd. obtained a high-tech enterprise certificate issued by the relevant government agency. In accordance with local regulations, Fuzhou Assured Brake Systems Co., Ltd. could pay its tax at the benefit tax rate of 15% from 2025 to 2028.

(24) Earnings per share

	<u>Three months ended March 31, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 111,345</u>	<u>43,172</u>	<u>\$ 2.58</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 111,345	43,172	
Employees' compensations which are dilutive potential ordinary shares	<u>-</u>	<u>34</u>	
Profit attributable to ordinary shareholders of the parent plus the effect of dilutive potential ordinary shares	<u>\$ 111,345</u>	<u>43,206</u>	<u>\$ 2.58</u>
	<u>Three months ended March 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 72,201</u>	<u>41,972</u>	<u>\$ 1.72</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 72,201	41,972	
Employees' compensations which are dilutive potential ordinary shares	<u>-</u>	<u>30</u>	
Profit attributable to ordinary shareholders of the parent plus the effect of dilutive potential ordinary shares	<u>\$ 72,201</u>	<u>42,002</u>	<u>\$ 1.72</u>

(25) Transactions with non-controlling interest (March 31, 2025: None.)

The sub-subsidiary of the Group, YCS Automotive Parts Sdn Bhd executed cash capital increase on March 1, 2024. As the Group did not subscribe by its percentage of ownership, the percentage of ownership increased by 14.22%, resulting in an increase in non-controlling interests by \$5,929, and a decrease in equity attributable to owners of the parent by \$5,929.

(26) Supplemental cash flow information

Investing activities with partial cash payments

	Three months ended March 31,	
	2025	2024
Acquisition of property, plant and equipment	\$ 31,469	\$ 24,971
Less: Opening balance of prepayments for equipment	(41,341)	(63,203)
Add: Opening balance of payables for equipment	10,080	1,721
Add: Ending balance of prepayments for equipment	127,191	58,677
Less: Ending balance of payables for equipment	(7,645)	(1,097)
Cash paid during the year	<u>\$ 119,754</u>	<u>\$ 21,069</u>

(27) Changes in liabilities from financing activities

	2025			
	Short-term borrowings	Lease liabilities	Long-term borrowings (including the current portion)	Total liabilities from financing activities
January 1	\$ 1,154,072	\$ 39,122	\$ 288,309	\$ 1,476,503
Changes in cash flow from financing activities	(394,407)	(1,966)	7,770	(388,603)
Interest expenses paid (Note)	-	(438)	-	(438)
Effect of foreign exchange	30,579	896	2,319	33,794
March 31	<u>\$ 790,244</u>	<u>\$ 37,614</u>	<u>\$ 3293,398</u>	<u>\$ 1,121,256</u>
	2024			
	Short-term borrowings	Lease liabilities	Long-term borrowings (including the current portion)	Total liabilities from financing activities
January 1	\$ 922,476	\$ 31,604	\$ 43,767	\$ 997,847
Changes in cash flow from financing activities	53,018	(2,739)	(5,525)	44,754
Interest expenses paid (Note)	-	(359)	-	(359)
Other non-cash changes	-	1,360	-	1,360
Effect of foreign exchange	8,816	1,574	-	10,390
March 31	<u>\$ 984,310</u>	<u>\$ 31,440</u>	<u>\$ 38,242</u>	<u>\$ 1,053,992</u>

Note: recognized as cash flows arising from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Fujian Longji Industry and Trade Co., Ltd. (Fujian Longji)	Other related parties
Longyan Yongheng Aluminum Co., Ltd. (Longyan Yongheng)	Other related parties
Zon Hen Industry Co., Ltd. (Zon Hen)	Other related parties (Note)
Directors, supervisors, general managers, and associate general managers	Key management of the Company

Note: Zon Hen has changed the directors on April 18, 2024 and became a non-related party since April 18, 2024.

(2) Significant related party transactions

A. Operating costs

(a) Purchases:

	Three months ended March 31,	
	2025	2024
Longyan Yongheng	\$ 16,423	\$ 14,237
Zon Hen	-	2,181
Other related parties	-	963
Total	<u>\$ 16,423</u>	<u>\$ 17,381</u>

Purchase prices and payment terms, which are based on mutual agreement, are the same as for general suppliers.

(b) Processing fees

	Three months ended March 31,	
	2025	2024
Shen Yeu	<u>\$ -</u>	<u>\$ 1,464</u>

The price and payment terms for processing services entrusted to related parties are executed in accordance with the mutual agreement.

B. Payables to related parties:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payables:			
Longyan Yongheng	\$ 26,236	\$ 24,012	\$ 26,111
Other related parties	<u>-</u>	<u>-</u>	<u>2,784</u>
Total	<u>\$ 26,236</u>	<u>\$ 24,012</u>	<u>\$ 28,895</u>

Payables to related parties are mainly arising from purchase transitions and processing fees with payment term of 95 to 100 days after monthly billings.

(3) Key management compensation

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 12,804	\$ 12,425
Share-based payments	<u>3,720</u>	<u>-</u>
	<u>\$ 16,524</u>	<u>\$ 12,425</u>

8. PLEDGED ASSETS

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

	<u>Carrying amount</u>			
<u>Pledged assets</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>Purpose</u>
Notes receivables	\$ 387,795	\$ 278,549	\$ 110,277	Notes discounted
Property, plant and equipment	254,149	104,084	108,462	Guarantees for short-term and long-term borrowings and credit lines
-Buildings and structures				
Property, plant and equipment	35,988	35,988	35,988	//
-Land				
	67,194	19,969	10,498	Performance bonds and deposits for warehousing
Guaranteed deposits paid				
Restricted deposits (presented as "other non-current assets")	<u>2,914</u>	<u>2,873</u>	<u>-</u>	Performance bonds
	<u>\$ 748,040</u>	<u>\$ 441,463</u>	<u>\$ 265,225</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for but not yet incurred

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Property, plant and equipment	\$ 255,669	\$ 214,424	\$ 68,281
Intangible assets	252	-	-
	<u>\$ 255,921</u>	<u>\$ 214,424</u>	<u>\$ 68,281</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 1,181,972	\$ 1,061,984	\$ 1,138,412
Notes receivables	607,911	483,373	431,407
Accounts receivables	1,499,517	1,476,530	897,771
Other receivables	41,395	79,486	17,301
Guarantee deposits paid	67,194	19,969	10,498
	<u>\$ 3,397,989</u>	<u>\$ 3,121,342</u>	<u>\$ 2,495,389</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 790,244	\$ 1,154,072	\$ 984,310
Accounts payables (including related parties)	753,213	834,118	500,587
Other payables	227,359	245,825	198,785
Long-term liabilities (including current portion)	293,398	283,309	38,242
	<u>\$ 2,064,214</u>	<u>\$ 2,517,324</u>	<u>\$ 1,721,924</u>
Lease liabilities (including current portion)	<u>\$ 37,614</u>	<u>\$ 39,122</u>	<u>\$ 31,440</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.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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 USD, NTD, CNY and MYR. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. For some foreign currency managed exchange rate risk by foreign exchange contracts, it was not in consistent with the hedge accounting, thus, it was not accounted for using hedge accounting.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: USD; other certain subsidiaries' functional currency: USD, NTD, CNY and MYR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:CNY	\$ 26,094	7.1782	\$ 866,451
USD:MYR	1,165	4.5998	38,684
USD:NTD	586	33.2050	19,458
EUR:USD	569	1.0833	20,467
CNY:USD	4,112	0.1393	19,021
JPY:NTD	107,467	0.2227	23,933
<u>Financial liabilities</u>			
<u>Monetary items</u>			
NTD:USD	\$ 188,694	0.0301	\$ 188,694
CNY:USD	3,094	0.1393	14,312

December 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:CNY	\$ 23,884	7.1884	\$ 783,037
USD:MYR	3,021	4.6404	99,043
USD:NTD	679	32.7850	22,261
EUR:USD	302	1.0413	10,310
CNY:USD	3,751	0.1391	17,108
JPY:NTD	91,009	0.2099	19,103
<u>Financial liabilities</u>			
<u>Monetary items</u>			
NTD:USD	\$ 185,873	0.0305	\$ 185,873
CNY:USD	2,722	0.1391	12,415

March 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:CNY	\$ 15,902	7.0950	\$ 508,864
USD:MYR	361	4.9261	11,552
USD:NTD	626	32.0000	20,032
EUR:USD	644	1.0769	22,192
CNY:USD	2,898	0.1409	13,071
JPY:NTD	68,218	0.2115	14,428
<u>Financial liabilities</u>			
<u>Monetary items</u>			
NTD:USD	\$ 190,670	0.0313	\$ 190,670

- iv. The total exchange gains (losses), 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 \$8,359 and \$15,802, 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
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:CNY	1%	\$ 8,665	\$ -
USD:MYR	1%	387	-
USD:NTD	1%	195	-
JPY:NTD	1%	239	-
CNY:USD	1%	190	-
EUR:USD	1%	205	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
NTD:USD	1%	\$ 1,887	-
CNY:USD	1%	143	-

Three months ended March 31, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:CNY	1%	\$ 5,089	\$ -
USD:MYR	1%	116	-
USD:NTD	1%	200	-
EUR:USD	1%	222	-
EUR:USD	1%	222	-
CNY:USD	1%	131	-
JPY:NTD	1%	144	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
NTD:USD	1%	\$ 1,907	-

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. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group's borrowings at variable rate were mainly denominated in NTD, USD and CNY Dollars.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax on December 31, 2023 and 2022 would have decreased/increased by \$646, \$6,290, and \$1,285, respectively. The main factor is that changes in interest expense result from floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risks from accounts receivables that the counterparties could not repay in accordance with payment terms and the contractual cash flow from assets at amortized cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only credit level with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing 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, considering their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts assumptions under IFRS 9 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 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group, based on the historical collection experience, has determined that the default occurs when the contract payments are past due over 180 days.
- v. The Group classifies customers' accounts receivable in accordance with credit quality. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- vi. The Group estimates the loss allowances for accounts receivables by the loss rate built by historical and current information during specific period, after adjusting by foreseeing consideration according to Purchase Management Index ISM and PMI from National Bureau of Statistics of China. As of March 31, 2025, December 31, 2024, and March 31, 2024, the provision matrix is as follows:

(i) General customers

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~60 days past due</u>
<u>At March 31, 2025</u>			
Expected loss rate	0.03%~8.13%	0.03%~8.78%	0.03%~32.73%
Total carrying amount	<u>\$ 1,426,884</u>	<u>\$ 66,770</u>	<u>\$ 10,497</u>
Loss allowance	<u>\$ 5,158</u>	<u>\$ 1,345</u>	<u>\$ 1,010</u>
	<u>61~180 days past due</u>	<u>Over 181 Days</u>	<u>Total</u>
Expected loss rate	0.10%~47.33%	100%	
Total carrying amount	<u>\$ 4,820</u>	<u>\$ 6,192</u>	<u>\$ 1,515,163</u>
Loss allowance	<u>\$ 1,941</u>	<u>\$ 6,192</u>	<u>\$ 15,646</u>

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~60 days past due</u>
<u>At December 31, 2024</u>			
Expected loss rate	0.03%~8.55%	0.03%~2.66%	0.03%~26.61%
Total carrying amount	<u>\$ 1,414,006</u>	<u>\$ 61,903</u>	<u>\$ 3,930</u>
Loss allowance	<u>\$ 6,118</u>	<u>\$ 945</u>	<u>\$ 632</u>
	<u>61~180 days past due</u>	<u>Over 180 Days</u>	<u>Total</u>
Expected loss rate	0.10%~72.14%	100%	
Total carrying amount	<u>\$ 5,467</u>	<u>\$ 6,004</u>	<u>\$ 1,491,310</u>
Loss allowance	<u>\$ 1,081</u>	<u>\$ 6,004</u>	<u>\$ 14,780</u>

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~60 days past due</u>
<u>At March 31, 2024</u>			
Expected loss rate	0.03%~13.40%	0.03%~26.58%	51.92%~56.23%
Total carrying amount	<u>\$ 822,708</u>	<u>\$ 73,238</u>	<u>\$ 12,488</u>
Loss allowance	<u>\$ 5,826</u>	<u>\$ 4,275</u>	<u>\$ 3,589</u>
	<u>61~180 days past due</u>	<u>Over 181 Days</u>	<u>Total</u>
Expected loss rate	0.20%~91.56%	100.00%	
Total carrying amount	<u>\$ 3,321</u>	<u>\$ 6,542</u>	<u>\$ 918,297</u>
Loss allowance	<u>\$ 294</u>	<u>\$ 6,542</u>	<u>\$ 20,526</u>

(ii) Individual evaluations

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Expected loss rate	100%	100%	100%
Total carrying amount	<u>\$ 9,039</u>	<u>\$ 8,924</u>	<u>\$ 8,711</u>
Loss allowance	<u>\$ 9,039</u>	<u>\$ 8,924</u>	<u>\$ 8,711</u>

Note: According to the credit risk management policies of the Group, the sales customers are classified as general customers and individual evaluations.

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

	<u>2025</u>	<u>2024</u>
As of January 1	\$ 23,704	\$ 25,636
Provision of impairment losses	856	3,349
Write-off due to uncollectibility	-	(241)
Effect of foreign exchange	125	493
As of March 31	<u>\$ 24,685</u>	<u>\$ 29,237</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.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group's non-derivative financial liabilities are grouped by relevant maturity and analysed based on the remaining period at the balance sheet date to the contractual maturity date. Expect for the undiscounted contractual cash flows of notes payable, accounts payable (including related parties) and other payables are equivalent to their carrying amount and expiring within one year, the amounts of the remaining financial liabilities' undiscounted contractual cash flows are provided in the table below:

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
March 31, 2025				
Short-term borrowings	\$ 803,694	\$ -	\$ -	\$ 803,694
Lease liabilities	9,899	8,973	25,167	44,039
Long-term liabilities	<u>155,116</u>	<u>46,257</u>	<u>102,973</u>	<u>304,346</u>
	<u>\$ 968,709</u>	<u>\$ 55,230</u>	<u>\$ 128,140</u>	<u>\$ 1,152,079</u>

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
December 31, 2024				
Short-term borrowings	\$ 1,192,237	\$ -	\$ -	\$ 1,192,237
Lease liabilities	9,780	8,975	26,961	45,716
Long-term liabilities	<u>152,468</u>	<u>43,995</u>	<u>101,964</u>	<u>298,427</u>
	<u>\$ 1,354,485</u>	<u>\$ 52,970</u>	<u>\$ 128,925</u>	<u>\$ 1,536,380</u>

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
March 31, 2024				
Short-term borrowings	\$ 1,007,399	\$ -	\$ -	\$ 1,007,399
Lease liabilities	5,254	4,880	28,385	38,519
Long-term liabilities	<u>16,572</u>	<u>22,422</u>	<u>-</u>	<u>38,994</u>
	<u>\$ 1,029,225</u>	<u>\$ 27,302</u>	<u>\$ 28,385</u>	<u>\$ 1,084,912</u>

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents financial assets at amortized cost, notes receivables, accounts receivables, other receivables, guarantee deposits paid, long-term and short-term borrowings, notes payables, accounts payables (including related parties), and other payables are reasonably approximate to their fair values.

13. OTHER DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to Table 1.

B. Provision of endorsements and guarantees to others: Please refer to Table 2.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates, and joint ventures): None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Table 3.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Table 4.

J. Significant inter-company transactions during the reporting periods: Please refer to Table 5.

(2) Information on investees

Names, locations, and other information of investee companies (excluding investees in Mainland China): Please refer to Table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland China: Please refer to Table 8.

14. SEGMENT INFORMATION

(1) General information

The Group is primarily engaged in manufacturing and selling vehicle's brake master cylinder, clutch master cylinder, caliper, and brake assembly of scooter and bicycle. The Group operates business only in a single industry. The Board of Directors who allocates resources and assesses performance of the Group and operational results as a whole, has identified that the Group is a single reportable operating segment.

(2) Measurement of segment information

The operating segment's accounting policies are in agreement with the significant accounting policy summarised in Note 2 of the financial statements. The Group's segment profit (loss) is measured by the operating income (loss), which is used as a basis for the Group in assessing the performance of the operating segments.

(3) Information about reconciliation of segment profit or loss

The segment net operating revenue reported to the chief operating decision-maker is measured in a manner consistent with the income and expenses shown in the statement of comprehensive income, therefore, the adjustments for profit before tax are the same as that in the statement of comprehensive income. The Group did not provide the total amount of assets and liabilities to the chief operating decision-maker for operating decisions.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
LOANS TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 1

Unit : in thousands of NTD
(unless otherwise specified)

<u>No.</u> <u>(Note</u> <u>1)</u>	<u>Name of lender</u>	<u>Name of borrower</u>	<u>Account</u>	<u>Related</u> <u>party</u>	<u>Highest balance of</u> <u>financing to other</u> <u>parties during the</u> <u>period</u>	<u>Ending balance</u>	<u>Actual usage amount</u>	<u>Interests</u> <u>rate</u> <u>interval</u>	<u>Nature of</u> <u>financing</u> <u>(Note</u> <u>2)</u>	<u>Transaction</u> <u>amount for</u> <u>business</u> <u>between</u> <u>two parties</u>	<u>Reasons for short-</u> <u>term financing</u>	<u>Allowance for bad</u> <u>debt</u>	<u>Collateral</u>		<u>Individual funding</u> <u>loan limits (Note</u> <u>3)</u>	<u>Maximum limit of</u> <u>fund financing (Note</u> <u>3)</u>	<u>Note</u>
													<u>Name</u>	<u>Value</u>			
0	The Company	YCS Automotive Parts Sdn Bhd Xiamen	Other receivables	Yes	43,317	43,317	18,049	5.0%	2	-	Operating turnover	-	None	-	1,229,187	1,229,187	
1	Xiamen Yougyu Machinery Co. Ltd.	Yonghuangxing Friction Material Co., Ltd.	Other receivables	Yes	13,877	13,877	4,626	5.0%	2	-	Operating turnover	-	None	-	984,828	984,828	
1	Xiamen Yougyu Machinery Co. Ltd.	Wuhu Sanyan Machinery Company	Other receivables	Yes	69,387	69,387	67,074	5.0%	2	-	Operating turnover	-	None	-	984,828	984,828	
1	Xiamen Yougyu Machinery Co. Ltd.	Fuzhou Assured Brake Systems Co., Ltd.	Other receivables	Yes	92,516	92,516	18,503	5.0%	2	-	Operating turnover	-	None	-	984,828	984,828	
2	YCS Automotive Parts Sdn Bhd	Yusin Machinery (Malaysia) Sdn Bhd	Other receivables	Yes	7,220	7,220	-	5.0%	2	-	Operating turnover	-	None	-	17,475	17,475	

Note 1 : The “No.” column shall be filled as follows :

- (1).The issuer is 0.
- (2).The investees are sequentially numbered from 1.

Note 2 : The “Nature of financing” column shall be filled as follows : The Company has business relations with the company; 2. In need of short-term financing.

Note 3 : The highest balances of financing to other parties are as follows :

- (1).The total amount loaned to companies or firms in need of short-term financing and the amount loaned to a single company or firm shall not exceed 40 percent of the Company’s net worth.
- (2).The total amount loaned to foreign subsidiaries directly or indirectly held by the Company in need of short-term financing and the amount loaned to a single foreign subsidiary directly or indirectly held by the Company shall not exceed 40 percent of the Company’s net worth.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
PROVISION OF ENDORSEMENTS AND GUARANTEES TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 2

Unit : in thousands of NTD
(unless otherwise specified)

<u>No.</u> (Note 1)	<u>Name of endorser and guarantor</u>	<u>Guarantee and endorsee</u> <u>Company Name</u>	<u>Relationship</u> (Note 2)	<u>Limitation on amount of guarantees and endorsements for a specific enterprise</u> (Note 3)	<u>Highest balance for guarantee and endorsements during the period</u> (Note 4)	<u>Balance of guarantees and endorsements, end of the period</u> (Note 5)	<u>Actual usage amount</u> (Note 6)	<u>Amount of property pledged for guarantee and endorsement</u>	<u>ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements</u>	<u>Maximum amount for guarantees and endorsements</u> (Note 3)	<u>Parent company endorsements/guarantees to subsidiary</u> (Note 7)	<u>Subsidiary endorsements/guarantees to the parent company</u> (Note 7)	<u>Endorsements/guarantees to third parties on behalf of companies in Mainland China</u> (Note 7)	<u>Note</u>
0	The Company	Horng Fuu Industrial Co., Ltd.	2	1,536,484	50,000	50,000	-	-	1.63%	1,536,484	Y	N	N	
0	The Company	Yusin Brake Corp.(Samoa)	2	1,536,484	373,286	374,326	206,880	-	12.18%	1,536,484	Y	N	N	
0	The Company	Fuzhou Assured Brake Systems Co., Ltd.	3	1,536,484	185,032	185,032	31,994	-	6.02%	1,536,484	Y	N	Y	
1	Xiamen Yougyu Machinery Co. Ltd.	Xiamen Yonghuangxing Friction Material Co., Ltd.	3	1,231,034	20,816	20,816	6,939	-	0.85%	1,231,034	N	N	Y	
1	Xiamen Yougyu Machinery Co. Ltd.	Fuzhou Assured Brake Systems Co., Ltd.	3	1,231,034	513,464	513,464	182,765	-	20.85%	1,231,034	N	N	Y	

Note 1 : The “No.” column shall be filled as follows :

- (1). The issuer is 0.
- (2). The investees are sequentially numbered from 1.

Note 2 : There are 7 types of relationships between the endorser/guarantor and the endorsee/guarantee. Only numbers of types shall be indicated: :

- (1). Entities have business relations with the Company
- (2). The Company directly or indirectly holds more than 50% of voting shares of the entity.
- (3). Entity directly or indirectly owns more than 50% of voting shares of the Company.
- (4).The parent directly or indirectly through subsidiaries holds more than 50% of voting shares of the entity.
- (5). The Company fulfils its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project
- (6). All capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7). Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

Note 3 : The regulations of the Operational Procedures for Endorsements/Guarantees of the Company are as follows:

- (1). Total amount of the endorsements/guarantees provided for others by the Company and subsidiaries shall not exceed 50% of the net value of the current period.
- (2). Endorsements/guarantees provided for a single entity shall not exceed 50% of the net value of the current period. If the endorsements/guarantees are provided for business relationships, the amount shall not exceed the total amount of the transactions with the Company in the recent year (purchases or sales between both parties, whichever is higher). Net value refers to the amount in the financial statements of the Company audited or reviewed by CPA in the most recent period.

Note 4 : The maximum balance amount for guarantees and endorsements in current year.

Note 5 : The amounts filled in have been approved by the board of directors. If the board of directors authorized the chairman for the approval according to Article 12-8 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amounts filled in shall be approved by the chairman.

Note 6 : Actual usage amount within the limitation on amount of guarantees and endorsements.

Note 7 : Fill in Y, under the circumstances of parent company endorsements/guarantees to third parties on behalf of subsidiary, subsidiary endorsements/guarantees to third parties on behalf of parent company, or endorsements/guarantees to third parties on behalf of companies in Mainland China.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
PURCHASE OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING \$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 3

Unit : in thousands of NTD
(unless otherwise specified)

<u>Transaction details</u>							<u>The details and reasons for transaction terms and conditions different from ordinary transaction terms and conditions</u>		<u>Notes and accounts receivables (payables)</u>		
<u>The purchase (sales) company</u>	<u>Counter-party</u>	<u>Relationship</u>	<u>Purchase (sales)</u>	<u>Amount</u>	<u>Percentage accounting for total purchase (sales)</u>	<u>Credit period</u>	<u>Unit price</u>	<u>Credit period</u>	<u>Balance</u>	<u>Percentage accounting for total notes and accounts receivables (payables)</u>	<u>Note</u>
Yusin Brake Corp.(Samoa)	Xiamen Yougyu Machinery Co. Ltd.	Fellow subsidiary	Purchase	\$520,240 USD 15,815 thousand	100	120 days monthly settlement	\$ -	-	(\$ 772,787) (USD 23,273 thousand)	(100)	
Xiamen Yougyu Machinery Co. Ltd.	Yusin Brake Corp.(Samoa)	Fellow subsidiary	(Sales)	(\$520,240) (USD 15,815 thousand)	(82)	120 days monthly settlement	-	-	\$ 772,787 USD 23,273 thousand	88	

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES REACHING \$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 4

Unit : in thousands of NTD

(unless otherwise specified)

<u>The Company with accounts receivable</u>	<u>Counter-party</u>	<u>Relationship</u>	<u>Balance of receivables from related parties</u>	<u>Turnover</u>	<u>Overdue receivables from related parties</u>		<u>Amount of receivables from related parties collected in subsequent period</u>		<u>Loss allowance</u>
					<u>Amount</u>	<u>Collection status</u>			
Xiamen Yougyu Machinery Co. Ltd.	Yusin Brake Corp.(Samoa)	Fellow subsidiary	\$ 772,787 USD 23,273 thousand	1.32	\$ -	-	\$ 24,110	\$	-

Note : Collections or payment as of April 30, 2025.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AMONG THE PARENT COMPANY AND SUBSIDIARIES, AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 5

Unit : in thousands of NTD

(unless otherwise specified)

<u>Intercompany transactions</u>						
<u>No. (Note 1)</u>	<u>Name of company</u>	<u>Name of counter-party</u>	<u>Relationship (Note 2)</u>	<u>Account</u>	<u>Amount</u>	<u>Trading terms</u>
0	The Company	Yusin Brake Corp.(Samoa)	1	Other receivables	39,184	According to the rules in the contract. Annual interest rate is accrued at 6%.
1	The Company	Yusin Brake Corp.(Samoa)	1	Other receivables-payment for shares	65,640	According to the rules in the contract.
1	Yusin Brake Corp.(Samoa)	G.D.M Bourne. Inc.	3	Other payables	46,348	Calculate according to the contracts, 90 days monthly settlement.
1	Yusin Brake Corp.(Samoa)	G.D.M Bourne. Inc.	3	Commission expenditures	17,087	Calculate according to the contracts, 90 days monthly settlement.
1	Yusin Brake Corp.(Samoa)	Xiamen Yougyu Machinery Co. Ltd.	3	Accounts payables	772,787	Repayment is remitted monthly.
1	Yusin Brake Corp.(Samoa)	Xiamen Yougyu Machinery Co. Ltd.	3	Purchase	520,240	Prices are negotiated between the two parties, 120 days monthly settlement.
2	Xiamen Yougyu Machinery Co. Ltd.	Wuhu Sanyan Machinery Company	3	Other receivables- fund	67,074	According to the rules in the contract. Annual interest rate is accrued at 5%.

Percentage accounting for the consolidated total revenue or total assets (Note 3)

Note 1 : Business relationships among the parent company and subsidiaries, and significant intercompany transactions shall be filled in the No. column as the way below :

- (1). The parent company is 0.
 - (2). Subsidiaries are sequentially numbered from 1.
- Note 2 : There are three types of intercompany relationships. Please indicate the type by numbers(The transactions between the parent company and subsidiaries or among subsidiaries shall not be disclosed repetitively. For example, for a transaction from the parent company to the subsidiaries, if the parent company has disclosed the information, the subsidiaries shall not disclose repetitively. For a transaction between subsidiaries, if only of the subsidiaries has disclosed the information, the other one shall not disclose repetitively.):

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

Note 3 : Concerning the calculation of percentage accounting for the consolidated net revenue or total assets, for assets and liabilities, the percentage shall be calculated by the ending balance accounting for the consolidated total assets. For profit or loss, the percentage shall be calculated by the cumulative amount accounting for consolidated total revenue.

Note 4 : Concerning the standard about the amounts that shall be disclosed, for asset or liability accounts, the disclosure standard is 1% of consolidated total assets; for profit or loss accounts, the disclosure standard is 1% of total operating revenue.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTT COMPANIES (EXCLUDING INVESTEEES IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 6

Unit : in thousands of NTD
(unless otherwise specified)

<u>Name of investor company</u>	<u>Name of investees</u> (Note 1, 2)	<u>Location</u>	<u>Main business</u>	<u>Original investment amount</u>		<u>Number of shares</u>	<u>Percentage of ownership, end of the period</u>	<u>Carrying amount</u>	<u>Net income (loss) of investees</u>	<u>Gains (losses) on investments recognized in the period</u>	<u>Note</u>
				<u>End of the period</u>	<u>End of prior period</u>						
The Company	Yusin Brake Corp.(Samoa)	Samoa	Sales of vehicle's brake master cylinder and clutch master cylinder	\$ 7,305	\$ 7,305	220,000	100.00	\$ 68,034	\$ 6,726	\$ 6,726	Subsidiary
The Company	G.D.M Bourne. Inc.	USA	Agency sales of vehicle's brake master cylinder and clutch master cylinder	1,826	1,826	55,000	55.00	24,199	5,637	3,100	Subsidiary
The Company	Glorious Moon Limited	Samoa	General investment business	90,282	90,282	2,718,940	100.00	(25,766)	(2,962)	(2,962)	Subsidiary
The Company	Horng Fuu Industrial Co., Ltd.	Taiwan	Production and sales of hydraulic brake system of scooter and bicycle	212,512	212,512	6,400,000	100.00	231,370	1,031	1,031	Subsidiary
The Company	Yusin Machinery (Malaysia) Sdn Bhd	Malaysia	Manufacturing and sales of vehicle's disc brake pads and drum brake pads	140,780	140,780	19,500,000	100.00	133,543	1	1	Subsidiary
Glorious Moon Limited	YCS Automotive Parts Sdn Bhd	Malaysia	Manufacturing and sales of vehicle's disc brake pads and drum brake pads	91,286	91,286	12,644,500	90.97	39,736	(3,263)	(2,969)	Subsidiary

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
INFORMATION ON IVESTMENTS IN MAINLAND CHINA – BASIC INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 7

Unit : in thousands of NTD
(unless otherwise specified)

Names of investee in Mainland China	Main business	Paid-in capital	Method of investment (Note 1)	Remittance of funds in the current period			Accumulated outward remittance for investment from Taiwan, beginning of the period	Accumulated outward remittance for investment from Taiwan, end of the period	Net income (loss) of investees	Percentage of ownership of direct or indirect investments	Gains (losses) on investments recognized in the period (Note 2)	Carrying amount of investments, end of the period	Accumulated repatriation of gain on investment as of end of the period	Note
				Outward	Inward									
Xiamen Yougyu Machinery Co. Ltd.	Manufacturing and sales of vehicle's brake master cylinder and clutch master cylinder	\$ 772,349	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,219	100.00	\$ 112,219	\$ 2,451,648	\$ -	
Xiamen Yonghuangxing Friction Material Co., Ltd.	Manufacturing and sales of brake shoe	91,713	1	-	-	-	-	-	(1,818)	90.00	(1,637)	15,543	-	
Wuhu Sanyan Machinery Company	Processing, manufacturing and sales of vehicles parts	106,393	2	-	-	-	-	-	(3,031)	77.83	(2,359)	(16,822)	-	
Guangzhou Ou Hua Ruei Rih Auto Parts Co., Ltd.	Sales of vehicles parts	27,755	2	-	-	-	-	-	(449)	51.00	(229)	14,766	-	
Yung-Yu-Shing (Xiamen) Technology Co., Ltd.	Sales of vehicles parts	69,387	2	-	-	-	-	-	(15)	70.00	(11)	10,462	-	
Fuzhou Assured Brake Systems Co., Ltd.	Manufacturing and sales of brake shoes	348,330	1	-	-	-	-	-	(743)	56.81	(422)	248,395	-	
Yongding (Xiamen) Trading Co., Ltd.	Import and export agent business	6,633	1	-	-	-	-	-	-	100.00	-	6,633	-	
Fuzhou Ruixin Industrial Technology Co., Ltd.	Processing, manufacturing and sales of vehicles parts	46,258	1	-	-	-	-	-	-	70.00	-	-	-	
Company name	Accumulated outward remittance for investment in Mainland China as of end of the period	Investment amount authorized by investment commission, MOEA	Upper limit on the amount of investment stipulated by investment commission, MOEA											
The Company	Note 3	Note 3	Note 3											

Note 1 : There are two methods of investment. Please indicate the number of methods. :

(1).Directly invest in Mailand China

(2).Other ways

Note 2 : The gains (losses) on investments are reviewed by the CPA of the parent in Taiwan.

Note 3 : As the Company is an offshore company, the Company is exempt from the restrictions in “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China.”

Note 4 : The numbers in the table shall be indicated in NTD.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA –
SIGNIFICANT TRANSACTIONS, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD ARE, WITH INVESTEE COMPANIES IN THE MAINLAND AREA
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 8

Unit : in thousands of NTD

(unless otherwise specified)

<u>Names of investee in Mainland China</u>	<u>Sales (purchase) amount</u>	<u>%</u>	<u>Property transaction amount</u>	<u>%</u>	<u>Accounts receivables (payables) balance</u>	<u>%</u>	<u>Provision of endorsements and guarantees of notes or collaterals</u>		<u>The highest balance</u>	<u>Fund financing</u>			<u>Others</u>
							<u>Ending balance</u>	<u>Purpose</u>		<u>Ending balance</u>	<u>Interest rate interval</u>	<u>Interest in the current period</u>	
Xiamen Yougyu	(\$520,240) (USD 15,815 thousand)	(82)	\$ -	-	(\$ 772,787) (USD 23,273 thousand)	88%	\$ -	-	\$ 175,780	\$ 175,780	5.0%	\$ 1,389	