Yulon Motor Company Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

YULON MOTOR COMPANY LTD.

By:

YEN CHEN LI-LIEN
Chairman

March 5, 2026

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yulon Motor Company Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Yulon Motor Company Ltd. (the "Company") and its subsidiaries (collectively the "Group") as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Estimated Impairment of Trade Receivable

As described in Note 5, the determination of the estimated impairment of trade receivable of the Group's horizontal segments subsidiary - Taiwan Acceptance Co., Ltd. - takes into consideration the present value of estimated future cash flows based on assumptions about the risk of default and expected loss rates. Taiwan Acceptance Co., Ltd. uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on Taiwan Acceptance Co., Ltd.'s historical experience, existing market conditions as well as forward-looking estimates as of the end of each reporting period. When the actual future cash inflows are less than Taiwan Acceptance Co., Ltd.'s expected, a material impairment loss may arise. The key assumptions and inputs used involved significant management judgment and estimation uncertainty; thus, the estimated impairment of trade receivable is determined as a key audit matter.

Our audit procedures included the following:

1. We understood the policies on impairment of trade receivable and assessed the reasonableness of impairment of receivables by performing inquiry, inspection and reperformance of related internal controls.

2. We tested Taiwan Acceptance Co., Ltd.'s system that generated related documents used by management in the evaluation and determination of default rate and expected loss rate; the tests verified the correctness of the assumptions used in the determination of default rate and expected loss rate.

3. We recalculated the impairment based on the impairment policy of the Group.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 the 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 maintain 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2025 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.

The engagement partners on the audits resulting in this independent auditors' report are Hsin-Wei Tai and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 11,070,748	3	$ 14,015,471	4
Financial assets at fair value through profit or loss (Note 7)	1,212,288	-	527,298	-
Financial assets at fair value through other comprehensive income (Note 8)	145,931	-	133,787	-
Financial assets at amortized cost (Notes 9, 10 and 38)	6,713,311	2	6,064,950	2
Notes and trade receivables (Notes 12 and 38)	182,601,173	50	189,284,173	50
Notes and trade receivables from related parties (Notes 12, 37 and 38)	1,042,279	-	1,075,831	-
Finance lease receivables (Note 13)	23,920,448	7	29,184,410	8
Other receivables (Notes 14 and 37)	12,448,297	3	9,602,916	2
Inventories (Notes 15, 30 and 38)	10,418,867	3	13,203,401	3
Assets directly associated with disposal groups classified as held for sale (Note 16)	2,998,550	1	-	-
Other current assets	3,607,175	1	3,273,494	1
Incremental costs of obtaining a contract (Note 37)	1,197,928	-	2,546,235	1
Total current assets	257,376,995	70	268,911,966	71
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	90,301	-	94,396	-
Financial assets at fair value through other comprehensive income (Note 8)	984,612	-	977,693	-
Financial assets at amortized cost (Notes 9, 10 and 38)	6,255,581	2	2,493,010	1
Investments accounted for using the equity method (Note 18)	25,576,145	7	27,258,493	7
Property, plant and equipment (Notes 19, 30, 37 and 38)	54,551,975	15	49,179,702	13
Right-of-use assets (Notes 21 and 37)	2,361,356	1	3,110,363	1
Investment properties (Notes 20 and 38)	13,846,527	4	14,104,762	4
Goodwill (Notes 22 and 33)	427,434	-	427,434	-
Vehicle model development cost (Notes 22 and 30)	-	-	56,605	-
Other intangible assets (Notes 22 and 30)	510,158	-	577,701	-
Deferred tax assets (Note 31)	1,761,975	1	2,092,045	1
Long-term finance lease receivables (Note 13)	1,745,219	-	1,853,161	-
Refundable deposits (Note 37)	435,059	-	390,564	-
Other non-current assets	1,023,215	-	6,287,455	2
Total non-current assets	109,569,557	30	108,903,384	29
TOTAL	$ 366,946,552	100	$ 377,815,350	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 23)	$ 34,668,844	9	$ 53,769,666	14
Short-term bills payable (Note 23)	165,290,431	45	156,848,388	42
Financial liabilities at fair value through profit or loss (Note 7)	229,353	-	218,253	-
Derivative financial liabilities for hedging (Note 11)	14,397	-	68,189	-
Notes and trade payables	3,249,095	1	3,416,148	1
Notes and trade payables to related parties (Note 37)	830,501	-	886,126	-
Other payables (Notes 25 and 37)	4,820,477	1	5,082,371	1
Current tax liabilities (Note 31)	883,733	-	977,597	-
Provisions (Note 26)	121,481	-	30,143	-
Liabilities directly associated with disposal groups classified as held for sale (Note 16)	2,378,966	1	-	-
Lease liabilities (Notes 21 and 37)	652,652	-	815,411	-
Current portion of bonds payable (Note 24)	23,779,848	7	15,657,594	4
Current portion of long-term borrowings (Note 23)	2,694,895	1	2,991,120	1
Other current liabilities (Note 25)	17,472,054	5	17,389,293	5
Total current liabilities	257,086,727	70	258,150,299	68
NON-CURRENT LIABILITIES				
Bonds payable (Note 24)	1,700,000	1	8,399,907	2
Long-term borrowings (Note 23)	6,849,618	2	8,773,244	2
Provisions (Note 26)	22,935	-	542,301	-
Deferred tax liabilities (Note 31)	5,310,612	1	5,188,173	2
Lease liabilities (Notes 21 and 37)	1,486,233	-	2,068,155	1
Net defined benefit liabilities (Note 27)	82,330	-	105,334	-
Other non-current liabilities (Note 25)	504,704	-	476,547	-
Total non-current liabilities	15,956,432	4	25,553,661	7
Total liabilities	273,043,159	74	283,703,960	75
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 28)				
Share capital				
Ordinary shares	10,700,013	3	10,700,013	3
Capital surplus	16,093,643	4	16,067,891	4
Retained earnings				
Legal reserve	9,632,471	3	9,211,967	3
Special reserve	20,078,565	5	20,078,565	5
Unappropriated earnings	5,884,721	2	6,691,197	2
Total retained earnings	35,595,757	10	35,981,729	10
Other equity				
Exchange differences on translation of foreign operations	(391,941)	-	111,464	-
Unrealized gain on financial assets at fair value through other comprehensive income	1,625,287	-	1,576,971	-
Loss on hedging instruments	(892)	-	(8,081)	-
Total other equity	1,232,454	-	1,680,354	-
Treasury shares	(376,301)	-	(376,301)	-
Total equity attributable to owners of the Company	63,245,566	17	64,053,686	17
NON-CONTROLLING INTERESTS (Note 28)	30,657,827	9	30,057,704	8
Total equity	93,903,393	26	94,111,390	25
TOTAL	$ 366,946,552	100	$ 377,815,350	100

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 29 and 37)				
Sales	$ 33,349,296	46	$ 44,274,111	52
Rental revenue	12,863,741	18	12,421,836	14
Service revenue	3,224,737	4	3,302,448	4
Other operating revenue	22,917,333	32	25,777,651	30
Total operating revenue	72,355,107	100	85,776,046	100
OPERATING COSTS (Notes 15, 27, 30 and 37)				
Cost of goods sold	30,512,096	42	40,615,490	47
Rental cost	9,802,395	14	9,414,039	11
Service cost	1,942,466	3	2,048,284	2
Other operating cost	6,753,162	9	6,817,024	8
Total operating costs	49,010,119	68	58,894,837	68
GROSS PROFIT	23,344,988	32	26,881,209	32
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	408	-	920	-
REALIZED GROSS PROFIT	23,345,396	32	26,882,129	32
OPERATING EXPENSES (Notes 27, 30 and 37)				
Selling and marketing expenses	7,882,879	11	8,447,798	10
General and administrative expenses	6,293,791	9	6,626,517	8
Research and development expenses	349,516	-	293,841	-
Expected credit loss	2,913,194	4	4,244,724	5
Total operating expenses	17,439,380	24	19,612,880	23
PROFIT FROM OPERATIONS	5,906,016	8	7,269,249	9
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 30)	686,511	1	854,451	1
Other gains and losses (Note 30)	(610,633)	(1)	452,224	1
Finance costs (Note 30)	(569,852)	(1)	(467,457)	(1)
Share of profit of associates and joint ventures accounted for by the equity method (Note 18)	(412,770)	-	847,078	1
Interest income (Note 30)	293,954	-	385,062	-
Total non-operating income and expenses	(612,790)	(1)	2,071,358	2

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YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
NET PROFIT BEFORE INCOME TAX	$ 5,293,226	7	$ 9,340,607	11
INCOME TAX EXPENSE (Note 31)	1,699,276	2	2,412,880	3
NET PROFIT FOR THE YEAR	3,593,950	5	6,927,727	8
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 27)	(14,756)	-	187,155	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	43,371	-	183,989	-
Share of the other comprehensive income of associates and joint ventures accounted for by the equity method	54,259	-	23,982	-
	82,874	-	395,126	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(422,541)	(1)	1,295,289	1
Gain (loss) on hedging instruments not subject to basis adjustment	7,199	-	(8,092)	-
Share of the other comprehensive (loss) income of associates and joint ventures accounted for by the equity method	(263,829)	-	563,806	1
	(679,171)	(1)	1,851,003	2
Other comprehensive (loss) income for the year, net of income tax	(596,297)	(1)	2,246,129	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,997,653	4	$ 9,173,856	11
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	979,013	1	3,954,679	5
Non-controlling interests	2,614,937	4	2,973,048	3
	$ 3,593,950	5	$ 6,927,727	8

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 558,691	1	$ 5,621,228	7
Non-controlling interests	2,438,962	3	3,552,628	4
	$ 2,997,653	4	$ 9,173,856	11
EARNINGS PER SHARE (Note 32)				
Basic	$0.93		$3.78	
Diluted	$0.93		$3.58	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
			Retained Earnings			Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Loss on Hedging Instruments	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2024	$ 10,700,013	$ 16,051,927	$ 8,769,623	$ 20,078,565	$ 4,426,508	$ (1,227,435)	$ 1,491,596	$ -	$ (376,301)	$ 59,914,496	$ 28,837,754	$ 88,752,250
Appropriation of the 2023 earnings												
Legal reserve	-	-	442,344	-	(442,344)	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$1.4 per share)	-	-	-	-	(1,498,002)	-	-	-	-	(1,498,002)	-	(1,498,002)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,335,129)	(2,335,129)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	5,599	-	-	-	-	-	-	-	5,599	-	5,599
Claim for the disgorgement	-	20	-	-	-	-	-	-	-	20	-	20
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	10,536	-	-	-	-	-	-	-	10,536	-	10,536
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	17	-	-	-	-	-	-	-	17	-	17
Changes in percentage of ownership interests in subsidiaries	-	(208)	-	-	-	-	-	-	-	(208)	2,451	2,243
Net profit for the year ended December 31, 2024	-	-	-	-	3,954,679	-	-	-	-	3,954,679	2,973,048	6,927,727
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	155,527	1,338,899	180,204	(8,081)	-	1,666,549	579,580	2,246,129
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	4,110,206	1,338,899	180,204	(8,081)	-	5,621,228	3,552,628	9,173,856
Associates disposed of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	87,896	-	(87,896)	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	6,933	-	(6,933)	-	-	-	-	-
BALANCE, DECEMBER 31, 2024	10,700,013	16,067,891	9,211,967	20,078,565	6,691,197	111,464	1,576,971	(8,081)	(376,301)	64,053,686	30,057,704	94,111,390
Appropriation of the 2024 earnings												
Legal reserve	-	-	420,504	-	(420,504)	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$1.3 per share)	-	-	-	-	(1,391,002)	-	-	-	-	(1,391,002)	-	(1,391,002)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,789,606)	(1,789,606)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	16,086	-	-	-	-	-	-	-	16,086	-	16,086
Claim for the disgorgement	-	1	-	-	-	-	-	-	-	1	-	1
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	9,785	-	-	-	-	-	-	-	9,785	-	9,785
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	-	-	-	(1,561)	-	-	-	-	(1,561)	-	(1,561)
Changes in percentage of ownership interests in subsidiaries	-	(120)	-	-	-	-	-	-	-	(120)	(49,233)	(49,353)
Net profit for the year ended December 31, 2025	-	-	-	-	979,013	-	-	-	-	979,013	2,614,937	3,593,950
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(14,126)	(503,405)	90,020	7,189	-	(420,322)	(175,975)	(596,297)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	964,887	(503,405)	90,020	7,189	-	558,691	2,438,962	2,997,653
Associates disposed of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	43,253	-	(43,253)	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,549)	-	1,549	-	-	-	-	-
BALANCE, DECEMBER 31, 2025	$ 10,700,013	$ 16,093,643	$ 9,632,471	$ 20,078,565	$ 5,884,721	$ (391,941)	$ 1,625,287	$ (892)	$ (376,301)	$ 63,245,566	$ 30,657,827	$ 93,903,393

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 5,293,226	$ 9,340,607
Adjustments for:		
Depreciation expense	10,161,433	9,574,978
Amortization expense	1,509,934	2,530,715
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(4,323)	160,174
Finance costs	5,316,545	5,643,904
Interest income	(18,882,501)	(23,303,482)
Dividend income	(61,224)	(47,119)
Share of loss (profit) of associates and joint ventures accounted for using the equity method	412,770	(847,078)
Gain on disposal of property, plant and equipment	(16,415)	(83,934)
Loss on disposal of intangible assets	177	-
Loss (gain) on disposal of investments	7,864	(663,600)
Impairment loss recognized (reversed) on non-financial assets	385,428	(66,747)
Expected credit loss recognized on trade receivables	2,913,194	4,244,724
Unrealized gain on transactions with associates and joint ventures	(408)	(920)
Loss (gain) on foreign currency exchange	890,524	(211,741)
Gain on modification of lease	(3,788)	(1,506)
Reversal of provisions	(113,312)	(28,142)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(713,216)	110,608
Notes and trade receivables	4,279,950	12,828,248
Other receivables	(3,187,371)	(3,331,588)
Inventories	2,587,337	(267,617)
Other current assets	(788,687)	(48,199)
Finance lease receivables	4,759,075	(958,968)
Available-for-sale operating assets held for rental to others	(7,751,725)	(9,787,679)
Incremental cost of obtaining a contract	(53,242)	(1,448,104)
Notes and trade payables	(35,823)	(583,390)
Other payables	(36,920)	(930,927)
Provisions	(165,329)	201,782
Guarantee deposits received	783,604	1,486,741
Other current liabilities	(210,258)	30,597
Accrued pension liabilities	(40,113)	114,133
Other operating liabilities	(1,281)	(3,380)
Cash generated from operations	7,235,125	3,653,090
Interest received	18,676,799	23,584,609
Interest paid	(5,436,712)	(5,811,715)
Income tax paid	(1,444,239)	(2,017,510)
Net cash generated from operating activities	19,030,973	19,408,474

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (610)	$ (75,728)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	10,193
Purchase of financial assets at amortized cost	(12,308,186)	(8,922,533)
Proceeds from sale of financial assets at amortized cost	7,966,009	7,119,422
Net cash outflow on acquisition of subsidiaries	(15,356)	-
Net cash inflow on disposal of subsidiary	-	4,099,561
Payments for property, plant and equipment	(2,610,056)	(2,480,388)
Proceeds from disposal of property, plant and equipment	375,801	912,046
(Increase) decrease in refundable deposits	(77,817)	53,385
Payments for intangible assets	(105,977)	(163,323)
Proceeds from disposal of intangible assets	-	60
Payments for right-of-use assets	(1,597)	(6,427)
Payments for investment properties	(5,789)	(24,766)
Increase in other operating assets	(422,212)	(4,454,569)
Dividends received	1,136,282	1,151,288
Net cash used in investing activities	(6,069,508)	(2,781,779)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	145,084,706	214,276,802
Repayment of short-term borrowings	(162,473,643)	(210,146,562)
Proceeds from short-term bills payable	673,785,069	509,971,687
Repayment of short-term bills payable	(669,834,110)	(524,319,823)
Proceeds from issuance of bonds payable	1,197,498	-
Repayment of bonds payable	-	(4,950,000)
Proceeds from long-term borrowings	3,169,082	49,012,285
Repayment of long-term borrowings	(893,631)	(48,964,798)
Proceeds from financial liabilities measured at amortized cost	1,606,980	-
Repayments from financial liabilities measured at amortized cost	(1,606,980)	-
(Decrease) increase in guarantee deposits	(342,935)	34,380
Repayment of lease liabilities	(726,699)	(760,908)
Dividends paid	(3,170,823)	(3,778,811)
Change in non-controlling interests	(53,000)	(16)
Claim for the disgorgement	1	20
Net cash used in financing activities	(14,258,485)	(19,625,744)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(879,809)	634,816

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (2,176,829)	$ (2,364,233)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14,015,471	16,379,704
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 11,838,642	$ 14,015,471

	2025	2024
CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED BALANCE SHEETS	$ 11,070,748	$ 14,015,471
CASH AND CASH EQUIVALENTS INCLUDED IN NON-CURRENT ASSETS HELD FOR SALE	767,894	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 11,838,642	$ 14,015,471

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

The Company was incorporated in September 1953. It manufactures and markets automobiles and parts.

The Company's shares have been listed on the Taiwan Stock Exchange since July 1976.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 5, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for an asset or liability.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within an operating cycle after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities expected to be realized within an operating cycle after the reporting period; and

c. Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

Since the operating cycles of Taiwan Acceptance Co, Ltd., Shinshin Credit Co., Ltd. ("Shinshin"), Jiangsu TAC Financial Leasing Co., Ltd. ("Jiangsu TAC Financial Leasing"), Zhejiang Yulon Trading Co., Ltd. ("Zhejiang Yulon Trading"), Yu Rich Financial Services Co., Ltd. ("Yu Rich"), Yulon Finance Philippines Corporation, Yulon Capital Sdn. Bhd., Yulon Credit Sdn. Bhd. (Former name "EFI Capital Sdn. Bhd."), Yulon Construction Co., Ltd., Yu Sing Co., Ltd. and Yushin Co., Ltd. are more than one year, the classification of balance sheet accounts depends on whether their realization or settlement will be within or beyond one operating cycle from the balance sheet date.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Please refer to Note 17, Table 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Acquisition of a Subsidiary That Does Not Constitute a Business

When the Group acquires a subsidiary that does not constitute a business, the Group identifies and recognizes the individual identifiable assets acquired (including intangible assets) and liabilities assumed, and then allocates the transaction price to the individual identifiable assets and liabilities. The total transaction price is first allocated to each identifiable asset and liability based on their relative fair values at the acquisition date. Any difference between the amount initially measured under the applicable standards and the individual transaction price is then accounted for in accordance with the relevant requirements of those standards.

Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing on the dates of the transactions and are not retranslated.

Exchange differences resulting from the settlement or translation of monetary items are recognized in profit or loss in the period when these differences arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income and are attributed to owners' equity or non-controlling interests.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and included in the calculation of equity transactions and not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Inventories

Inventories consist of raw materials, supplies, work in progress and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

Taiwan Acceptance Corporation (TAC) provides retailers with cars for the purpose of displays and sales, and charges display fees till the cars are sold. Before the ownership of cars is transferred to retailers, the cars are treated as TAC's inventories.

Construction Industry Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The inventory of construction business is measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in bringing them to their existing location and condition and capitalized borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

Land held for development

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

Construction-in-progress

Net realizable value is the estimated selling price (current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses.

Properties and land held for sale

Net realizable value is the estimated selling price (refer to the market condition estimated by authority) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value or estimated by recent market value.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

When the Company subscribes for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and joint venture equals or exceeds its interest in that associate and a joint venture, the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate and joint venture had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Freehold land is not depreciated.

The depreciation of property, plant and equipment is recognized using the straight-line method and units of production method. Each significant part is depreciated separately. For leased asset, if the lease term is shorter than the useful life of the asset, the asset is depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

An entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets are recognized as revenue in accordance with IFRS 15 “Revenue from Contracts with Customers”. IFRS 5 does not apply when assets held for sale in the ordinary course of business are transferred to inventories.

Assets held for rental that are transferred to inventories at their carrying amount are classified under operating activities.

Investment Properties

Investment properties are properties held for earning rentals and/or for capital appreciation, include properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from the investment properties to inventories, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of development with a view to future sale.

For a transfer of classification from the property, plant and equipment to investment properties, the deemed cost of an item of the property for subsequent accounting is its carrying amount when it is subsequently leased to third parties.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units or groups of cash-generating units (referred to as cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

Intangible Assets

a. Intangible assets acquired separately

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line and unit production method basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Intangible assets acquired in a business combination

   Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

c. Derecognition of intangible assets

   On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Assets Related to Contract Costs

When a sales contract is obtained, commissions of accounts receivable purchasing and the equipment leasing business are recognized as incremental costs of obtaining a contract to the extent the costs are expected to be recovered, and are recognized as commission expenses using interest method through the contract period. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the asset that the Group otherwise would have recognized is expected to be one year or less.

Impairment of Property, Plant, and Equipment, Right-of-use Assets, Intangible Assets Other Than Goodwill, and Assets Related to Contract Costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant, and equipment, right-of-use assets, investment properties and intangible assets and assets related to contract costs, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The asset is tested for impairment in the context of the cash-generating unit to which the asset belongs. If a portion of the carrying amount of the asset can be allocated on a reasonable and consistent basis to the cash-generating unit, the Group compares the carrying amount of the cash-generating unit, including the portion of the asset's carrying amount allocated to the cash-generating unit, with the

recoverable amount of the cash-generating unit to which the asset belongs. If this reasonable and consistent basis of allocation cannot be applied to the cash-generating unit to which the asset belongs and can be applied instead to the smallest group of cash-generating unit to which the cash-generating unit belongs, this smallest group is used for impairment testing.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

Disposal Groups Classified as Held for Sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

Disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement (include any dividends or interest earned on such financial assets) recognized in profit or loss. Fair value is determined in the manner described in Note 36.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable at amortized cost, trade receivables, finance lease receivables, other receivables, investments in debt instruments and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets; and

ii. Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when significant financial difficulty of the issuer or the borrower; breach of contract, such as a default; it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties have occurred.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivables, trade receivables, other receivables and finance lease receivables), as well as impairment losses.

The Group always recognizes lifetime Expected Credit Losses (ECLs) for notes receivables, trade receivables and finance lease receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liability at amortized cost

The Group's financial liability measured at amortized cost transfers financial assets and related right to trust institutions, which issue beneficiary certificates, and all proceeds raised go to consolidated entities. Under this transaction architecture, the Group does not lose the right of controlling financial assets, and nor derecognize them.

2) Derecognition of financial liabilities

The Group only derecognizes the financial liabilities when the obligation is lifted, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

d. Convertible bonds

The component parts of convertible bonds issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the convertible bonds as a whole. This is recognized and included in equity, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

e. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks and foreign exchange rate risks, including cross-currency swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

Hedge Accounting

The Group designates certain derivative financial instruments, as cash flow hedges.

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecasted transaction occurs. When a forecast transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The Group's provision is for contracts with guarantees. (a) For car loan contracts signed by the Group's customers with financial institutions, the Group provides payment guarantees as well as account management services. Under the contracts, the Group is responsible for the collection of loan repayments or will assume the risk of loss on uncollectable loans in the event of default. (b) The warranty obligation to ensure that the product conforms to the agreed specifications is based on the management's best estimate of the expenses required to settle the obligations of the Group, which is recognized when the relevant products are recognized as revenue; and (c) relevant provision for estimated possible litigation compensation expenses. The provision is subsequently measured under IAS 37 "Provision, Contingent Liabilities and Contingent Assets".

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products and at the Group management's best estimate of the expenditure required to settle the Group's obligations.

Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

a. Revenue from the sale of goods

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of cars and materials. Revenue from the sale of goods is recognized when the goods are delivered and legal title is transferred.

The horizontal segment's revenue from sale of goods comes from sales of operating assets held for rental to others. Sales of operating assets held for rental to others are recognized as revenue when ownership of the goods are transferred to the buyers.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances. Sales returns are recognized at the time of sale if the Group can reliably estimate future returns and a liability for returns is recognized on the basis of previous experience and relevant factors.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

Income from properties developed for sale is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits received on the sale of properties and installment payments are presented in the consolidated balance sheets under current liabilities.

Under the Group's award scheme, the sale of goods that results in award credits for customers is accounted for as a multiple element revenue transaction, and award credits are accounted for as a separately identifiable component of a sales transaction in which these credits are granted ("initial sale"). The fair value of the consideration received or receivable is allocated between the award credits granted and other components of the sale. The consideration allocated to the award credits is measured at their fair value, i.e., the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations to supply the award have been fulfilled.

2) Photovoltaic operations

The Group is engaged in solar power generation operations. The Group has entered into multiple power purchase agreements with Taiwan Power Company and private electricity retailers. Electricity generated is transmitted and distributed to Taiwan Power Company and corporate customers. The contracts expire 20 years from the date on which the generating units are first connected to the grid, and the related revenue from electricity sales is recognized accordingly.

3) Electricity sales operations

Revenue is recognized upon the completion of the transfer of electricity to the customer.

b. Interest revenue from acquired accounts receivable

TAC, Shinshin and Yu Rich undertake business regarding the acquisition of accounts receivable. After transferring accounts receivable, the seller is not responsible for unpaid overdue accounts of the debtor. The difference between acquisition payment, and account receivable principal is recognized as unearned interest revenue, and amortized as interest revenue from acquired accounts receivable using effective interest method throughout the contract term. In addition, the deferred gain recognized from acquiring the service contract between third party, and financial institutions is recognized evenly throughout the contract period as interest revenue from acquired accounts receivable.

c. Interest revenue from loans

Yulon Finance Philippines Corporation, Yulon Capital Sdn. Bhd. and Yulon Credit Sdn. Bhd. engage in vehicle and equipment loans. The difference between payment, and loan principal is recognized as unearned interest revenue, and amortized as interest revenue from loan using effective interest method throughout the loan period.

d. Installment sales interest revenue

The main business of the TAC, Shinshin and Yu Rich is installment financing services. The difference between installment price and sales price is recognized as unrealized interest revenue, and is recognized as installment sales interest revenue using interest method during the installment period. Unrealized interest revenue is deducted from notes and trade receivables.

e. Rental revenue

Lease is classified as a finance lease whenever the terms of a lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payment are allocated to the land and building elements in proportion to the relative fair value of the lease rights of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is according for separately in accordance with its lease classification. When the lease payment cannot be allocated reliably to land and building elements, the entire lease is generally classified as a financial lease, unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

f. Investment income

Gains (losses) from securities trading are recognized based on the difference between the actual transaction price and cost when the ownership and risk of the actual transaction are transferred.

g. Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

h. Agency revenue

The customers of TAC and Shinshin signed car loan contracts with banks, which act as car loan agents and provided customers with account management services. Under the contracts, banks pay agency fees based on the payment terms of each contract. TAC and Shinshin recognize this agency revenue on an accrual basis. TAC and Shinshin are responsible for repaying any uncollectable loans arising from customer defaults.

Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise in-substance fixed payments and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

Share-based Payment Arrangements

Employee share options are expensed on a straight-line basis over the vesting period, based on the fair value at the grant date and the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Estimated impairment of financial assets

The provision for impairment of trade receivables, investments in debt instruments, finance lease receivables, other receivables and financial guarantee contracts is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 10, 12 and 13. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, the estimate of the probability of default is subject to greater uncertainties from the uncertain impact caused by interest rate fluctuations.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	$ 14,650	$ 15,218
Checking accounts and demand deposits	8,888,030	11,873,939
Cash equivalents		
Time deposits with original maturities within 3 months	2,099,648	2,056,543
Short-term notes	49,418	11,269
Repurchase agreements	19,000	58,500
Third-party payment service deposits	2	2
	$ 11,070,748	$ 14,015,471

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign listed shares	$ 6,484	$ 8,308
Mutual funds	1,171,518	441,246
Investments in foreign bonds	15,669	16,127
Hybrid financial assets		
Structured deposits	18,617	25,130
Principal guaranteed financial assets	-	36,487
	$ 1,212,288	$ 527,298
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign unlisted shares	$ 2,357	$ 2,459
Limited Partnership investments	87,944	67,765
Hybrid financial assets		
Principal guaranteed financial assets	-	24,172
	$ 90,301	$ 94,396
Financial liabilities at FVTPL - current		
Designated as at fair value through profit or loss		
Derivative financial liabilities		
Redemption rights of convertible corporate bonds (Note 24)	$ 229,353	$ 218,253

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
Current		
Domestic investments		
Listed shares	$ 145,931	$ 133,787
Non-current		
Domestic investments		
Listed shares	$ 400,372	$ 441,279
Unlisted shares	573,768	525,546
Others	2,134	2,269
Foreign investments		
Unlisted shares	8,338	8,599
	$ 984,612	$ 977,693

As a result of the issuance of preferred shares by BSOS Holdings Inc. in October 2024, in which the Group did not subscribe on a pro rata basis, the Group's ownership interest decreased to 2.69%.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Financial assets - current		
Time deposits with original maturities of more than 3 months	$ 2,629,338	$ 4,192,886
Reserve accounts	301,754	339,652
Restricted bank deposits	2	82,099
Pledged time deposits	50,175	7,911
Bank deposit for specified purpose	10,785	19,432
Beneficiary right of the real estate trust (a)	3,724,347	1,424,074
	6,716,401	6,066,054
Less: Allowance for impairment loss	(3,090)	(1,104)
	$ 6,713,311	$ 6,064,950

(Continued)

	December 31	
	2025	2024
Financial assets - non-current		
Pledged time deposits	$ 75,038	$ 71,364
Reserve accounts	176,012	31,907
Restricted Bank deposits	469,890	567,243
Time deposits with original maturities of more than one year	3,145,982	1,822,496
Debt instruments investment (b)	2,388,659	-
	$ 6,255,581	$ 2,493,010

(Concluded)

a. Shinshin acquired debt instruments in the form of beneficiary right of the real estate trust. As of December 31, 2025 and 2024, with yearly effective interest rates of 3.69%-7.39% and 3.85%-6.90%, respectively, and with maturities in year 2029.

b. Taiwan Acceptance Co., Ltd. acquired investments in debt instruments in August 2025. As of December 31, 2025, with yearly effective interest rates of 3.70%-3.75% and with maturity date in December 2035.

c. Refer to Note 10 for information relating to credit risk management and impairment of financial assets at amortized cost.

d. Refer to Note 38 for information relating to financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	December 31	
	2025	2024
Gross carrying amount	$ 12,971,982	$ 8,559,064
Less: Allowance for impairment loss	(3,090)	(1,104)
Amortized cost	$ 12,968,892	$ 8,557,960

The Group primarily invests in deposits, corporate bonds and beneficiary right of the real estate trust. The Group continues to monitor credit risk exposures by closely tracking external credit ratings. The Group also reviews changes in bond yields and other public information to assess whether there has been a significant increase in credit risk.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries.

The Group assesses the loss allowance of debt instruments at amortized cost as follows:

December 31, 2025

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Write-off	Total
Gross carrying amount	$ 3,722,818	$ -	$ -	$ 9,249,164	$ 12,971,982
Loss allowance (Lifetime ECL)	(3,090)	-	-	-	(3,090)
Amortized cost	$ 3,719,728	$ -	$ -	$ 9,249,164	$ 12,968,892

December 31, 2024

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Write-off	Total
Gross carrying amount	$ 1,423,724	$ -	$ -	$ 7,135,340	$ 8,559,064
Loss allowance (Lifetime ECL)	(1,104)	-	-	-	(1,104)
Amortized cost	$ 1,422,620	$ -	$ -	$ 7,135,340	$ 8,557,960

The movements of the loss allowance of investments in debt instruments were as follows:

	December 31	
	2025	2024
Balance on January 1	$ 1,104	$ 10,323
Add: Net recognized of loss allowance	1,986	-
Less: Net reversal of loss allowance	-	(9,219)
Balance on December 31	$ 3,090	$ 1,104

11. FINANCIAL INSTRUMENTS FOR HEDGING - CURRENT

	December 31	
	2025	2024
Financial liabilities under hedge accounting		
Cash flow hedges - cross-currency swap	$ 14,397	$ 68,189

The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations related to Japanese yen borrowing. The terms of the foreign exchange swap and interest rate swap contracts are the same as those of the related financial liabilities, so the management of the Group believes it can serve as a highly effective hedging tool. The outstanding cross-currency swap contracts at the end of the reporting period were as follows:

December 31, 2025

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Received	Range of Interest Rates Paid
RMB22,480/JPY440,000	2026.04.23	1.050%	3.320%

December 31, 2024

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Received	Range of Interest Rates Paid
RMB35,104/JPY720,000	2025.08.19	0.934%	3.620%
RMB42,245/JPY850,000	2025.09.18	0.944%	3.630%
RMB35,745/JPY750,000	2025.10.15	1.050%	3.520%
RMB35,085/JPY750,000	2025.10.31	0.980%	3.580%
RMB37,214/JPY800,000	2025.11.07	0.960%	3.509%
RMB29,035/JPY600,000	2025.12.05	1.030%	3.470%
RMB33,435/JPY700,000	2025.12.11	1.630%	3.350%
RMB28,644/JPY600,000	2025.12.12	1.070%	3.450%
RMB33,173/JPY700,000	2025.12.18	1.630%	3.300%

12. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2025	2024
Classified according to installment and non-installment accounts receivable - at amortized cost		
Installment accounts receivable		
Less than 1 year	$ 79,266,790	$ 80,083,605
1-2 years	53,940,452	56,846,916
2-3 years	32,415,977	36,028,825
Over 3 years	50,102,282	54,930,676
	215,725,501	227,890,022
Non-installment accounts receivable	3,703,215	3,392,355
Less: Unrealized interest revenue	(31,403,016)	(35,944,802)
Less: Allowance for impairment loss	(4,382,248)	(4,977,571)
Accounts receivable, net	$ 183,643,452	$ 190,360,004

a. Installment receivables

Installment receivables including accounts receivable purchases, installment sales, loans for vehicles and operational equipment of distributors, as well as notes and accounts receivable arising from automobile loan promotion activities.

Principal and interest for Horizontal Segments within the Group are collected monthly. For delayed payments, interests are accrued on the basis of the number of days that payments are outstanding. For the assessment of expected credit losses, in addition to considering the impairment losses recognized by individual customers, the Group assessed expected credit losses of different businesses on a collective basis based on macroeconomic factors, past experience and forward-looking indicators. Customer's delinquency status or changes in credit risk subsequent to initial recognition, the Group individually assesses the 12-month expected credit losses or the lifetime expected credit losses for its various lines of business.

The Group draws upon historical credit loss experience, evaluates the expected credit loss rate based on Group's accounts receivable. To address the varying loss patterns among certain customer segments, the Group takes into account credit risk, the characteristics of individual receivable cases, and the number of days past due.

The Group distinguishes credit risk assessment levels based on the characteristics of accounts receivable cases and changes in the number of days past due as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	Past due over 30 days or there has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	Past due over 90 days or there is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

b. Non-installment receivables

The average credit period for the sale of goods for "Brand Segments" was 45 to 180 days. In assessing recoverability of its trade and notes receivables, the Group's management considers any changes in the counterparties' credit quality as of the balance sheet dates, including the financial and economic status of the counterparties, since the major counterparties were related parties.

The non-installment receivables within the Group's "Horizontal Segments" primarily pertain to accounts receivable arising from display vehicle models and the sale of inventory and services to distributors. As the majority of display vehicle transactions are conducted with affiliated distributors within the Group, there have been no occurrences of overdue payments or impairment of such receivables.

The average credit period for the sale of goods by other "Supporting Segments" was 45 to 65 days. In assessing recoverability of its trade and notes receivables, the Group's management considers any changes in the counterparties' credit quality as of the balance sheet dates, including the financial and economic status of the counterparties, since the major counterparties were related parties.

For Taiwan and China-based retailers of the Group, overdue payments are reported to the Group's internal legal department for confirmation and collection.

The clients of the Group are widely spread and unrelated; thus, credit risk is limited.

c. The credit risk assessment of notes and trade receivables is as follows:

December 31, 2025

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Gross carrying amount	$ 178,652,050	$ 3,194,070	$ 2,183,902	$ 3,995,678	$ 188,025,700

December 31, 2024

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Gross carrying amount	$ 186,201,587	$ 3,434,999	$ 2,002,338	$ 3,698,651	$ 195,337,575

The aging of the credit risk of accounts receivables has increased significantly is as follows:

	For the Year Ended December 31	
	2025	2024
Past due up to 30 days	$ 1,940,760	$ 1,839,222
Past due from 31 to 90 days	1,253,310	1,595,777
	$ 3,194,070	$ 3,434,999

d. The movements of the loss allowance of note and trade receivables were as follows:

December 31, 2025

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Balance on January 1	$ 2,980,739	$ 945,880	$ 956,721	$ 94,231	$ 4,977,571
Amounts recovered	-	-	801,329	-	801,329
Provision for (reversal of) impairment loss	(360,899)	(45,518)	2,545,373	10,123	2,149,079
Transfer of measurement stages	(192,324)	86,060	106,264	-	-
Amounts written off	-	-	(3,543,107)	(4,095)	(3,547,202)
Amounts reclassification for the current period	-	-	-	(159)	(159)
Foreign exchange gains and losses	1,946	29	(198)	(147)	1,630
Balance on December 31	$ 2,429,462	$ 986,451	$ 866,382	$ 99,953	$ 4,382,248

December 31, 2024

	12-month ECLs	Lifetime: Significant Increase in Credit Risk	Lifetime: Credit Impaired	Lifetime: Simplified Approach	Total
Balance on January 1	$ 3,751,348	$ 957,128	$ 897,413	$ 309,080	$ 5,914,969
Amounts recovered	-	-	587,424	2,374	589,798
Provision for (reversal of) impairment loss	(740,752)	33,402	4,555,294	(39,915)	3,808,029
Transfer of measurement stages	(30,893)	(44,653)	75,546	-	-
Amounts written off	-	-	(5,159,097)	(192,985)	(5,352,082)
Amounts reclassification for the current period	-	-	-	129	129
Foreign exchange gains and losses	1,036	3	141	15,548	16,728
Balance on December 31	$ 2,980,739	$ 945,880	$ 956,721	$ 94,231	$ 4,977,571

Refer to Note 38 for the amounts of trade receivables pledged as collateral for bank borrowings.

13. FINANCE LEASE RECEIVABLES

	December 31 2025	December 31 2024
Undiscounted lease payments		
Year 1	$ 18,354,975	$ 22,852,866
Year 2	7,030,292	7,930,951
Year 3	1,958,507	2,023,155
Year 4	823,421	1,290,630
Year 5	168,718	186,062
Year 5 onwards	199,359	254,329
	28,535,272	34,537,993
Less: Unearned finance income	(2,233,160)	(2,844,318)
Less: Allowance for impairment loss	(636,445)	(656,104)
Lease payments receivable	$ 25,665,667	$ 31,037,571
Net investment in leases presented as finance lease receivables	$ 25,665,667	$ 31,037,571

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.16 years. YES-Energy Service Co., Ltd. (“YES-Energy”) entered into a power purchase and sale contract with Taiwan Power Company, stipulating that all the electricity produced by the company would be sold to Taiwan Power Company for a period of 20 years from the date of commercial transfer.

The Group has been subleasing parts of its land and buildings. The Group subleases the land and buildings for all the remaining lease term of the main lease to the sublessee; the sublease contract is classified as a finance lease based on the remaining contractual terms and conditions of the main lease and sublease. The related right-of-use assets were derecognized and finance lease receivables were recognized. All these leases with average lease term of 12.25 years. The Group receives fixed lease payments yearly.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The ranges of interest rates inherent in the finance lease were approximately 3.83%-13.98% and 3.98%-13.98% as of December 31, 2025 and 2024, respectively.

Finance lease receivables are secured by holding leased equipment or vehicles as collaterals. For finance lease receivables with credit risk that did not increase significantly since initial recognition, 12-month ECLs were applied; for finance lease receivables with credit risk has increased significantly since initial recognition by reference to past default experience of the debtor and an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtors operate and expected credit loss rates of forward-looking indicators, the Group measures the loss allowance for expected credit loss (ECL).

The Group assesses the loss allowance of finance lease receivables as follows:

December 31, 2025

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Gross carrying amount	$ 25,197,841	$ 252,975	$ 619,312	$ 231,984	$ 26,302,112

December 31, 2024

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Gross carrying amount	$ 30,553,292	$ 392,389	$ 447,294	$ 300,700	$ 31,693,675

The aging of the credit risk of finance lease receivables has increased significantly is as follows:

	For the Year Ended December 31	
	2025	2024
Past due up to 30 days	$ 2,708	$ 33,980
Past due from 31 to 90 days	250,267	358,409
	$ 252,975	$ 392,389

The movements of the loss allowance of finance lease receivables were as follows:

December 31, 2025

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Balance on January 1	$ 338,021	$ 63,484	$ 214,513	$ 40,086	$ 656,104
Amounts recovered	-	-	150,565	458	151,023
Provision for (reversal of) impairment loss	(47,313)	138,704	606,960	(3,176)	695,175
Transfer of measurement stages	(9,047)	(157,017)	166,064	-	-
Amounts written off	-	-	(820,741)	(32,343)	(853,084)
Foreign exchange gains and losses	(7,944)	(1,513)	(1,672)	(1,644)	(12,773)
Balance on December 31	$ 273,717	$ 43,658	$ 315,689	$ 3,381	$ 636,445

December 31, 2024

		Lifetime			
	12-month ECLs	Significant Increase in Credit Risk	Credit Impaired	Simplified Approach	Total
Balance on January 1	$ 417,733	$ 73,005	$ 272,543	$ 60,214	$ 823,495
Amounts recovered	-	-	284,761	-	284,761
Provision for (reversal of) impairment loss	(81,372)	229,614	373,259	(17,271)	504,230
Transfer of measurement stages	(18,782)	(242,570)	261,352	-	-
Amounts written off	-	-	(990,614)	(5,732)	(996,346)
Foreign exchange gains and losses	20,442	3,435	13,212	2,875	39,964
Balance on December 31	$ 338,021	$ 63,484	$ 214,513	$ 40,086	$ 656,104

Refer to Note 38 for the amounts of finance lease receivables pledged as collateral for bank borrowings.

14. OTHER RECEIVABLES

	December 31	
	2025	2024
Other receivables - at amortized cost	$ 12,594,736	$ 9,707,191
Less: Allowance for impairment loss	(146,439)	(104,275)
	$ 12,448,297	$ 9,602,916

The movements of the loss allowance of other receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 104,275	$ 778,210
Add: Net remeasurement of loss allowance	66,954	14,589
Add: Amounts reclassified during the year	10,294	-
Less: Amounts written off (Note)	(35,384)	(716,815)
Foreign exchange gains and losses	300	28,291
Balance on December 31	$ 146,439	$ 104,275

Note: The Dongfeng Yulon Motor Sales Co., Ltd. had its bankruptcy liquidation process concluded by a court ruling on April 26, 2024. Therefore, the company wrote off related other receivables, along with a loss allowance of $701,543 thousand.

15. INVENTORIES

The Group's inventories include finished goods, work in progress, raw materials, properties for sale and property under construction.

	December 31	
	2025	2024
Finished goods	$ 2,893,089	$ 5,346,781
Work in progress	511,653	515,498
Raw materials	2,074,155	2,384,730
	5,478,897	8,247,009
Properties for sale		
Yu-Wen Garden	2,584	2,584
Hsin-Dian Da Feng section	1,757	1,757
Hangzhou Yulon Motor Building	264,858	281,538
	269,199	285,879
Property under construction	4,670,771	4,670,513
	$ 10,418,867	$ 13,203,401

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were $30,512,096 thousand and $40,615,490 thousand, respectively.

The cost of goods sold for the years ended December 31, 2025 and 2024 included inventory write-downs of $33,321 thousand and $52,186 thousand, respectively.

Refer to Note 38 for the inventories pledged as collateral for bank borrowings.

16. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On December 19, 2025, the Company's board of directors resolved to dispose of its 100% equity interest in its subsidiary, Luxgen Motor Co., Ltd., to a related party, Foxtron Vehicle Technologies Co., Ltd. The preliminary transaction price was set at NT$787,600 thousand, and the equity transfer is expected to be completed within one year.

As of December 31, 2025, the Group reclassified the assets and liabilities of Luxgen Motor Co., Ltd. as held for sale and presented them separately in the consolidated balance sheet. Since the net proceeds from the disposal exceeded the carrying amount of the related net assets, and accordingly, no impairment loss was recognized while reclassifying the assets and liabilities attributable to the disposal group held for sale. The main categories of assets and liabilities of the disposal group held for sale are as follows:

Assets directly associated with disposal groups classified as held for sale

	December 31, 2025
Cash and cash equivalents	$ 767,894
Financial assets at amortized cost - current	100
Notes and trade receivables, net	124,908
Other receivables	228,747
Inventories	436,202
Prepayments	410,592
Other current assets	47,664
Net property, plant and equipment	446,366
Net right-of-use assets	403,514
Intangible asset	16,044
Deferred tax assets	43,613
Other non-current assets	40,772
Refundable deposits	32,134
	$ 2,998,550

Liabilities directly associated with disposal groups classified as held for salec

	December 31, 2025
Short-term borrowings	$ 1,195,000
Trade payables	173,367
Other payables	358,327
Lease liabilities	448,298
Other current liabilities	53,787
Provisions	149,387
Guarantee deposits received	800
	$ 2,378,966

The board of directors of the Company resolved on November 23, 2023 to dispose of its 100% equity interest in its subsidiary, Yulon Motor Finance (China) Co., Ltd. ("Yulon Motor Finance"), to a non-related party, Beijing Automotive Industry Holding Co., Ltd., completed and delivered on September 30, 2024. The carrying amounts of the assets and liabilities of Yulon Motor Finance at the date of disposal were disclosed in Note 34.

17. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Entities included in the Group's consolidated financial statements were as follows:

Investor	Investee	Main Businesses	% of Ownership December 31 2025	% of Ownership December 31 2024	Remark
The Company	Taiwan Acceptance Corporation ("TAC")	Sale and lease of cars and parts	42.81	42.81	-
	Yu Sing Motor Co., Ltd. ("Yu Sing")	Sale, maintenance and repair of cars and parts	99.99	99.99	-
	Yushin Motor Co., Ltd. ("Yushin")	Sale, maintenance and repair of cars and parts	99.99	99.99	-
	Yu Chang Motor Co., Ltd. ("Yu Chang")	Sale and maintenance of cars and parts	65.00	65.00	-
	Sin Chi Co., Ltd. ("Sin Chi")	General advertising planning services	100.00	100.00	-
	Yu Ching Business Co., Ltd. ("Yu Ching")	Import and export and sale of cars and parts	60.00	60.00	The Group owned 100% of Yu Ching in the two reporting periods.
	Yung Hong Investment Co., Ltd. ("Yung Hong")	Investments	100.00	100.00	-
	Yu Pong Business Co., Ltd. ("Yu Pong")	Yulon basketball team management and related services	100.00	100.00	-
	Chan Yun Technology Co., Ltd. ("Chan Yun")	Wholesale and retail of information software	87.71	87.71	-
	Yulon Overseas Investment Co., Ltd. ("Yulon Overseas")	Investments	100.00	100.00	-
	Y-Teks Co., Ltd. ("Y-Teks")	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	34.00	34.00	The Group owned 45.99% of Y-Teks in the two reporting periods.
	Union & NKH Auto Parts Co., Ltd. ("Union & NKH")	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	25.01	25.01	-
	Yueki Industrial Co., Ltd. ("Yueki")	Manufacturing and sale of car components	65.58	65.58	The Group owned 65.66% of Yueki in the two reporting periods.
	Yue Sheng Industrial Co., Ltd. ("Yue Sheng")	Car manufacture and furnishing; manufacture, installation and sale of car parts	100.00	100.00	-
	China Cast Iron Pipe Co., Ltd. ("China Cast Iron")	Metal casting and related business	77.67	77.67	Purchased 0.01% of China Cast Iron Pipe Co., Ltd. from non-related parties in the 3rd quarter of 2024.
	Empower Co., Ltd. ("Empower")	Sale, maintenance and repair of cars and parts	20.00	20.00	The Group owned 47% of Empower in the two reporting periods.
	Luxgen Motor Co., Ltd. ("Luxgen")	Sale of cars and parts	100.00	100.00	-
	Yulon Construction Co., Ltd. ("Yulon Construction")	Construction	100.00	100.00	-
	Haitec Co., Ltd. ("Haitec")	Product design of cars	99.99	99.99	-
	Advance Power Machinery Co., Ltd. ("Advance Power Machinery")	Manufacturing and furnishing cars and the import and export of, and serving as sales agent for, car parts	100.00	100.00	-
	Yuke Co., Ltd. ("Yuke")	Energy technical Services	100.00	100.00	-
	Yu Yao Co., Ltd. ("Yu Yao")	Energy technical Services	-	100.00	Sold to Advance Power Machinery in the 4th quarter of 2025.
	New Energy World Motor Co., LTD. ("New Energy World")	Sales, maintenance and repair of heavy vehicles and related products.	20.00	20.00	The Group owned 100% of New Energy World in the two reporting periods.
TAC	Shinshin Credit Corporation ("Shinshin")	Installment-related financing services for car, truck purchases and production equipment and related products	100.00	100.00	-
	Car-plus Auto Leasing Corporation ("Car-plus Auto")	Car lease and trade	100.00	100.00	-
	TAC Global Investment (Samoa) Co., Ltd.	Shareholding company	100.00	100.00	-
	Empower Co., Ltd. ("Empower")	Sale, maintenance and repair of cars and parts	27.00	27.00	The Group owned 47% of Empower in the two reporting periods.
	Yu Rich Financial Services Co., Ltd. ("Yu Rich")	Installment loans of consumer goods	100.00	100.00	-
	Yulon Finance Overseas Investment (Samoa) Co., Ltd. (Yulon Finance Overseas)	Shareholding company	100.00	100.00	-
	JDW Co., Ltd. ("JDW")	Information software services, information processing services and general advertising services	50.70	50.70	-
	Yulon Capital Sdn. Bhd.	Leasing and installment payment services for commercial vehicle and equipment	39.08	39.08	A non-pro-rata capital increase was conducted in the 4th quarter of 2024. The Group owned 100% of Yulon Capital Sdn. Bhd. in the two reporting periods.
Yulon Capital Sdn. Bhd.	Yulon Credit Sdn. Bhd. (Former name "EFI Capital Sdn. Bhd.")	Corporate financing and loan services	100.00	-	Acquisition of 100% equity interest in the 2nd quarter of 2025.
Shinshin	Shinshin Global Investment (Samoa) Co., Ltd. ("Shinshin Samoa")	Shareholding company	100.00	100.00	-
Shinshin	Yes-Energy Service Co., Ltd. ("YES-Energy")	Energy technical services	100.00	100.00	-
	Shinshin Energy Corporation ("Shinshin Energy")	Energy technical Services	100.00	100.00	-
	Zysun Power Co., Ltd. ("Zysun Power")	Energy technical Services	100.00	100.00	-
	Wysun Power Co., Ltd. ("Wysun Power")	Energy technical Services	100.00	100.00	-
	Tai Chuang Energy Corporation Ltd. ("Tai Chuang Energy")	Energy technical Services	100.00	96.00	A non-pro-rata capital increase was conducted in the 3rd and 2nd quarter of 2025 and the 4th quarter of 2024.
	Yulon Capital SDN. BHD.	Leasing and installment financing services for commercial vehicles and equipment	60.92	60.92	A non-pro-rata capital increase was conducted in the 4th quarter of 2024. Shinshin owned 100% of Yulon Capital SDN. BHD. in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2025	% of Ownership December 31 2024	Remark
Car-plus Auto	Diamond Leasing Service Corporation ("Diamond Leasing")	Car lease and trade	100.00	100.00	-
	Car-Plus Global Investment (Samoa) Co., Ltd. ("Car-Plus Samoa")	Shareholding company	100.00	100.00	-
	YES Charging Service Co., Ltd. ("YES Charging Service")	Wholesale and retail of batteries	100.00	100.00	-
	Sin Gan Co., Ltd. ("Sin Gan")	Automobile - related merchandise sales	77.69	77.69	The Group owned 97.47% of Sin Gan in the two reporting periods.
Sin Gan	Sinqual Technology Co., Ltd. ("Sinqual")	Sales of automotive related products and parts	-	100.00	Dissolved in 1st quarter of 2025 following merger into Sin Gan Company.
	Hsiang Shuo Enterprises Co., Ltd. ("Hsiang Shuo")	Towing	100.00	100.00	-
	Sin Jang Enterprises ("Sin Jang")	Sales and brokerage of secondhand vehicles	-	100.00	Dissolved in 4th quarter of 2025 following merger into Sin Gan Company.
	Ching-Tong Motor Co., Ltd. ("Ching-Tong")	Sales and maintenance of cars and parts	100.00	100.00	-
Diamond Leasing	H.K. Manpower Service Co., Ltd. ("H.K. Manpower")	Temporary labor services	100.00	100.00	-
	Da-Teng Transportation Co., Ltd. ("Da-Teng")	Taxi service	100.00	100.00	-
	Da-Chuan Transportation Co., Ltd. ("Da-Chuan")	Taxi service	100.00	100.00	-
	Da-Mu Transportation Co., Ltd. ("Da-Mu")	Taxi service	100.00	100.00	-
	Da-Jun Transportation Co., Ltd. ("Da-Jun")	Taxi service	100.00	100.00	-
	Yong-Xiang Transportation Co., Ltd. ("Yong-Xiang")	Taxi service	100.00	100.00	-
	Guo-Ma Transportation Co., Ltd. ("Guo-Ma")	Taxi service	100.00	100.00	-
	Jin-Yu Transportation Co., Ltd. ("Jin-Yu")	Taxi service	100.00	100.00	-
	Zhong-Xing Automobile Co., Ltd. ("Zhong-Xing")	Taxi service	100.00	100.00	-
	Li-Yang Automobile Co., Ltd. ("Li-Yang")	Taxi service	100.00	100.00	-
	He-Yang Transportation Co., Ltd. ("He-Yang")	Taxi service	100.00	100.00	-
	Jia-Yu Transportation Co., Ltd. ("Jia-Yu")	Taxi service	100.00	100.00	-
	Tian-Yang Transportation Co., Ltd. ("Tian-Yang")	Taxi service	100.00	100.00	-
Car-Plus Samoa	Car-Plus China Investment (Samoa) Co., Ltd. ("Car-Plus China")	Shareholding	60.00	60.00	The Group owned 100% of Car-Plus China in the two reporting periods.
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd. ("Car-Plus Hangzhou")	Shareholding	-	60.00	Deregistered in the 4th quarter of 2025.
TAC Global	Car-Plus China Investment (Samoa) Co., Ltd.	Shareholding	40.00	40.00	The Group owned 100% of Car-Plus China in the two reporting periods.
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Shareholding	-	40.00	Deregistered in the 4th quarter of 2025.
	Yu Rong International Investment (Samoa) Co., Ltd. ("Yu Rong")	Shareholding	100.00	100.00	-
Shinshin Samoa	Yulon Finance Philippines Corporation	Financial lease of car and loans to car dealers for purpose of purchasing automobiles	28.57	-	A non-pro-rata capital increase was conducted in the 4th quarter of 2025. Shinshin Samoa held 28.57% of Yulon Finance Philippines Corporation.
Car-Plus China	Car-Plus (Jiangsu) Auto Leasing Co., Ltd. ("Car-Plus (Jiangsu) ")	Lease of cars and related services	100.00	100.00	-
Car-Plus Hangzhou	Car-Plus Go Co., Ltd. ("Car-Plus Go")	Lease of cars and related services	-	100.00	Deregistered in the 2nd quarter of 2025.
Yu Rong	Jiangsu TAC Financial Leasing Co., Ltd. ("Jiangsu TAC Financial Leasing")	Equipment and cars leasing business	100.00	100.00	-
Jiangsu TAC Financial Leasing	Car-Plus Leasing (Shanghai) Co., Ltd. ("Car-Plus Leasing (Shanghai)")	Lease of cars and related services	100.00	100.00	-
	Zhejiang Yulon Trading Co., Ltd. ("Zhejiang Yulon Trading")	Trade installment business	100.00	100.00	Jiangsu TAC Financial Leasing acquired 100% of Zhejiang Yulon Trading in the 4th quarter of 2024.
Yulon Finance Overseas	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Shareholding	100.00	100.00	-
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Yulon Finance Philippines Corporation	Financial lease of car and loans to car dealers for purpose of purchasing automobiles	71.43	100.00	A non-pro-rata capital increase was conducted in December 2025. Yulon Finance Philippines Investment (Samoa) Co., Ltd. held 71.43% of Yulon Finance Philippines Corporation.
Yulon Finance Philippines Corporation	Yulon Insurance Agency Philippines Inc.	Liability insurance agency	100.00	-	Established in the 2nd quarter of 2025 and 100% owned by Yulon Finance Philippines Corporation.
JDW	JDW Taxi Co., Ltd. ("JDW Taxi")	Taxi service and general advertising services	62.50	62.50	-
Yu Sing Company	Kuen You Trading Co., Ltd. ("Kuen You")	Sale, maintenance and repair of cars and parts	100.00	100.00	-
Yushin Company	Yu Pool Co., Ltd. ("Yu Pool")	Supply of and providing services on information software and retail trade of spare parts of vehicles	100.00	100.00	-
Sin Chi Company	Yulon TOBE Motor Co., Ltd. ("Yulon TOBE")	Sale of cars and parts	59.64	59.64	-
	Sin Gan Co., Ltd. ("Sin Gan")	Wholesale and retail of information software	19.78	-	Acquisition of 19.78% from Luxgen in the 4th quarter of 2025.
Yu Pong	Yu Ching Business Co., Ltd. ("Yu Ching")	Import and export and sale of cars and parts	40.00	40.00	The Group owned 100% of Yu Ching in the two reporting periods.
Yulon Construction	Hangzhou Yu-Jie Real Estate Co., Ltd. ("Yu-Jie")	Construction	100.00	100.00	-
	Yufong Property Management Co., Ltd.	Management consulting and lease of real estate	-	100.00	Dissolved in 2nd quarter of 2025 following merger into Yulon Construction Company.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2025	% of Ownership December 31 2024	Remark
Yulon Overseas	Yulon China Investment Co., Ltd. (“Yulon China”)	Investments	100.00	100.00	-
	Yulon Philippines Investment Co., Ltd. (“Yulon Philippines”)	Investments	100.00	100.00	-
Yulon China	Qing Yi Investment Co., Ltd. (“Qing Yi”)	Investments	100.00	100.00	-
	Wen Yang Investment Co., Ltd. (“Wen Yang”)	Investments	100.00	100.00	-
	Feng Hua Investment Co., Ltd. (“Feng Hua”)	Investments	40.00	40.00	-
	Yulon China Holding Co., Ltd. (“Yulon China Holding”)	Investments	100.00	100.00	-
Yulon China Holding	Yulon China (HK) Holding Limited (“Yulon China (HK) Holding”)	Investments	100.00	100.00	-
Yulon China (HK) Holding	Yulon China Motor Investment Limited (“Yulon China Motor Investment”)	Investments	100.00	100.00	-
	Xiamen Young Chang Investment Co., Ltd. (“Xiamen Young Chang”)	Renders consulting services on cars, electronics, textiles and related products	100.00	100.00	-
Yulon China Motor Investment	Sheng Qing (Bei Jin) Investment Co., Ltd. (“Sheng Qing”)	Investments	83.87	83.87	The Group owned 100% of Sheng Qing in the two reporting periods.
	Chuang Jie New Energy Vehicle (HZ) Limited (“Chuang Jie”)	Manufacturing of key car components, electric cars and related parts	100.00	100.00	-
	Hang Zhou Haitec Company (“Hang Zhou Haitec”)	Product design of cars	43.74	43.74	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.
Chuang Jie New	Luxgen (Hangzhou) Motor Sales Co., Ltd.	Sale of cars and parts	100.00	100.00	-
	Hang Zhou Haitec Company (“Hang Zhou Haitec”)	Product design of cars	56.26	56.26	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.
Xiamen Young Chang	Sheng Qing (Bei Jin) Investment Co., Ltd. (“Sheng Qing”)	Investments	16.13	16.13	The Group owned 100% of Sheng Qing in the two reporting periods.
Feng Hua	Su Zhou Cheng Long Auto Sale & Service Co., Ltd. (“Su Zhou Cheng Long”)	Sale and maintenance of cars and parts	100.00	100.00	-
Qing Yi	Hangzhou Yuwan Auto Motive Parts Limited (“Hangzhou Yuwan”)	Manufacturing of key car components, electric cars and related parts	44.11	44.11	The Group owned 100% of Hangzhou Yuwan in the two reporting periods.
	Hangzhou Liangrun Motor Parts Co., Ltd. (“Hangzhou Liangrun”)	Manufacturing of car seats and developing the related market	20.51	20.51	The Group owned 100% of Hangzhou Liangrun in the two reporting periods.
Wen Yang	Tai Feng (Nan Jing) Software Technology Co., Ltd. (“Tai Feng”)	Computer software maintenance and computer system integration	100.00	100.00	-
Tai Feng	Shi Cheng (Zhang Zhou) Technology Develop Co., Ltd. (“Shi Cheng”)	Computer software maintenance and computer system integration	100.00	100.00	-
Shi Cheng	Dong Tai (Bei Jin) Investment Co., Ltd. (“Dong Tai”)	Investments	100.00	100.00	-
	Gao Te (Bei Jin) Investment Co., Ltd. (“Gao Te”)	Investments	100.00	100.00	-
Dong Tai	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. (“Tong Ling Kuo Tong”)	Sale and maintenance of cars and parts	29.56	29.56	The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.
Sheng Qing	Zhu Hai Fu Te En Industry & Trade Co., Ltd. (“Zhu Hai Fu Te En”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Guang Zhou Yuan Du Auto Sale & Service Co., Ltd. (“Guang Zhou Yuan Du”)	Sale and maintenance of cars and parts	51.00	51.00	-
	Su Zhou Feng Shen Auto Sale & Service Co., Ltd. (“Su Zhou Feng Shen”)	Sale and maintenance of cars and parts	40.00	40.00	-
	Nanjing Hanhong Motor Trading Co., Ltd. (“Nanjing Hanhong”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Wuhan Yu Hsin Auto Sale & Service Co., Ltd. (“Wuhan Yu Hsin”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Hang Zhou Yu Zhong Trading Co., Ltd. (“Hang Zhou Yu Zhong”)	Food and Beverage Management and Sales	100.00	100.00	-
	Hang Zhou Hua Zhi Auto Sales & Services Co., Ltd. (“Hang Zhou Hua Zhi”)	Sale and maintenance of cars and parts	60.00	60.00	-
	Changsha Yu Lu Auto Sale & Service Co., Ltd. (“Changsha Yu Lu”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. (“Tong Ling Kuo Tong”)	Sale and maintenance of cars and parts	70.44	70.44	The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.
Su Zhou Cheng Long	Su Zhou Cheng Hung Auto Sale & Service Co., Ltd. (“Su Zhou Cheng Hung”)	Sale and maintenance of cars and parts	100.00	100.00	-
Su Zhou Feng Shen	Su Zhou Feng Shun Auto Sale & Service Co., Ltd. (“Su Zhou Feng Shun”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Pin Auto Sale & Service Co., Ltd. (“Su Zhou Cheng Pin”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Pang Auto Sale & Service Co., Ltd. (“Su Zhou Cheng Pang”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Tai Chang Cheng Mau Auto Sale & Service Co., Ltd. (“Tai Chang Cheng Mau”)	Sale and maintenance of cars and parts	100.00	100.00	-
Su Zhou Feng Shun	Wu Jiang Lian Cheng Auto Sale & Service Co., Ltd. (“Wu Jiang Lian Cheng”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Li Auto Sale & Service Co., Ltd. (“Su Zhou Cheng Li”)	Sale and maintenance of cars and parts	100.00	100.00	-
Wuhan Yu Hsin	Xiao Gan Yu Feng Auto Sale & Service Co., Ltd. (“Xiao Gan Yu Feng”)	Sale and maintenance of cars and parts	100.00	100.00	-
	Huang Shi Yu Shin Sale & Service Co., Ltd. (“Huang Shi Yu Shin”)	Sale and maintenance of cars and parts	100.00	-	Established in the 3rd quarter of 2025.
	Xiao Gan Yu Xi Sale & Service Co., Ltd. (“Xiao Gan Yu Xi”)	Sale and maintenance of cars and parts	100.00	-	Established in the 3rd quarter of 2025.
	Wuhan Yu Ling Sale & Service Co., Ltd. (“Wuhan Yu Ling”)	Sale and maintenance of cars and parts	100.00	-	Established in the 3rd quarter of 2025.
	Wuhan Yu Tai Sale & Service Co., Ltd. (“Wuhan Yu Tai”)	Sale and maintenance of cars and parts	100.00	-	Established in the 3rd quarter of 2025.
Zhu Hai Fu Te En	Zhong shan Yu sheng Sale & Service Co., Ltd. (“Zhong shan Yu sheng”)	Sale and maintenance of cars and parts	100.00	-	Established in the 4th quarter of 2025.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2025	% of Ownership December 31 2024	Remark
Hang Zhou Hua Zhi	Hang Zhou Hua You Auto Sales & Services Co., Ltd. (“Hang Zhou Hua You”)	Sale and maintenance of cars and parts	100.00	100.00	-
Yulon Philippines	Univation Motor Philippines, Inc. (UMPI)	Car manufacturing	100.00	100.00	-
	Sta. Cruz Island Corporation (SCIC)	Plant lease	100.00	100.00	-
Y-Teks	Yu-Hsin Intl Investment Co., Ltd. (“Yu-Hsin Intl”)	Investments	66.67	66.67	-
Yu-Hsin Intl	Yu-Hsin Intl (H.K) Investment Co., Ltd. (“Yu-Hsin Intl HK)	Investments	100.00	100.00	-
Yu-Hsin Intl HK	Hangzhou Y-Teks Automotive Trim Parts (“Hangzhou Y-Teks”)	Manufacturing and sale of car interior furnishing and related business	100.00	100.00	-
	Changzhou Y-Teks Automotive Trim Parts (“Changzhou Y-Teks”)	Manufacturing and sale of car interior furnishing and related business	51.00	51.00	-
Changzhou Y-Teks	Wuhu Y-Teks Automotive Trim Parts (“Wuhu Y-Teks”)	Manufacturing and sale of car interior furnishing and related business	100.00	-	Newly established in the 4th quarter of 2025.
Union & NKH	Uni Investment Co., Ltd. (“Uni Investment”)	Investments	100.00	100.00	-
Uni Investment	Fuzhou Lianghong Motor Parts Co., Ltd. (“Fuzhou Lianghong”)	Manufacturing of car seats and developing the related market	66.67	66.67	-
	Hangzhou Liangrun Motor Parts Co., Ltd. (“Hangzhou Liangrun”)	Manufacturing of car seats and developing the related market	79.49	79.49	The Group owned 100% of Hangzhou Liangrun in the two reporting periods.
Yueki	Yue Ki Investment (HK) Co., Ltd. (“Yue Ki HK”)	Investments	100.00	100.00	-
Yue Ki HK	Hangzhou Yuwan Auto Motive Parts Limited (“Hangzhou Yuwan”)	Manufacturing of key car components, electric cars and related parts	55.89	55.89	The Group owned 100% of Hangzhou Yuwan in the two reporting periods.
Yue Sheng	Y-Teks Co., Ltd. (“Y-Teks”)	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	11.99	11.99	The Group owned 45.99% of Y-Teks in the two reporting periods.
	Yueki Industrial Co., Ltd. (“Yueki”)	Manufacturing and sale of car components	0.08	0.08	The Group owned 65.66% of Yueki in the two reporting periods.
Yu Chang	Tian Wang Co., Ltd.	Sale of secondhand cars and related products	100.00	100.00	-
Empower	Chunmin Enterprise Co., Ltd. (“Chunmin”)	Comprehensive retail of car parts	100.00	100.00	-
	Hong Yen Motor Ltd. (“Hong Yen”)	Investments	100.00	100.00	-
	Yu Ming Insurance Co., Ltd.	Property insurance	100.00	100.00	-
	Min Shiang Lease Co., Ltd. (“Min Shiang”)	Car lease and trade	100.00	100.00	-
Hong Yen	Shanghai Yuming	Sale and maintenance of cars and parts	100.00	100.00	-
Luxgen	Electrified Luxgen	Sale, maintenance and repair of cars and parts	100.00	99.99	After a capital reduction, a non-pro rata capital increase resulted in 100% ownership in the 4th quarter of 2025.
	Luxgen Taoyuan	Sale, maintenance and repair of cars and parts	100.00	99.99	Acquisition of 0.01% from Yulon Management Co., Ltd. in the 4th quarter of 2025.
	Luxgen Taichung	Sale, maintenance and repair of cars and parts	100.00	99.99	Acquisition of 0.01% from Yulon Management Co., Ltd. in the 4th quarter of 2025.
	Luxgen Tainan	Sale, maintenance and repair of cars and parts	100.00	99.99	Acquisition of 0.01% from Yulon Management Co., Ltd. in the 4th quarter of 2025.
	Luxgen Kaohsiung	Sale, maintenance and repair of cars and parts	100.00	99.99	Acquisition of 0.01% from Yulon Management Co., Ltd. in the 4th quarter of 2025.
	Sin Gan Co., Ltd. (“Sin Gan”)	Wholesale and retail of information software	-	19.78	Sold to Sin Chi in the 4th quarter of 2025.
	New Energy World Motor CO., LTD. (“New Energy World”)	Sales, maintenance and repair of heavy vehicles and related products.	-	80.00	Sold to Haitec in the 4th quarter of 2025.
Haitec	New Energy World Motor CO., LTD. (“New Energy World”)	Sales, maintenance and repair of heavy vehicles and related products.	80.00	-	Purchased 80% of New Energy World in the 4th quarter of 2025.
Advance Power Machinery	Yu Yao Co., Ltd. (“Yu Yao”)	Energy technical Services	100.00	-	Purchased 100% of Yu Yao in the 4th quarter of 2025.

(Concluded)

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2025	December 31 2024
TAC	57.19%	57.19%

See Table 6 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2025	2024	Accumulated Non-controlling Interests December 31 2025	2024
TAC (excluding its subsidiaries' non-controlling interests)	$ 2,761,733	$ 3,006,516	$ 26,419,477	$ 25,354,771

The summarized financial information below represents amounts before intragroup eliminations.

TAC and its subsidiaries:

	December 31 2025	2024
Current assets	$ 234,007,289	$ 243,626,805
Non-current assets	50,596,998	46,713,044
Current liabilities	(234,975,853)	(241,837,988)
Non-current liabilities	(8,708,003)	(9,293,126)
Equity	$ 40,920,431	$ 39,208,735
Equity attributable to:		
Owners of TAC	$ 14,264,623	$ 13,451,411
Non-controlling interests of TAC	26,419,477	25,354,771
Non-controlling interests of TAC's subsidiaries	236,331	402,553
	$ 40,920,431	$ 39,208,735

	For the Year Ended December 31 2025	2024
Revenue	$ 39,540,193	$ 41,471,247
Net profit for the year	$ 4,578,748	$ 5,093,190
Other comprehensive income (loss) for the year	(165,077)	670,463
Total comprehensive income for the year	$ 4,413,671	$ 5,763,653
Profit attributable to:		
Owners of TAC	$ 1,931,707	$ 2,232,449
Non-controlling interests of TAC	2,761,733	3,006,516
Non-controlling interests of TAC's subsidiaries	(114,692)	(145,775)
Total net revenue	$ 4,578,748	$ 5,093,190

(Continued)

	For the Year Ended December 31	
	2025	2024
Total comprehensive income attributable to:		
Owners of TAC	$ 1,856,541	$ 2,486,194
Non-controlling interests of TAC	2,678,937	3,437,495
Non-controlling interests of TAC's subsidiaries	(121,807)	(160,036)
Total comprehensive income	$ 4,413,671	$ 5,763,653
Net cash inflow (outflow) from:		
Operating activities	$ 17,110,851	$ 16,938,505
Investing activities	(5,261,219)	(5,636,166)
Financing activities	(10,859,936)	(14,136,790)
Net foreign exchange gains (losses)	(72,976)	265,006
Net cash inflow (outflow)	$ 916,720	$ (2,569,445)
Dividends paid to non-controlling interest:		
Non-controlling interests of TAC	$ 1,606,955	$ 2,119,356

(Concluded)

18. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Investment in associates	$ 25,576,145	$ 27,258,493
Investment in joint venture	-	-
	$ 25,576,145	$ 27,258,493

a. Investments in associates

	December 31	
	2025	2024
Material associates		
Yulon Nissan Motor Co., Ltd.	$ 8,984,335	$ 9,512,428
China Motor Company	3,507,744	3,441,988
Foxtron Vehicle Technologies Co., Ltd.	5,843,958	7,471,251
	18,336,037	20,425,667
Non-material associates	7,240,108	6,832,826
	$ 25,576,145	$ 27,258,493

1) Material associates

Name	December 31 2025	December 31 2024
Yulon Nissan Motor Co., Ltd.	50.02%	50.02%
China Motor Company	8.86%	8.86%
Foxtron Vehicle Technologies Co., Ltd.	43.65%	43.83%

For the information of associates' main business, operating location and registered country, please refer to Table 6.

The Group controlled over 50% of the shares of Yulon Nissan Motor Co., Ltd. ("Yulon Nissan"). However, an assessment of core technologies and the supply of major materials showed that the Group did not exercise control over Yulon Nissan. Thus, Yulon Nissan was not considered a Group subsidiary.

The investment in China Motor Company was accounted for by the equity method because despite the individual investment being less than 20%, the Group exercised significant influence on the investee's operating and financial policy decisions.

The Company, Haitec, and Hon Hai Precision Ind. Co., Ltd. ("Hon Hai") signed a joint venture agreement on March 6, 2020. Haitec and Hon Hai jointly invested in a new joint venture company - Foxtron Vehicle Technologies Co., Ltd. to develop automobile-related businesses. Haitec invested NT$7,632,000 thousand, which included NT$6,450,000 thousand technical costs for car models and NT$1,182,000 thousand cost for MBU1 car model in assets. On July 24, 2023, the board of directors resolved to issue 150,000 thousand new shares by cash capital increase, and the change of registration was completed on December 22, 2023. Haitec did not follow up on the capital increase. As of December 31, 2025, Haitec held 43.65% of the shareholding of Foxtron Vehicle Technologies Co., Ltd.

Fair values of investments in associates, based on the Level 1 fair value measurement derived from published quoted prices, are summarized as follows:

Associate	December 31 2025	December 31 2024
Yulon Nissan Motor Co., Ltd.	$ 8,327,775	$ 11,343,780
China Motor Company	2,875,268	3,895,840
Foxtron Technologies	32,893,920	31,405,680

Share of profit or loss and other comprehensive income of material associates was calculated based on the financial statements which have been audited.

Summarized financial information in respect of each of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Yulon Nissan Motor Co., Ltd. and its subsidiaries

	December 31	
	2025	2024
Current assets	$ 7,115,242	$ 8,810,600
Non-current assets	15,729,080	15,342,195
Current liabilities	(1,669,310)	(2,002,408)
Non-current liabilities	(3,083,873)	(2,882,100)
Equity	$ 18,091,139	$ 19,268,287
Proportion of the Group's ownership	50.02%	50.02%
Equity attributable to the Group	$ 9,049,188	$ 9,637,997
Unrealized gain with associates	(64,853)	(125,569)
Carrying amount	$ 8,984,335	$ 9,512,428

	For the Year Ended December 31	
	2025	2024
Revenue	$ 15,132,073	$ 23,132,016
Net income	$ 389,929	$ 1,670,342
Other comprehensive income (loss)	(397,077)	910,095
Total comprehensive income	$ (7,148)	$ 2,580,437
Dividends received from Yulon Nissan Motor Co., Ltd. (refers to the amount received)	$ 585,195	$ 522,174

China Motor Company and its subsidiaries

	December 31	
	2025	2024
Current assets	$ 14,331,334	$ 15,536,007
Non-current assets	39,709,878	38,084,937
Current liabilities	(11,151,762)	(11,565,044)
Non-current liabilities	(1,136,525)	(1,120,969)
Equity	41,752,925	40,934,931
Non-controlling interests	(3,863,905)	(3,828,573)
	$ 37,889,020	$ 37,106,358
Proportion of the Group's ownership	8.86%	8.86%
Equity attributable to the Group	$ 3,356,967	$ 3,287,623
Unrealized gain in associates	(30)	(39)
Intersect shareholding (accounted for by the treasury stock method)	150,807	154,404
Carrying amount	$ 3,507,744	$ 3,441,988

	For the Year Ended December 31	
	2025	2024
Revenue	$ 32,092,167	$ 39,243,196
Net income	$ 3,187,825	$ 4,239,631
Other comprehensive income	59,713	781,294
Total comprehensive income	$ 3,247,538	$ 5,020,925
Dividends received from China Motor Company	$ 206,078	$ 294,397

Foxtron Vehicle Technologies Co., Ltd.

	December 31	
	2025	2024
Current assets	$ 3,645,474	$ 7,812,567
Non-current assets	13,312,798	12,851,393
Current liabilities	(2,480,815)	(2,524,294)
Non-current liabilities	(1,089,238)	(1,093,689)
Equity	$ 13,388,219	$ 17,045,977
Proportion of the Group's ownership	43.65%	43.83%
Equity attributable to the Group	$ 5,843,958	$ 7,471,251
Carrying amount	$ 5,843,958	$ 7,471,251

	For the Year Ended December 31	
	2025	2024
Revenue	$ 4,146,473	$ 8,520,611
Net loss	$ (3,742,282)	$ (2,137,329)
Other comprehensive loss	(6,001)	330
Total comprehensive loss	$ (3,748,283)	$ (2,136,999)

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2025	2024
The Group's share of:		
Profit for the year	$ 721,279	$ 621,819
Other comprehensive income	(30,524)	177,653
Total comprehensive income for the year	$ 690,755	$ 799,472

To enhance the Group's competitiveness and further promote specialization in manufacture and sales as well increase the integration of sales resources in the Philippines as required by Nissan Motors Company, the Group invested in Nissan Philippines, Inc., the joint venture among Nissan Motor Co., Ltd., the UMC Group and Yulon Philippines.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2025 and 2024 were based on the associates' financial statements audited by auditors for the same years. Some of the investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2025 and 2024 were based on the associates' unaudited financial statements. However, the management of the Group considers the unaudited financial statements mentioned above do not have material impact on the Group's consolidated financial statements.

b. Investment in joint ventures

The balances of the Group's investments in joint ventures were as follows:

	For the Year Ended December 31	
	2025	**2024**
The Group's share of:		
Net loss for the year	$ -	$ (3,776)
Total comprehensive loss for the year	$ -	$ (3,776)

The Group exercises joint control over Dong Yu (Hangzhou) Accessory Technology Co., Ltd. ("Dong Yu Tech. Company") through Yulon China Motor Investment and Sin Gan. Company's main business is car furnishing, installation and sale of car parts. Dong Yu Tech. Company has been liquidated in November 2025.

Sin Gan, a subsidiary of the Group, entered into a joint venture agreement with Zhou Hong Co., Ltd. in December 2022. Under the agreement, both parties jointly contributed to establish Zhuo He Company, which the Group held 40% of the shares. On September 30, 2024, the Group incurred negative balance of $6,852 thousand on the long-term equity investment, and the amount was reclassified as credit balance of long-term equity investments accounted for using the equity method. Sin Gan disposed of all the shares of Zhuo He Company held in November 2024.

The carrying amount of investments accounted for using the equity method and share of profit or loss and other comprehensive income of non-material joint ventures for the years ended December 31, 2024 were based on the associates' unaudited financial statements. However, the management of the Group considers the unaudited financial statements mentioned above do not have material impact on the Group's consolidated financial statements.

See Table 6 and table 7 for the information on nature of business, principal place of business and country of incorporation of the above joint venture.

19. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Group

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Construction in Progress	Total
Cost							
Balance on January 1, 2025	$ 6,956,968	$ 10,379,104	$ 21,928,276	$ 1,487,489	$ 5,849,184	$ 245,194	$ 46,846,215
Additions	-	41,336	1,652,346	604,247	228,091	56,879	2,582,899
Disposals	(403)	(15,027)	(1,180,119)	(512,006)	(233,750)	-	(1,941,305)
Effect of foreign currency exchange differences	(3,095)	(38,209)	(33,558)	(3,366)	(21,347)	(487)	(100,062)
Reclassifications	49,250	(105,866)	(4,352,368)	(716,446)	(646,715)	(66,900)	(5,839,045)
Balance on December 31, 2025	$ 7,002,720	$ 10,261,338	$ 18,014,577	$ 859,918	$ 5,175,463	$ 234,686	$ 41,548,702
Accumulated depreciation and impairment							
Balance on January 1, 2025	$ -	$ (5,038,559)	$ (17,598,702)	$ (468,829)	$ (4,085,441)	$ (99,639)	$ (27,291,170)
Disposals	-	9,862	1,149,110	107,776	179,443	-	1,446,191
Reclassifications	-	41,685	10,605,953	175,559	571,531	-	11,394,728
Impairment loss	-	-	(219,330)	(16,368)	(17,936)	-	(253,634)
Depreciation expense	-	(335,023)	(869,309)	(176,301)	(484,481)	-	(1,865,114)
Effect of foreign currency exchange differences	-	19,964	29,053	1,756	16,917	-	67,690
Balance on December 31, 2025	$ -	$ (5,302,071)	$ (6,903,225)	$ (376,407)	$ (3,819,967)	$ (99,639)	$ (16,501,309)
Carrying amount on December 31, 2025	$ 7,002,720	$ 4,959,267	$ 11,111,352	$ 483,511	$ 1,355,496	$ 135,047	$ 25,047,393
Cost							
Balance on January 1, 2024	$ 6,918,630	$ 9,813,857	$ 20,953,201	$ 1,257,635	$ 5,026,257	$ 472,261	$ 44,441,841
Acquisitions through business combinations	-	-	-	-	3,985	-	3,985
Disposals through business combinations	-	-	-	-	(1,338)	-	(1,338)
Additions	13,801	105,556	213,874	1,090,006	699,853	221,097	2,344,187
Disposals	-	(6,803)	(487,852)	(457,264)	(481,941)	(140,069)	(1,573,929)
Effect of foreign currency exchange differences	1,160	89,962	72,654	8,940	49,866	985	223,567
Reclassifications	23,377	376,532	1,176,399	(411,828)	552,502	(309,080)	1,407,902
Balance on December 31, 2024	$ 6,956,968	$ 10,379,104	$ 21,928,276	$ 1,487,489	$ 5,849,184	$ 245,194	$ 46,846,215
Accumulated depreciation and impairment							
Balance on January 1, 2024	$ -	$ (4,626,321)	$ (17,465,863)	$ (430,226)	$ (3,940,288)	$ (97,539)	$ (26,560,237)
Acquisitions through business combinations	-	-	-	-	(3,985)	-	(3,985)
Disposals through business combinations	-	-	-	-	1,338	-	1,338
Disposals	-	2,554	428,391	120,708	242,305	-	793,958
Reclassifications	-	(85,798)	(46,124)	72,348	57,635	-	(1,939)
Impairment loss	-	-	(28,530)	(10,037)	-	(2,100)	(40,667)
Depreciation expense	-	(286,097)	(422,585)	(217,864)	(405,278)	-	(1,331,824)
Effect of foreign currency exchange differences	-	(42,897)	(63,991)	(3,758)	(37,168)	-	(147,814)
Balance on December 31, 2024	$ -	$ (5,038,559)	$ (17,598,702)	$ (468,829)	$ (4,085,441)	$ (99,639)	$ (27,291,170)
Carrying amount on December 31, 2024	$ 6,956,968	$ 5,340,545	$ 4,329,574	$ 1,018,660	$ 1,763,743	$ 145,555	$ 19,555,045

The increase in equipment during the year was primarily due to the purchase of energy storage equipment.

For the years ended December 31, 2025 and 2024, there were impairment losses $253,634 thousand and $40,667 thousand, respectively. The impairment loss is caused by the recoverable amounts (fair value less costs to sell) of property, plant and equipment being lower than the carrying amounts.

The Brand Segments tested for impairment of motor design and research and development outputs and mold of the model at the end of the financial reporting period, and calculation of recoverable amount is based on the value in use and the net fair value. The calculation of the value in use is based on the cash flows of the Group’s future product life cycle financial forecasts to reflect the specific risks of the relevant cash-generating unit. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Both calculations are calculated using an annual discount rate of 7.52% at December 31, 2024.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	3-60 years
Equipment	2-20 years or unit-of-production method
Vehicles	3-7 years
Miscellaneous equipment	1-20 years

b. Assets leased under operating leases

	Vehicles
Cost	
Balance on January 1, 2025	$ 43,050,412
Additions	15,571,318
Disposals	(14,279,054)
Reclassifications	(13,597)
Effect of foreign currency exchange differences	(21,838)
Balance on December 31, 2025	$ 44,307,241
Accumulated depreciation and impairment	
Balance on January 1, 2025	$ (13,425,755)
Disposals	6,017,253
Recognized mpairment losses	(54,729)
Reclassifications	(1,370)
Depreciation	(7,344,756)
Effect of foreign currency exchange differences	6,698
Balance on December 31, 2025	$ (14,802,659)
Carrying amounts on December 31, 2025	$ 29,504,582
Cost	
Balance on January 1, 2024	$ 38,815,849
Additions	17,236,300
Disposals	(13,072,776)
Reclassifications	14,978
Effect of foreign currency exchange differences	56,061
Balance on December 31, 2024	$ 43,050,412
Accumulated depreciation and impairment	
Balance on January 1, 2024	$ (12,039,223)
Disposals	5,702,965
Recognized reversal of impairment losses	170,030
Reclassifications	(16,027)
Depreciation	(7,223,012)
Effect of foreign currency exchange differences	(20,488)
Balance on December 31, 2024	$ (13,425,755)
Carrying amounts on December 31, 2024	$ 29,624,657

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Vehicles	3 years or according to terms of lease

For the years ended December 31, 2025 and 2024, the Group recognized an impairment loss (gain on reversal of impairments) were $54,729 thousand and $(170,030) thousand, respectively. The impairment loss was due to a decline in the resale price of a certain vehicle line in the second-hand car market, which led to an expected reduction in future cash inflows. The impairment loss has been reversed due to sale of the used cars.

Refer to Note 38 for property, plant and equipment pledged as collateral for bank borrowings.

20. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Right-of-use	Total
Cost				
Balance on January 1, 2025	$ 6,893,418	$ 10,304,679	$ 352,359	$ 17,550,456
Reclassifications	(49,250)	86,560	(57,362)	(20,052)
Additions	-	5,789	-	5,789
Disposals	-	(369)	-	(369)
Effect of foreign currency exchange differences	-	(53,380)	(8,300)	(61,680)
Balance on December 31, 2025	$ 6,844,168	$ 10,343,279	$ 286,697	$ 17,474,144
Accumulated depreciation and impairment				
Balance on January 1, 2025	$ -	$ (3,418,115)	$ (27,579)	$ (3,445,694)
Reclassifications	-	39,375	6,636	46,011
Disposals	-	369	-	369
Depreciation expense	-	(243,238)	(9,734)	(252,972)
Effect of foreign currency exchange differences	-	24,205	464	24,669
Balance on December 31, 2025	$ -	$ (3,597,404)	$ (30,213)	$ (3,627,617)
Carrying amount on December 31, 2025	$ 6,844,168	$ 6,745,875	$ 256,484	$ 13,846,527

(Continued)

	Freehold Land	Buildings	Right-of-use	Total
Cost				
Balance on January 1, 2024	$ 6,916,795	$ 10,027,766	$ 262,091	$ 17,206,652
Reclassifications	(23,377)	158,334	75,773	210,730
Additions	-	24,766	-	24,766
Disposals	-	(165)	-	(165)
Effect of foreign currency exchange differences	-	93,978	14,495	108,473
Balance on December 31, 2024	$ 6,893,418	$ 10,304,679	$ 352,359	$ 17,550,456
Accumulated depreciation and impairment				
Balance on January 1, 2024	$ -	$ (3,135,854)	$ (16,631)	$ (3,152,485)
Reclassifications	-	55,709	(1,565)	54,144
Disposals	-	165	-	165
Depreciation expense	-	(317,828)	(8,405)	(326,233)
Effect of foreign currency exchange differences	-	(20,307)	(978)	(21,285)
Balance on December 31, 2024	$ -	$ (3,418,115)	$ (27,579)	$ (3,445,694)
Carrying amount on December 31, 2024	$ 6,893,418	$ 6,886,564	$ 324,780	$ 14,104,762

(Concluded)

The investment properties are depreciated on a straight-line basis over their estimated useful lives of 30 to 60 years.

The fair values of investment properties as of December 31, 2025 and 2024 based on the valuation by an independent professional appraiser were $50,168,728 thousand and $49,716,930 thousand, respectively.

Refer to Note 38 for the investment properties pledged as collateral for bank borrowings.

21. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Land	$ 1,201,814	$ 1,439,013
Buildings	1,149,370	1,634,117
Vehicles	6,930	9,882
Others	3,242	27,351
	$ 2,361,356	$ 3,110,363

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 489,441	$ 1,360,537
Depreciation charge for right-of-use assets		
Land	$ 172,288	$ 170,952
Buildings	491,367	489,178
Vehicles	7,789	8,557
Others	27,149	25,222
	$ 698,593	$ 693,909

Except for the aforementioned addition and recognized depreciation, the Group did not have significant impairment of right-of-use assets as of December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 652,652	$ 815,411
Non-current	$ 1,486,233	$ 2,068,155

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Land	0.90%-6.41%	0.90%-6.41%
Buildings	0.88%-7.03%	0.88%-5.30%
Vehicles	1.01%-7.76%	0.89%-7.76%
Others	0.91%-6.64%	0.91%-6.64%

c. Subleasing

Refer to Note 13.

d. Material lease-in activities and terms

The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

e. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 302,494	$ 305,756
Expenses relating to low-value asset leases	$ 12,323	$ 12,007
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 48,637	$ 73,550
Total cash outflow for leases	$ (1,090,153)	$ (1,141,881)

The Group's leases of certain vehicles, office equipment and dormitory qualify as short-term leases and leases of certain vehicles and office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

22. INTANGIBLE ASSETS

	December 31	
	2025	2024
Motor design and research and development outputs	$ -	$ 56,605
Vehicle registration plates	239,187	242,875
Goodwill	427,434	427,434
Others	270,971	334,826
	$ 937,592	$ 1,061,740

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
Cost			
Balance on January 1, 2025	$ 14,093,417	$ 2,188,075	$ 16,281,492
Additional amounts recognized from business combinations	-	1,403	1,403
Additions	-	105,977	105,977
Reclassifications	(14,093,417)	(127,894)	(14,221,311)
Disposals	-	(30,592)	(30,592)
Effect of foreign currency exchange differences	-	(7,037)	(7,037)
Balance on December 31, 2025	$ -	$ 2,129,932	$ 2,129,932
Accumulated amortization and impairment			
Balance on January 1, 2025	$ (14,036,812)	$ (1,610,374)	$ (15,647,186)
Amortization expense	(13,498)	(94,887)	(108,385)
Impairment loss	(43,107)	(637)	(43,744)
Reclassifications	14,093,417	53,452	14,146,869
Disposals	-	30,415	30,415
Effect of foreign currency exchange differences	-	2,257	2,257
Balance on December 31, 2025	$ -	$ (1,619,774)	$ (1,619,774)
Carrying amount on December 31, 2025	$ -	$ 510,158	$ 510,158

(Continued)

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
Cost			
Balance on January 1, 2024	$ 14,114,463	$ 2,024,917	$ 16,139,380
Additions	9,640	153,483	163,123
Reclassifications	(30,686)	1,431	(29,255)
Disposals	-	(7,985)	(7,985)
Effect of foreign currency exchange differences	-	16,229	16,229
Balance on December 31, 2024	$ 14,093,417	$ 2,188,075	$ 16,281,492
Accumulated amortization and impairment			
Balance on January 1, 2024	$ (14,015,374)	$ (1,508,929)	$ (15,524,303)
Amortization expense	(18,707)	(95,386)	(114,093)
Impairment loss	(2,731)	(7,699)	(10,430)
Disposals	-	5,095	5,095
Effect of foreign currency exchange differences	-	(3,455)	(3,455)
Balance on December 31, 2024	$ (14,036,812)	$ (1,610,374)	$ (15,647,186)
Carrying amount on December 31, 2024	$ 56,605	$ 577,701	$ 634,306

(Concluded)

The vehicle model development cost of the Group includes SUV model, MPV model, GPS (S5 Sedan) model, GPK (U6 SUV) model, LCS (S3 Sedan) model, LCH model (U5 SUV), GPM model, MBU model, M platform, ME engine, EF engine, Plug-in hybrid electric vehicle, technical cost of electric vehicles and other related vehicle model development cost. As mentioned above, SUV models, MPV models, GPS models, GPK model and GPM model have been fully recognized impairment, while LCS models, LCH models, MBU models, M platforms, ME engines and EF engine models have been invested to the associate - Foxtron Vehicle Technologies Co., Ltd.

The Brand Segments test impairment of motor design and research and development outputs and molds of the models on an annual basis and in the event of signs of impairment; the calculation of recoverable amount is based on the value in use and the net fair value. The calculation of the value in use is based on the cash flows of the Group's future product life cycle financial forecasts to reflect the specific risks of the relevant cash-generating unit. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The ownership of vehicle registration plates was acquired by Car-Plus (Jiangsu), Car-Plus Leasing (Shanghai), Da-Teng, Da-Chuan, Da-Mu, Da-Chung, Yong-Xiang, Guo-Ma, Jin-Yu, Zhong-Xing, Li-Yang, He-Yang, Jia-Yu and Tian-Yang for operating purposes. The ownership is the right for holding the vehicle registration plates can be transacted in the market, and can be transferred to various vehicles, thus was classified as intangible assets with infinite useful life.

The decrease in the recoverable amount of vehicle registration plates led to recognition of impairment losses of $43,744 thousand and $10,430 thousand in 2025 and 2024, respectively. As the estimated future cash flows from the related plates decreased, the Group carried out a review of the recoverable amount of those related plates and determined that the carrying amount exceeded the recoverable amount; thus, impairment loss was recognized.

Intangible assets are amortized on a straight-line basis over the following estimated useful lives of the asset:

Computer software	2-10 years
Motor design and research and development outputs	Units-of-production method
Others	1-15 years

23. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Secured borrowings (Note 38)		
Bank loans	$ 3,462,783	$ 5,317,667
Unsecured borrowings		
Line of credit borrowings	31,206,061	48,451,999
	$ 34,668,844	$ 53,769,666
Interest rate	1.05%-6.85%	0.50%-7.75%

TAC, Shinshin, Yu Rich and Jiangsu TAC Financial Leasing entered into syndicated loan agreements with several financial institutions. TAC and these subsidiaries shall maintain certain financial ratios on balance sheet date. Upon occurrence of any default, the borrowers shall remediate according to the agreement.

The Group pledged installment notes and trade receivables as collateral for short-term borrowings. Please refer to Note 38.

The financial ratios shall be calculated annually based on audited financial statements.

b. Short-term bills payable

	December 31	
	2025	2024
Commercial paper	$ 165,571,337	$ 157,398,749
Less: Unamortized discounts on bills payable	(666,306)	(550,361)
Liabilities for bonds with repurchase agreements	385,400	-
	$ 165,290,431	$ 156,848,388
Interest rates	1.72%-2.46%	0.91%-2.51%

TAC, Shinshin and Yu Rich entered into syndicated loan agreements with several financial institutions. TAC and these subsidiaries shall maintain certain financial ratios on balance sheet date. Upon occurrence of any default, the borrowers shall remediate according to the agreement.

The Group pledged reserve account and notes and trade receivables as collateral for bills payable, and debt instrument investments as collateral (see Note 38).

The financial ratios shall be calculated annually based on audited financial statements.

c. Long-term borrowings

	December 31	
	2025	2024
Secured borrowings (Note 38)		
Bank loans (Note)	$ 8,328,558	$ 4,103,621
Unsecured borrowings		
Credit borrowings	1,215,955	3,164,836
Commercial paper (recurring)	-	4,495,907
Less: Current portion long-term borrowings	(2,694,895)	(2,991,120)
	$ 6,849,618	$ 8,773,244
Interest rates	1.77%-2.94%	0.91%-4.30%

Wysun Power and Tai Chuang Energy entered into syndicated loan agreements with several financial institutions. According to the terms of the loan agreements, certain financial ratios must be maintained in the annual financial reports during the loan period. If specific conditions of the loan agreements are violated, corrective actions will be taken in accordance with the terms.

The financing line of the Group is secured by finance lease receivables and real estate, plants and equipment. Please refer to Note 38.

The financial ratios shall be calculated annually based on audited financial statements.

24. BONDS PAYABLE

	December 31	
	2025	2024
Unsecured domestic convertible bonds	$ 14,999,900	$ 14,999,900
Unsecured domestic bonds	11,100,000	9,900,000
Less: Discounts on bonds payable	(4,910)	(6,508)
Discounts on convertible bonds	(615,142)	(835,891)
	25,479,848	24,057,501
Less: Current portion	(23,779,848)	(15,657,594)
Bonds payable - non-current	$ 1,700,000	$ 8,399,907

Unsecured Domestic Convertible Bonds

The company issued the third domestic unsecured convertible corporate bond with a coupon rate of 0% on May 25, 2023, and it was listed for trading on the Taipei Exchange on the same day, with an aggregate principal amount of $7 billion and a par value of $100 thousand per bond certificate. It is issued at 102.00% of the par value. The issuance term is 5 years, and the conversion period is from August 26, 2023 to May 25, 2028. The conversion price at the time of issuance was $82 per share.

From the day following the third month after issuance of the convertible bonds until the date 40 days prior to the maturity date, the Company may redeem all of the convertible bonds in cash at par value if (i) the closing price of the Company's common shares on the Taipei Exchange exceeds 130% of the then prevailing conversion price for 30 consecutive trading days, or (ii) the outstanding principal amount of the convertible bonds is less than 10% of the total original principal amount issued.

After the issuance of the convertible corporate bonds for 3 years, the bondholders may request that the company redeem the convertible bonds they hold in cash at par value of the bonds plus interest compensation.

This convertible corporate bond includes liabilities and equity components, and the equity component is expressed as "capital surplus - share options" under the equity item. The liability component was originally recognized with an effective interest rate of 1.2889%.

Proceeds from issuance (deduct transaction costs of $3,395 thousand)	$ 7,136,605
Equity component	(573,028)
Financial liabilities at fair value through profit or loss - current	(699)
Liability component at the date of issue	6,562,878
Interest charged at an effective rate of 1.2889%	223,897
Convertible bonds converted into ordinary shares	(94)
Liability component on December 31, 2025	$ 6,786,681

TAC issued the second domestic unsecured convertible corporate bond with a coupon rate of 0% on November 20, 2023, and it was listed for trading on the counter trading center on the same day, with an aggregate principal amount of $8 billion and a par value of $100 thousand per bond certificate. It is issued with a 101.00% of the face value. The issuance term is 5 years, and the conversion period is from February 21, 2024 to November 20, 2028. The conversion price at the time of issuance was $204.6 per share. According to the terms on this convertible bond, the conversion price should be adjusted to $179.3 per share starting from ex-dividend date of September 8, 2025.

From the day following the third month after issuance of the convertible bonds until the date falling 40 days prior to the maturity date, TAC may, in accordance with the relevant regulations, redeem all outstanding convertible bonds in cash at par value if (i) the closing price of its common shares exceeds 130% of the then prevailing conversion price for 30 consecutive trading days, or (ii) the outstanding principal amount of the convertible bonds is less than 10% of the total original principal amount issued.

After the issuance of the convertible corporate bonds for 3 years, bondholders may request that TAC redeem the convertible bonds held by the bondholders in cash at the face value of the bonds.

This convertible corporate bond includes liabilities and equity components, and the equity component is presented as capital surplus - share options under the equity item. The liability component was originally recognized with an effective interest rate of 1.78354%.

Proceeds from issuance (deduct transaction costs of $5,817 thousand)	$ 8,074,183
Equity component	(693,101)
Financial liabilities at fair value through profit or loss - current	(63,954)
Liability component at the date of issue	7,317,128
Interest charged at an effective rate of 1.78354%	280,949
Liability component on December 31, 2025	$ 7,598,077

Unsecured Domestic Bonds

The Group issued unsecured corporate bonds on December 12, 2017, issuance amounting to NT$3 billion, and the bonds have seven-year maturities and simple interest at rates of 1.17%, payable annually. The principal amounts of bond would be repaid on the maturity date. The Group also issued unsecured corporate bonds on December 25, 2018, with each issuance amounting to NT$1.7 billion, and the bonds have ten-year maturities and simple interest at rates of 1.80%, payable annually, the principal amounts of the bond are repayable on the maturity date. The principal amounts of the bonds issued on December 12, 2017 was repaid at maturity on December 12, 2024.

TAC issued five-year maturity unsecured corporate bonds on July 9, 2019, August 14, 2019, June 8, 2021 and April 26, 2023, with issuance amounts of $2 billion, $1.9 billion, $3.75 billion and $1.55 billion and simple interest rates of 0.90%, 0.90%, 0.73% and 1.70% payable annually, respectively. The principal amount of the bond issued on June 8, 2021, is repayable in the fifth year, the others are repayable 50% in the fourth year and 50% in the fifth year. The principal amounts of the bonds issued on July 9, 2019 and August 14, 2019, were repaid at maturity in the 3rd quarter of 2023 and in the 3rd quarter of 2024, respectively.

Shinshin issued three-year maturity unsecured corporate bonds on April 12, 2023 and December 8, 2025 with issuance amounts of $2.9 billion and $1.2 billion, simple interest rates both of 1.90% and 2.05% payable annually, respectively. The principal amounts of the bonds are repayable on the maturity date.

25. OTHER LIABILITIES

	December 31	
	2025	**2024**
Current		
Other payables		
Equipment payables	$ 84,521	$ 206,000
Accrued expense	2,796,577	3,132,202
Dividends payable	110,406	151,541
Others	1,828,973	1,592,628
	$ 4,820,477	$ 5,082,371
Other liabilities		
Guarantee deposits received	$ 14,812,430	$ 14,392,637
Others	2,659,624	2,996,656
	$ 17,472,054	$ 17,389,293
Non-current		
Other liabilities		
Guarantee deposits received	$ 490,364	$ 460,575
Others	14,340	15,972
	$ 504,704	$ 476,547

26. PROVISIONS

	December 31	
	2025	2024
Current		
Financial guarantee provisions	$ 21,632	$ 24,582
Warranties	8,214	5,561
Other provisions	91,635	-
	$ 121,481	$ 30,143
Non-current		
Warranties	$ 22,935	$ 296,539
Other provisions	-	245,762
	$ 22,935	$ 542,301

The customers of TAC and Shinshin signed car loan contracts with banks, with TAC and Shinshin acting as car loan agents and providing customers with account management services. Under the contracts, TAC and Shinshin are responsible for repaying any uncollectable loans arising from customer default. TAC and Shinshin have estimated their potential financial guarantee loss on any default on the basis of past experience.

Qinton Motor Co., Ltd. recognized provision based on the estimated amount of service costs during the terms of service warranties of the products. This estimate will be reviewed and adjusted regularly.

Other provisions - current are recognized by Car-plus Auto for estimated maintenance costs on leased vehicles. The estimates are reviewed on a regular basis and adjusted as necessary.

The validity of warranties for Nissan and Luxgen cars provided by the Group are limited to 3 years of purchase or mileage of under 100,000 kilometers or warranty conditions for specific vehicle types. Provisions have been estimated for possible maintenance costs, in the current period, warranty provisions associated with the LUXGEN brand have been reclassified as liabilities directly associated to the disposal group held for sale.

Other provisions - non-current are recognized provision based on the estimated amount of estimated charging rebates, subsidies, and promotional expenses during the terms of the production and sale of new electric vehicle models. This estimate will be reviewed and adjusted regularly, in the current period, other related provisions have been reclassified as liabilities directly associated to the disposal group held for sale; please refer to Note 16.

27. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and subsidiaries of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company and its subsidiaries of the Group are in accordance with the Labor Standards Law. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and subsidiaries contribute amounts not exceeding 7% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the pension fund investment policy and strategy.

The amounts included in the consolidated balance sheets on of the Group's defined benefit plans were as follows:

	December 31	
	2025	**2024**
Present value of the defined benefit obligation	$ 1,382,759	$ 1,322,436
Fair value of plan assets	(1,559,576)	(1,487,495)
Net defined benefit asset	$ (176,817)	$ (165,059)

Movements in net defined benefit (asset) liability were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability (Asset)**
Balance on January 1, 2025	$ 1,322,436	$ (1,487,495)	$ (165,059)
Service cost			
Current service cost	7,682	-	7,682
Past service cost and loss on settlements	807	-	807
Adjustment of Headcount Transfer	6,281	-	6,281
Net interest expense (income)	20,541	(22,535)	$ (1,994)
Recognized in profit or loss	35,311	(22,535)	12,776
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(99,711)	(99,711)
Actuarial gain - changes in demographic assumptions	(1,479)	-	(1,479)
Actuarial loss - changes in financial assumptions	24,843	-	24,843
Actuarial loss - experience adjustments	91,103	-	91,103
Recognized in other comprehensive income	114,467	(99,711)	14,756
Contributions from the employer	-	(47,551)	(47,551)
Benefits paid	(89,269)	91,884	2,615
Liabilities extinguished on settlement	-	5,832	5,832
Exchange differences on foreign plans	(186)	-	(186)
Balance on December 31, 2025	$ 1,382,759	$ (1,559,576)	$ (176,817)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance on January 1, 2024	$ 1,453,368	$ (1,401,678)	$ 51,690
Service cost	11,258	-	11,258
Net interest expense (income)	18,060	(17,465)	595
Recognized in profit or loss	29,318	(17,465)	11,853
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(122,946)	(122,946)
Actuarial gain - changes in demographic assumptions	(3,347)	-	(3,347)
Actuarial gain - changes in financial assumptions	(35,402)	-	(35,402)
Actuarial gain - experience adjustments	(25,460)	-	(25,460)
Recognized in other comprehensive income	(64,209)	(122,946)	(187,155)
Contributions from the employer	-	(40,738)	(40,738)
Benefits paid	(96,093)	95,332	(761)
Exchange differences on foreign plans	52	-	52
Balance on December 31, 2024	$ 1,322,436	$ (1,487,495)	$ (165,059)

(Concluded)

The Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. Based on relevant regulations, the return on plan assets should not be below the interest rate for a two-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. Thus, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used in the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rate(s)	1.25%-6.50%	1.38%-6.10%
Expected rate(s) of salary increase	1.00%-4.00%	1.00%-4.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	**2024**
Discount rate(s)		
0.25% increase	$ (28,723)	$ (28,046)
0.25% decrease	$ 29,782	$ 29,047
Expected rate(s) of salary increase		
0.25% increase	$ 29,149	$ 28,457
0.25% decrease	$ (28,260)	$ (27,619)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation because it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	**2024**
The expected contributions to the plan for the next year	$ 20,569	$ 27,296
The average duration of the defined benefit obligation	3-20.4 years	2-18.8 years

28. EQUITY

a. Share capital

Common shares

	December 31	
	2025	**2024**
Number of shares authorized (in thousands)	2,000,000	2,000,000
Shares authorized	$ 20,000,000	$ 20,000,000
Number of shares issued and fully paid (in thousands)	1,070,001	1,070,001
Share capital	$ 10,700,013	$ 10,700,013

Fully paid common shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

For the year ended December 31, 2023, holders exercise their rights to the Company's convertible corporate bonds, and the Company recognized $13 thousand. From January 1, 2024 to the date of this report, none of the holders of the Company's convertible corporate bonds have exercised their conversion rights.

b. Capital surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of common shares	$ 8,665,457	$ 8,665,457
Treasury share transactions	2,064,376	2,054,591
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	19,732	19,732
May only be used to offset a deficit		
	1,845,939	1,846,060
Share of changes in capital surplus of associates or joint ventures	2,925,099	2,909,012
Claim for the disgorgement	21	20
May not be used for any purpose		
Convertible bonds share options	573,019	573,019
	$ 16,093,643	$ 16,067,891

Note: Such capital surplus may be used to offset a deficit, in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation provide that appropriation for legal reserve should be made at 10% of annual net income, less any accumulated deficit. From the remainder of the net income, appropriation for special reserve will be made based on relevant laws and regulations, and then any remaining profit together with any undistributed retained earnings may be appropriated and distributed.

The Company's operating environment is in a mature industry. The Company shall consider profitability, future operating plans and funding needs, and industry condition, and long-term shareholders' rights and long-term financial planning in the distribution of earnings. Dividends may be paid in cash or stock; total dividends should not be lower than 10% of distributable net profit, and cash dividends should not be lower than 20% of total dividends. The distribution plan will be proposed by the Company's board of directors and approved in the shareholders' meeting.

For information on accrued compensation of employees and remuneration to directors and the actual appropriations, please refer to Note 30-g.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 that had been resolved by the Company's shareholders' meeting on May 27, 2025 and May 28, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (N.T. Dollar)	
	2024	2023	2024	2023
Legal reserve	$ 420,504	$ 442,344		
Cash dividends	1,391,002	1,498,002	$ 1.3	$ 1.4

The appropriation of earnings for 2025, which was proposed by the Company's board of directors on March 5, 2026, was as follows:

	Appropriation of Earnings	Dividends Per Share (N.T. Dollar)
	2025	2025
Legal reserve	$ 100,503	
Cash dividends	599,201	$ 0.56

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on May 27, 2026.

d. Special reserve

	For the Year Ended December 31	
	2025	2024
Balance as of beginning and end of the year	$ 20,078,565	$ 20,078,565

On first-time adoption of IFRS Accounting Standards, the Group appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which were $8,255,468 thousand and $655,829 thousand, respectively.

If the special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to property, plant and equipment and investment property other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on the disposal or reclassification of the related assets. A proportionate share of the special reserve relating to exchange differences arising from the translation of the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed.

Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS Accounting Standards. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 111,464	$ (1,227,435)
Exchange differences on the translation of the financial statements of foreign operations	(264,362)	502,583
Disposal of subsidiaries	-	329,610
Share from associates and joint ventures accounted for using the equity method	(239,043)	506,706
Balance on December 31	$ (391,941)	$ 111,464

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 1,576,971	$ 1,491,596
Unrealized gain - equity instruments	41,255	149,491
Share from associates accounted for using the equity method	48,765	30,713
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(41,704)	(94,829)
Balance on December 31	$ 1,625,287	$ 1,576,971

3) Loss on hedging instruments

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ (8,081)	$ -
Changes in the fair value of hedging instruments	7,189	(8,081)
Balance on December 31	$ (892)	$ (8,081)

f. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 30,057,704	$ 28,837,754
Attributable to non-controlling interests:		
Share of profit for the year	2,614,937	2,973,048
Exchange differences on translating the financial statements of foreign entities	(158,179)	463,096
Unrealized gain on financial assets at FVTOCI	2,116	34,498
Gain (loss) on fair value changes of cash flow hedges	10	(11)

(Continued)

	For the Year Ended December 31	
	2025	2024
Remeasurement on defined benefit plans	$ 2,353	$ 22,386
Share in other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(22,275)	59,611
Changes in percentage of ownership interests in subsidiaries	(49,233)	2,451
Cash dividends from subsidiaries	(1,789,606)	(2,335,129)
Balance on December 31	$ 30,657,827	$ 30,057,704

(Concluded)

g. Treasury shares

Reasons for Redemption	Number of Shares, Beginning of Year	Addition During the Year	Reduction During the Year	Number of Shares, End of Year
For the year ended December 31, 2025				
Long-term investment of subsidiary transferred to treasury stock	7,526	-	-	7,526
For the year ended December 31, 2024				
Long-term investment of subsidiary transferred to treasury stock	7,526	-	-	7,526

The Company's shares held by subsidiaries as of December 31, 2025 and 2024 were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Value
December 31, 2025			
Yu Ching	7,526	$ 376,301	$ 249,501
December 31, 2024			
Yu Ching	7,526	$ 376,301	$ 381,590

The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

29. REVENUE

a. Contract information

1) Rental income

Rental income from an operating lease is recognized on a straight-line basis over the term of the lease.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding on the leases.

2) Investment income (included in other operating revenue)

For security transactions by Yung Hong Investment Company, the difference between the carrying amount of security and the actual selling price is recognized in profit or loss when these Group entities transfer substantially all the risks and rewards of security ownership to another party.

3) Revenue from the rendering of services

Revenue from a contract to provide services is recognized with reference to the stage of completion of the contract.

4) Interest revenue from acquired accounts receivable (included in other operating revenue)

Interest revenue from the accounts receivable of TAC, Shinshin and Yu Rich collectively during the years ended December 31, 2025 and 2024 were $8,756,474 thousand and $11,074,292 thousand, respectively. As of December 31, 2025 and 2024, the uncollected parts of acquired accounts receivable were $124,318,329 thousand and $138,495,219 thousand, respectively, and recognized as accounts receivable.

5) Interest income on installment sales (included in other operating revenue)

Interest revenue on acquired receivables from installment sales of TAC, Shinshin and Yu Rich in 2025 and 2024 amounted to $5,229,817 thousand and $5,266,058 thousand, respectively. Sales revenue and cost of goods sold that exclude dealer interest are presented on a net basis; the gross amounts were not included in the consolidated statements of comprehensive income. If presented on a gross basis, the sales revenue and cost of goods sold for the years ended December 31, 2025 and 2024 would amount to $63,546,103 thousand and $74,348,387 thousand, respectively.

6) Agency revenue (included in other operating revenue)

Agency revenue of TAC and Shinshin recognized for the years ended December 31, 2025 and 2024 were $133,535 thousand and $138,767 thousand, respectively. In the event that payments were not made on due dates, TAC and Shinshin reimburse the bank of the loan and assumes all collection rights against the debtor. As of December 31, 2025 and 2024, the managerial service account balances of the loans provided by TAC and Shinshin collectively were $2,076,469 thousand and $2,333,792 thousand, respectively. The reimbursements from TAC and Shinshin to banks as of December 31, 2025 and 2024 were $200,170 thousand and $206,144 thousand, respectively. The reimbursements to banks were listed as accounts receivable before recognition of interest revenue from acquired accounts receivable.

The amounts of financial guarantee contracts listed above were the maximum total managerial service loans provided by the Group that require full payment by the Group in the event of debtor's default. The Group had estimated the potential financial guarantee loss on any default on the basis of past experience (see Note 26).

b. Disaggregation of revenue

Refer to Note 42 for details of revenue information.

30. NET PROFIT AND OTHER COMPREHENSIVE INCOME

Net profit includes the following items:

a. Other operating revenue

	For the Year Ended December 31	
	2025	2024
Rental revenue	$ 64,083	$ 61,290
Subsidy revenue	250,995	223,525
Others	371,433	569,636
	$ 686,511	$ 854,451

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gains on disposal of property, plant and equipment	$ 16,415	$ 83,934
Loss on disposal of intangible assets	(177)	-
Net foreign exchange losses	(9,492)	(37,369)
Gains (losses) on financial assets and liabilities mandatorily classified as at FVTPL	10,068	(122,759)
Gain on disposal of subsidiaries	(7,864)	663,600
Impairment loss	(243,157)	-
Compensation loss	(259,749)	-
Reversal of compensation loss (Note)	-	155,546
Others	(116,677)	(290,728)
	$ (610,633)	$ 452,224

Note: Foxtron Technologies, the Haitec associate, repositioned original business plans and products, including termination of development of some systems and gasoline power related parts, etc. Haitec was first party of the original development contract for existing system and component development, Haitec recognized the compensation loss related to the contract in 2020, and recognized compensation losses or reversal of compensation loss according to the adjustment of the negotiation status with the manufacturer. In accordance with the provisions of the Civil Code and the statute of limitations on the exercise of claims, Haitec reversed the remaining compensation amounting to $155,546 thousand in 2024.

c. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 4,676,042	$ 5,142,465
Interest on corporate bonds	365,891	284,561
Other finance costs	274,612	216,878
	5,316,545	5,643,904
Less: Interest accounted for as operating cost	(4,746,693)	(5,176,447)
	$ 569,852	$ 467,457

d. Interest revenue

	For the Year Ended December 31	
	2025	2024
Interest revenue from acquired accounts receivable	$ 8,756,407	$ 11,074,250
Interest revenue from installment sales	5,229,817	5,266,058
Interest revenue from capital leases	2,715,914	3,317,723
Others	2,180,363	3,645,451
	18,882,501	23,303,482
Less: Interest revenue accounted for as operating revenue	(18,588,547)	(22,918,420)
	$ 293,954	$ 385,062

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	$ 8,887,528	$ 8,142,128
Operating expenses	1,273,905	1,432,850
	$ 10,161,433	$ 9,574,978
An analysis of amortization by function		
Operating costs	$ 21,814	$ 27,695
Operating expenses	1,488,120	2,503,020
	$ 1,509,934	$ 2,530,715

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	$ 273,754	$ 250,010
Defined benefit plans (Note 27)	12,776	11,853
	286,530	261,863
Other employee benefits	10,260,732	10,291,338
Total employee benefits expense	$ 10,547,262	$ 10,553,201
An analysis of employee benefits expense by function		
Operating costs	$ 2,696,299	$ 2,850,440
Operating expenses	7,850,963	7,702,761
	$ 10,547,262	$ 10,553,201

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there are accumulated deficits, the amount to cover the deficits shall be reserved in advance, and then distributed according to the proportion in the preceding paragraph. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2025 and 2024, which was approved by the Company's board of directors on March 5, 2026 and March 6, 2025, respectively, was as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees	$ 6,350	$ 50,005
Remuneration of directors	5,900	22,000

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. (Reversal of) impairment losses on non-financial assets

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment (included in other operating cost and other gains and losses, Notes 19 and 30)	$ 308,363	$ (129,363)
Inventories (included in operating cost, Note 15)	33,321	52,186
Motor designs and research and development outputs (included in other operating cost, Note 22)	43,107	2,731
Other intangible assets (included in other operating cost, Note 22)	637	7,699
	$ 385,428	$ (66,747)

31. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 1,000,639	$ 1,686,051
Income tax on unappropriated earnings	237,487	215,611
Adjustments for prior years	59,065	33,223
	1,297,191	1,934,885
Deferred tax		
In respect of the current year	402,085	477,995
Income tax expense recognized in profit or loss	$ 1,699,276	$ 2,412,880

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2025	2024
Profit before tax from continuing operations	$ 5,293,226	$ 9,340,607
Income tax expense calculated at the statutory rate	$ 2,258,156	$ 3,240,194
Nondeductible expenses in determining taxable income	68,191	80,630
Tax-exempt income	(920,476)	(1,295,417)
Additional income tax under the Alternative Minimum Tax Act	-	12,404
Income tax on unappropriated earnings	237,487	215,611
Unrecognized deductible temporary differences	(3,147)	126,235
Adjustments for prior years' tax	59,065	33,223
Income tax expense recognized in profit or loss	$ 1,699,276	$ 2,412,880

b. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Acquisitions through Business Combinations	Reclassified Held for Sale	Balance at the End of the Year
Deferred tax assets					
Temporary differences					
Share of loss of subsidiaries, associates and joint ventures	$ 292,633	$ 1,737	$ -	$ -	$ 294,370
Property, plant and equipment	75,549	9,734	-	-	85,283
Intangible assets	69,143	(34,572)	-	-	34,571
Defined benefit obligation	8,991	2,170	-	-	11,161
Doubtful debts	1,057,257	(291,828)	-	-	765,429
Loss carryforward	389,144	(29,057)	-	(43,613)	316,474
Others	199,328	55,359	-	-	254,687
	$ 2,092,045	$ (286,457)	$ -	$ (43,613)	$ 1,761,975
Deferred tax liabilities					
Temporary differences					
Property, plant and equipment	$ 1,795,031	$ 214,446	$ -	$ -	$ 2,009,477
Land value increment tax	2,377,007	-	-	-	2,377,007
Share of profit of subsidiaries, associates and joint ventures	918,078	(79,885)	-	-	838,193
Others	98,057	(12,122)	-	-	85,935
	$ 5,188,173	$ 122,439	$ -	$ -	$ 5,310,612

For the year ended December 31, 2024

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Acquisitions through Business Combinations	Reclassified Held for Sale	Balance at the End of the Year
Deferred tax assets					
Temporary differences					
Share of loss of subsidiaries, associates and joint ventures	$ 292,593	$ 40	$ -	$ -	$ 292,633
Property, plant and equipment	96,048	(20,499)	-	-	75,549
Intangible assets	103,714	(34,571)	-	-	69,143
Defined benefit obligation	27,774	(18,783)	-	-	8,991
Doubtful debts	1,101,033	(43,776)	-	-	1,057,257
Loss carryforward	243,648	145,496	-	-	389,144
Others	278,630	(79,302)	-	-	199,328
	$ 2,143,440	$ (51,395)	$ -	$ -	$ 2,092,045
Deferred tax liabilities					
Temporary differences					
Property, plant and equipment	$ 1,541,506	$ 253,525	$ -	$ -	$ 1,795,031
Land value increment tax	2,377,215	(208)	-	-	2,377,007
Share of profit of subsidiaries, associates and joint ventures	834,800	83,278	-	-	918,078
Others	63,596	34,461	-	-	98,057
	$ 4,817,117	$ 371,056	$ -	$ -	$ 5,188,173

c. Items for which no deferred tax assets have been recognized

As of December 31, 2025 and 2024, deductible temporary differences with unrecognized deferred tax assets were $10,363,163 thousand and $9,973,233 thousand, respectively.

d. Income tax assessed

The tax returns through 2023 have been assessed by the tax authorities.

32. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2025	**2024**
Basic earnings per share	$ 0.93	$ 3.78
Diluted earnings per share	$ 0.93	$ 3.58

The profit and the weighted average number of shares outstanding used for the earnings per share computation was as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2025	**2024**
Earnings used in the computation of basic earnings per share	$ 979,013	$ 3,954,679
Effect of potentially dilutive ordinary shares		
Convertible bonds	76,274	123,739
Earnings used in the computation of diluted earnings per share	$ 1,055,287	$ 4,078,418

Shares

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,047,293	1,047,293
Effect of potentially dilutive ordinary shares		
Compensation of employees	223	1,079
Convertible bonds	93,332	89,627
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,140,848	1,137,999

In calculating the weighted average number of shares outstanding for consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Group offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

33. ACQUISITION OF A SUBSIDIARY THAT DOES NOT CONSTITUTE A BUSINESS

In order to expand into the Southeast Asian market, the Group acquired a 100% of the equity shares of Yulon Credit Sdn. Bhd. at a consideration of MYR2,189 thousand (approximately NT$15,356 thousand) in May 2025. In accordance with IFRS 3, the Group evaluated and concluded that the acquired shares do not constitute a business; therefore, the share purchase transaction is accounted for as acquisition of a group of assets.

The information relating to the assets acquired and liabilities assumed and the relevant net cash outflow at the date of acquisition:

a. Assets acquired and liabilities assumed

	Yulon Credit Sdn. Bhd.
Current assets	
Other receivables	$ 13,953

b. Net cash outflow on the acquisition of subsidiaries.

	Yulon Credit Sdn. Bhd.
Cash consideration paid in the current year	$ 15,356
Less: Cash acquired and approximate cash balance	-
	$ 15,356

34. DISPOSAL OF SUBSIDIARY

The Group completed the disposal of Yulon Motor Finance in September 2024 and lost control over it.

a. Consideration received from disposal

	Yulon Motor Finance
Sales proceeds receivable	$ 6,001,274
Less: Expenses related to the receipt of consideration	(135,051)
Less: Foreign exchange losses	(82,849)
Net consideration received	$ 5,783,374

b. Analysis of the assets and liabilities upon loss of control

	Yulon Motor Finance
Assets	
Cash and cash equivalents	$ 1,683,813
Net trade receivable	5,504,069
Prepayments	27,097
Incremental cost of obtaining a contract	308,611
Property, plant and equipment	29,377
Right-of-use assets	26,784
Intangible assets	23,013
Deferred tax assets	153,625
Others	13,709
	7,770,098
Liabilities	
Short-term borrowings	(2,655,820)
Other payables	(74,859)
Lease liabilities	(13,478)
Guarantee deposits received	(28,445)
	(2,772,602)
Net assets disposed of	$ 4,997,496

c. Gain on disposal of subsidiary

	Yulon Motor Finance
Consideration received	$ 6,001,274
Net assets disposed of	(4,997,496)
Accumulated exchange difference realized amount	(329,610)
Gain on disposals	$ 674,168

d. Net cash inflow on disposals of subsidiary

	Yulon Motor Finance
Consideration received in cash and cash equivalents	$ 5,783,374
Less: Cash and cash equivalent balances disposed of	(1,683,813)
	$ 4,099,561

35. CAPITAL MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

According to externally imposed capital requirement of banks, part of the subsidiaries should keep the agreed equity during the borrowing period. As of December 31, 2025, the Company has met the requirements of banks.

The Group's management reviews the capital structure whenever necessary. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Group expects to balance its capital structure by paying dividends, borrowing new loans or repaying original loans.

36. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, the management of the Company considers that the carrying amount of financial assets and financial liabilities, which are not measured at fair value, is close to their fair value.

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost					
Investments in debt instruments	$ 2,388,659	$ 2,369,790	$ -	$ -	$ 2,369,790
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 14,384,758	$ -	$ 14,483,502	$ -	$ 14,483,502

December 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 14,164,009	$ -	$ 14,140,704	$ -	$ 14,140,704

The Level 2 fair value measurement was determined under cash flow discounting analysis using the income approach.

b. Fair value financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and foreign listed shares	$ 6,484	$ -	$ -	$ 6,484
Domestic and foreign unlisted shares	-	-	2,357	2,357
Investments in foreign bonds	15,669	-	-	15,669
Mutual funds	1,171,518	-	-	1,171,518
Limited partnership investment	-	-	87,944	87,944
Others	-	-	18,617	18,617
	$ 1,193,671	$ -	$ 108,918	$ 1,302,589
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic and foreign listed shares	$ 546,303	$ -	$ -	$ 546,303
Domestic and foreign unlisted shares	-	-	582,106	582,106
Others	-	2,134	-	2,134
	$ 546,303	$ 2,134	$ 582,106	$ 1,130,543
Financial liabilities at FVTPL				
Redemption option and put option of convertible bonds	$ -	$ -	$ 229,353	$ 229,353
Financial liabilities for hedging				
Cross-currency swap contracts	$ -	$ 14,397	$ -	$ 14,397

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and foreign listed shares	$ 8,308	$ -	$ -	$ 8,308
Domestic and foreign unlisted shares	-	-	2,459	2,459
Investments in foreign bonds	16,127	-	-	16,127
Mutual funds	441,246	-	-	441,246
Limited partnership investment	-	-	67,765	67,765
Others	60,659	-	25,130	85,789
	$ 526,340	$ -	$ 95,354	$ 621,694
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic and foreign listed shares	$ 575,066	$ -	$ -	$ 575,066
Domestic and foreign unlisted shares	-	-	534,145	534,145
Others	-	2,269	-	2,269
	$ 575,066	$ 2,269	$ 534,145	$ 1,111,480
Financial liabilities at FVTPL				
Redemption option and put option of convertible bonds	$ -	$ -	$ 218,253	$ 218,253
Financial liabilities for hedging				
Cross-currency swap contracts	$ -	$ 68,189	$ -	$ 68,189

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Valuation technique and input to Level 2 fair value measurement

Financial Instrument	Valuation Technique and Input
Derivatives - cross-currency swap contracts	Discounted cash flow: Future cash flows were estimated based on observable exchange rates and interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.

3) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

	Financial Assets at FVTPL	Financial Assets at FVTOCI Equity Instruments	Total
Balance on January 1, 2025	$ (122,899)	$ 534,145	$ 411,246
Recognized in profit or loss			
Other gains and losses	(13,698)	-	(13,698)
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	48,046	48,046
Purchases	42,458	-	42,458
Disposals/settlements	(26,622)	-	(26,622)
Effects of exchange rate changes	326	(85)	241
Balance on December 31, 2025	$ (120,435)	$ 582,106	$ 461,671

For the year ended December 31, 2024

	Financial Assets at FVTPL	Financial Assets at FVTOCI Equity Instruments	Total
Balance on January 1, 2024	$ 205,633	$ 459,706	$ 665,339
Recognized in profit or loss			
Other gains and losses	(174,978)	-	(174,978)
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	55,225	55,225
Reclassifications	(108,238)	-	(108,238)
Purchases	25,000	19,000	44,000
Disposals/settlements	(74,665)	-	(74,665)
Effects of exchange rate changes	4,349	214	4,563
Balance on December 31, 2024	$ (122,899)	$ 534,145	$ 411,246

The fair values of non-public stocks and funds are mainly determined by using the asset approach, and the market approach.

To determine the fair value for the funds, the Company utilizes the asset approach and takes into account the net asset value measured at the fair value by independent parties. On December 31, 2025, the Company uses unobservable inputs derived from discount for lack of marketability and lack of non-controlling interest.

For the remaining few investments, the market approach is used to arrive at their fair value, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instrument	Valuation Technique and Input
Derivatives - redemption option and put option of convertible bonds	Binomial tree valuation model. Evaluated by the observable closing price of the stocks, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date.
Overseas unlisted equity instruments	The comparable transaction method of the market approach was adopted by referring to the recent fund-raising activities of the investee company.

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
Fair value through profit or loss (FVTPL)		
Mandatorily classified as at FVTPL	$ 1,302,589	$ 621,694
Amortized cost (Note 1)	246,232,115	253,964,486
Fair value through other comprehensive income (FVTOCI)	1,130,543	1,111,480
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Redemption option and put option of convertible bonds	229,353	218,253
Financial liabilities for hedging	14,397	68,189
Amortized cost (Note 2)	259,186,503	270,677,776
Financial guaranteed contracts	21,632	24,582

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, Investments in debt instruments, notes receivable, trade receivables, finance lease receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings and bills payables, notes payable, trade and other payables, corporate bond payables, long-term borrowings, guarantee deposits received and current portion of long-term borrowings.

d. Financial risk management objectives and policies

In order to develop a clear direction and system for the Group to analyze, execute and respond to financial risk, it is of great importance to clarify the definition and the purpose of financial risk management prior to the establishment of related critical issues and policies. Through the process of financial risk management, the Group manages the financial risks relevant to the daily operation, including market risk (foreign exchange rate risk, interest rate risk, other price risk), credit risk, and liquidity risk. The Group strives to identify, evaluate and decrease market uncertainty to mitigate influence of the market fluctuation towards its financial performance.

1) Financial risk management is defined by the Group as: To achieve various methods to control and handle risks by assessing direct and indirect potential risks affecting Group's financial status. By minimizing "cost of risk", the Group ensures operation security and continue as going concern.

2) The critical issues of financial risk management: The Group emphasizes precautions in advance as well as controls during the ongoing process. In the event, with precautions and controls in place, of inevitable loss or discrepancies with Group's operational goal, post-event measures are to be taken to deter or ease the unfavorable factors and retain the Group's ongoing development. The source of financial risk includes external and internal factors. The key points of management, control mechanisms, and management tools of precautions, controls during the ongoing process and post-event measures are as follows:

   a) Precautions

      Key points of management

      i. Business planning: The goal is for the Group to launch its business basing on key performance indicators that are clearly defined. The future operating guidelines and programs, from short term to long term, are also explicitly stated. In addition, goals and ways of achieving it for financial functions will also be specifically described within business planning.

      ii. Identification of risk and establishment of indicator: This is based on the previous phase of key points of management, to identify potential risks and its monitoring indicators.

      Control mechanisms

      i. Business planning and adjustment: This is achieved by mid-term operating prospectus.

      ii. Macro-economic and study of laws and regulation: The Group invites external professional and scholars for workshops regarding current economic status and updates on laws and regulations nonscheduled.

      Management tools

      i. Research reports on macroeconomics: This includes reports on foreign exchange rates, interest rates and economic growths around the world.

      ii. Operating prospectus: This is the Group's mid-term operating prospectus.

      iii. Articles of incorporation: Clearly states in the Group's article of incorporation the management measures and the standard of risk indicator.

   b) Controls during the ongoing process

      Key points of management

      i. Assessment and monitor of risk: Carry out instant or periodical monitoring towards defined critical risk indicator and related financial process.

      ii. Risk feedbacks: The information system automatically sends reports regarding financial operation and indicator statistics simultaneously or periodically to the management of the Group. Internal audit teams are assigned, according to yearly or quarterly audit plans, to conduct audits relating to financial risk management of the Group and its subsidiaries. Internal audit teams are also assigned to conduct audits regarding financial risk management indicators and execution results.

Control mechanisms

i. Internal audit: Each financial sub-unit within the Group manages, controls and conducts independent internal audits after audit plans are proposed to the management.

ii. Financial management system and procedures: The Group establishes financial management system and monitors daily operations and specifically designated risks.

Management tools

i. BIS (Business Intelligent System) reports and alerts: The Group utilizes BIS to provide feedbacks for important operation related financial indicators monthly, at least.

ii. Monthly reports on profits of the Group and its subsidiaries: Operating profit and loss reports are summarized monthly, particularly including analytical summaries and reviews of items not meeting standards set by the management.

iii. Internal audit report: Internal audit reports are issued by the internal audit team including the execution and result of financial risk management.

iv. Reports on capital financing and balance of endorsement: The Group issues a summary report of capital financing and balance of endorsement monthly for the prior month.

v. ERP, DMS and SAP system verifications: Operating management systems from external parties assist in verification, and strengthens the Group's financial risk management.

c) Post-event measures

Key points of management

i. Reasons and strategies for statistical deviations: Internal and external comprehension should be assembled, when abnormal outcomes arise for critical financial management indicators, to determine a corresponding strategy.

ii. Execution and follow-ups on strategy: The Group keeps track of the execution of the corresponding strategy mentioned in the previous phase, determined for the statistics to improve.

Control mechanisms

i. Analysis and feedbacks for unattainable indicators: The Group reviews the cause of unattainable financial management indicators in periodical reports and management meetings. In addition, improvement plans and schedules are also considered in management meetings.

ii. Board and financial meetings: The Group summons board meetings and review of financial management meetings on a timely basis, to ensure that the related financial risk management matters be resolved promptly, if not simultaneously.

Management tools

i. Reports on unfavorable factors and impacts: The Group lists the impacts of unattainable indicators and its actual status within its internal financial reports.

ii. Board meeting reports: The execution of financial risk management is summarized in the board meeting reports.

iii. Endorsement valuation report: Balance of endorsement is assessed and evaluated on a timely basis whether it conforms to local regulations and corporate rules.

iv. Periodic review meetings according to corporate classifications: The Group holds comprehensive review meetings periodically for different corporate classifications, which is in accordance to their different industry attributes.

3) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to exchange rate risk at the end of the reporting period are set out in Note 40.

Sensitivity analysis

The Group was mainly exposed to Currency USD.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	USD Impact	
	For the Year Ended December 31	
	2025	2024
Profit or loss	$ 58	$ (3,812)

Hedge accounting

The Group entered into cross-currency swap contracts to mitigate the risk of changes in foreign currency exchange rates on cash flow exposure. Cross-currency swaps are settled at maturity.

The following tables summarize the information relating to the hedges of foreign currency risk.

December 31, 2025

Hedging Instrument	Currency	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
					Asset	Liability	
Cash flow hedge							
Cross-currency - swap contracts	RMB/JPY	RMB22,480/ JPY440,000	2025.04.24-2026.04.23	Financial liabilities for hedging	$ -	$ 14,397	$ -

Hedged Item	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Short-term borrowings	$ -	$ (1,967)	$ -

December 31, 2024

Hedging Instrument	Currency	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
					Asset	Liability	
Cash flow hedge							
Cross-currency - swap contracts	RMB/JPY	RMB35,104/ JPY720,000	2024.08.20-2025.08.19	Financial liabilities for hedging	$ -	$ 11,858	$ -
Cross-currency - swap contracts	RMB/JPY	RMB42,245/ JPY850,000	2024.09.19-2025.09.18	Financial liabilities for hedging	-	17,776	-
Cross-currency - swap contracts	RMB/JPY	RMB35,745/ JPY750,000	2024.10.16-2025.10.15	Financial liabilities for hedging	-	8,152	-
Cross-currency - swap contracts	RMB/JPY	RMB35,085/ JPY750,000	2024.11.01-2025.10.31	Financial liabilities for hedging	-	5,291	-
Cross-currency - swap contracts	RMB/JPY	RMB37,214/ JPY800,000	2024.11.07-2025.11.07	Financial liabilities for hedging	-	4,525	-
Cross-currency - swap contracts	RMB/JPY	RMB29,035/ JPY600,000	2024.12.05-2025.12.05	Financial liabilities for hedging	-	8,508	-
Cross-currency - swap contracts	RMB/JPY	RMB33,435/ JPY700,000	2024.12.11-2025.12.11	Financial liabilities for hedging	-	3,488	-
Cross-currency - swap contracts	RMB/JPY	RMB28,644/ JPY600,000	2024.12.12-2025.12.12	Financial liabilities for hedging	-	6,594	-
Cross-currency - swap contracts	RMB/JPY	RMB33,173/ JPY700,000	2024.12.18-2025.12.18	Financial liabilities for hedging	-	1,997	-

Hedged Item	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Short-term borrowings	$ -	$ (3,428)	$ -
Short-term borrowings	-	(4,161)	-
Short-term borrowings	-	(3,123)	-
Short-term borrowings	-	(3,270)	-
Short-term borrowings	-	(3,327)	-
Short-term borrowings	-	(2,484)	-
Short-term borrowings	-	1,488	-
Short-term borrowings	-	(2,353)	-
Short-term borrowings	-	1,782	-

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2025	**2024**
Fair value interest rate risk		
Financial assets	$ 193,537,324	$ 202,238,501
Financial liabilities	190,770,279	180,905,889
Cash flow interest rate risk		
Financial assets	8,716,667	11,800,500
Financial liabilities	44,213,358	65,534,031

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2025 and 2024 would decrease by $353,957 thousand and $537,335 thousand, respectively.

Hedge accounting

The Group entered into cross-currency swap contracts to mitigate the cash flow exposure in floating rate foreign borrowing on cash flow exposure. Cross-currency swaps are settled at maturity, the floating rate under the relevant contract is determined by the interbank lending rate.

The following tables summarize the information relating to the hedges for interest rate risk:

December 31, 2025

Hedging Instrument	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge								
Short-term borrowings - cross-currency - swap contracts	JPY440,000 thousands	2025.04.24-2026.04.23	3.320%	1.050%	Financial liabilities for hedging	$ -	$ 14,397	$ -

Hedged Item	Carrying Amount		Accumulated Amount of Fair Value Hedge Adjustments (i)		Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Amount of Fair Value Hedge Adjustments for Hedged Items that Have Ceased to Be Adjusted for Hedging Gains and Losses
	Asset	Liability	Asset	Liability		
Cash flow hedge						
Short-term borrowings	$ -	$ 100,520	$ -	$ (12,085)	$ -	$ -

December 31, 2024

Hedging Instrument	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount Asset	Carrying Amount Liability	Change In Value Used for Calculating Hedge Ineffectiveness
Cash flow hedge								
Short-term borrowings - cross-currency - swap contracts	JPY720,000 thousands	2024.08.20-2025.08.19	3.620%	0.934%	Financial liabilities for hedging	$ -	$ 11,858	$ -
Short-term borrowings - cross-currency - swap contracts	JPY850,000 thousands	2024.09.19-2025.09.18	3.630%	0.944%	Financial liabilities for hedging	-	17,776	-
Short-term borrowings - cross-currency - swap contracts	JPY750,000 thousands	2024.10.16-2025.10.15	3.520%	1.050%	Financial liabilities for hedging	-	8,152	-
Short-term borrowings - cross-currency - swap contracts	JPY750,000 thousands	2024.11.01-2025.10.31	3.580%	0.980%	Financial liabilities for hedging	-	5,291	-
Short-term borrowings - cross-currency - swap contracts	JPY800,000 thousands	2024.11.07-2025.11.07	3.509%	0.960%	Financial liabilities for hedging	-	4,525	-
Short-term borrowings - cross-currency - swap contracts	JPY600,000 thousands	2024.12.05-2025.12.05	3.470%	1.030%	Financial liabilities for hedging	-	8,508	-
Short-term borrowings - cross-currency - swap contracts	JPY700,000 thousands	2024.12.11-2025.12.11	3.350%	1.630%	Financial liabilities for hedging	-	3,488	-
Short-term borrowings - cross-currency - swap contracts	JPY600,000 thousands	2024.12.12-2025.12.12	3.450%	1.070%	Financial liabilities for hedging	-	6,594	-
Short-term borrowings - cross-currency - swap contracts	JPY700,000 thousands	2024.12.18-2025.12.18	3.300%	1.630%	Financial liabilities for hedging	-	1,997	-

Hedged Item	Carrying Amount Asset	Carrying Amount Liability	Accumulated Amount of Fair Value Hedge Adjustments (i) Asset	Accumulated Amount of Fair Value Hedge Adjustments (i) Liability	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Amount of Fair Value Hedge Adjustments for Hedged Items that Have Ceased to Be Adjusted for Hedging Gains and Losses
Cash flow hedge						
Short-term borrowings	$ -	$ 160,100	$ -	$ (8,296)	$ -	$ -
Short-term borrowings	-	192,671	-	(13,417)	-	-
Short-term borrowings	-	163,026	-	(4,938)	-	-
Short-term borrowings	-	160,016	-	(1,962)	-	-
Short-term borrowings	-	169,727	-	(1,147)	-	-
Short-term borrowings	-	132,421	-	(5,929)	-	-
Short-term borrowings	-	152,489	-	(4,937)	-	-
Short-term borrowings	-	130,640	-	(4,167)	-	-
Short-term borrowings	-	151,295	-	(3,757)	-	-

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities.

Sensitivity analysis

The Group assesses equity price risk using sensitivity analysis.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, as of December 31, 2025, financial assets at FVTPL and FVTOCI would have decreased by $13,026 thousand and $11,305 thousand, respectively.

If equity prices had been 1% lower, as of December 31, 2024, financial assets at FVTPL and FVTOCI would have decreased by $6,217 thousand and $11,115 thousand, respectively.

4) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

It is the Group's policy that transactions only be dealt with credit worthy counter parties. Credit information of transaction parties are gathered by independent rating agencies by conducting credit search and analysis. Credits are then given to parties, according to its nature of transaction, financial status and conditions of collateral, with terms be renewed after careful reexamination to ensure credit risk of counter parties are within scope of the Group.

The clients of the Group are widely spread and the Group analyzes its numerous trade receivable clients' financial status continuously.

5) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors how bank borrowings are used and ensures compliance with loan covenants.

Liquidity and interest risk rate table

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

December 31, 2025

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 8,900,072	$ -	$ -
Variable interest rate liabilities	65,295,909	15,622,209	-
Fixed interest rate liabilities	139,872,394	15,303,547	-
Lease liabilities	595,378	1,271,701	857,487
Financial guarantee contracts	2,076,469	-	-
	$ 216,740,222	$ 32,197,457	$ 857,487

December 31, 2024

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 9,384,645	$ -	$ -
Variable interest rate liabilities	52,164,783	47,303,692	-
Fixed interest rate liabilities	119,962,986	28,117,386	-
Lease liabilities	684,192	1,604,174	958,989
Financial guarantee contracts	2,333,792	-	-
	$ 184,530,398	$ 77,025,252	$ 958,989

The amount of variable interest rate liabilities included above varies as to the different floating rates estimated at the balance sheet date.

As of Balance Sheets date, the amounts included above for financial guarantee contracts were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. The Group has estimated the probabilities of default and recognized related provisions (see Note 26).

37. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and its related parties are disclosed below.

a. Related parties

Related Party	Relationship with the Group
Dong Yu Tech. Co., Ltd.	Joint ventures
Zhuo He Co., Ltd.	Joint ventures (became non-related party on November 7, 2024)
Cheng Long Co., Ltd.	Associates
Yuan Lon Co., Ltd.	Associates
Yu Tang Co., Ltd.	Associates
Yulon-Nissan Motor Co., Ltd.	Associates
Guangzhou He Xi Co., Ltd.	Associates
China Motor Co., Ltd.	Associates
Tokio Marine Newa Insurance Co., Ltd.	Associates
ROC-Spicer Co., Ltd.	Associates
Fujian Spicer Co., Ltd.	Associates
Uni-calsonic Co., Ltd.	Associates
China Ogihara Co., Ltd.	Associates
China Engine Co., Ltd.	Associates
Hui-Lian Motor Co., Ltd.	Associates
Yulon Management Co., Ltd.	Associates
Foxtron Vehicle Technologies Co., Ltd.	Associates
Hong Kong-Spicer Co., Ltd.	Associates

(Continued)

Related Party	Relationship with the Group
Zhuo Giu Co., Ltd.	Associates (became non-related party on November 7, 2024)
Bing Yu Co., Ltd.	Associates
Guang Zhou Ri Zheng Spring	Associates
Looplus Service Technology Inc.	Associates
Uni-Calsonic (Vietnam) Corp.	Associates
QPO Energy LLC	Associates
Ding Long Co., Ltd.	Associate's subsidiary
Tang Li Co., Ltd.	Associate's subsidiary
Yuan Zhi Co., Ltd.	Associate's subsidiary
Lian Cheng Co., Ltd.	Associate's subsidiary
Yuen-Jin Co., Ltd.	Associate's subsidiary
Kian Shen Co., Ltd.	Associate's subsidiary
Hua Ling Co., Ltd.	Associate's subsidiary
Lin Wei Co., Ltd.	Associate's subsidiary
Yuan Rui Auto Co., Ltd.	Associate's subsidiary
MG Motor Taiwan Co., Ltd.	Associate's subsidiary
Dong Feng Yulon Motor Sales Co., Ltd.	Other related parties (became non-related party from the second quarter of 2024)
Tai-Yuen Textiles Co., Ltd.	Other related parties
Wen Shen Co., Ltd.	Other related parties
Shenyang Spicer Co., Ltd.	Other related parties
Lowin Industrial Co., Ltd.	Other related parties
Taiwin Company	Other related parties
Hui-Fong Motor Co., Ltd.	Other related parties
Nissan Motor Co., Ltd.	Other related parties
Shug Ye Motor Co., Ltd.	Other related parties
Victory Motors Co., Ltd.	Other related parties
Southeast Motor Co., Ltd.	Other related parties
Gunze Co., Ltd.	Other related parties
Taiway Co., Ltd.	Other related parties
ROC-Keeper Co., Ltd.	Other related parties
Carnival Industrial Co., Ltd.	Other related parties
Fu Lun Motors Co., Ltd.	Other related parties
Fortune Hsieh-Shin Motors Co., Ltd.	Other related parties
Feng Shun Machinery Co., Ltd.	Other related parties
Fusion Motors Co., Ltd.	Other related parties
Raising Motors Co., Ltd.	Other related parties
Luxgen (Hangzhou) Real Estate Co., Ltd.	Other related parties
Yen Tjing Ling Industrial Development Foundation	Other related parties
Vivianwu Journalism Award Foundation	Other related parties
Greentrans Corporation	Other related parties
Feng-Chan Motors Co., Ltd.	Other related parties
Shi Mu CO., LTD.	Other related parties

(Concluded)

b. Operating revenue

1) Sales of goods

Related Party Categories	For the Year Ended December 31 2025	2024
Associates		
Yulon-Nissan Motor Co., Ltd.	$ 4,706,734	$ 8,915,320
Others	6,782,867	10,013,102
	11,489,601	18,928,422
Other related parties	293,780	130,971
	$ 11,783,381	$ 19,059,393

2) Rental revenue

Related Party Categories	For the Year Ended December 31 2025	2024
Associates	$ 160,165	$ 192,417
Joint ventures	-	5,077
Other related parties	72,691	49,193
	$ 232,856	$ 246,687

3) Service revenue

Related Party Categories	For the Year Ended December 31 2025	2024
Associates	$ 392,047	$ 335,396
Joint ventures	-	24
Other related parties	14,698	14,594
	$ 406,745	$ 350,014

4) Other operating income

Related Party Categories	For the Year Ended December 31 2025	2024
Associates	$ 1,381,385	$ 1,435,074
Joint ventures	-	180
Other related parties	5,198	4,204
	$ 1,386,583	$ 1,439,458

5) Installment sales interest subsidies revenue

Related Party Categories	For the Year Ended December 31 2025	2024
Associates		
Yulon-Nissan Motor Co., Ltd.	$ -	$ 9,358
Lian Cheng Co., Ltd.	2,154	1,476
Cheng Long Co., Ltd.	1,375	2,904
Yu Tang Co., Ltd.	2,755	2,926
Hui-Lian Motor Co., Ltd.	8,025	12,055
Others	7,818	5,066
	$ 22,127	$ 33,785

c. Purchase of goods

Related Party Categories	For the Year Ended December 31 2025	2024
Associates		
Yulon-Nissan Motor Co., Ltd.	$ 5,865,701	$ 11,256,223
Foxtron Vehicle Technologies Co., Ltd.	2,130,943	4,517,680
Others	525,373	922,860
	8,522,017	16,696,763
Joint ventures	-	12,313
Other related parties		
Nissan Motor Co., Ltd.	4,107,918	8,485,198
Others	109,566	173,354
	4,217,484	8,658,552
	$ 12,739,501	$ 25,367,628

d. Operating expenses

Related Party Categories	For the Year Ended December 31 2025	2024
Associates	$ 301,417	$ 357,151
Other related parties	23,373	19,555
	$ 324,790	$ 376,706

e. Acquisition of property, plant and equipment

Related Party Categories	For the Year Ended December 31 2025	2024
Associates		
Yulon-Nissan Motor Co., Ltd.	$ -	$ 819
Hui-Lian Motor Co., Ltd.	3,743	58,408
Cheng Long Co., Ltd.	38,647	58,202
Ding Long Co., Ltd.	27,181	41,689
Yuan Lon Co., Ltd.	8,951	12,350
MG Motor Taiwan Co., Ltd.	136,303	86,372
Others	6,241	86,101
	221,066	343,941
Other related parties		
Hui-Fong Motor Co., Ltd.	399,567	368,044
Shug Ye Motor Co., Ltd.	183,593	211,330
Others	58,766	-
	641,926	579,374
	$ 862,992	$ 923,315

f. Acquisitions of right-of-use assets

Related Party Categories	For the Year Ended December 31 2025	2024
Associates		
China Motor Co., Ltd.	$ -	$ 31,097
Hua Ling Co., Ltd.	-	8,548
	-	39,645
Other related parties		
Tai-Yuen Textiles Co., Ltd.	3,190	29,145
Yen Tjing Ling Industrial Development Foundation	-	29,145
Others	-	12,170
	3,190	41,315
	$ 3,190	$ 80,960

Related Party Categories	December 31 2025	2024
Lease liabilities		
Associates	$ 33,739	$ 48,204
Other related parties	116,001	127,582
	$ 149,740	$ 175,786

g. Disposal of property, plant and equipment

Related Party Categories	Proceeds For the Year Ended December 31 2025	Proceeds For the Year Ended December 31 2024	Gain on Disposal For the Year Ended December 31 2025	Gain on Disposal For the Year Ended December 31 2024
Associates				
Foxtron Vehicle Technologies Co., Ltd.	$ -	$ 327,100	$ -	$ 87,209
Others	-	-	-	-
	$ -	$ 327,100	$ -	$ 87,209

h. Acquisition of receivables

Related Party Categories	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Associates		
Yulon-Nissan Motor Co., Ltd.	$ 2,156,434	$ 1,962,585
Hui-Lian Motor Co., Ltd.	619,508	652,710
Others	845,572	1,079,175
	$ 3,621,514	$ 3,694,470

i. Commissions paid (included in incremental costs of obtaining a contract and amortized over a period of time)

Related Party Categories	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Associates	$ 11,117	$ 9,822

j. Receivable from related parties

1) Notes receivable and trade receivables

Related Party Categories	December 31 2025	December 31 2024
Associates	$ 896,996	$ 997,801
Other related parties	145,283	78,030
	$ 1,042,279	$ 1,075,831

2) Other receivables

Related Party Categories	December 31 2025	December 31 2024
Associates	$ 135,966	$ 172,339
Other related parties	7,923	8,424
	$ 143,889	$ 180,763

3) Refundable deposits

Related Party Categories	December 31 2025	December 31 2024
Associates	$ 5,147	$ 2,210
Other related parties	3,188	3,188
	$ 8,335	$ 5,398

k. Payable to related parties

1) Notes payable and trade payables

Related Party Categories	December 31 2025	December 31 2024
Associates		
Yulon-Nissan Motor Co., Ltd.	$ 117,946	$ 286,380
Others	221,907	270,216
	339,853	556,596
Other related parties		
Nissan Motor Co., Ltd.	442,853	280,067
Others	47,795	49,463
	490,648	329,530
	$ 830,501	$ 886,126

2) Other payables

Related Party Categories	December 31 2025	December 31 2024
Associates	$ 142,568	$ 32,506
Other related parties	5,903	5,031
	$ 148,471	$ 37,537

l. Endorsement/guarantees provided

Information about endorsement/guarantee provided, see Table 2.

m. Compensation of key management personnel

	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Short-term employee benefits	$ 443,144	$ 514,457
Post-employment benefits	4,207	3,971
Other long-term employee benefits	897	889
	$ 448,248	$ 519,317

The compensation of the board members and the Group's management is determined by the remuneration committee based on personal performances and market conditions.

38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings or the tariff of imported raw materials guarantees:

	December 31	
	2025	2024
Notes and trade receivables	$ 4,199,288	$ 9,431,043
Property, plant and equipment	7,499,837	1,519,527
Investment properties	8,051,573	8,191,418
Vehicle certificates (classified as inventories)	335,358	261,596
Reserve account and pledged time deposits (classified as financial assets at amortized cost)	603,078	450,834
Investments in debt products (classified as financial assets at amortized cost)	470,000	-
Others	22,354	55,525
	$ 21,181,488	$ 19,909,943

39. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other Notes, information on significant contingent liabilities and unrecognized commitments on the balance sheet date is as follows:

a. The Company has a manufacturing contract with Yulon Nissan Motor Co., Ltd. ("Yulon Nissan") with a five-year validity from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance). As of December 31, 2025, the contract had been automatically renewed for the sixth year. The contract states that Yulon Nissan has authorized the Company to manufacture Nissan automobiles and parts, and Yulon Nissan is responsible for the subsequent development of new automobile parts. The Company's production volume is determined based on the annual sales forecast provided by Yulon Nissan. In addition, the Company manufactures other service parts for Yulon Nissan upon the latter's request.

   Yulon Nissan is responsible for developing new car models, refining designs, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

b. Luxgen entrusted to the Company the assembly of cars, for which the obtaining of the manufacturing and selling license was assigned by Haitec to Luxgen. This car assembly is based on a five-year contract valid from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance), as of December 31, 2025, it's the 6th year since the contract was automatically renewed. The contract states that Luxgen authorizes the Company to manufacture Luxgen automobiles and parts. The volume of the Company's manufacturing should be based on Luxgen's projection of car unit sales for the year. In addition, the Company manufactures other service parts for Luxgen upon the latter's request.

Luxgen is responsible for contracting out the manufacture of new-car model parts, refining designs, registering products, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

c. The Company has entered into an OEM contract with Foxtron Vehicle Technologies Co., Ltd. which is valid for a period of 6 years from May 13, 2024 to May 12, 2030 (automatically extended for 1 year if there is no written notice of non-renewal from both parties, and thereafter), and the OEM contract clearly stipulates that Foxtron Vehicle Technologies Co., Ltd. authorizes the Company to produce the D31 series vehicles and components of Luxgen (Foxtron Vehicle Technologies Co., Ltd.) brand, and provides after-sales service for the delivered vehicle products. In principle, the Company should follow the annual vehicle delivery plan of Foxtron Vehicle Technologies Co., Ltd. to produce the number of OEM units per year. In addition, the Company is also commissioned by Foxtron Vehicle Technologies Co., Ltd. to accept the OEM of parts and components.

   Foxtron Vehicle Technologies Co., Ltd. is responsible for the development of new vehicle module, design changes, product design and the provision of the pick-up plan to the Company, and the Company is responsible for the conversion of Foxtron Vehicle Technologies Co., Ltd.'s pick-up plan into a production plan, as well as the preparation of the related ordering and procurement operations, product quality assurance services, delivery services and after-sales services and compensation matters.

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 3,504	31.430 (USD:NTD)	$ 110,120
USD	8,900	4.201 (USD:MYR)	279,727
			$ 389,847
Non-monetary items			
Associates and joint ventures accounted for using the equity method			
RMB	291,997	4.472 (RMB:NTD)	$ 1,305,695
RMB	197,303	0.142 (RMB:USD)	882,260
			$ 2,187,955

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 12,587	31.430 (USD:NTD)	$ 395,601
JPY	300,899	0.201 (JPY:NTD)	$ 60,421
JPY	440,000	0.045 (JPY:RMB)	88,352
			$ 148,773
Non-monetary items			
JPY	440,000	0.045 (JPY:RMB)	$ 14,397

(Concluded)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 17,695	32.785 (USD:NTD)	$ 580,118
Non-monetary items			
Associates and joint ventures accounted for using the equity method			
RMB	305,618	4.561 (RMB:NTD)	$ 1,393,861
RMB	201,963	0.139 (RMB:USD)	921,111
			$ 2,314,972
Financial liabilities			
Monetary items			
USD	6,069	32.785 (USD:NTD)	$ 198,956
JPY	387,217	0.210 (JPY:NTD)	81,277
JPY	6,470,000	0.046 (JPY:RMB)	1,358,053
			$ 1,638,286
Non-monetary items			
JPY	6,470,000	0.046 (JPY:RMB)	$ 68,189

For the years ended December 31, 2025 and 2024, realized and unrealized foreign exchange losses were $9,492 thousand and $37,369 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

41. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Significant marketable securities held. (Table 3)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

6) Information on investees. (Table 6)

7) Others: Intercompany relationships and significant intercompany transactions. (Table 8)

8) Trading in derivative instruments. (Notes 7, 11 and 36)

c. Information on investments in mainland China (Table 7)

42. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were "brand segments", "supporting segments", "horizontal segments", "Taiwan retail segments", "China retail segments" and "others".

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Brand Segments	Supporting Segments	Horizontal Segments	Taiwan Retail Segments	China Retail Segments	Others	Adjustment and Eliminations	Total
For the year ended December 31, 2025								
Revenues from external customers	$ 8,640,203	$ 3,893,267	$ 38,089,957	$ 14,984,506	$ 6,082,344	$ 664,830	$ -	$ 72,355,107
Intersegment revenues	11,587,289	778,795	1,045,842	1,366,987	46,162	1,262,966	(16,088,041)	-
Segment revenues	$ 20,227,492	$ 4,672,062	$ 39,135,799	$ 16,351,493	$ 6,128,506	$ 1,927,796	$ (16,088,041)	$ 72,355,107
Segment income								$ 5,293,226
For the year ended December 31, 2024								
Revenues from external customers	$ 11,459,657	$ 3,937,551	$ 40,924,833	$ 22,009,830	$ 6,271,143	$ 1,173,032	$ -	$ 85,776,046
Intersegment revenues	24,991,669	1,172,982	725,215	1,836,074	81,240	798,932	(29,606,112)	-
Segment revenues	$ 36,451,326	$ 5,110,533	$ 41,650,048	$ 23,845,904	$ 6,352,383	$ 1,971,964	$ (29,606,112)	$ 85,776,046
Segment income								$ 9,340,607

This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The segment information on total assets and liabilities were not reported to the chief operating decision maker, therefore was not disclosed.

c. Geographical information

The Group operates primarily in the geographical areas of Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
Taiwan	$ 59,893,866	$ 71,269,400	$ 79,558,912	$ 71,449,196
China	12,010,715	14,218,596	2,123,151	7,786,465
Others	450,526	288,050	549,374	317,185
	$ 72,355,107	$ 85,776,046	$ 82,231,437	$ 79,552,846

Non-current assets exclude investments accounted for using the equity method and deferred tax assets.

d. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2025		2024	
Customer	Amount	% on Sales	Amount	% on Sales
Yulon-Nissan Motor Co., Ltd.	$ 5,934,851	8	$ 10,064,993	12

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Luxgen	Electrified LUXGEN Motor Co., Ltd.	Other receivables	Y	$ 300,000	$ -	$ -	-	b	$ -	Operating capital	$ -	-	$ -	$ 342,915	$ 342,915	Note 1
2	Sheng Qing	Zhu Hai Fu Te En	Accounts receivable - related parties	Y	24,272	23,463	23,463	3%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Yu-Jie	Accounts receivable - related parties	Y	185,032	178,864	-	1%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Xiamen Young Chang	Accounts receivable - related parties	Y	176,706	170,815	170,815	0.5%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Yulon China Motor Investment	Accounts receivable - related parties	Y	1,035,684	911,728	911,728	3%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	44,716	44,716	44,716	3%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Xiao Gan Yu Feng	Accounts receivable - related parties	Y	44,716	44,716	-	-	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Jiangsu TAC Financial Leasing	Accounts receivable - related parties	Y	223,580	223,580	-	3%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Xiao Gan Yu Xi	Accounts receivable - related parties	Y	44,716	44,716	44,716	3%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
		Huang Shi Yu Shin	Accounts receivable - related parties	Y	26,830	26,830	26,830	3%	b	-	Operating capital	-	-	-	4,311,160	12,933,479	Note 1
3	Hang Zhou Yu Zhong	Yulon China Motor Investment	Other receivables	Y	12,490	12,073	12,073	-	b	-	Operating capital	-	-	-	523,472	785,208	Note 1
4	Tai Feng	Dong Tai	Other receivables	Y	138,774	134,148	134,148	0.5%	b	-	Operating capital	-	-	-	2,030,977	4,061,953	Note 1
		Sheng Qing	Other receivables	Y	225,739	218,214	218,214	0.5%	b	-	Operating capital	-	-	-	2,030,977	4,061,953	Note 1
		Shi Cheng	Other receivables	Y	64,761	-	-	-	b	-	Operating capital	-	-	-	2,030,977	4,061,953	Note 1
		Xiamen Young Chang	Other receivables	Y	323,806	313,012	313,012	0.5%	b	-	Operating capital	-	-	-	2,030,977	4,061,953	Note 1
5	Shi Cheng	Xiamen Young Chang	Other receivables	Y	185,032	143,091	143,091	0.5%	b	-	Operating capital	-	-	-	3,340,921	6,681,841	Note 1
6	Tai Chang Cheng Mau	Su Zhou Feng Shen	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	48,604	48,604	Note 1
		Su Zhou Cheng Pang	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	48,604	48,604	Note 1
7	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	36,068	36,068	Note 1
8	Su Zhou Feng Shen	Tai Chang Cheng Mau	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Su Zhou Cheng Hung	Other receivables	Y	23,129	-	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Su Zhou Cheng Pin	Other receivables	Y	46,258	22,358	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Su Zhou Cheng Long	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Su Zhou Cheng Pang	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Wu Jiang Lian Cheng	Other receivables	Y	37,006	35,773	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Su Zhou Feng Shun	Other receivables	Y	37,006	35,773	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
		Su Zhou Cheng Li	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	351,810	351,810	Note 1
9	Su Zhou Feng Shun	Su Zhou Feng Shen	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	121,398	121,398	Note 1
		Su Zhou Cheng Long	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	121,398	121,398	Note 1
		Su Zhou Cheng Pang	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	121,398	121,398	Note 1
		Wu Jiang Lian Cheng	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	121,398	121,398	Note 1
		Su Zhou Cheng Li	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	121,398	121,398	Note 1
10	Su Zhou Cheng Li	Tai Chang Cheng Mau	Other receivables	Y	23,129	22,358	21,017	2.5%	b	-	Operating capital	-	-	-	36,146	36,146	Note 1
11	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Other receivables	Y	23,129	-	-	-	b	-	Operating capital	-	-	-	30,624	30,624	Note 1
		Su Zhou Feng Shen	Other receivables	Y	22,358	22,358	-	-	b	-	Operating capital	-	-	-	30,624	30,624	Note 1
12	Su Zhou Cheng Pin	Su Zhou Feng Shen	Other receivables	Y	23,129	22,358	-	-	b	-	Operating capital	-	-	-	83,384	83,384	Note 1
		Su Zhou Feng Shun	Other receivables	Y	23,129	-	-	-	b	-	Operating capital	-	-	-	83,384	83,384	Note 1
		Wu Jiang Lian Cheng	Other receivables	Y	23,129	-	-	-	b	-	Operating capital	-	-	-	83,384	83,384	Note 1

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
13	Su Zhou Cheng Long	Su Zhou Cheng Pin	Other receivables	Y	$ 22,792	$ 22,358	$ -	-	b	$ -	Operating capital	$ -	-	$ -	$ 109,180	$ 109,180	Note 1
		Su Zhou Cheng Hung	Other receivables	Y	46,258	-	-	-	b	-	Operating capital	-	-	-	109,180	109,180	Note 1
		Su Zhou Cheng Li	Other receivables	Y	46,258	44,716	-	-	b	-	Operating capital	-	-	-	109,180	109,180	Note 1
14	Shinshin	O30	Other receivables	N	430,000	199,999	199,999	1.5%-16%	b	-	Operating capital	149	Property	572,000	4,417,581	22,087,906	Note 1
		O23	Other receivables	N	849,328	694,295	264,295	1.5%-16%	b	-	Operating capital	1,162	Property/stock	460,300	4,417,581	22,087,906	Note 1
		L55	Other receivables	N	118,437	43,520	43,520	1.5%-16%	b	-	Operating capital	32	Land	159,051	4,417,581	22,087,906	Note 1
		M8	Other receivables	N	280,842	57,418	57,418	1.5%-16%	b	-	Operating capital	48	Land	356,862	4,417,581	22,087,906	Note 1
		O41	Other receivables	N	147,184	143,123	143,123	1.5%-16%	b	-	Operating capital	102	Property	355,000	4,417,581	22,087,906	Note 1
		M48	Other receivables	N	197,592	86,961	86,961	1.5%-16%	b	-	Operating capital	188	Recreational equipment (including vessels)	222,000	4,417,581	22,087,906	Note 1
		N6	Other receivables	N	167,999	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		O47	Other receivables	N	137,000	137,000	137,000	1.5%-16%	b	-	Operating capital	89	Property	185,454	4,417,581	22,087,906	Note 1
		N46	Other receivables	N	163,630	61,795	61,795	1.5%-16%	b	-	Operating capital	46	Property	205,895	4,417,581	22,087,906	Note 1
		M68	Other receivables	N	142,000	142,000	142,000	1.5%-16%	b	-	Operating capital	103	Property	178,543	4,417,581	22,087,906	Note 1
		N44	Other receivables	N	119,612	113,099	113,099	1.5%-16%	b	-	Operating capital	82	Property	134,000	4,417,581	22,087,906	Note 1
		O81	Other receivables	N	449,841	449,032	449,032	1.5%-16%	b	-	Operating capital	2,307	Property	650,000	4,417,581	22,087,906	Note 1
		O80	Other receivables	N	153,230	132,844	132,844	1.5%-16%	b	-	Operating capital	102	Property	247,291	4,417,581	22,087,906	Note 1
		O19	Other receivables	N	257,000	157,998	157,998	1.5%-16%	b	-	Operating capital	113	Property	330,301	4,417,581	22,087,906	Note 1
		P11	Other receivables	N	225,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		P11	Other receivables	N	200,000	-	-	1.5%-16%	a	410,000	-	-	-	-	410,000	22,087,906	Note 1
		P9	Other receivables	N	123,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		P36	Other receivables	N	100,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		P53	Other receivables	N	800,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		P35	Other receivables	N	144,600	123,000	123,000	1.5%-16%	b	-	Operating capital	628	Property	157,299	4,417,581	22,087,906	Note 1
		L67	Other receivables	N	260,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		A17	Other receivables	N	157,500	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		O67	Other receivables	N	110,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		K1	Other receivables	N	194,434	138,874	138,874	1.5%-16%	b	-	Operating capital	1,258	Property	237,000	4,417,581	22,087,906	Note 1
		P91	Other receivables	N	160,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		Q5	Other receivables	N	115,308	56,956	56,956	1.5%-16%	a	125,000	-	304	Property	131,375	125,000	22,087,906	Note 1
		M51	Other receivables	N	154,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		N11	Other receivables	N	269,200	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		Q51	Other receivables	N	200,000	119,326	119,326	1.5%-16%	b	-	Operating capital	1,584	-	-	1,104,395	22,087,906	Note 1
		Q81	Other receivables	N	299,000	298,999	298,999	1.5%-16%	b	-	Operating capital	218	Property	345,000	4,417,581	22,087,906	Note 1
		R9	Other receivables	N	160,583	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		L41	Other receivables	N	157,255	95,647	57,647	1.5%-16%	b	-	Operating capital	43	Property	141,100	4,417,581	22,087,906	Note 1
		R16	Other receivables	N	300,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	4,417,581	22,087,906	Note 1
		R27	Other receivables	N	201,883	138,816	97,516	1.5%-16%	b	-	Operating capital	72	Property	302,585	4,417,581	22,087,906	Note 1
		O40	Other receivables	N	150,000	75,000	75,000	1.5%-16%	b	-	Operating capital	58	Property	196,000	4,417,581	22,087,906	Note 1
		A55	Other receivables	N	118,061	45,256	45,256	1.5%-16%	b	-	Operating capital	570	Property	151,000	4,417,581	22,087,906	Note 1
		N6	Other receivables	N	168,000	168,000	168,000	1.5%-16%	a	328,700	-	-	Property	210,000	328,700	22,087,906	Note 1
		P29	Other receivables	N	347,200	322,198	322,198	1.5%-16%	b	-	Operating capital	249	Property	421,707	4,417,581	22,087,906	Note 1
		M78	Other receivables	N	126,000	83,365	83,365	1.5%-16%	b	-	Operating capital	74	Property	219,418	4,417,581	22,087,906	Note 1
		R57	Other receivables	N	120,000	120,000	120,000	1.5%-16%	b	-	Operating capital	95	Property	176,000	4,417,581	22,087,906	Note 1
		P45	Other receivables	N	103,112	56,442	56,442	1.5%-16%	b	-	Operating capital	539	Property	30,692	4,417,581	22,087,906	Note 1
		R74	Other receivables	N	120,000	113,700	108,700	1.5%-16%	b	-	Operating capital	104	Property	136,084	4,417,581	22,087,906	Note 1
		O88	Other receivables	N	117,684	53,625	38,625	1.5%-16%	b	-	Operating capital	503	Property	89,530	4,417,581	22,087,906	Note 1
		P67	Other receivables	N	139,000	139,000	139,000	1.5%-16%	b	-	Operating capital	105	Property	169,430	4,417,581	22,087,906	Note 1
		R93	Other receivables	N	130,000	130,000	-	1.5%-16%	b	-	Operating capital	-	Property	140,000	4,417,581	22,087,906	Note 1
		R96	Other receivables	N	110,000	110,000	110,000	1.5%-16%	b	-	Operating capital	82	Property	155,898	4,417,581	22,087,906	Note 1
		Q37	Other receivables	N	102,000	53,838	33,838	1.5%-16%	b	-	Operating capital	356	Stock	214,100	4,417,581	22,087,906	Note 1
		T34	Other receivables	N	210,000	210,000	-	1.5%-16%	b	-	Operating capital	-	Property	213,300	4,417,581	22,087,906	Note 1
		A57	Other receivables	N	169,632	95,000	-	1.5%-16%	b	-	Operating capital	-	Performance bond	35,000	4,417,581	22,087,906	Note 1
		O6	Other receivables	N	112,452	64,671	64,671	1.5%-16%	b	-	Operating capital	752	Property	89,420	4,417,581	22,087,906	Note 1
		Q22	Other receivables	N	178,000	98,000	98,000	1.5%-16%	b	-	Operating capital	567	Performance bond	17,800	4,417,581	22,087,906	Note 1
		L26	Other receivables	N	130,000	50,000	50,000	1.5%-16%	b	-	Operating capital	274	Performance bond	13,000	4,417,581	22,087,906	Note 1
		Q23	Other receivables	N	110,000	60,000	60,000	1.5%-16%	b	-	Operating capital	328	Performance bond	11,000	4,417,581	22,087,906	Note 1
		P34	Other receivables	N	102,191	62,275	13,275	1.5%-16%	b	-	Operating capital	9	Property	356,191	4,417,581	22,087,906	Note 1
		T88	Other receivables	N	174,000	174,000	72,000	1.5%-16%	b	-	Operating capital	56	Property	228,500	4,417,581	22,087,906	Note 1
		R28	Other receivables	N	157,500	151,965	64,465	1.5%-16%	b	-	Operating capital	53	Property	180,260	4,417,581	22,087,906	Note 1
		O51	Other receivables	N	128,030	90,800	30,800	1.5%-16%	b	-	Operating capital	24	Property	80,400	4,417,581	22,087,906	Note 1
		Q3	Other receivables	N	120,000	60,000	60,000	1.5%-16%	b	-	Operating capital	327	Performance bond	12,000	4,417,581	22,087,906	Note 1
		R88	Other receivables	N	100,000	100,000	-	1.5%-16%	b	-	Operating capital	-	Property	35,000	4,417,581	22,087,906	Note 1
		Q5	Other receivables	N	100,000	100,000	100,000	1.5%-16%	b	-	Operating capital	1,327	Property	187,815	4,417,581	22,087,906	Note 1
		Summary of other clients	Other receivables	N	30,000	15,549	15,549	1.5%-16%	a	55,000	-	125	-	-	55,000	22,087,906	Note 1

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
		Summary of other clients	Other receivables	N	$ 627,962	$ 314,696	$ 281,696	1.5%-16%	a	$ 1,021,880	-	$ 2,064	Land/property/ movable property/ performance bond	$ 909,525	$ 1,021,880	$ 22,087,906	Note 1
		Summary of other clients	Other receivables	N	1,699,538	875,423	639,423	1.5%-16%	b	-	Operating capital	6,122	-	-	1,104,395	22,087,906	Note 1
		Summary of other clients	Other receivables	N	12,713,514	7,397,507	5,566,507	1.5%-16%	b	-	Operating capital	64,490	Land/property/ movable property/ performance bond	12,471,747	4,417,581	22,087,906	Note 1
15	TAC Global	Yulon Capital Sdn. Bhd.	Other receivables	Y	319,900	314,300	235,725	3.55%-3.8%	b	-	Operating capital	-	-	-	3,008,949	3,008,949	Note 1
16	Yu Rich	Y1	Other receivables	N	50,000	50,000	50,000	4%-8%	b	-	Operating capital	606	Property	10,740	1,143,054	2,286,108	Note 1
		Y2	Other receivables	N	75,000	75,000	75,000	4%-8%	b	-	Operating capital	921	Time deposits	31,451	1,143,054	2,286,108	Note 1
17	Changsha Yu Lu	Zhu Hai Fu Te En	Other receivables	Y	26,830	26,830	26,830	-	b	-	Operating capital	-	-	-	37,104	74,209	Note 1
18	Sin Gan	Ching-Tong	Other receivables	Y	200,000	200,000	100,000	2.42%	b	-	Operating capital	-	-	-	325,818	325,818	Note 1
19	Yu Rong	Yulon Capital Sdn. Bhd.	Other receivables	Y	125,720	125,720	122,577	3.8%	b	-	Operating capital	-	-	-	2,375,072	2,375,072	Note 1
20	Hang Zhou Y-Teks	Chang Zhou Y-Teks	Other receivables	Y	9,838	9,838	9,838	2.8%-3.5%	b	-	Operating capital	-	-	-	43,204	43,204	Note 1
21	Chang Zhou Y-Teks	Wuhu Y-Teks	Other receivables	Y	44,716	44,716	35,948	-	b	-	Operating capital	-	-	-	46,367	46,367	Note 1

Note 1:

1. Luxgen: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
2. Sheng Qing: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limit was 300% of the lender's net equity.
3. Hang Zhou Yu Zhong: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1,000% of the lender's net equity and aggregate financing limit was 1,500% of the lender's net equity.
4. Tai Feng: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limit was 300% of the lender's net equity.
5. Shi Cheng: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 500% of the lender's net equity and aggregate financing limit was 1000% of the lender's net equity.
6. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
7. Wu Jiang Lian Cheng: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
8. Su Zhou Feng Shen: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
9. Su Zhou Feng Shun: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
10. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
11. Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
12. Su Zhou Cheng Pin: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
13. Su Zhou Cheng Long: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.
14. Shinshin: Credit financing limit for each borrower shall not exceed 20% of the lender's net equity and aggregate financing limit shall not exceed 100% of the lender's net equity. Credit financing limit for each borrower of unsecured capital loans shall not exceed 5% of the lender's net equity. Business transactions financing limit for each borrower shall not exceed 20% of the lender's net equity and aggregate financing limit shall not exceed 100% of the lender's net equity. Business transactions financing limit for each borrower of unsecured capital loans shall not exceed 5% of the lender's net equity.
15. TAC Global Investment (Samoa) Co., Ltd.: Credit financing limit for each borrower shall not exceed 40% of the lender's net equity and aggregate financing limit shall not exceed 40% of the lender's net equity.
16. Yu Rich: Credit financing limit for each borrower shall not exceed 40% of the lender's net equity and aggregate financing limit shall not exceed 20% of the lender's net equity.
17. Changsha Yu Lu: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limit was 300% of the lender's net equity.
18. Sin Gan: Credit financing limit for each borrower shall not exceed 40% of the lender's net equity and aggregate financing limit shall not exceed 40% of the lender's net equity.

(Continued)

19. Yu Rong International Investment (Samoa) Co., Ltd.: Credit financing limit for each borrower shall not exceed 40% of the lender's net equity and aggregate financing limit shall not exceed 40% of the lender's net equity.

20. Hang Zhou Y-Teks: Credit financing limit for each borrower and aggregate financing limit shall not exceed 30% of the lender's net equity.

21. Chang Zhou Y-Teks: Credit financing limit for each borrower and aggregate financing limit shall not exceed 40% of the lender's net equity.

Note 2: Explanation of nature of financing:

a. Transactions.
b. Short-term financing.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	The Company	Yu Sing	b	$ 18,973,670	$ 210,000	$ -	$ -	$ -	-	$ 47,434,174	Y	N	N	Note 1
		Luxgen	b	18,973,670	2,200,000	1,600,000	850,000	-	2.53	47,434,174	Y	N	N	Note 1
		UMPI	b	18,973,670	166,025	157,150	21,382	-	0.25	47,434,174	Y	N	N	Note 1
		Yu Ching	b	18,973,670	500,000	500,000	-	-	0.79	47,434,174	Y	N	N	Note 1
		Sin Chi	b	18,973,670	500,000	-	-	-	-	47,434,174	Y	N	N	Note 1
		Electrified LUXGEN Motor Co., LTD.	b	18,973,670	310,000	310,000	310,000	-	0.49	47,434,174	Y	N	N	Note 1
		Luxgen Taoyuan Motor	b	18,973,670	100,000	80,000	-	-	0.13	47,434,174	Y	N	N	Note 1
		Luxgen Taichung Motor	b	18,973,670	37,500	20,000	-	-	0.03	47,434,174	Y	N	N	Note 1
		Luxgen Tainan Motor	b	18,973,670	37,500	-	-	-	-	47,434,174	Y	N	N	Note 1
		Luxgen Kaohsiung Motor	b	18,973,670	75,000	40,000	35,000	-	0.06	47,434,174	Y	N	N	Note 1
1	TAC	Yulon Finance Philippines Corporation	b	101,307,457	2,320,400	2,134,000	1,156,361	-	5.27	202,614,915	N	N	N	Note 1
		Jiangsu TAC Financial Leasing	b	101,307,457	9,251,600	8,943,200	1,484,571	-	22.07	202,614,915	N	N	Y	Note 1
		Yulon Capital Sdn. Bhd.	b	101,307,457	4,714,500	4,714,500	1,249,327	-	11.63	202,614,915	N	N	N	Note 1
		Yulon Credit Sdn. Bhd.	b	101,307,457	785,750	785,750	-	-	1.94	202,614,915	N	N	N	Note 1
2	Luxgen	New Energy World Motor	b	642,967	276,106	-	-	-	-	642,967	N	N	N	Note 1
3	Shinshin	Tai Chuang Energy	b	55,219,765	3,000,000	3,000,000	2,552,666	-	13.58	110,439,532	N	N	N	Note 1
		Wysun Power	b	55,219,765	2,550,000	2,550,000	2,114,149	-	11.54	110,439,532	N	N	N	Note 1
4	Sheng Qing	Guang Zhou Yuan Du	b	21,555,798	37,006	-	-	-	-	107,778,992	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	21,555,798	178,864	178,864	50,317	-	4.15	107,778,992	N	N	Y	Note 1
5	Zhu Hai Fu Te En	Xiao Gan Yu Feng	d	676,160	138,774	134,148	14,169	-	39.68	1,014,240	N	N	Y	Note 1
6	Xiao Gan Yu Feng	Zhu Hai Fu Te En	d	1,665,223	138,774	134,148	49,218	-	40.28	3,330,446	N	N	Y	Note 1
7	Wuhan Yu Hsin	Xiao Gan Yu Feng	b	3,139,104	138,774	134,148	14,169	-	21.37	6,278,209	N	N	Y	Note 1
		Huang Shi Yu Shin	b	3,139,104	101,952	101,952	49,893	-	16.24	6,278,209	N	N	Y	Note 1
		Xiao Gan Yu Xi	b	3,139,104	89,432	89,432	16,392	-	14.24	6,278,209	N	N	Y	Note 1
8	Su Zhou Feng Shen	Su Zhou Cheng Pang	b	879,524	138,774	89,432	23,675	-	10.17	2,638,573	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	879,524	69,387	67,074	394	-	7.63	2,638,573	N	N	Y	Note 1
		Su Zhou Feng Shun	b	879,524	92,516	89,432	28,198	-	10.17	2,638,573	N	N	Y	Note 1
9	Wu Jiang Lian Cheng	Su Zhou Feng Shun	c	450,847	161,903	134,148	105,950	-	148.77	901,695	N	N	Y	Note 1
10	Su Zhou Feng Shun	Wu Jiang Lian Cheng	b	1,517,470	92,516	67,074	55,822	-	22.10	3,034,940	N	N	Y	Note 1
		Su Zhou Cheng Li	b	1,517,470	69,387	44,716	-	-	14.73	3,034,940	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,517,470	69,387	-	-	-	-	3,034,940	N	N	Y	Note 1
11	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	382,799	115,645	67,074	-	-	87.61	765,599	N	N	Y	Note 1
12	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	607,547	115,645	67,074	-	-	55.20	1,215,094	N	N	Y	Note 1

(Continued)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
13	Su Zhou Cheng Long	Su Zhou Cheng Hung	b	$ 1,364,744	$ 50,884	$ -	$ -	$ -	-	$ 2,729,488	N	N	Y	Note 1
14	Su Zhou Cheng Li	Su Zhou Feng Shun	c	1,355,488	161,903	134,148	28,198	-	148.45	3,162,805	N	N	Y	Note 1

Note 1:

0. The Company: The aggregate endorsement/guarantee limit was calculated for 75% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 40% of the aggregate endorsement/guarantee amount.
1. TAC: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 50% of the aggregate endorsement/guarantee amount.
2. Luxgen: The aggregate endorsement/guarantee limit was calculated for 75% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 75% of the aggregate endorsement/guarantee amount.
3. Shinshin: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 50% of the endorser's/guarantor's net equity.
4. Sheng Qing: The aggregate endorsement/guarantee limit was calculated for 2500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
5. Zhu Hai Fu Te En: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.
6. Xiao Gan Yu Feng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
7. Wuhan Yu Hsin: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
8. Su Zhou Feng Shen: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 100% of the endorser's/guarantor's net equity.
9. Wu Jiang Lian Cheng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
10. Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
11. Su Zhou Cheng Pang: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
12. Tai Chang Cheng Mau: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
13. Su Zhou Cheng Long: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
14. Su Zhou Cheng Li: The aggregate endorsement/guarantee limit was calculated for 3500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 1500% of the endorser's/guarantor's net equity.

Note 2: The relationships between guarantor and guarantee are as follows:

a. The Company in relation to business.
b. Subsidiaries' common stocks which were directly owned by parent company over 50%.
c. Investees' common stocks which were both owned by parent company and subsidiary over 50%.
d. Investees' common stocks which were directly or indirectly held by the Company over 90%.
e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
g. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Common stocks Taiwan Stock Exchange	-	Financial assets at fair value through other comprehensive income - non-current	13,323	$ 509,001	1.00	$ 509,001	-
	Beneficiary certificates UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	17,005	300,345	-	300,345	-
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	24,706	400,450	-	400,450	-
TAC	Bonds Taiwan Life Insurance subordinated corporate bonds	-	Financial assets at amortized cost - non-current	-	478,844	-	469,925	-
	Cathay Life Insurance subordinated corporate bonds	-	Financial assets at amortized cost - non-current	-	1,009,815	-	999,859	-
	Fubon Life Insurance subordinated corporate bonds	-	Financial assets at amortized cost - non-current	-	800,000	-	799,972	-
Yu Ching	Common stocks Yulon Motor Company	The parent company	Financial assets at fair value through other comprehensive income - non-current	7,526	376,301	0.70	249,501	-

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Yulon Nissan	An investee accounted for using equity method	Sales	$ (12,016,556)	85	Within 45 days	-	3 days to 45 days	$ 382,477	75	-
	Luxgen	Subsidiary	Sales	(612,889)	4	Within 10 days	-	3 days to 10 days	29,937	6	-
	Foxtron Vehicle Technologies Corporation	A related party in substance	Sales	(1,253,412)	9	Within 10 days	-	3 days to 10 days	78,975	15	-
	China Motor	A related party in substance	Sales	(229,356)	2	Within 10 days	-	3 days to 10 days	-	-	-
TAC	Yu Chang	The same ultimate parent company	Sales	(1,851,866)	8	Receipt of payment on the day	-	-	3,541	-	-
	Yuan Lon	An investee accounted for using equity method	Sales	(1,447,082)	6	Receipt of payment on the day	-	-	9,138	-	-
	Hui-Lian	An investee accounted for using equity method	Sales	(1,656,034)	7	Receipt of payment on the day	-	-	3,575	-	-
	Electrified LUXGEN Motor Co., Ltd.	The same ultimate parent company	Sales	(2,493,039)	11	Receipt of payment on the day	-	-	1,631	-	-
	Yu Sing	The same ultimate parent company	Sales	(2,085,917)	9	Receipt of payment on the day	-	-	11,173	-	-
	Yushin	The same ultimate parent company	Sales	(1,139,330)	5	Receipt of payment on the day	-	-	8,781	-	-
	Yu Tang	An investee accounted for using equity method	Sales	(761,451)	3	Receipt of payment on the day	-	-	5,981	-	-
	Luxgen Taoyuan Motor	The same ultimate parent company	Sales	(236,929)	1	Receipt of payment on the day	-	-	42	-	-
	Empower	The same ultimate parent company	Sales	(1,181,623)	5	Receipt of payment on the day	-	-	4,533	-	-
	Cheng Long	An investee accounted for using equity method	Sales	(524,937)	2	Receipt of payment on the day	-	-	-	-	-
	Luxgen Taichung Motor	The same ultimate parent company	Sales	(257,178)	1	Receipt of payment on the day	-	-	58	-	-
	Luxgen Kaohsiung Motor	The same ultimate parent company	Sales	(308,125)	1	Receipt of payment on the day	-	-	7,596	-	-
	Ding Long	An investee accounted for using equity method	Sales	(180,890)	1	Receipt of payment on the day	-	-	67	-	-
	Lian Cheng	An investee accounted for using equity method	Sales	(197,950)	1	Receipt of payment on the day	-	-	1,331	-	-
	Yuan Zhi	An investee accounted for using equity method	Sales	(241,055)	1	Receipt of payment on the day	-	-	2,138	-	-
Sin Jang	TAC	The same ultimate parent company	Sales	(6,964,127)	88	Receipt of payment on the day	-	-	-	-	-
Sinqual	Ching-Tong	The same ultimate parent company	Sales	(161,298)	87	60 days after monthly closing	-	-	-	-	-
Ching-Tong	Yu Rich	The same ultimate parent company	Sales	(313,102)	32	Receipt of payment on the day	-	-	-	-	-
Union & NKH	The Company	The parent company	Sales	(370,803)	26	60 days	Because the products differ in specifications and characteristics, there is no comparable basis.	Same as general customer	102,872	51	-
	China Motor	An investee accounted for using equity method	Sales	(870,286)	62	60 days	Because the products differ in specifications and characteristics, there is no comparable basis.	Same as general customer	61,983	30	-
Fuzhou Lianghong	Southeast Motor Co., Ltd.	A related party in substance	Sales	(255,431)	18	45 days	-	-	134,282	18	-
Yueki	The Company	The parent company	Sales	(139,960)	22	45 days	Bargaining	45 days	24,830	17	-
	China Motor	An investee accounted for using equity method	Sales	(248,523)	40	45 days	Bargaining	45 days	45,176	31	-
	Kian-shen Corporation	A related party in substance	Sales	(129,449)	21	45 days	Bargaining	45 days	44,718	30	-
Luxgen	Electrified LUXGEN Motor Co., Ltd.	The same ultimate parent company	Sales	(406,992)	9	At sight	-	At sight	55,852	57	-
	Luxgen Taoyuan	The same ultimate parent company	Sales	(236,972)	5	At sight	-	At sight	6,658	7	-
	Luxgen Taichung	The same ultimate parent company	Sales	(172,201)	4	At sight	-	At sight	6,872	7	-
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(225,409)	5	At sight	-	At sight	16,303	17	-
	Car-plus Auto	The same ultimate parent company	Sales	(178,686)	4	At sight	-	At sight	1,896	2	-
	TAC	The same ultimate parent company	Sales	(3,106,982)	71	Within 3 days	-	Within 3 days	-	-	-
Electrified LUXGEN Motor Co., LTD.	Car-plus Auto	The same ultimate parent company	Sales	(386,487)	15	1 day	-	1 day	787	1	-
Kuen You	Yu Sing	The same ultimate parent company	Sales	(103,053)	83	At sight or a month	Bargaining	At sight or a month	6,891	96	-
Hang Zhou Haitec	The Company	The parent company	Sales	(140,110)	69	25 days	-	-	76,705	84	-

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Chuang Jie	Hang Zhou Haitec	The same ultimate parent company	Sales	$ (186,355)	92	60 days	Because the products differ in specifications and characteristics, there is no comparable basis.	60 days	$ 85,749	73	-
The Company	Union & NKH	Subsidiary	Purchase	370,803	4	60 days	Because the products differ in specifications and characteristics, there is no comparable basis.	-	(102,872)	7	-
	Yueki	Subsidiary	Purchase	139,960	1	45 days	Bargaining	45 days	(24,830)	2	-
	Nissan Motor	A related party in substance	Purchase	4,107,918	40	12 days after bill of lading	-	12 days after bill of lading	(442,853)	31	-
	COC Tooling & Stamping	An investee accounted for using equity method	Purchase	165,875	2	45 days after monthly closing	Bargaining	45 days after monthly closing	(38,139)	3	-
	Hang Zhou Haitec	Subsidiary	Purchase	140,110	1	25 days	-	-	(76,705)	5	-
TAC	Yulon Nissan	An investee accounted for using equity method	Purchase	11,668,781	54	Within 3 days	-	-	(101,162)	72	-
	Luxgen	The same ultimate parent company	Purchase	3,106,982	14	Within 3 days	-	-	-	-	-
	Sin Jang	The same ultimate parent company	Purchase	6,964,127	32	Payment on the day	-	-	-	-	-
Yu Rich	Ching-Tong	The same ultimate parent company	Purchase	313,102	80	Payment on the day	-	-	-	-	-
Ching-Tong	Sinqual	The same ultimate parent company	Purchase	161,298	38	60 days after monthly closing	-	-	-	-	Note
Yu Sing	TAC	The same ultimate parent company	Purchase	2,085,917	78	Receipt of payment on the day	-	-	(11,173)	22	-
	Yulon Nissan	An investee accounted for using equity method	Purchase	428,940	16	Receipt of payment on the day	-	-	(2,274)	4	-
	Kuen You	The same ultimate parent company	Purchase	103,053	4	60 days	-	-	(6,891)	13	-
Yushin	TAC	The same ultimate parent company	Purchase	1,139,330	296	Receipt of payment on the day	-	-	(8,781)	18	-
	Yulon Nissan	An investee accounted for using equity method	Purchase	277,309	72	Receipt of payment on the day	-	-	-	-	-
Yu Chang	TAC	The same ultimate parent company	Purchase	1,851,866	78	Receipt of payment on the day	-	-	(3,541)	5	-
	Yulon Nissan	An investee accounted for using equity method	Purchase	423,993	18	Receipt of payment on the day	-	-	(7,869)	12	-
Empower	TAC	The same ultimate parent company	Purchase	1,181,623	54	Receipt of payment on the day	-	-	(4,533)	7	-
	Yulon Nissan	An investee accounted for using equity method	Purchase	351,703	16	Receipt of payment on the day	-	-	(2,431)	4	-
Luxgen	The Company	The parent company	Purchase	612,889	14	Within 10 days	-	3 days to 10 days	(66,389)	33	-
	Car-plus Auto	The same ultimate parent company	Purchase	111,922	3	At sight or a month	-	At sight or a month	-	-	-
	Foxtron Vehicle Technologies Corporation	A related party in substance	Purchase	3,374,178	80	Within 10 days	-	3 days to 10 days	(40,775)	20	-
Electrified LUXGEN Motor Co., LTD.	TAC	The same ultimate parent company	Purchase	2,493,039	83	Receipt of payment on the day	-	-	(1,878)	3	-
	Luxgen	The same ultimate parent company	Purchase	406,992	14	At sight	-	-	(55,852)	88	-
Luxgen Taoyuan Motor	TAC	The same ultimate parent company	Purchase	236,929	31	Receipt of payment on the day	-	-	4	-	-
	Luxgen	The same ultimate parent company	Purchase	236,972	31	At sight	-	-	(6,658)	70	-
Luxgen Taichung Motor	TAC	The same ultimate parent company	Purchase	257,178	41	Receipt of payment on the day	-	-	142	(1)	-
	Luxgen	The same ultimate parent company	Purchase	172,201	27	At sight	-	-	(6,872)	53	-
Luxgen Kaohsiung Motor	TAC	The same ultimate parent company	Purchase	308,125	38	Receipt of payment on the day	-	-	(7,596)	39	-
	Luxgen	The same ultimate parent company	Purchase	225,409	28	At sight	-	-	(16,303)	83	-
Hang Zhou Haitec	Chuang Jie	The same ultimate parent company	Purchase	186,355	98	60 days	Because the products differ in specifications and characteristics, there is no comparable basis.	60 days	(85,749)	53	-

Note: Following the merger in March 2025, in which Sinqual was merged into Sin Gan the related party receivables from Ching Tong were transferred to Sin Gan.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Yulon Nissan	An investee accounted for using equity method	$ 391,413 (Note 1)	30.34	$ -	-	$ 370,315	$ -
	Foxtron Vehicle Technologies Corporation	Other related party	148,942 (Note 2)	14.49	-	-	38,140	-
Shinshin	Yes-Energy	The same ultimate parent company	384,850 (Note 3)	-	-	Depend on capital status	2,473	-
Car-plus Auto	Diamond Leasing	The same ultimate parent company	550,926 (Note 4)	-	-	Depend on capital status	120,369	-
Yulon Capital Sdn. Bhd.	Yulon Credit Sdn. Bhd.	The same ultimate parent company	465,723 (Note 7)	-	-	Depend on capital status	-	-
Yulon China	Wen Yang	The same ultimate parent company	661,456 (Note 7)	-	-	-	-	-
Tai Feng	Dong Tai	The same ultimate parent company	134,319 (Note 7)	-	-	-	-	-
	Xiamen Young Chang	The same ultimate parent company	313,412 (Note 7)	-	-	-	-	-
	Sheng Qing	The same ultimate parent company	218,493 (Note 7)	-	-	-	-	-
Shi Cheng	Xiamen Young Chang	The same ultimate parent company	143,274 (Note 7)	-	-	-	-	-
Yulon China Motor Investment	Hang Zhou Hua You	The same ultimate parent company	114,857 (Note 7)	-	-	-	-	114,857
Sheng Qing	Xiamen Young Chang	The same ultimate parent company	171,033 (Note 7)	-	-	-	-	-
	Yulon China Motor Investment	The same ultimate parent company	919,282 (Note 7)	-	-	-	-	-
Union & NKH	The Company	The parent company	102,872 (Note 6)	-	-	-	102,869	-
Fuzhou Lianghong	Southeast Motor Co., Ltd.	A related party in substance	141,081 (Note 5)	2.33	-	-	57,197	-

Note 1: The receivables comprised accounts receivable of $382,477 thousand and other receivables of $8,936 thousand.

Note 2: The receivables comprised accounts receivable of $78,975 thousand and other receivables of $69,967 thousand.

Note 3: The receivables comprised accounts receivable of $384,592 thousand and other receivables of $258 thousand.

Note 4: The receivables comprised accounts receivable of $550,822 thousand and other receivables of $104 thousand.

(Continued)

Note 5: The receivables comprised accounts receivable of $134,282 thousand and other receivables of $6,799 thousand.

Note 6: The receivables comprised accounts receivables.

Note 7: The receivables comprised other receivables.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	Yulon Nissan	Miaoli, Taiwan	Sales of cars	$ 7,062,225	$ 7,062,225	143,500	47.83	$ 8,580,675	$ 389,929	$ 238,524	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	141,526	44,592	8.05	3,418,119	3,187,825	240,459	-
	TAC	Taipei, Taiwan	Sale and lease of cars and parts	1,832,150	1,832,150	246,449	42.81	13,261,859	4,654,359	1,892,315	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	304,452	(10,496)	(4,727)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	329,210	329,210	28,800	100.00	398,114	(26,922)	(26,763)	-
	China Cast Iron	Taipei, Taiwan	Metal casting and related business	24,859	24,859	25	77.67	47,983	14,604	11,343	-
	Union & NKH	Miaoli, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,692	21,729	25.01	567,957	(98,347)	(24,173)	-
	UNI-Calsonic	Miaoli, Taiwan	Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	96,449	96,449	5,983	30.68	168,240	16,776	5,850	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	213,646	12,437	15,136	-
	COC Tooling & Stamping	Taoyuan, Taiwan	Design, manufacturing and sales of cars and various kinds of molds, fixtures, stamping parts and inspection implements	280,071	280,071	25,470	37.76	617,121	126,395	50,818	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	94,964	17,290	4,175	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	776,907	776,907	42,660	60.00	66,025	12,162	1,426	-
	Yu Pong	New Taipei City, Taiwan	Yulon basketball team management and related services	972,659	972,659	19,968	100.00	505,758	9,681	5,767	-
	Yung Hong	New Taipei City, Taiwan	Investments	87,311	87,311	35,500	100.00	294,872	16,642	16,642	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	186,926	19,999	99.99	341,231	11,541	15,994	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	675,137	675,137	16,114	38.16	470,125	28,135	11,316	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	13,935	27.00	264,583	47,210	8,534	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	109,611	9,785	2,068	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	246,854	98,959	20,297	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,999	20.00	79,303	21,060	5,694	-
	Chan Yun	Hsinchu, Taiwan	Wholesale and retail of information software	58,594	58,594	16,664	87.71	42,117	2,029	1,779	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	850,896	850,896	80,500	100.00	905,013	21,812	21,812	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	505,189	17,999	99.99	215,259	1,326	22,085	-
	Y-Teks	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	61,307	61,307	602	34.00	279,889	34,428	12,575	-
	Yulon Overseas	B.V.I.	Investments	31,508,103	31,520,895	1,057,214	100.00	7,109,294	86,266	86,266	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	8,075,257	8,075,257	223,517	18.63	2,056,663	2,511,998	467,985	-
	Haitec	New Taipei City, Taiwan	Product design	17,769,859	17,769,859	2,073,600	99.99	6,902,964	(1,609,143)	(1,609,143)	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	84,156	13,433	3,948	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	29,067,000	29,067,000	92,700	100.00	-	(116,776)	(131,402)	(Note)
	Yulon Construction	New Taipei City, Taiwan	Construction industry	3,034,485	3,034,485	144,078	100.00	3,158,574	120,410	(74,150)	-
	Hong Kong-Spicer	Hong Kong	Investments	56,475	56,475	1,585	20.50	62,660	21,636	4,435	-
	Advance Power Machinery	Miaoli, Taiwan	Sales and producing of cars and related parts	229,787	229,787	22,400	100.00	79,232	(79,226)	(79,226)	-
	Yuke	New Taipei City, Taiwan	Energy technical services	15,000	15,000	1,500	100.00	1,619	(40)	(40)	-
	Yu Yao	New Taipei City, Taiwan	Energy technical services	13,372	15,000	-	-	-	(46)	(30)	-
	New Energy World Motor	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	76,933	76,933	7,375	20.00	50,323	(87,599)	(17,520)	-
TAC	Car-plus Auto	Taipei, Taiwan	Car lease and trade	3,435,813	3,435,813	147,965	100.00	4,510,709	402,979	-	-
	Shinshin	Taipei, Taiwan	Installment-related financing services for car, truck purchases and production equipment and related products	11,919,808	8,919,808	801,288	100.00	22,087,906	2,012,345	-	-
	TAC Global	Samoa	Shareholding company	3,342,688	3,342,688	108,833	100.00	7,522,375	237,427	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	1,960,885	1,960,885	81,686	6.81	751,791	2,538,720	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	8,100	27.00	112,164	21,060	-	-
	Yu Rich	New Taipei City, Taiwan	Installment loans of consumer goods	3,160,662	3,160,662	430,608	100.00	5,715,270	624,896	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
	Yulon Finance Overseas	Samoa	Shareholding company	$ 437,490	$ 437,490	15,000	100.00	$ 254,426	$ 26,722	$ -	-
	JDW	Taipei, Taiwan	Software design services, information processing service and advertisement services	950,000	950,000	38,508	50.70	646,157	(239,529)	-	-
	Yulon Capital SDN. BHD.	Malaysia	Equipment leasing business and installment-related financing services	261,240	261,240	35,600	39.08	235,097	(44,778)	-	-
Shinshin	Shinshin Samoa	Samoa	Shareholding company	551,317	389,077	17,200	100.00	227,367	2,384	-	-
	YES-Energy	New Taipei City, Taiwan	Energy technical services	246,407	246,407	45,771	100.00	528,108	51,329	-	-
	Shinshin Power	Taipei, Taiwan	Energy technical services	5,500	1,000	550	100.00	4,684	(215)	-	-
	Zysun Power	Taipei, Taiwan	Energy technical services	160,000	160,000	-	100.00	136,678	(11,461)	-	-
	Wysun Power	Taipei, Taiwan	Energy technical services	1,000,600	900,600	-	100.00	924,005	(45,602)	-	-
	Tai Chuang Energy	Taipei, Taiwan	Energy technical services	1,503,000	1,200,000	150,000	100.00	1,475,918	13,651	-	-
	Yulon Capital SDN. BHD.	Malaysia	Equipment leasing business and installment-related financing services	381,255	381,255	55,498	60.92	366,481	(44,778)	-	-
Shinshin Samoa	Yulon Finance Philippines Corporation	Philippines	Financing and leasing of cars and commercial vehicles, and car purchases and loans to car dealers for car purchases	159,218	-	3,000	28.57	101,763	26,722	-	-
Car-plus Auto	Diamond Leasing	Taipei, Taiwan	Car lease and trade	133,351	133,351	11,306	100.00	265,066	40,683	-	-
	Car-Plus Samoa	Samoa	Shareholding company	941,992	941,992	31,200	100.00	749,890	14,251	-	-
	YES Charging Service	New Taipei City, Taiwan	Wholesale and retail sale of batteries	100,005	100,005	10,200	100.00	(38,570)	(33,150)	-	-
	Sin Gan	New Taipei City, Taiwan	Sales of automobile - related products	537,600	537,600	35,863	77.69	632,820	197,578	-	-
	Bing Yu	New Taipei City, Taiwan	Vehicle subscription service platform	8,685	8,685	2,895	19.59	9,889	338	-	-
Diamond Leasing	H.K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	25,719	8,602	-	-
	Da-Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	11,705	3,887	-	-
	Da-Chuan	Taipei, Taiwan	Taxi service	1,125	1,125	300	100.00	3,933	408	-	-
	Da-Mu	Taipei, Taiwan	Taxi service	1,575	1,575	600	100.00	3,874	731	-	-
	Da-Jun	Taipei, Taiwan	Taxi service	900	900	300	100.00	2,318	(1)	-	-
	Yong-Xiang	Taipei, Taiwan	Taxi service	3,810	3,810	300	100.00	5,631	328	-	-
	Guo-Ma	Taipei, Taiwan	Taxi service	2,286	2,286	400	100.00	3,478	499	-	-
	Jin-Yu	Taipei, Taiwan	Taxi service	3,048	3,048	300	100.00	4,208	342	-	-
	Zhong-Xing	Taipei, Taiwan	Taxi service	3,810	3,810	350	100.00	5,753	724	-	-
	Li-Yang	Taipei, Taiwan	Taxi service	5,381	5,381	900	100.00	12,343	2,963	-	-
	He-Yang	Taipei, Taiwan	Taxi service	2,032	2,032	600	100.00	3,475	337	-	-
	Jia-Yu	Taipei, Taiwan	Taxi service	1,778	1,778	300	100.00	2,361	112	-	-
	Tian-Yang	Taipei, Taiwan	Taxi service	2,159	2,159	600	100.00	5,275	1,097	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	435,682	13,314	-	-
	Car-Plus Hangzhou	Samoa	Shareholding company	-	563,805	-	-	-	(8,933)	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	290,455	13,314	-	-
	Car-Plus Hangzhou	Samoa	Shareholding company	-	375,906	-	-	-	(8,933)	-	-
	Yu Rong	Samoa	Shareholding company	2,698,460	2,698,460	87,496	100.00	5,937,681	193,303	-	-
Yulon Finance Overseas	Yulon Finance Philippines	Samoa	Shareholding company	437,490	437,490	15,000	100.00	254,426	26,722	-	-
Yulon Finance Philippines	Yulon Finance Philippines Corporation	Philippines	Financing and leasing of cars and commercial vehicles, and car purchases and loans to car dealers for car purchases	437,490	437,490	7,500	71.43	254,426	26,722	-	-
Sin Gan	Hsiang Shuo	New Taipei City, Taiwan	Towing	128,400	128,400	10,000	100.00	222,429	81,109	-	-
	Sinqual	New Taipei City, Taiwan	Sale of cars and parts	-	130,591	-	-	-	5,999	-	-
	Sin Jang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	-	218,754	-	-	-	114,074	-	-
	Ching-Tong	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	75,578	6,746	100.00	24,797	(7,102)	-	-
JDW	JDW Taxi	Taipei, Taiwan	Taxi transportation and advertisement services	6,250	6,250	625	62.50	1,726	1,989	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
Yulon Capital Sdn. Bhd.	Yulon Credit Sdn. Bhd.	Malaysia	Corporate financing and loan services	$ 15,356	$ -	2,000	100.00	$ 9,903	$ (5,689)	$ -	-
Yulon Finance Philippines Corporation	Yulon Insurance Agency Philippines Inc.	Philippine	Insurance brokerage services	6,035	-	116	100.00	5,976	(216)	-	-
Yu Pong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	35,269	454	0.08	26,608	3,187,825	-	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	472,511	472,511	28,440	40.00	251,561	12,162	-	-
Yue Sheng	Y-Teks	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	25,510	25,510	212	11.99	99,708	34,428	-	-
Yung Hong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	193,869	3,998	0.72	61,711	3,187,825	-	-
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	20,467	20,467	-	-	-	2,511,998	-	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	215,696	389,929	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,403	32,403	3,300	33.00	30,820	10,930	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	243	11	-	643	3,187,825	-	-
	UNI-Calsonic	Miaoli, Taiwan	Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	17,328	17,328	800	4.10	17,328	16,776	-	-
	Yue Ki HK	Hong Kong	Investments	330,094	330,094	10,600	100.00	18,211	(289)	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	22,717	1,448	-	-
Yushin	Yu Pool	Miaoli, Taiwan	Supply of and providing services on information software and retail trade of spare parts of vehicles	7,000	7,000	5,000	100.00	75,271	1,668	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	12,128	(2,456)	-	-
	Hong Yen	Samoa	Investments	213,774	213,774	213,774	100.00	44,868	(1,744)	-	-
	Yu Ming Insurance Co., Ltd.	Taichung, Taiwan	Property insurance	5,000	5,000	500	100.00	5,562	126	-	-
	Min Shiang	Taichung, Taiwan	Lease of cars and related services	30,000	30,000	8,000	100.00	81,794	267	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	187,964	389,929	-	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	27,996	27,996	22,005	59.64	55,432	(2,793)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	22,678	(8,088)	-	-
	Kuen You	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,500	100.00	21,386	2,110	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	6,600	6,600	1,600	66.67	763,993	36,592	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	265	11	-	663	3,187,825	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	13,071	100.00	380,334	36,314	-	-
Union & NKH	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,693,222	(97,575)	-	-
Luxgen	Electrified LUXGEN Motor Co., LTD.	New Taipei City, Taiwan	Repair, wholesale and retail of cars and parts	763,613	513,613	25,000	100.00	125,323	(166,536)	-	(Note)
	Luxgen Taoyuan Motor Co., LTD.	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	108,203	108,192	10,500	100.00	120,209	3,452	-	(Note)
	Luxgen Taichung Motor Co., LTD.	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	174,780	174,767	10,600	100.00	141,181	(5,373)	-	(Note)
	Luxgen Tainan Motor Co., LTD.	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	263,164	263,153	10,500	100.00	114,939	2,046	-	(Note)
	Luxgen Kaohsiung Motor Co., LTD.	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	121,467	121,458	7,100	100.00	63,577	(7,602)	-	(Note)
	Sin Gan	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	-	81,191	-	-	-	197,578	-	-
	New Energy World Motor	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	-	295,000	-	-	-	(87,599)	-	-
Yulon Construction	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	-	25,000	-	-	-	-	-	-
Haitec	Foxtron Vehicle Technologies Corporation	New Taipei City, Taiwan	Product design	7,632,000	7,632,000	763,200	43.65	5,843,958	(3,742,281)	-	-
	New Energy World Motor	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	197,146	-	29,500	80.00	192,449	(87,599)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
Advance Power Machinery	QPO Energy LLC	USA	Stored energy charging station	$ 190,828	$ 190,828	3,334	33.34	$ 44,671	$ (240,008)	$ -	-
	Yu Yao	New Taipei City, Taiwan	Energy technical services	1,628	-	1,500	100.00	1,612	(46)	-	-
Yulon Overseas	Yulon Philippines	Cayman	Investments	1,123,144	1,171,564	35,741	100.00	225,619	29,676	-	-
	Yulon China	B.V.I.	Investments	32,556,839	33,973,452	1,032,788	100.00	6,883,097	56,813	-	-
Yulon Philippines	UMPI & SCIC	Philippines	Manufacturing of cars and factory lease	917,567	957,125	10,914	100.00	222,177	30,114	-	-
	NPI	Philippines	Sale, maintenance and repair of cars and parts	73,929	77,116	12	24.50	-	(744,949)	-	-
Yulon China	Qing Yi	Samoa	Investments	389,486	406,278	12,392	100.00	37,671	(3,173)	-	-
	Wen Yang	Samoa	Investments	931,900	972,075	29,650	100.00	699,287	6,645	-	-
	Yulon China Holding	Cayman Islands	Investments	21,889,905	22,846,649	690,589	100.00	5,250,914	45,287	-	-
	Feng Hua	Hong Kong	Investments	72,414	75,535	1,400	40.00	117,886	14,516	-	-
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	21,889,905	22,846,649	690,589	100.00	5,250,908	45,287	-	-

Note: On December 19, 2025, the Group's board of directors resolved to sell 100% of the equity of its subsidiary, Luxgen Motor Co., Ltd. ("Luxgen"), to a related party, Foxtron Vehicle Technologies Co., Ltd. As of December 31, 2025, the assets and liabilities of Luxgen were reclassified as disposal groups held for sale, please refer to Note 16.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	$ 69,191	b	$ 55,763	$ -	$ -	$ 55,763	$ (598)	100.00	$ (598)	$ 69,214	$ -	2, c.
Tai Feng	Computer software maintenance and computer system integration	1,853,522	b	1,628,550	-	-	1,628,550	6,645	100.00	6,645	1,360,794	-	2, c.
Su Zhou Cheng Long	Sale, maintenance and repair of cars and parts	197,459	b	83,944	-	-	83,944	21,106	40.00	8,442	272,214	-	2, c.
Yulon China Motor Investment	Investment, shareholding and related business	8,449,296	b	1,745,943	-	-	1,745,943	46,000	100.00	46,000	5,175,116	-	2, b.
Luxgen (Hangzhou) Motor Sales	Sales of cars and car parts	13,467,845	b	12,928,809	-	-	12,928,809	3,329	100.00	3,329	185,840	245,855	2, a
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	178,473	b	2,249	-	-	2,249	(7,130)	2.59	(185)	2,357	-	-
Hang Zhou Haitec	Product design	885,227	b	-	-	-	-	2,244	100.00	2,244	1,962	-	2, c.
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	915,811	a	228,152	-	-	228,152	200,182	20.50	41,037	310,692	306,862	2, c.
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	384,230	a	55,124	-	-	55,124	39,052	14.29	5,581	302,768	-	2, c.
Hang Zhou Yue Wan	Manufacturing of car parts	507,909	b	267,362	-	-	267,362	(351)	80.81	(284)	37,732	-	2, c.
Hang Zhou Y-Teks	Manufacturing and sales of car interior furnishing and related business	249,869	b	44,327	-	-	44,327	16,568	30.66	5,080	131,252	-	2, c.
Chang Zhou Y-Teks	Manufacturing and sales of car interior furnishing and related business	44,002	b	-	-	-	-	10,722	15.64	1,677	64,688	-	2, c.
Wuhu Y-Teks	Manufacturing and sales of car interior furnishing and related business	157,150	b	-	-	-	-	(630)	6.13	(39)	8,297	-	2, c.
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	157,150	b	-	-	-	-	71,507	6.13	4,383	163,694	-	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	364,588	b	-	-	-	-	89,523	6.96	6,231	718,566	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	464,886	b	-	-	-	-	(86,769)	16.67	(14,464)	490,711	-	2, c.
Hang Zhou Liangrun	Manufacturing of car seats	662,900	b	142,431	-	-	142,431	(14,724)	40.39	(5,947)	102,326	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	840,753	b	-	-	-	-	(67,115)	10.00	(6,712)	995,003	-	2, c.

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Yu-Jie	Construction	$ 2,235,800	a	$ -	$ -	$ -	$ -	$ 60,652	100.00	$ 60,652	$ 2,358,949	$ -	2, c.
Car-Plus (Suzhou)	Lease of cars and related services	763,101	b	-	-	-	-	13,306	42.81	5,696	724,901	-	2, c.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	807,505	b	-	-	-	-	15,153	42.81	6,487	822,469	-	2, c.
Car-Plus Go	Car-hailing related services	-	b	-	-	-	-	(872)	-	(373)	-	-	2, c.
Jiangsu TAC Financial Leasing	Equipment and cars leasing business	4,555,652	b	-	-	-	-	187,653	42.81	80,334	5,813,424	-	2, b
Zhejiang TAC Trading	Trade installment business	942,900	b	-	-	-	-	5,397	42.81	2,310	309,166	-	2, c.
Dong Yu Tech. Company	Sales of car parts	-	b	-	-	-	-	-	-	-	-	-	2, c.
Shanghai Yuming	Sales of cars	364,699	b	-	-	-	-	(1,379)	32.62	(450)	5,520	-	2, c.
Sheng Qing	Investments	5,543,313	b	3,080,606	-	-	3,080,606	16,198	100.00	16,198	4,327,755	-	2, c.
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,532,564	b	3,432,301	-	-	3,432,301	44,486	100.00	44,486	2,494,912	-	2, c.
Shi Cheng	Computer software maintenance and computer system integration	1,011,476	b	-	-	-	-	5,088	100.00	5,088	673,397	-	2, c.
Dong Tai	Investments	327,321	b	-	-	-	-	2,769	100.00	2,769	118,036	-	2, c
Gao Te	Investments	259,353	b	-	-	-	-	895	100.00	895	173,864	-	2, c
Su Zhou Feng Shen	Sales of cars	214,637	b	-	-	-	-	26,142	40.00	10,457	350,003	-	2, c
Guang Zhou Yuan Du	Sales of cars	67,074	b	-	-	-	-	(14,738)	51.00	(7,516)	27,889	-	2, c
Zhu Hai Fu Te En	Sales of cars	190,937	b	-	-	-	-	9,049	100.00	9,049	347,351	-	2, c
Zhongshan Yusheng	Sales of cars	585,780	b	-	-	-	-	(87)	100.00	(87)	33,448	-	2, c
Nanjing Hanhong	Sales of cars	585,780	b	-	-	-	-	(9,050)	100.00	(9,050)	178,879	-	2, c
Wuhan Yu Hsin	Sales of cars	566,105	b	-	-	-	-	20,589	100.00	20,589	648,916	-	2, c
Hang Zhou Yu Zhong	Trading	44,716	b	-	-	-	-	575	100.00	575	52,936	-	2, c
Hang Zhou Hua Zhi	Sales of cars	89,432	b	-	-	-	-	-	60.00	-	(163,274)	-	2, c
Changsha Yu Lu	Sales of cars	142,197	b	-	-	-	-	4,453	100.00	4,453	29,299	-	2, c
Xiao Gan Yu Feng	Sales of cars	154,717	b	-	-	-	-	15,729	100.00	15,729	282,086	-	2, c
Su Zhou Feng Shun	Sales of cars	111,790	b	-	-	-	-	13,947	40.00	5,579	317,784	-	2, c
Su Zhou Cheng Pin	Sales of cars	178,864	b	-	-	-	-	(6,265)	40.00	(2,506)	202,041	-	2, c
Wu Jiang Lian Cheng	Sales of cars	44,716	b	-	-	-	-	3,985	40.00	1,594	94,252	-	2, c
Su Zhou Cheng Li	Sales of cars	67,074	b	-	-	-	-	(4,264)	40.00	(1,706)	85,997	-	2, c

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Hang Zhou Hua You	Sales of cars	$ 35,773	b	$ -	$ -	$ -	$ -	$ -	60.00	$ -	$ (189,081)	$ -	2, c
Su Zhou Cheng Pang	Sales of cars	44,716	b	-	-	-	-	(1,082)	40.00	(433)	75,451	-	2, c
Su Zhou Cheng Hung	Sales of cars	44,716	b	-	-	-	-	(8,986)	40.00	(3,594)	29,573	-	2, c
Tai Chang Cheng Mau	Sales of cars	44,716	b	-	-	-	-	7,894	40.00	3,158	129,597	-	2, c
Tong Ling Kuo Tong	Sales of cars	75,628	b	-	-	-	-	(245)	100.00	(245)	24,206	-	2, c
Huang Shi Yu Shin	Sales of cars	33,537	b	-	-	-	-	(144)	100.00	(144)	33,389	-	2, c
Xiao Gan Yu Xi	Sales of cars	33,537	b	-	-	-	-	(426)	100.00	(426)	33,101	-	2, c
Wuhan Yu Ling	Sales of cars	13,415	b	-	-	-	-	(214)	100.00	(214)	13,195	-	2, c
Wuhan Yu Tai	Sales of cars	13,415	b	-	-	-	-	241	100.00	241	13,662	-	2, c

Accumulated Investment in Mainland China as of December 31, 2025	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	$23,695,561	$41,609,711	$56,342,036

Note 1: Methods of investment are as follows:

a Direct investment in Mainland China
b. Indirect investment in the Company of Mainland China through a third place.
c. Other

Note 2: a If an investee is still in preparation and no investment gain or loss has been recognized, this should be indicated.

b. The amount of investment gain (loss) was recognized on following bases:

1) Based on the financial statements audited by a ROC CPA firm cooperating with an international CPA firm
2) Based on the financial statements audited by the auditor of parent company.
3) Other

Note 3: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of net equity or consolidated net equity.

Note 4: Dong Yu (Hangzhou) Motor was liquidated in November 2025.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Financial Statement Account			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
0	The Company	Luxgen	1	Notes and trade receivables, net	$ 29,937	Based on regular terms	-
		Hang Zhou Haitec	1	Other current assets	12,263	Based on regular terms	-
		Yu Ching	1	Operating revenue, net	26,811	Based on regular terms	-
		Yulon Construction	1	Operating revenue, net	96,059	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	17,024	Based on regular terms	-
		Car-plus Auto	1	Operating revenue, net	20,169	Based on regular terms	-
		Luxgen	1	Operating revenue, net	668,162	Based on regular terms	1
		Electrified LUXGEN Motor Co., LTD.	1	Operating revenue, net	23,629	Based on regular terms	-
		Advance Power Machinery	1	Operating revenue, net	11,953	Based on regular terms	-
1	TAC	Yu Sing	3	Notes and trade receivables, net	11,173	Based on regular terms	-
		Shinshin	3	Other receivables	76,477	Based on regular terms	-
		Yu Rich	3	Other receivables	29,019	Based on regular terms	-
		Jiangsu TAC Financial Leasing	3	Other receivables	27,604	Based on regular terms	-
		Electrified LUXGEN Motor Co., LTD.	3	Operating revenue, net	39,162	Based on regular terms	-
		Shinshin	3	Nonoperating revenue and expense	12,651	Based on regular terms	-
		Yushin	3	Operating revenue, net	973,319	Based on regular terms	1
		Yu Sing	3	Operating revenue, net	1,843,499	Based on regular terms	3
		Yu Chang	3	Operating revenue, net	1,549,721	Based on regular terms	2
		Empower	3	Operating revenue, net	956,109	Based on regular terms	1
		Yushin	3	Operating revenue, net	92,881	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	104,954	Based on regular terms	-
		Yu Chang	3	Operating revenue, net	179,354	Based on regular terms	-
		Empower	3	Operating revenue, net	155,989	Based on regular terms	-
2	Yue Sheng	The Company	2	Notes and trade receivables, net	22,682	Based on regular terms	-
		The Company	2	Operating revenue, net	93,524	Based on regular terms	-
3	Yueki	The Company	2	Notes and trade receivables, net	24,830	Based on regular terms	-
		The Company	2	Operating revenue, net	141,793	Based on regular terms	-
4	Yu Chang	TAC	3	Notes and trade receivables, net	21,474	Based on regular terms	-
		Tian Wang	3	Notes and trade receivables, net	10,707	Based on regular terms	-
		Tian Wang	3	Operating revenue, net	41,923	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	21,543	Based on regular terms	-
5	Yu Pool	Yushin	3	Operating revenue, net	55,459	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Financial Statement Account			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
6	Yu Sing	TAC	3	Notes and trade receivables, net	$ 14,228	Based on regular terms	-
		Kuen You	3	Notes and trade receivables, net	25,320	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	70,843	Based on regular terms	-
		Kuen You	3	Operating revenue, net	28,496	Based on regular terms	-
		Electrified LUXGEN Motor Co., LTD.	3	Nonoperating revenue and expense	12,738	Based on regular terms	-
		Kuen You	3	Nonoperating revenue and expense	21,289	Based on regular terms	-
7	Y-Teks	The Company	2	Notes and trade receivables, net	12,053	Based on regular terms	-
		The Company	2	Operating revenue, net	82,255	Based on regular terms	-
8	Union & NKH	The Company	2	Notes and trade receivables, net	102,872	Based on regular terms	-
		Uni Investment	3	Other receivables	34,705	Based on regular terms	-
		Hang Zhou Liangrun	3	Other receivables	59,523	Based on regular terms	-
		The Company	2	Operating revenue, net	370,803	Based on regular terms	1
9	Car-plus Auto	Diamond Leasing	3	Notes and trade receivables, net	550,822	Based on regular terms	-
		JDW	3	Notes and trade receivables, net	23,177	Based on regular terms	-
		Empower	3	Operating revenue, net	13,876	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	11,062	Based on regular terms	-
		Diamond Leasing	3	Operating revenue, net	10,510	Based on regular terms	-
		Luxgen	3	Operating revenue, net	124,058	Based on regular terms	-
		Electrified LUXGEN Motor Co., LTD.	3	Operating revenue, net	21,624	Based on regular terms	-
		JDW	3	Operating revenue, net	16,379	Based on regular terms	-
10	Luxgen	Electrified LUXGEN Motor Co., LTD.	3	Notes and trade receivables, net	55,852	Based on regular terms	-
		Luxgen Kaohsiung	3	Notes and trade receivables, net	16,303	Based on regular terms	-
		The Company	2	Guarantee deposits	171,843	Based on regular terms	-
		TAC	3	Operating revenue, net	3,106,982	Based on regular terms	4
		Car-plus Auto	3	Operating revenue, net	179,687	Based on regular terms	-
		Electrified LUXGEN Motor Co., Ltd.	3	Operating revenue, net	431,944	Based on regular terms	1
		Luxgen Taoyuan	3	Operating revenue, net	300,637	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	217,659	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	279,125	Based on regular terms	-
11	Electrified LUXGEN Motor Co., LTD.	Luxgen	3	Notes and trade receivables, net	30,605	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	386,487	Based on regular terms	1
		Luxgen	3	Operating revenue, net	99,851	Based on regular terms	-
		Luxgen Taoyuan	3	Nonoperating revenue and expense	26,095	Based on regular terms	-
12	New LUXGEN North Motor	Luxgen	3	Notes and trade receivables, net	18,587	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	36,219	Based on regular terms	-
		Luxgen	3	Operating revenue, net	22,173	Based on regular terms	-
		Electrified LUXGEN Motor Co., LTD.	3	Operating revenue, net	41,790	Based on regular terms	-
		Electrified LUXGEN Motor Co., LTD.	3	Nonoperating revenue and expense	13,147	Based on regular terms	-
13	Chan Yun	The Company	2	Operating revenue, net	10,802	Based on regular terms	-
14	Kuen You	Yu Sing	3	Operating revenue, net	103,641	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Financial Statement Account			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
15	Chuang Jie	The Company	2	Notes and trade receivables, net	$ 28,882	Based on regular terms	-
		Hang Zhou Haitec	3	Notes and trade receivables, net	85,749	Based on regular terms	-
		The Company	2	Operating revenue, net	31,841	Based on regular terms	-
		Hang Zhou Haitec	3	Operating revenue, net	186,646	Based on regular terms	-
16	Yulon China	Wen Yang	3	Other receivables	661,456	Based on regular terms	-
17	Tai Feng	Xiamen Young Chang	3	Other receivables	313,412	Based on regular terms	-
		Sheng Qing	3	Other receivables	218,493	Based on regular terms	-
		Dong Tai	3	Other receivables	134,319	Based on regular terms	-
18	Sheng Qing	Xiamen Young Chang	3	Other receivables	171,033	Based on regular terms	-
		Su Zhou Feng Shen	3	Other receivables	12,520	Based on regular terms	-
		Zhu Hai Fu Te En	3	Other receivables	23,463	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables	44,716	Based on regular terms	-
		Yulon China Motor Investment	3	Other receivables	919,282	Based on regular terms	-
		Huang Shi Yu Shin	3	Other receivables	27,035	Based on regular terms	-
		Xiao Gan Yu Xi	3	Other receivables	45,059	Based on regular terms	-
		Yulon China Motor Investment	3	Operating revenue, net	13,589	Based on regular terms	-
19	Hang Zhou Yu Zhong	Yulon China Motor Investment	3	Other receivables	12,073	Based on regular terms	-
20	Hsiang Shuo	Car-plus Auto	3	Operating revenue, net	19,907	Based on regular terms	-
		Sin Jang	3	Operating revenue, net	11,879	Based on regular terms	-
21	Sin Jang	TAC	3	Operating revenue, net	74,153	Based on regular terms	-
22	Yulon Construction	The Company	2	Guarantee deposits	41,074	Based on regular terms	-
		The Company	2	Operating revenue, net	158,657	Based on regular terms	-
23	New LUXGEN Central Motor	Luxgen	3	Notes and trade receivables, net	14,213	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	22,474	Based on regular terms	-
		Luxgen	3	Operating revenue, net	13,565	Based on regular terms	-
24	Yu Pong	The Company	2	Operating revenue, net	20,571	Based on regular terms	-
		TAC	3	Operating revenue, net	14,286	Based on regular terms	-
25	Yushin	Yu Chang	3	Operating revenue, net	16,729	Based on regular terms	-
		Empower	3	Operating revenue, net	13,823	Based on regular terms	-
		Yu Pool	3	Operating revenue, net	13,294	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	33,075	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	23,606	Based on regular terms	-
26	Empower	Min Shiang	3	Guarantee deposits	16,000	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	19,776	Based on regular terms	-
		Min Shiang	3	Operating revenue, net	20,834	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Financial Statement Account			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
27	Tian Wang	Yu Chang	3	Operating revenue, net	$ 63,666	Based on regular terms	-
28	Sin Chi	Yu Sing	3	Operating revenue, net	55,237	Based on regular terms	-
29	New LUXGEN South Motor	Luxgen	3	Notes and trade receivables, net	21,465	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	36,410	Based on regular terms	-
		Luxgen	3	Operating revenue, net	76,090	Based on regular terms	-
30	Yu Ching	The Company	2	Operating revenue, net	13,410	Based on regular terms	-
31	Sin Gan	TAC	3	Notes and trade receivables, net	11,082	Based on regular terms	-
		Ching-Tong	3	Other receivables	104,787	Based on regular terms	-
		Hsiang Shuo	3	Other receivables	11,256	Based on regular terms	-
		Ching-Tong	3	Operating revenue, net	167,940	Based on regular terms	-
32	Shinshin	Yes-Energy	3	Notes and trade receivables, net	384,592	Based on regular terms	-
		Yes-Energy	3	Other current assets	242,246	Based on regular terms	-
33	Fuzhou Lianghong	Union & NKH	3	Notes and trade receivables, net	37,048	Based on regular terms	-
		Union & NKH	3	Operating revenue, net	66,552	Based on regular terms	-
34	Hang Zhou Haitec	The Company	2	Notes and trade receivables, net	76,705	Based on regular terms	-
		Chuang Jie	3	Other current assets	18,357	Based on regular terms	-
		The Company	2	Operating revenue, net	140,110	Based on regular terms	-
35	Ching-Tong	The Company	2	Notes and trade receivables, net	14,639	Based on regular terms	-
		The Company	2	Operating revenue, net	83,959	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	39,257	Based on regular terms	-
36	Yulon TOBE	The Company	2	Other current assets	63,582	Based on regular terms	-
37	Su Zhou Feng Shen	Su Zhou Feng Shun	3	Other receivables	17,886	Based on regular terms	-
38	Feng Hua	Su Zhou Cheng Long	3	Other receivables	22,358	Based on regular terms	-
39	YES Charging Service	Luxgen	3	Operating revenue, net	19,348	Based on regular terms	-
40	Su Zhou Cheng Li	Su Zhou Feng Shun	3	Other receivables	13,415	Based on regular terms	-
		Tai Chang Cheng Mau	3	Other receivables	21,017	Based on regular terms	-
41	JDW Taxi	JDW	3	Notes and trade receivables, net	30,455	Based on regular terms	-
42	H.K. Manpower	Car-plus Auto	3	Operating revenue, net	19,645	Based on regular terms	-
43	Min Shiang	Empower	3	Operating revenue, net	28,807	Based on regular terms	-
44	Luxgen Tainan Motor Co., LTD.	Luxgen Kaohsiung	3	Nonoperating revenue and expense	21,791	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Financial Statement Account			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
45	JDW	JDW Taxi	3	Notes and trade receivables, net	$ 16,761	Based on regular terms	-
		JDW Taxi	3	Operating revenue, net	70,519	Based on regular terms	-
46	Shi Cheng	Xiamen Young Chang	3	Other receivables	143,274	Based on regular terms	-
47	Car-Plus (Suzhou)	Car-Plus Leasing (Shanghai)	3	Operating revenue, net	11,251	Based on regular terms	-
48	Yulon Capital Sdn. Bhd.	Yulon Credit Sdn. Bhd.	3	Other receivables	460,605	Based on regular terms	-
49	Yu-Jie	Sheng Qing	3	Notes and trade receivables, net	380,086	Based on regular terms	-
		Sheng Qing	3	Operating revenue, net	553,135	Based on regular terms	1
50	TAC Global Investment (Samoa) Co., Ltd	Yulon Capital Sdn. Bhd.	3	Other receivables	235,940	Based on regular terms	-
51	Yu Rong International Investment (Samoa) Co., Ltd.	Yulon Capital Sdn. Bhd.	3	Other receivables	122,797	Based on regular terms	-

Note 1: From the parent company to a subsidiary.

Note 2: From a subsidiary to the parent company.

Note 3: Between subsidiaries.

(Concluded)