YUSIN HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 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' REPORT

For the years ended December 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

(115) No. Finance-Auditing-Reporting- 25004675

To Yusin Holding Corp.

Audit opinion

We have audited the accompanying consolidated balance sheets of Yusin Holding Corp. and its subsidiaries (the "Group") as at December 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As stated in Note 6.(2)6 of the consolidated financial statements, the parent company of the debtors Brake Parts Inc. LLC and BPI Distribution Mexico S.A. de C.V.—First Brands Group, LLC—filed for bankruptcy protection with the U.S. Bankruptcy Court for the Southern District of Texas on September 25, 2025 (U.S. time). Yusin Brake Corp. (Samoa) Taiwan Branch, a subsidiary of Yusin Holdings Co., Ltd., has assessed, based on objective evidence, the likelihood that the accounts receivable cannot be recovered and has recognized expected credit losses accordingly. This matter did not result in any modification to the audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Valuation of inventory

Description to key audit matter

For the description of accounting policy on inventory, please refer to Note 4(10). For the accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For the description of allowance for inventory valuation losses, please refer to Note 6(4). As of December 31, 2025, the balances of inventories and allowance for inventory valuation losses were NT$783,748 thousand and NT$93,241 thousand, respectively.

The Group is engaged in the manufacturing and selling of vehicle's brake master cylinder and clutch master cylinder. There is a risk of inventory losing value or becoming obsolete due to returned goods or order cancellations as the production model of the Group is Build - to - Order. Inventories are stated at the lower of cost and net realizable value. The Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value, for inventories age over a certain period and were separately identified as obsolete and damaged, the Group recognizes loss for obsolete and slow-moving inventories. As the determination of net realizable value involves subjective judgement, it results in an uncertainty when assessing the obsolete or slow-moving inventories. Additionally, since the inventory and allowance for inventory valuation losses were material to the financial statements, the valuation of inventory was identified as a key audit matter.

Audit procedures in response

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of accounting policies of recognition of inventory valuation allowance, and whether they are consistently adopted during the periods of the comparative financial statements.

2. Obtained the net realizable value reports for each inventory; confirmed that the calculation logic has been applied consistently; sampled and tested related parameters including sources of information such as sale and purchase files; determined the inventory valuation allowances that shall be provided by recalculating and comparing one-by-one the lower of cost and net realizable value.

3. Obtained an understanding of Group's warehousing control procedures. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.

4. Verified the appropriateness of the system logic in calculating the ageing of inventories, in order to confirm that the information in the reports is correct.

5. Regarding inventories wherein aging is greater than certain periods, assessed the level of destocking and compared with the allowance for inventory valuation losses that was provided in prior year; interviewed with the management about the assessment result; and assessed the rationality of inventory valuation loss determined by the Group.

Timing of recognising sales revenue

Description

Please refer to Note 4(23) for accounting policy of revenue recognition. For the year ended December 31, 2025, the Group's sales revenue was $3,970,768 thousand.

The export sales revenue constitutes over 68% of the total Group sales revenue. Since the Group has diverse transaction terms on sales orders, contracts or other agreements with customers and the timing of goods' ownership transfer and the procedures for the revenue recognition involves manual checking of sales status and relevant documents, it may have a significant effect on the appropriateness of revenue recognition near the end of the reporting period. Therefore, sales revenue recognition needs to be adjusted at the end of the reporting period and may lead to misstatements for the cut-off of sales revenue recognition in the financial statements. Thus, we consider the timing of recognising sales revenue a key audit matter.

Audit procedures in response

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of the Group's sales revenue recognition procedures and internal control process, and reviewed sales contracts, in order to assess the effectiveness of managements' control of revenue recognition.

2. Performed cut-off test on sales revenue transactions during a certain period before and after the balance sheet date, including verifying the supporting documents for ownership transfer of the transactions to ensure that the sales revenue had been recorded in the appropriate period accordingly.

3. Tested the amounts of accounts receivables by confirmation letters to perform substantive procedures to the balances, and confirmed whether accounts receivables and sales revenue are recorded in the correct period and conform the time points of revenue recognition.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

February 25, 2026

YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1598,201	28	$ 1,061,984	20
1150	Notes receivable, net	6(1)(2) and 8	341,381	6	483,373	9
1170	Accounts receivable, net	6(2)(3) and 12(2)	971,454	17	1,476,530	28
1200	Other receivables		47,008	1	79,486	2
1220	Current income tax assets		3,980	-	6,454	-
130X	Inventories	6(4)	690,507	12	664,846	13
1470	Other current assets	8	32,023	1	25,630	1
11XX	**Total current assets**		3,684,554	65	3,798,303	73
	Non-current assets					
1600	Property, plant and equipment	6(5) and 8	1,529,710	27	1,181,832	23
1755	Right-of-use assets	6(6)	144,457	3	114,889	2
1780	Intangible assets	6(7)	7,128	-	7,988	-
1840	Deferred income tax assets	6(23)	129,331	2	21,676	1
1915	Prepayments for business facilities	6(5)	91,993	2	41,341	1
1920	Guarantee deposits paid		67,008	1	19,969	-
1990	Other non-current assets-others		19	-	3,446	-
15XX	**Total non-current assets**		1,969,646	35	1,391,141	27
1XXX	**Total assets**		$ 5,654,200	100	$ 5,189,444	100

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YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(8)	$ 1,454,984	26	$ 1,154,072	22
2130	Current contract liabilities	6(16)	8,940	-	6,429	-
2170	Accounts payable		611,092	11	810,106	16
2180	Accounts payable to related parties	7	30,473	1	24,012	1
2200	Other payables	6(10)	245,919	4	245,825	5
2220	Other payables to related parties	7	18,513	-	-	-
2230	Current income tax liabilities		42,476	1	22,359	-
2280	Current lease liabilities		11,451	-	8,182	-
2320	Long-term liabilities, current portion	6(9)	291,628	5	142,236	3
2399	Other current liabilities		1,432	-	1,413	-
21XX	**Total current liabilities**		2,716,908	48	2,414,634	47
	Non-current liabilities					
2540	Non-current portion of borrowings	6(9)	78,240	1	141,073	3
2570	Deferred tax liabilities	6(23)	38,049	1	52,344	1
2580	Non-current lease liabilities		56,597	1	30,940	-
25XX	**Total non-current liabilities**		172,886	3	224,357	4
2XXX	**Total liabilities**		2,889,794	51	2,638,991	51
	Equity attributable to owners of parent					
	Share capital	6(13)				
3110	Share capital		479,718	9	419,718	8
	Capital surplus	6(14)				
3200	Capital surplus		1,374,003	24	812,403	15
	Retained earnings	6(15)				
3310	Legal reserve		282,203	5	240,028	5
3320	Special reserve		60,468	1	201,497	4
3350	Unappropriated retained earnings		466,149	8	713,173	14
	Other equity interest					
3400	Other equity interest		(133,261)	(2)	(60,468)	(1)
31XX	**Total equity attributable to owners of parent**		2,529,280	45	2,326,351	45
36XX	**Non-controlling interests**		235,126	4	224,102	4
3XXX	**Total equity**		2,764,406	49	2,550,453	49
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 5,654,200	100	$ 5,189,444	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
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Years ended December 31,			
			2025		2024	
	Items	Notes	Amount	%	Amount	%
4000	**Operating revenue**	6(16)	$ 3,970,768	100	$ 3,915,108	100
5000	**Operating costs**	6(4)(21)(22) and 7	(2,796,548)	(70)	(2,780,461)	(71)
5900	**Gross profit**		1,174,220	30	1,134,647	29
	Operating expenses	6(21)(22)				
6100	Selling expenses		(203,039)	(5)	(206,870)	(6)
6200	General and administrative expenses		(292,116)	(8)	(238,311)	(6)
6300	Research and development expenses		(170,124)	(4)	(128,174)	(3)
6450	Expected credit impairment gains (losses)	12(2)	(509,515)	(13)	2,239	-
6000	**Total operating expenses**		(1,174,794)	(30)	(571,116)	(15)
6900	**Operating (losses) profit**		(574)	-	563,531	14
	Non-operating income and expenses					
7100	Interest income	6(17)	11,014	-	25,354	1
7010	Other income	6(18)	16,424	-	11,319	-
7020	Other gains and losses	6(19)	(21,808)	-	32,666	1
7050	Finance costs	6(20)	(48,549)	(1)	(54,270)	(2)
7000	**Total non-operating income and expenses**		(42,919)	(1)	15,069	-
7900	**Profit (loss) before income tax**		(43,493)	(1)	578,600	14
7950	Income tax benefit (expense)	6(23)	14,415	-	(123,891)	(3)
8200	**Profit (loss) for the year**		($ 29,078)	(1)	$ 454,709	11
	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		($ 115,062)	(3)	$ 175,980	5
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		49,937	2	(32,438)	(1)
8300	**Total other comprehensive income (loss) for the year**		($ 65,125)	(1)	$ 143,542	4
8500	**Total comprehensive income for the year**		($ 94,203)	(2)	$ 598,251	15
	Profit (loss), attributable to:					
8610	Owners of the parent		($ 31,369)	(1)	$ 427,676	10
8620	Non-controlling interests		$ 2,291	-	$ 27,033	1
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		($ 104,162)	(2)	$ 568,704	14
8720	Non-controlling interests		$ 9,959	-	$ 29,547	1
	Earnings (loss) per share(In dollars)	6(24)				
9750	**Basic earnings (loss) per share**		($	0.67)	$	10.19
9850	**Diluted earnings (loss) per share**		($	0.67)	$	10.16

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
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of parent												
			Capital surplus					Retained earnings						
	Notes	Share capital-common stock	Capital surplus-additional paid-in capital	Capital surplus-difference between consideration and carrying amount of subsidiaries acquired or disposed	Capital surplus-donated assets received	Capital surplus-employee share options	Others	Legal reserve	Special reserve	Undistributed retained earnings	Financial statements translation differences of foreign operations	Subtotal	Non-controlling interests	Total equity
For the year ended December 31, 2024														
Balance at January 1, 2024		$ 419,718	$ 789,563	$ 8,021	$ 8,964	$ 5,330	$ 525	$ 202,798	$ 139,946	$ 642,488	($ 201,496)	$ 2,015,407	$ 196,572	$ 2,211,979
Profit for the year		-	-	-	-	-	-	-	-	427,676	-	427,676	27,033	454,709
Other comprehensive income		-	-	-	-	-	-	-	-	-	141,028	141,028	2,514	143,542
Total comprehensive income		-	-	-	-	-	-	-	-	427,676	141,028	568,704	29,547	598,251
Distribution of 2023 earnings	6(15)													
Legal reserve		-	-	-	-	-	-	37,230	-	(37,230)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	-	62,001	(62,001)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	-	(251,831)	-	(251,831)	-	(251,831)
Changes in ownership interests in subsidiaries	6(25)	-	-	-	-	-	-	-	-	(5,929)	-	(5,929)	5,929	-
Dividends paid to non-controlling interests	6(25)	-	-	-	-	-	-	-	-	-	-	-	(7,946)	(7,946)
Balance at December 31, 2024		$ 419,718	$ 789,563	$ 8,021	$ 8,964	$ 5,330	$ 525	$ 240,028	$ 201,497	$ 713,173	($ 60,468)	$ 2,326,351	$ 224,102	$ 2,550,453
For the year ended December 31, 2024														
Balance at January 1, 2025		$ 419,718	$ 789,563	$ 8,021	$ 8,964	$ 5,330	$ 525	$ 240,028	$ 201,497	$ 713,173	($ 60,468)	$ 2,326,351	$ 224,102	$ 2,550,453
Profit for the year		-	-	-	-	-	-	-	-	(31,369)	-	(31,369)	2,291	(29,078)
Other comprehensive income		-	-	-	-	-	-	-	-	-	(72,793)	(72,793)	7,668	(65,125)
Total comprehensive income		-	-	-	-	-	-	-	-	(31,369)	(72,793)	(104,162)	9,959	(94,203)
Distribution of 2025 earnings	6(15)													
Legal reserve		-	-	-	-	-	-	42,175	-	(42,175)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	-	(141,029)	141,029	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	-	(311,817)	-	(311,817)	-	(311,817)
Cash capital increase	6(13)	60,000	540,000	-	-	-	-	-	-	-	-	600,000	-	600,000
Compensation cost of employee stock options	6(12)	-	-	-	-	-	-	-	-	-	-	21,600	-	21,600
Exercise of employee stock options		-	21,600	-	-	-	-	-	-	-	-	-	-	
Changes in ownership interests in subsidiaries	6(25)	-	-	-	-	21,600	-	-	-	(2,692)	-	(2,692)	2,692	-
Dividends paid to non-controlling interests	6(25)	-	-	-	-	(21,600)	-	-	-	-	-	-	(1,627)	(1,627)
Balance at December 31, 2025		$ 479,718	$ 1,351,163	$ 8,021	$ 8,964	$ 5,330	$ 525	$ 282,203	$ 60,468	$ 466,149	($ 133,261)	$ 2,529,280	$ 235,126	$ 2,764,406

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
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		($ 43,493)	$ 578,600
Adjustments:			
Items of income and expenses			
Depreciation (including right-of-use assets)	6(5)(6)(21)	161,700	129,517
Amortizations	6(21)	16,346	15,546
Cost of employee stock options	6(22)	21,600	-
Expected credit impairment loss	12(2)	509,515	(2,239)
Interest income	6(17)	(11,014)	(25,354)
Loss on disposal of property, plant and equipment	6(19)	324	2,996
Interest expense	6(20)	48,549	54,270
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Notes receivables		128,607	(176,036)
Accounts receivables		(13,597)	(512,919)
Other receivables		110,739	(53,779)
Inventories		(33,028)	(91,678)
Other current assets		(13,390)	(19,786)
Other non-current assets		-	(2,873)
Changes in operating liabilities			
Contract liabilities		2,238	(152)
Accounts payable		(179,795)	301,161
Accounts payable - related parties		6,720	(21,366)
Other payables		5,395	15,426
Other payables - related parties		-	(1,780)
Other current liabilities		296	153
Cash generated from operations		717,712	189,707
Interest received		11,014	25,354
Interest paid		(48,549)	(54,270)
Income taxes paid		(83,172)	(151,222)
Net cash generated from operating activities		597,005	9,569

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YUSIN HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(26)	(534,425)	(280,178)
Proceeds from disposal of property, plant and equipment	6(5)	3,255	47,784
Acquisition of intangible assets	6(7)	(2,688)	(4,159)
Acquisition of land use right	6(6)(27)	(5,822)	(37,794)
Increase in guaranteed deposits paid		(41,014)	(9,392)
Net cash flows used in investing activities		(580,694)	(283,739)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(27)	2,498,637	3,571,612
Repayments of short-term borrowings	6(27)	(2,165,594)	(3,359,562)
Increase in long-term borrowings	6(27)	341,434	253,850
Repayments of long-term borrowings	6(27)	(246,380)	(18,767)
Repayments of principal portion of lease liabilities	6(27)	(10,373)	(6,576)
Cash capital increase	6(13)	600,000	
Dividend distributed to non-controlling interests	6(25)	(1,627)	(7,946)
Cash dividends paid	6(15)	(311,817)	(251,831)
Net cash flows generated from financing activities		704,280	180,780
Effect of foreign exchange rate changes on cash and cash equivalents		(184,374)	65,738
Net increase (decrease) in cash and cash equivalents		536,217	(27,652)
Cash and cash equivalents at beginning of year		1,061,984	1,089,636
Cash and cash equivalents at end of year		$ 1,598,201	$ 1,061,984

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
YEARS ENDED DECEMBER 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 authorised for issuance by the Board of Directors on February 25, 2026.

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 and became effective from 2025 are as follows:

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

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

   2) Effect of new issuances of or amendments to 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – Contracts Involving Natural Electricity	January 1, 2026

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 17 – Insurance Contracts	January 1, 2023
Amendments to IFRS 17 – Insurance Contracts	January 1, 2023
Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

Except for the matters described below, the Group has assessed that the adoption of the above new standards and interpretations does not have a material impact on the Group's financial position or financial performance:

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

1) The amendments clarify and provide additional guidance on the assessment of whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion. The scope of the guidance includes contractual terms that change cash flows based on contingent events (for example, interest rates linked to environmental, social and governance ("ESG") targets), instruments with non-recourse features, and contractually linked instruments.
2) New disclosure requirements are introduced for certain instruments with contractual terms that can change cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance ("ESG") targets), including qualitative descriptions of the nature of the contingencies; quantitative information about the range of possible changes in contractual cash flows arising from such contractual terms; and the total carrying amount of financial assets and the amortized cost of financial liabilities subject to such contractual terms.
3) The amendments clarify the recognition and derecognition dates of certain financial assets and financial liabilities. In addition, when an entity settles a financial liability (or part of a financial liability) in cash through an electronic payment system, the amendments permit an entity to consider the financial liability to be extinguished before the settlement date if, and only if, all of the following conditions are met:

(a) the entity does not have the practical ability to withdraw, stop, or cancel the payment instruction;

(b) the entity does not have the practical ability to access the cash used for settlement as a result of the payment instruction; and

(c) the settlement risk associated with the electronic payment system is not significant.

4) The amendments update the disclosure requirements for equity instruments designated, through an irrevocable election, as measured at fair value through other comprehensive income ("FVOCI"), whereby fair value information is required to be disclosed by class of equity instruments rather than by individual instrument; entities are also required to disclose the amount of fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains or losses related to investments derecognized during the reporting period and those related to investments held at the end of the reporting period; and the cumulative gains or losses transferred to equity upon derecognition of investments during the reporting period.

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries without Public Accountability"	January 1, 2027
Amendments to IAS 21 – Translation to a Hyperinflationary Currency	January 1, 2027

Note: In a press release dated September 25, 2025, the Financial Supervisory Commission announced that public companies will be required to apply International Financial Reporting Standard No. 18 (hereinafter referred to as "IFRS 18") starting from fiscal year 2028; in addition, entities that wish to early adopt IFRS 18 may elect to do so after IFRS 18 is endorsed by the Financial Supervisory Commission.

Except for 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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

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 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	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Description
The Company	Xiamen Yougyu Machinery Co. Ltd.	Manufacturing and sales of vehicle’s brake master cylinder and clutch master cylinder	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	
The Company	G.D.M Bourne. Inc. (“GDM”)	Agency sales of vehicle’s brake master cylinder and clutch master cylinder	55.00	55.00	
The Company	Glorious Moon Limited	General investment business	100.00	100.00	
The Company	Xiaman Yonghuangxing Friction Material Co., Ltd. (“Xiaman Yonghuangxing”)	Manufacturing and sales of Brake Shoe	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	
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	Note 1
The Company	Yongding (Xiamen) Trading Co., Ltd. (“Yongding”)	Import and export agency services	100.00	-	Note 2
Glorious Moon Limited	YCS Automative Parts Sdn Bhd (“YCS”)	Manufacturing and sales of vehicle’s disc brake pads and drum brake pads	95.15	90.97	Note 3
Xiamen Yougyu Machinery Co., Ltd.	Wuhu Sanyan Machinery Company (“Wuhu Sanyan”)	Processing, manufacturing and sales of vehicles parts	77.83	77.83	
Xiamen Yougyu Machinery Co., Ltd.	Guangzhou Ou Hua Ruei Rih Auto Parts Co., Ltd.	Sales of vehicles parts	51.00	51.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2025	December 31, 2024	Description
	(“Guangzhou Ou Hua Ruei Rih”)				
Xiamen Yougyu Machinery Co., Ltd.	Yung-Yu-Shing (Xiamen) Technology Co., Ltd. (“Yung-Yu-Shing”)	Sales of vehicles parts	70.00	70.00	
Xiamen Yougyu Machinery Co., Ltd.	Fuzhou Assured Brake Systems Co., Ltd. (“Fuzhou Assured”)	Manufacturing and sales of brake shoes	56.81	56.81	
Fuzhou Assured Brake Systems Co., Ltd.	Fuzhou Ruixin Industrial Technology Co., Ltd. (“Fuzhou Ruixin”)	Processing, manufacturing and sales of vehicles parts	70	-	Note 4

Note 1: Established and a 100% equity interest was acquired through capital contribution in March 2024.

Note 2: Established and a 100% equity interest was acquired through capital contribution in January 2025.

Note 3: YCS Automative Parts Sdn Bhd executed cash capital increase of MYR 8,500 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%. In December 2025, a cash capital increase of MYR 12,000 thousand was conducted. Glorious Moon Limited did not subscribe in proportion to its shareholding, resulting in an increase in its ownership interest from 90.97% to 95.15%.

Note 4: Fuzhou Assured Brake Systems Co., Ltd. was established in March 2025 and acquired a 70% equity interest in Fuzhou Ruixin through capital contribution.

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 $671,663 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 December 31, 2025 and 2024, the non-controlling interest amounted to $235,126 and $224,102, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interests			
		December 31, 2025		December 31, 2024	
Name of subsidiary	Principal place of business	Amount	Percentage of ownership	Amount	Percentage of ownership
Fuzhou Assured	China	$ 183, 165	43.19%	$ 185,773	43.19%

Summarized financial information of the subsidiaries:

Balance sheets

	Fuzhou Assure	
	December 31, 2025	December 31, 2024
Current assets	$ 848,354	$ 1,067,684
Non-current assets	374,217	395,415
Current liabilities	(805,998)	(969,435)
Non-current liabilities	(25,978)	(66,445)
Total net assets	$ 390,595	$ 427,219

Statements of comprehensive income

	Fuzhou Assure	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenue	$ 1,025,344	$ 777,654
Profit before income tax	4,507	61,979
Income tax expense	2,205	(117)
Profit for the year	2,302	62,096
Total comprehensive income for the period	$ 2,302	$ 62,096
Comprehensive income attributable to non-controlling interest	$ 994	$ 26,769

Statements of cash flows

	Fuzhou Assure	
	For the year ended December 31, 2025	For the year ended December 31, 2024
Net cash used in operating activities	($ 111,615)	($ 230,531)
Net cash used in investing activities	(42,461)	(92,646)
Net cash generated (used) by financing activities	(54,948)	329,403
Increase in cash and cash equivalents	14,206	6,226
Cash and cash equivalents, beginning of year	16,333	10,107
Cash and cash equivalents, end of year	$ 30,539	$ 16,333

4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is United States dollars (USD); however, the consolidated financial statements are presented in New Taiwan dollars (NTD) under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognized in other comprehensive income.

5) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) The Group does not have the right to defer settlement of the liability for at least twelve months after the reporting period.

6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognized in profit or loss.

8) Impairment of financial assets

At each reporting date, the Group shall consider all the reasonable and provable information, including foreseeing information. If the credit risk on accounts receivables or contract assets with significant financing component and loan commitment has not increased significantly since initial recognition, the Group shall measure the loss allowance for that instrument at an amount equal to 12-month expected credit losses. If the credit risk on accounts receivables or contract assets with significant financing component and loan commitment has increased significantly since initial recognition, the Group shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses. For those accounts receivable or contract assets do not contain significant financing component, the Company shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses.

9) Derecognition of financial assets

The Group shall derecognize the financial assets when：

A. The contractual rights to the cash flows from the financial assets expire, or

B. The Group transfers the contractual rights to the cash flows from the financial assets, and transfers substantially all the risks and rewards of ownership of the financial assets to others, or

C. The transfers the contractual rights to the cash flows from the financial assets, but does not retain control of the financial asset.

10) B. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

11) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 55 years
Machinery equipment	3 ~ 10 years
Molding equipment	5 ~ 10 years
Transportation equipment	4 ~ 10 years
Office equipment	3 ~ 10 years
Leasehold improvements	3 years

12) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

A. Leased assets are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. If the lease contract is a short-term lease or the underlying assets of the lease if of low value, the Company shall recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

B. Lease liabilities shall be measured at the present value of lease payments that are not paid at the commencement date at initial recognition. The lease payments shall be discounted using the Group's incremental borrowing rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortized cost using effective interest rate method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

13) Intangible assets

A. Patent right

Separately acquired patent right is stated at historical cost. Patent right acquired in a business combination are recognized at fair value at the acquisition date. Patent right has a finite useful life and is amortized on a straight-line basis over their estimated useful lives of 2 to 10 years.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 2 to 10 years.

C. Goodwill

Goodwill arises from a business combination. Goodwill arising from business combinations shall be recognized as the difference between the acquisition cost plus related direct cost attributable to the acquisition, and the fair value of the net identifiable assets.

14) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is / are expected to benefit from the synergies of the business combination.

15) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest rate method.

16) Accounts payable

A. Accounts payables are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term accounts payables without bearing interest are measured at initial invoice amount as the effect of discounting is immaterial.

17) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

18) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration is recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees’ bonus and compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

19) Employee Share-based Payments

Equity-settled share-based payment arrangements are measured, at the grant date, at the fair value of the equity instruments granted to determine the cost of employee services received, which is recognized as compensation expense over the vesting period, with a corresponding adjustment to equity. The grant date is the date on which the transfer price and the number of shares are approved by the Board of Directors. The fair value of the equity instruments reflects the effects of market vesting conditions and non-vesting conditions. The compensation expense recognized is adjusted based on the number of awards expected to vest, considering the fulfilment of service conditions and non-market vesting conditions, until the final amount recognized is based on the number of awards that have vested at the vesting date.

20) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

21) <u>Share capital</u>

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

22) <u>Dividends</u>

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders meeting. Cash dividends are recorded as liabilities.

23) <u>Revenue recognition</u>

A. The Group manufactures and sells vehicle's brake master cylinder, clutch master cylinder, caliper, and brake assembly of scooter and bicycle. Sales revenue is recognized when control of the products has transferred, being when the products are delivered to the customer. When the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied, the products are delivered.

B. Revenue is measured at the net amount of the consideration received or receivable taking into account of business tax, sales returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. The contract signed between the Group and customer defines the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, therefore, the Group does not adjust the transaction price to reflect the time value of money.

C. Accounts receivables are recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

D. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

24) <u>Government grants</u>

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognized as non-current liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

25) <u>Business combinations</u>

The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

1) Critical judgements in applying the Group's accounting policies

None.

2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation. Please refer to Note 6(4) for the explanations on inventory valuation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 450	$ 393
Checking and demand deposits	1,442,122	785,098
Time deposits	155,629	276,493
	$ 1,598,201	$ 1,061,984

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

B. The restricted cash and cash equivalents used for performance bond and other purposes as of December 31, 2025 and 2024 amounted to $2,838 and $2,873, which are classified under other non-current assets. Please refer to Note 8.

2) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 341,381	$ 483,373
Accounts receivable	$ 1,495,945	$ 1,500,234
Less: Allowance for uncollectible accounts	(524,491)	(23,704)
	$ 1,971,454	$ 1,476,530

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 December 31, 2025 and 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 December 31, 2025 and 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 December 31, 2025 and 2024, notes receivables transferred to others by indorsement to pay the same amounts to suppliers which are undue amounted to $8,580 and $47,739, respectively. If the drawer or acceptor rejects the payment at maturity, the Group bears the duty of fulfilment as the endorser.

D. As of December 31, 2025 and 2024, notes receivables discounted outstanding amounted to $100,696 and $278,549 , 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. The parent company of the debtors, Brake Parts Inc. LLC ("BPI") and BPI Distribution Mexico S.A. de C.V. ("BPI Mexico")—First Brands Group, LLC ("FBG")—filed for bankruptcy protection with the U.S. Bankruptcy Court for the Southern District of Texas on September 25, 2025 (U.S. time).

Yusin Brake Corp., Taiwan Branch (hereinafter referred to as "Yusin Brake"), the Taiwan branch of the Company's subsidiary Yusin Brake Corp. (Samoa), has engaged U.S. legal counsel to conduct debt negotiations with FBG. As the related accounts receivable are unsecured claims and no critical vendor agreement had been executed with FBG as of the audit report date, the recoverable amount cannot be reasonably estimated. Accordingly, the Group has individually assessed, based on objective evidence, the likelihood that these accounts receivable are uncollectible and has recognized expected credit losses amounting to $506,468.

G. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $341,381 and $483,373 ; $971,454 and $1,476,530 , respectively.

3) <u>Transfer of financial assets</u>

A. On November 24, 2015, February 12, 2015, and October 9, 2024, the Group entered into factoring agreements with Bank of America, J. P. Morgan Bank, and Wells Fargo 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 December 31, 2025 and 2024 is as follows:

December 31, 2025

Purchaser of accounts receivable	Accounts receivable transferred	Derecognized the transferred accounts receivable	Recognized accounts receivable
Bank of America	$ 639,896	$ 639,896	$ -
J. P. Morgan Bank	138,578	138,578	-
Wells Fargo Bank	43,353	43,353	-

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

C. Interest expense for accounts receivable transferred derecognized beforehand amounted to $2,612 and $2,915 (shown as 'Finance costs') for the years ended December 31, 2025 and 2024, respectively

D. 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:

	December 31, 2025	December 31, 2024
Discounting by bank	$ 73,403	$ 52,737
	(CNY 16,415 thousand)	(CNY11,563 thousand)

4) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 417,321	($ 68,798)	$ 348,523
Work in progress	51,435	(338)	51,09
Finished goods	314,992	(24,105)	290,887
Total	$ 783,748	($ 93,241)	$ 690,507

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

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2025	2024
Cost of goods sold	$ 2,795,784	$ 2,789,593
Loss on inventory valuation	10,254	2,628
Loss on scraps	7,261	4,044
Loss (gain) on physical inventory	(262)	23
Revenue from sale of scraps	(16,489)	(15,827)
	$ 2,796,548	$ 2,780,461

5) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2025									
Cost	$ 186,980	$ 630,758	$ 920,642	$ 446,911	$ 31,979	$ 114,710	$ 21,242	$ 10,075	$ 2,363,297
Accumulated depreciation and impairment	-	(225,811)	(522,904)	(344,326)	(19,106)	(66,977)	(2,341)	-	(1,181,465)
	$ 186,980	$ 404,947	$ 397,738	$ 102,585	$ 12,873	$ 47,733	$ 18,901	$ 10,075	$ 1,181,832
2025									
Carrying amount as of January 1	$ 186,980	$ 404,947	$ 397,738	$ 102,585	$ 12,873	$ 47,733	$ 18,901	$ 10,075	$ 1,181,832
Additions	-	2,701	135,369	48,014	9,344	14,876	152	268,783	479,239
Reclassification (Note)	-	1,146	35,078	(16,320)	-	2,786	450	(53)	23,087
Disposals	-	-	(343)	(1,933)	(223)	(1,080)	-	-	(3,579)
Depreciation expenses	-	(18,793)	(76,096)	(24,841)	(5,413)	(15,524)	(6,818)	-	(147,485)
Net exchange differences	(6,241)	(7,634)	(3,610)	1,360	(12)	(781)	(551)	14,085	(3,384)
Carrying amount as of December 31	$ 180,739	$ 382,367	$ 488,136	$ 108,865	$ 16,569	$ 48,010	$ 12,134	$ 292,890	$ 1,529,710
At December 31, 2025									
Cost	$ 180,739	$ 623,482	$ 1,078,823	$ 465,857	$ 37,376	$ 129,017	$ 21,522	$ 292,890	$ 2,829,706
Accumulated depreciation and impairment	-	(241,115)	(590,687)	(356,992)	(20,807)	(81,007)	(9,388)	-	(1,299,996)
	$ 180,739	$ 382,367	$ 488,136	$ 108,865	$ 16,569	$ 48,010	$ 12,134	$ 292,890	$ 1,529,710

	Land	Buildings and structures	Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2024									
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)
	$ 177,400	$ 365,149	$ 302,913	$ 66,112	$ 13,164	$ 37,847	$ -	$ 15,164	$ 977,749
2024									
Carrying amount as of January 1	$ 177,400	$ 365,149	$ 302,913	$ 66,112	$ 13,164	$ 37,847	$ -	$ 15,164	$ 977,749
Additions	-	4,825	152,177	56,605	3,181	20,455	11,651	15,739	264,633
Reclassification (Note)	-	35,428	18,126	1,347	359	2,870	9,122	(21,486)	45,766
Disposals	-	(119)	(42,793)	(3,991)	(58)	(3,819)	-	-	(50,780)
Depreciation expenses	-	(18,165)	(58,505)	(24,885)	(4,306)	(11,925)	(2,290)	-	(120,076)
Net exchange differences	9,580	17,829	25,820	7,397	533	2,305	418	658	64,540
Carrying amount as of December 31	$ 186,980	$ 404,947	$ 397,738	$ 102,585	$ 12,873	$ 47,733	$ 18,901	$ 10,075	$ 1,181,832
At December 31, 2024									
Cost	$ 186,980	$ 630,758	$ 920,642	$ 446,911	$ 31,979	$ 114,710	$ 21,242	$ 10,075	$ 2,363,297
Accumulated depreciation and impairment	-	(225,811)	(522,904)	(344,326)	(19,106)	(66,977)	(2,341)	-	(1,181,465)
	$ 186,980	$ 404,947	$ 397,738	$ 102,585	$ 12,873	$ 47,733	$ 18,901	$ 10,075	$ 1,181,832

Note: Transferred from prepayments for equipment, and reclassified from unfinished construction to property, plant and equipment for completion of inspection and acceptance.

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.

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

D. As of December 31, 2025 and 2024, the Group had prepaid amounts of $91,993 and $41,341, respectively, in connection with the purchase of equipment.

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:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Land	$ 78,446	$ 77,089
Buildings and structures	66,011	37,800
	$ 144,457	$ 114,889

	Year ended December 31,	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	$ 3,071	$ 2,136
Buildings and structures	11,144	7,305
	$ 14,215	$ 9,441

D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were $44,978 and $52,685, respectively.

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

	Year ended December 31,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,919	$ 1,739
Expense on short-term lease contracts	25,481	3,923
Expense on leases of low-value assets	6,503	6,957

F. For the years ended December 31, 2025 and 2024, the Group’s total cash outflow for leases were $51,098 and $56,989, respectively.

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

7) Intangible assets

	Patent right	Computer software	Goodwill	Total
At January 1, 2025				
Cost	$ 2,982	$ 17,428	$ 998	$ 21,408
Accumulated amortization and impairment	(1,402)	(12,018)		(13,420)
	$ 1,580	$ 5,410	$ 998	$ 7,988
2025				
At January 1	$ 1,580	$ 5,410	$ 998	$7,988
Additions	-	2,688	-	2,688
Amortization expenses	(549)	(2,799)	-	(3,348)
Net exchange differences	(70)	(111)	(19)	(200)
December 31	$ 961	$ 5,188	$ 979	$ 7,128
At December 31, 2025				
Cost	$ 2,883	$ 10,565	$979	$ 14,427
Accumulated amortization and impairment	(1,922)	(5,377)	-	(7,299)
	$ 961	$ 5,188	$979	$ 7,128

	Patent right	Computer software	Goodwill	Total
At January 1, 2024				
Cost	$ 2,807	$ 12,981	$ 949	$ 16,737
Accumulated amortization and impairment	(777)	(8,532)	-	(9,309)
	$ 2,030	$ 4,449	$ 949	$ 7,428
2024				
At January 1	$ 2,030	$ 4,449	$ 949	$ 7,428
Additions	-	2,093	-	2,093
Reclassifications (Note)	-	2,066	-	2,066
Amortization expenses	(565)	(3,465)	-	(4,030)
Net exchange differences	115	267	49	431
December 31	$ 1,580	$ 4,449	$ 998	$ 7,988
At December 31, 2024				
Cost	$ 2,982	$ 17,428	$ 998	$ 21,408
Accumulated amortization and impairment	(1,402)	(12,018)	-	(13,420)
	$ 1,580	$ 5,410	$ 998	$ 7,988

Note: transferred from prepayments for equipment.

(8) Short-term borrowings

Type of borrowings		December 31, 2025	Interest rate range	Collateral
Bank borrowings				
Unsecured borrowings	$	1,180,420	1.70%~4.95%	None
Secured borrowings		173,868	2.05%~2.75%	Please refer to Note 8.
Liabilities arising from discounted notes receivable		100,696	0.81%~3.98%	Please refer to Note 8.
	$	1,454,984		

Type of borrowings		December 31, 2024	Interest rate range	Collateral
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		278,549	0.70%~4.90%	Please refer to Note 8.
	$	1,154,072		

1. 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 years ended December 31, 2025 and 2024 amounted to $4,909and $6,967.

2. Pursuant to the loan agreement entered into with Mega International Commercial Bank on February 15, 2025, the Company is required, during the credit facility period, to maintain an average deposit balance of not less than NT$50 million over the preceding six months, to be reviewed in February and August of each year. As of December 31, 2025, the Group was not in violation of any covenants under the aforementioned loan agreement with the bank.

(9) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range			December 31, 2024
Installment-repayment borrowings					
Secured borrowings	Borrowing period is from September 17, 2025 to October 17, 2026, interest is payable monthly, with the principal repayable in a lump sum at maturity.	2.35%		$	33,126
Secured borrowings	Borrowing period is from September 17, 2025 to October 17, 2026, interest is payable monthly, with the principal repayable in a lump sum at maturity.	2.00%-3.50%			78,239
Unsecured borrowing	Borrowing period is from April 9, 2025 to May 9, 2026, interest is payable monthly, with the principal repayable in a lump	2.70%			41,884

	sum at maturity.			
Unsecured borrowing	Borrowing period is from April 10, 2025 to May 10, 2026; principal is fully repaid at maturity; interest is repayable monthly.	2.70%		15,741
Unsecured borrowing	Borrowing period is from May 12, 2025 to June 12, 2026; principal is fully repaid at maturity; interest is repayable monthly.	2.70%		15,922
Unsecured borrowing	Borrowing period is from June 10, 2025 to July 10, 2026; principal is fully repaid at maturity; interest is repayable monthly.	2.70%		10,219
Unsecured borrowing	Borrowing period is from September 4, 2025 to October 4, 2026; principal is fully repaid at maturity; interest is repayable monthly.	2.70%		44,461
Unsecured borrowing	Borrowing period is from September 17, 2025 to October 17, 2026 September 4, 2025 to October 4, 2026; principal is fully repaid at maturity; interest is repayable monthly.	2.35%		26,772
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.	5.18%		103,904
Subtotal				369,868
Less: Current portion				(291,628)
				$ 78,240

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 are a grace period during which interest is payable monthly; upon the expiration of the grace period, interest is repayable monthly; the principal is repayable $3,000 thousand quarterly starting from the June,	2.05%		$ 25,000

	2023, and the remaining balance is fully repaid at maturity.		
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%	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%	45,369
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$300 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

A. In March 2024, the Company's subsidiary, Xiamen Yongyu, entered into a syndicated loan agreement under the Technological Innovation Fund with the Agricultural Bank of China, with a credit facility of RMB 64 million. The loan proceeds are to be used solely for working capital required for Xiamen Yongyu's plant and related facilities. As of December 31, 2025, RMB 17.5 million had been drawn down. The original annual interest rate was 3.50%; however, based on the technological innovation fund interest subsidy policy of Xiamen applicable at the time of contract execution, the effective annual interest rate borne on the initial drawdown was 2%.

B. In March 2025, the Company's subsidiary, Fuzhou Xinxin, entered into a loan agreement with Xiamen Bank, for which the Company's subsidiary, Xiamen Yongyu, acts as a joint and several guarantor. In addition, in October 2023, the Company's subsidiary, Fuzhou Xinxin, entered into a loan agreement with China Trust Commercial Bank, for which the Company acts as a joint and several guarantor.

C. The long-term loan agreement entered into by the Company with China Trust Bank on August 4, 2025 provides that, during the credit facility period, the Group is required to (i) upon each rollover, ensure that the Group's annual consolidated debt-to-equity ratio (total liabilities / tangible net worth), as reviewed based on the annual consolidated financial statements, does not exceed 100%; (ii) maintain a 100% ownership interest in Yusin Malaysia; and (iii) semi-annually review that the Group's average accumulated deposit balance (excluding pledged deposits) with China Trust Bank over the preceding six months exceeds 20% of the average outstanding loan balance over the same period.

As of December 31, 2025, the Group did not comply with the above-mentioned debt-to-equity ratio covenant. The credit facility amounted to USD 4 million, of which USD 3.5 million had been drawn down. As a result of the breach of this covenant, the bank is entitled to demand early repayment of the outstanding balance of USD 3.2 million. Accordingly, the outstanding balance has been reclassified as current liabilities. However, as of the date the Board of Directors approved these financial statements, the bank had not requested early repayment of the loan. The Group's management is actively negotiating with the bank.

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

	December 31, 2025	December 31, 2024
Employee benefits payable	$ 171,667	$ 140,365
Commissions payable	26,380	33,225
Payable on machinery and equipment	10,120	10,080
Business tax payable	6,181	1,875

Service fees payable	4,726	6,560
Employees' compensation and remuneration for directors	1,565	25,533
Others	25,280	28,187
	$ 245,919	$ 245,825

(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 to be subject to the pension mechanism under the Labor Standards Act. The contribution plan accrued dividends from an employee's individual account is paid monthly or in lump sum upon retirement of an employee.

B. The Company's mainland China subsidiaries, Xiamen Yougyu Machinery Co., Ltd., Xiaman Yonghuangxing Friction Material Co., Ltd., Wuhu Sanyan Machinery Company, Guangzhou Ou Hua Ruei Rih Auto Parts Co., Ltd., Yung-Yu-Shing (Xiamen) Technology Co., Ltd., Yongding (Xiamen) Trading Co., Ltd., Fuzhou Assured, and Fuzhou Ruixin Industrial Technology Co., Ltd. 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 years ended December 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. Other foreign subsidiaries of the Group contribute pension to related pension management units in accordance with local laws and regulations.

D. The pension costs under the aforementioned pension plans of the Group for the years ended December 31, 2025 and 2024 were $47,915 and $29,274, respectively.

(12) Share-based Payments (2024: None)

A. The Company's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Number of shares granted	Contract period	Vesting conditions
Cash capital increase reserved for employee subscription	January 17, 2025	900,000	N/A	Immediately vested

Except for the share-based payment arrangement described above, the Group does not have any other share-based payment arrangements granted to employees that have not yet vested.

B. Detailed information on the share-based payment arrangement described above is as follows:

2025

	Share Options Number (thousand shares)	Weighted Average Exercise price (NT$)
Outstanding share options as of January 1	-	$ -
Share options granted during the year	900	100
Share options exercised during the year	(900)	100
Outstanding share options as of December 31	-	
Exercisable share options as of December 31	-	

C. The weighted average market price of shares at the exercise date of the share options exercised during 2025 was NT$124.

D. The fair value of the share-based payment transactions granted by the Company at the grant date was estimated using the Black-Scholes option pricing model. The related information is as follows:

Type of arrangement	Grant date	Share price (NT$)	Exercise price (NT$)	Expected volatility (Note)	Expected life	Expected dividends	Risk-free interest rate	Fair value per unit (NT$)
Cash capital increase reserved for employee subscription	January 17, 2025	124	100	31.74%	0.01 years	-	1.37%	24.01

Note: Expected volatility is estimated based on the standard deviation of share returns over a period that is equivalent to the expected life of the share options, using the most recent available market data.

E. Expenses recognized from share-based payment transactions are as follows:

(2024: None)

	2025
Compensation expense for employee share options	$ 21,600

(13) Share capital

A. As of December 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 Company's outstanding ordinary shares at the beginning and end of the period is as follows:

	2025 (thousand shares)	2024 (thousand shares)
January 1	41,972	41,972
Cash capital increase	6,000	-
December 31	47,972	41,972

B. The Group has resolved by the board of directors on December 16, 2024 to issue 6,000 thousand of new shares by cash capital increase, at the price of NT$100 per share, and gained the total amount of $600,000. The base date of the capital increase is March 14, 2025, and the change of registrations has been completed.

(14) Capital surplus

A. 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 years ended December 31, 2024 and 2023 as resolved by shareholders at the shareholders' meeting, respectively, on May 28, 2025 and June 7, 2024 are as follows:

	Years ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 42,175		$ 37,230	
Appropriation of special reserve	17,025		62,001	
Cash dividends	311,817	$ 6.5	251,831	$ 6.0

E. The appropriations of earnings for the year ended December 31, 2024 as proposed by the Board of Directors on February 25, 2026 are as follows:

	Year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Special reserve	$ 72,794	
Cash dividends	95,944	$ 2.0

As of February 25, 2026, the above-mentioned 2025 earnings appropriation has not yet been resolved by the shareholders meeting.

(16) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	$ 3,970,768	$ 3,915,108

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:

	Year ended December 31, 2025					
	Asia	North America	Central and South America	Europe	Others	Total
Brake master cylinder	$ 173,520	$ 653,677	$ 98,330	$ 51,995	$ 28,815	$1,006,337
Brake cylinder	204,208	346,653	117,684	51,281	28,430	748,256
Clutch master cylinder	106,024	8,929	11,404	12,893	14,291	153,541
Clutch slave cylinder	70,063	14,498	9,416	9,758	11,532	115,267
Brake caliper	10,370	506,218	-	-	5,238	521,826
Two-wheel brake master cylinder	140,217	42,588	-	3,473	-	186,278
Brake pad	1,076,715	-	-	-	-	1,076,715
Others	151,608	5,439	686	468	4,347	162,548
Total	$1,932,725	$1,578,002	$ 237,520	$ 129,868	$ 92,653	$3,970,768

	Year ended December 31, 2024					
	Asia	North America	Central and South America	Europe	Others	Total
Brake master cylinder	$ 142,629	$ 517,281	$ 149,715	$ 40,509	$ 30,563	$ 880,697
Brake cylinder	176,276	288,618	140,488	52,882	27,175	685,439
Clutch master cylinder	96,332	5,734	18,960	13,785	15,001	149,812
Clutch slave cylinder	60,992	8,256	10,482	13,026	10,484	103,240
Brake caliper	31,634	568,878	81	-	2,875	603,468
Two-wheel brake master cylinder	166,207	31,573	-	890	-	198,670
Brake pad	1,166,175	-	189	-	-	1,166,364
Others	107,879	17,270	689	471	1,109	127,418
Total	$1,948,124	$ 1,437,610	$ 320,604	$ 121,563	$ 87,207	$3,915,108

B. Contract liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities - advance payment	$ 8,940	$ 6,429	$ 6,506

The revenue recognized in the current period from beginning contract liabilities

	Years ended December 31,	
	2025	2024
Advance payment	$ 6,009	$ 5,426

(17) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	$ 11,014	$ 25,354

(18) Other income

	Years ended December 31,	
	2025	2024
Grants revenue	$ 11,850	$ 6,344
Other income	4,574	4,975
	$ 16,424	$ 11,319

(19) Other gains and losses

	Years ended December 31,	
	2025	2024
Net foreign exchange gains (losses)	($ 19,945)	$ 37,939
Losses on disposal of property, plant and equipment	(324)	(2,996)
Other losses	(1,539)	(2,277)
	($ 21,808)	$ 32,666

(20) Finance costs

	Years ended December 31,	
	2025	2024
Interest expense	$ 37,026	$ 41,559
Interest expense on discounted notes	5,992	8,057
Interest expense on lease liabilities	2,919	1,739
Financial expense, others	2,612	2,915
	$ 48,549	$ 54,270

(21) Additional information on expenses by nature

	Years ended December 31,	
	2025	2024
Employee benefits expenses	$ 673,049	$ 578,022
Depreciation expenses (including right-of-use assets)	161,700	129,517
Amortization	16,346	15,546
	$ 851,095	$ 723,085

(22) Employee benefit expense

	Years ended December 31,	
	2025	2024
Wages and salaries	$ 486,928	$ 486,928
Compensation expense for employee share options	21,600	-
Pension costs	47,915	29,274
Other personnel expenses	72,954	61,820
	$ 673,049	$ 578,022

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 years ended December 31, 2025 and 2024, employees' compensations were accrued at $0 and $15,000, respectively; while directors' remuneration were accrued at $0 and $5,000, respectively. As the Company did not generate profits in 2025, no employee or directors' and supervisors' remuneration was accrued. The aforementioned amounts were recognized in salary expenses.

Employees' compensation and directors' remuneration of 2024 resolved by the Board of Directors were $15,000 and $5,000, respectively, which were consistent with those amounts recognized in financial statements for the year ended December 31, 2024. The aforementioned employees' compensation and directors' remuneration were 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 (profit)

Components of income tax expense (profit):

	Years ended December 31,	
	2025	2024
Current tax:		
Current tax on profits for the year	$ 104,488	$ 93,294
Underestimation on income tax in prior years	2,109	8,327
Tax on dividends	633	6,596
Effect of foreign exchange	306	231
Total current tax	107,536	108,448
Deferred tax:		
Origination and reversal of temporary differences	(121,951)	15,443
	($ 14,415)	$ 15,443

A. Relationship between income tax expense (profit) and accounting profit

	Years ended December 31, 2025	Years ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate (Note)	($ 18,090)	$ 113,628
Effect of earnings remitted from overseas	9,000	18,000
Tax on dividends	633	6,596
Underestimation on income tax in prior years	2,109	8,327
Expenses disallowed by tax regulation	4,744	3,512
Tax loss not recognized as deferred tax assets	-	2,294
Impact of change in the tax rate on temporary differences between current year and the year of realizing	(377)	157
Tax incentives of R&D and investments	(11,735)	(23,821)
Changes in estimation of the realizability of deferred tax assets	(699)	(4,802)
	($ 14,415)	$ 123,891

Note: The tax rates applied are based on the tax rates applicable in the relevant countries.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

2025	January 1	Recognized in profit or loss	December 31
Deferred tax assets:			
-Temporary differences:			
Allowance for inventory valuation loss	$ 17,062	$ 1,195	$ 18,257
Allowance for doubtful debts exceeding limit	2,876	101,197	104,073
Unrealized expenses	117	(2)	115
Unrealized exchange loss	-	5,265	5,265
Tax loss	1,621	-	1,621
Subtotal	$ 21,676	$ 107,655	$ 129,331
Deferred tax liabilities:			
Land value increment tax	($ 18,767)	$ 655	($ 18,11)
Commission revenue	(10,587)	1,001	(9,586)
Unrealized exchange gains	(4,546)	4,546	-
Book-tax difference on fixed assets	(444)	444	-
Income tax on oversea earnings	($ 18,000)	$ 7,649	($ 10,351)
Subtotal	($ 52,344)	$ 14,295	($ 38,049)
Total	($ 30,668)	$ 121,950	$ 91,282

2024	January 1	Recognized in	December 31

		profit or loss	
Deferred tax assets:			
-Temporary differences:			
Allowance for inventory valuation loss	$ 15,516	($ 728)	$ 14,788
Allowance for doubtful debts exceeding limit	3,604	1,546	5,150
Unrealized expenses	111	6	117
Unrealized exchange loss	1,256	(1,256)	-
Tax loss	1,621	-	1,621
Subtotal	$ 22,108	($ 432)	$ 21,676
Deferred tax liabilities:			
Land value increment tax	($ 17,653)	($ 1,114)	($ 18,767)
Commission revenue	(8,407)	(2,180)	(10,587)
Unrealized exchange gains	-	(4,546)	(4,546)
Book-tax difference on fixed assets	(1,273)	829	(444)
Income tax on oversea earnings	(10,000)	(8,000)	($ 18,000)
Subtotal	($ 37,333)	($ 15,011)	($ 52,344)
Total	($ 15,225)	($ 15,443)	($ 30,668)

D. The expiration dates of unused tax losses and the amounts of unrecognized deferred income tax assets are as follows:

December 31, 2025

Area	Year of occurrence	Currency (thousand dollars)	Declaration/ verification amount	Undeducted amount	Amount not recognized as deferred tax assets	Last deductible year
Taiwan	2023-2025	NTD	$ 27,463	$ 15,248	$ 5,492	2033-2035

December 31, 2024

Area	Year of occurrence	Currency (thousand dollars)	Declaration/ verification amount	Undeducted amount	Amount not recognized as deferred tax assets	Last deductible year
Mainland China	2018-2021	CNY	$ 22,376	$ 17,525	$ 17,525	2024-2026
Taiwan	2023-2024	NTD	$ 19,726	$ 19,726	$ 2,324	2033-2034

E. Deductible temporary differences not recognized as deferred income tax assets

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ -	$ 19,525

F. On November 17, 2022 and December 8, 2025, 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 2028.

G. 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 2022 to 2028.

(24) Earnings (loss) per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic/ diluted loss per share			
Loss attributable to the parent	($ 31,369)	46,788	($ 0.67)

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 427,676	41,972	$ 10.19
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 427,676	41,972	
Employees' compensations which are dilutive potential ordinary shares	-	122	
Profit attributable to ordinary shareholders of the parent plus the effect of dilutive potential ordinary shares	$ 427,676	42,094	$ 10.16

As the Company incurred a loss in 2025, the effects of potential ordinary shares with dilutive impact on loss per share were not taken into account.

(25) Transactions with non-controlling interest

A. Sub-subsidiary of the Group, YCS Automative 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%. The transaction increased non-controlling interests by $5,929, and decreased equity attributable to owners of the parent company by $5,929.

B. Sub-subsidiary of the Group, YCS Automative Parts Sdn Bhd executed cash capital increase in December, 2025. As the Group did not subscribe by its percentage of ownership, the percentage of ownership increased by 4.18%. The transaction increased non-controlling interests by $2,692, and decreased equity attributable to owners of the parent company by $2,692.

C. Subsidiary of the Group, GDM, resolved at a meeting of the Board of Directors on May 5, 2025, to distribute cash dividends. This transaction decreased non-controlling interests by $1,627.

D. Subsidiary of the Group, GDM, resolved at a meeting of the Board of Directors on February 27, June 7, and August 16, 2024, to distribute cash dividends. These transactions decreased non-controlling interests by $7,946.

(26) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31,	
	2025	2024
Acquisition of property, plant and equipment	$ 502,326	$ 310,399
Less: Opening balance of prepayments for equipment	(41,341)	(62,203)
Add: Opening balance of payables for equipment	10,080	1,721
Add: Ending balance of prepayments for equipment	91,993	41,341
Less: Ending balance of payables for equipment	(28,633)	(10,080)
Cash paid during the year	$ 534,425	$ 280,178

(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, 2025	$ 1,154,072	$ 39,122	$ 283,309	$ 1,476,503
Changes in cash flow from financing activities (Note 1)	333,043	(16,195)	95,054	411,902
Interest expenses paid (Note 2)	-	(2,919)	-	(2,919)
Other non-cash changes	-	39,156	-	39,156
Effect of foreign exchange	(32,131)	8,884	(8,495)	(31,742)

	Short-term borrowings	Lease liabilities	Long-term borrowings (including the current portion)	Total liabilities from financing activities
December 31, 2025	$ 1,454,984	$ 68,048	$ 369,868	$ 1,892,900

	2024			
	Short-term borrowings	Lease liabilities	Long-term borrowings (including the current portion)	Total liabilities from financing activities
January 1, 2024	$ 922,476	$ 31,604	$ 43,767	$ 997,847
Changes in cash flow from financing activities (Note 1)	212,050	(44,370)	235,083	402,763
Interest expenses paid (Note 2)	-	(1,739)	-	(1,739)
Other non-cash changes	-	52,685	-	52,685
Effect of foreign exchange	19,546	942	4,458	24,946
December 31, 2024	$ 1,154,072	$ 39,122	$ 283,309	$ 1,476,502

Note 1: including the cash flows for acquisition of right-of-use assets under investment activities.

Note 2: 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 (Note 1)
Longyan Yongheng Aluminum Co., Ltd. (Longyan Yongheng)	Other related parties
Zon Hen Industry Co., Ltd. (Zon Hen)	Other related parties (Note 2)
Fuzhou Ruixin Metal Co., Ltd. (Fuzhou Ruixin)	Other related parties (Note 3)
Directors, supervisors, general managers and associate general managers	Key management of the Company

Note 1: Fujian Longji completed deregistration on July 4, 2025 and has not been a related party since July 4, 2025.

Note 2: Zon Hen changed its directors on April 18, 2024 and has not been a related party since April 18, 2024.

Note 3: The person in charge of the company is the same individual as the person in charge of the Group’s indirect subsidiary, Fuzhou Assured.

(2) Significant related party transactions

A. Operating costs

(a)Purchases:

	Years ended December 31,	
	2025	2024
Longyan Yonghong	$ 60,730	$ 62,388
Fuzhou Ruixin	16,019	-
Other related parties	-	3,382
Total	$ 76,749	$ 65,770

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

(b)Processing fees (2025: none)

	December 31, 2024
Shen Yeu	$ 1,464

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:

	Years ended December 31,	
	2025	2024
Accounts payables:		
Longyan Yongheng	$ 27,635	$ 24,012
Fuzhou Ruixin	2,838	-
Total	$ 30,473	$ 24,012
Other payables:		
Fuzhou Ruixin	18,513	-
	$ 48,986	$ 24,012

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

C. Property transactions:

Acquisitions of property, plant and equipment (2024: None)

	December 31, 2025
Fuzhou Ruixin	$ 48,330

(3) Key management compensation

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	$ 38,846	$ 50,641
Share-based payment	3,720	-
	42,566	50,461

8. PLEDGED ASSETS

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

	Carrying amount		
Pledged asset	December 31, 2024	December 31, 2023	Purpose
Notes receivables	$ 169,329	$ 278,549	Notes discounted, Guarantees for short-term borrowings and credit lines
Property, plant and equipment			
-Buildings and structures	237,971	104,084	Guarantees for short-term and long-term borrowings and credit lines
Property, plant and equipment - Land	35,988	35,988	〃
Restricted time deposits (recognized as other current assets)	2,838	-	Performance bond
Restricted time deposits (recognized as other non-current assets)	-	2,873	〃
	$ 446,126	$ 421,494	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditures with signed contracts but not yet occurred:

	December 31, 2025	December 31, 2024
Property, plant and equipment	$ 803,117	$ 214,424
Intangible assets	413	-
	$ 803,530	$ 214,424

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriation of earnings for the year ended December 31, 2025 as resolved by the Board of Directors on February 25, 2026 is provided in Note 6(16).

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

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 1,598,201	$ 1,061,984
Notes receivables	341,381	483,373
Accounts receivables	971,454	1,476,530
Other receivables	47,008	79,486
Guarantee deposits paid	67,008	19,969
	$	$ 3,121,342

	3,025,052	
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	$ 1,454,984	$ 1,154,072
Accounts payables (including related parties)	641,565	834,118
Other payables (including related parties)	264,432	245,825
Long-term liabilities (including current portion)	369,868	283,309
	$ 2,730,849	$ 2,517,324
Lease liabilities (including current portion)	$ 68,048	$ 39,122

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

<u>Foreign exchange risk</u>

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 JPY 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:

	December 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD:CNY	$ 31,065	7.0288	796,373
USD:NTD	598	31.4300	18,795
CNY:USD	4,442	0.1423	19,863
JPY:NTD	63,153	0.2008	12,681
Financial liabilities			
Monetary items			
NTD:USD	39,739	0.0318	39,739
CNY:USD	3,441	0.1423	15,387

	December 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
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
Financial liabilities			
Monetary items			
NTD:USD	185,873	0.0326	183,790
CNY:USD	2,722	0.1391	12,415

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 years ended December 31, 2025 and 2024, amounted to ($19,945) and $37,939, respectively.

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

	Year ended December 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:CNY	1%	$ 9,764	$ -
USD:NTD	1%	188	-
CNY:USD	1%	199	-
JPY:NTD	1%	127	-
Financial liabilities			
Monetary items			
NTD:USD	1%	$ 397	-
CNY:USD	1%	154	-

	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:CNY	1%	$ 7,830	$ -
USD:MYR	1%	990	-
USD:NTD	1%	223	-
EUR:USD	1%	103	-
CNY:USD	1%	171	-
JPY:NTD	1%	191	
Financial liabilities			
Monetary items			
NTD:USD	1%	$ 1,859	-
CNY:USD	1%	124	

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 December 31, 2025 and 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, 2025 and 2024 would have decreased/increase by $9,450 and $6,290, 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, taking into account 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 and loss rate method 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 December 31, 2025 and 2024, the provision matrix and loss rate method are as follows:

(i) General customers

	Not past due	Up to 30 days past due	31~60 days past due
At December 31, 2025			
Expected loss rate	0.03%~7.43%	0.03%~9.00%	0.05%~28.12%
Total carrying amount	$ 891,841	$ 67,086	$ 16,975
Loss allowance	$ 5,427	$ 1,595	$ 2,590

	61~180 days past due	Over 181 Days	Total
Expected loss rate	0.05%~47.19%	100.00%	
Total carrying amount	$ 7,839	$ 5,736	$ 989,477
Loss allowance	$ 2,675	$ 5,736	$ 18,023

	Not past due	Up to 30 days past due	31~60 days past due
At December 31, 2024			
Expected loss rate	0.03%~8.55%	0.03%~2.66%	0.03%~26.61%
Total carrying amount	$ 1,414,006	$ 61,903	$ 3,930
Loss allowance	$ 6,118	$ 945	$ 632

	61~180 days past due	Over 180 Days	Total
Expected loss rate	0.10%~72.14%	100.00%	
Total carrying amount	$ 5,467	$ 6,004	$ 1,491,310
Loss allowance	$ 1,081	$ 6,004	$ 14,780

(ii) Individual evaluations (where objective evidence indicates that the value has been impaired)

	December 31, 2025	December 31, 2024
Expected loss rate	100%	100%
Total carrying amount	$ 506,468	$ 8,924
Loss allowance	$ 506,468	$ 8,924

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:

	2025	2024
As of January 1	$ 23,704	$ 25,636
Provision (reversal) for impairment losses	509,515	(2,239)
Write-off due to uncollectibility	(8,479)	(285)
Effect of foreign exchange	(249)	592
As of December 31	$ 524,491	$ 23,704

(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 headroom 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 short-term borrowings, notes payable, accounts payable (including related parties) and other payables (including related parties) 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:

December 31, 2025	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Short-term borrowings	$ 1,495,469	$ -	$ -	$ 1,495,469
Lease liabilities	14,066	11,201	55,793	81,060
Long-term liabilities	297,187	11,015	79,594	387,796
	$ 1,806,722	$ 22,216	$ 135,387	$ 1,964,325

Non-derivative financial liabilities:

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

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, notes receivables, accounts receivables, other receivables, guarantee deposits paid, long-term and short-term borrowings, 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 marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. 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.

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

F. 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 the Mainland Area: 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 information provided to the chief operating decision-maker for the reportable segments is as follows:

	Years ended December 31,	
	2025	2024
Revenue from external customers	$ 3,970,768	$ 3,915,108
Inter-segment revenue	-	-
Total segment revenue	$ 3,970,768	$ 3,915,108
Segment net operating revenue (loss)	($ 574)	$ 563,531

(4) Information about reconciliation for 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.

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,			
	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Asia	$ 1,932,725	$ 1,773,094	$ 1,948,124	$ 1,345,703
North America	1,578,002	213	1,437,610	919
Central and South America	237,520	-	320,604	-
Europe	129,868	-	121,563	-
Others	92,653	-	87,207	-
Total	$ 3,970,768	$ 1,773,307	$ 3,915,108	$ 1,346,622

Note: Non-current assets do not include financial assets and deferred tax assets.

(6) Major customer information

The information on major customers for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Customers	Revenue	Revenue
A customer	$ 501,357	$ 619,609
B customer	254,228	102,419
C customer	240,557	288,910
	$ 996,142	$ 1,010,938

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

LOANS TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2025

Table 1

Unit：in thousands of NTD

(unless otherwise specified)

No.（Note 1）	Name of lender	Name of borrower	Account	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount	Interests rate interval	Nature of financing（Note 2）	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Name	Collateral Value	Individual funding loan limits（Note 3）	Maximum limit of fund financing（Note 3）	Note
0	The Company	YCS Automotive Parts Sdn Bhd	Other receivables	Yes	44,883	44,883	7,481	5.0%	2	-	Operating turnover	-	None	-	1,011,712	1,011,712	
1	Xiamen Yougyu Machinery Co. Ltd.	Xiaman Yonghuangxing Friction Material Co., Ltd.	Other receivables	Yes	27,755	26,830	22,358	5.0%	2	-	Operating turnover	-	None	-	970,933	970,933	
1	Xiamen Yougyu Machinery Co. Ltd.	Wuhu Sanyan Machinery Company	Other receivables	Yes	69,387	67,074	67,074	5.0%	2	-	Operating turnover	-	None	-	970,933	970,933	
1	Xiamen Yougyu Machinery Co. Ltd.	Fuzhou Assured Brake Systems Co., Ltd.	Other receivables	Yes	92,516	89,432	-	5.0%	2	-	Operating turnover	-	None	-	970,933	970,933	
2	YCS Automotive Parts Sdn Bhd	Yusin Machnery (Malaysia) Sdn Bhd	Other receivables	Yes	7,481	7,481	-	5.0%	2	-	Operating turnove	-	None	-	54,164	54,164	

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 subsidiariy 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 YEAR ENDED DECEMBER 31, 2025

Table 2

Unit：in thousands of NTD
(unless otherwise specified)

No.（Note 1）	Name of endorser and guarantor	Guarantee and endorsee		Limitation on amount of guarantees and endorsements for a specific enterprise（Note 3）	Highest balance for guarantee and endorsements during the period（Note 4）	Balance of guarantees and endorsements, end of the period（Note 5）	Actual usage amount（Note 6）	Amount of property pledged for guarantee and endorsemen	atio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements（Note 3）	Parent company endorsements/guarantees to subsidiary（Note 7）	Subsidiary endorsements/guarantees to the parent company（Note 7）	Endorsements/guarantees to third parties on behalf of companies in Mainland China（Note 7）	Note
		Company Name	Relationship（Note 2）											
0	The Company	Horng Fuu Industrial Co., Ltd.	2	1,264,640	50,000	50,000	-	-	1.98%	1,264,640	Y	N	N	
0	The Company	Yusin Brake Corp.(Samoa)	2	1,264,640	373,286	365,008	61,880	-	14.43%	1,264,640	Y	N	N	
0	The Comopany	Fuzhou Assured Brake Systems Co., Ltd.	2	1,264,640	185,032	89,432	-	-	17.68%	1,264,640	Y	N	Y	
1	Xiamen Yougyu Machinery Co. Ltd.	Xiaman Yonghuangxing Friction Material Co., Ltd.	3	1,213,666	20,816	20,122	-	-	0.83%	1,213,666	N	N	Y	
1	Xiamen Yougyu Machinery Co. Ltd.	Fuzhou Assured Brake Systems Co., Ltd.	3	1,213,666	602,896	357,728	289,038	-	14.74%	1,213,666	N	N	Y	
2	Fuzhou Assured Brake Systems Co., Ltd.	Fuzhou Ruixin Industrial Technology Co., Ltd.	3	203,904	17,866	17,866	-		4.39%	203,904	Y	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 fulfills 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 security 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 endoresments/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 limitaion 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 nndorsements/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 YEAR ENDED DECEMBER 31, 2025

Table 3

Unit：in thousands of NTD
(unless otherwise specified)

			Transaction details				The details and reasons for transaction terms and conditions different from ordinary transaction terms and conditions		Notes and accounts receivables (payables)		
The purchase (sales) company	Counter-party	Relationship	Purchase (sales)	Amount	Percentage accounting for total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage accounting for total notes and accounts receivables (payables)	Note
Yusin Brake Corp.(Samoa)	Xiamen Yougyu Machinery Co. Ltd.	Fellow subsidiary	Purchase	$1,727,463 USD 55,403 thousand	100	120 days monthly settlement	Note 2	Note 2	($755,408) (USD 24,035 thousand)	(100)	Note 1

Note 1: Related parties involved in the same transaction are not separately disclosed.
Note 2: The transaction prices and collection terms for transactions between subsidiaries are comparable to prevailing market conditions or those offered to general customers.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

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

FOR THE YEAR ENDED DECEMBER 31, 2025

Table 4

Unit：in thousands of NTD

(unless otherwise specified)

The Company with accounts receivable	Counter-party	Relationship	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Amount of receivables from related parties collected in subsequent period	Loss allowance
					Amount	Collection status		
Xiamen Yougyu Machinery Co. Ltd.	Yusin Brake Corp.(Samoa)	Fellow subsidiary	$ 755,408 USD 24,035 thousand	2.36	$ -	-	$ 117,885	$ -

Note：Collections or payment as of January 31, 2026.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

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

FOR THE YEAR ENDED DECEMBER 31, 2025

Table 5

Unit：in thousands of NTD

(unless otherwise specified)

				Intercompany transactions			
No. (Note 1)	Name of company	Name of counter-party	Relationship (Note 2)	Account	Amount	Trading terms	Percentage accounting for the consolidated total revenue or total assets (Note 3)
1	Yusin Brake Corp.(Samoa)	G.D.M Bourne. Inc.	3	Other payables	37,723	Calculate according to the contracts, 90 days monthly settlement.	1%
1	Yusin Brake Corp.(Samoa)	G.D.M Bourne. Inc.	3	Commission expenditures	52,593	Calculate according to the contracts, 90 days monthly settlement.	1%
1	Yusin Brake Corp.(Samoa)	Xiamen Yougyu Machinery Co. Ltd.	3	Accounts payables	755,408	Repayment is remitted monthly.	13%
1	Yusin Brake Corp.(Samoa)	Xiamen Yougyu Machinery Co. Ltd.	3	Purchase	1,727,463	Prices are negociated between the two parties, 120 days monthly settlement.	44%
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 6%.	1%

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 ralationships. 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 parant 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 calcualted by the cumulative amount accounting for consolidated total revenue.

Note 4：The disclosure thresholds stated above are based on 1% of consolidated total assets for balance sheet items, and 1% of consolidated total revenue for income statement items.

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTT COMPANIES (EXCLUDING INVESTEES IN MAINLAND CHINA)

FOR THE YEAR ENDED DECEMBER 31, 2025

Table 6

Unit：in thousands of NTD
(unless otherwise specified)

Name of investor company	Name of investees （Note 1, 2）	Location	Main business	Original investment amount: End of the period	Original investment amount: End of prior period	Number of shares	Percentage of ownership, end of the period	Carrying amount	Net income (loss) of investees	Gains (losses) on investments recognized in the period	Note
The Company	Yusin Brake Corp.(Samoa)	Samoa	Sales of vehicle's brake master cylinder and clutch master cylinder	$ 6,914	$ 6,914	220,000	100.00	($ 114,081)	($ 325,389)	($ 325,389)	Subsidiary
The Company	G.D.M Bourne. Inc.	USA	Agency sales of vehicle's brake master cylinder and clutch master cylinder	1,728	1,728	55,000	55.00	24,430	11,835	6,509	Subsidiary
The Company	Glorious Moon Limited	Samoa	General investment business	85,456	85,456	2,718,940	100.00	(23,248)	(2,602)	(2,602)	Subsidiary
The Company	Horng Fuu Industrial Co., Ltd.	Taiwan	Production and sales of hydraulic brake system of scooter and bicycle	201,152	201,152	6,400,000	100.00	214,988	(10,233)	(10,233)	subsidiary
The Company	Yusin Machnery (Malaysia) Sdn Bhd	Malaysia	Manufacturing and sales of vehicle's disc brake pads and drum brake pads	893,919	145,869	119,500,000	100.00	850,862	(33)	(33)	Subsidiary
Glorious Moon Limited	YCS Automotive Parts Sdn Bhd	Malaysia	Manufacturing and sales of vehicle's disc brake pads and drum brake pads	184,353	94,587	24,644,500	95.15	128,840	(2,860)	(2,602)	Sub-subsidiary

YUSIN HOLDING CORPORATION AND SUBSIDIARIES

INFORMATION ON IVESTMENTS IN MAINLAND CHINA－BASIC INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

Table 7

Unit：in thousands of NTD

(unless otherwise specified)

					Remittance of funds in the current period								
Nams of investee in Mainland China	Main business	Paid-in capital	Method of investment（Note 1）	Accumulated outward remittance for investment from Taiwan, beginning of the period	Outward	Inward	Accumulated outward remittance for investment from Taiwan, end of the period	Net income (loss) of investees	Percengate 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
Xiamen Yougyu Machinery Co. Ltd.	Manufacturing and sales of vehicle's brake master cylinder and clutch master cylinder	$ 746,603	1	$ -	$ -	$ -	$ -	$ 327,014	100.00	$ 327,014	$ 2,413,895	$ -	
Xiaman Yonghuangxing Friction Material Co., Ltd.	Manufacturing and sales of brake shoe	88,656	1	-	-	-	-	(7,490)	90.00	(6,741)	9,693	-	
Wuhu Sanyan Machinery Company	Processing, manufacturing and sales of vehicles parts	102,847	2	-	-	-	-	(10,532)	77.83	(8,197)	(22,380)	-	
Guangzhou Ou Hua Ruei Rih Auto Parts Co., Ltd.	Sales of vehicles parts	26,830	2	-	-	-	-	(479)	51.00	(245)	14,249	-	
Yung-Yu-Shing (Xiamen) Technology Co., Ltd.	Sales of vehicles parts	67,074	2	-	-	-	-	(97)	70.00	(68)	10,054	-	
Fuzhou Assured Brake Systems Co., Ltd.	Manufacturing and sales of brake shoes	336,719	1	-	-	-	-	2,302	56.81	1,308	241,881	-	
Yongding (Xiamen) Trading Co., Ltd.	Import and export agency services	6,412	1	-	-	-	-	(91)	100.00	(91)	6,310	-	
Fuzhou Ruixin Industrial Technology Co., Ltd.	Processing, manufacturing and sales of vehicles parts	44,716	1	-	-	-	-	(1,411)	70.00	(988)	30,282	-	

Company name	Accumulated outward remittance for investment in Mainland China as of end of the period	Investment amount authorized by investment commissino, 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 (lossds) on investments are audited by the CPA of the parent in Taiwan.

Note 3：As the Company is an offhsore 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 IVESTMENTS IN MAINLAND CHINA－
SIGNIFICANT TRANSACTIONS, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD ARE, WITH INVESTEE COMPANIES IN THE MAINLAND AREA

FOR THE YEAR ENDED DECEMBER 31, 2025

Table 8

Unit：in thousands of NTD

(unless otherwise specified)

							Provision of endorsements and guarantees of notes or collaterals		Fund financing				
Nams of investee in Mainland China	Sales (purchase) amount	%	Property transaction amount	%	Accounts receivables (payables) balance	%	Ending balance	Purpose	The highest balance	Ending balance	Interest rate interval	Interest in the current period	Others
Xiamen Yougyu	($1,727,463) (USD 55,403 thousand)	(77)	$ -	-	($755,408) (USD 24,035 thousand)	86%	-	-	$ 189,658	$ 183,336	5.0%	$ 2,901	