Stock Code: 2247

PAN GERMAN UNIVERSAL MOTORS LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
For the Years Ended December 31, 2024 and 2023

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Independent Auditors' Report

To the board of directors of Pan German Universal Motors Ltd.:

Audit opinion

The Parent company only balance sheets of Pan German Universal Motors ("the Company") Ltd. as of December 31, 2024 and 2023 and the Parent company only statements of comprehensive income, Parent company only statements of changes in equity and cash flows for the years then ended, as well as the notes to the Parent company only financial statements (including a summary of significant accounting policies), have been audited by us.

In our opinion, the above Parent company only financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and fairly present the Parent company only financial position of the Company as of December 31, 2024 and 2023, and its Parent company only financial performance and cash flows for the years ended December 31, 2024 and 2023.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for Auditing Parent company only Financial Statements section of our report. We are independent of the Company 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 proper 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 Company's 2024 Parent company only financial statements. These matters were addressed in the context of our audit of Parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of revenue generated from sale of used cars

The Auditing Standards presets sales revenue as a material audit risk. With the easing of the global chip shortage, the production capacity of new cars in the automotive industry has stabilized. However, used cars remain a type of revenue that Pan German Universal Motors Ltd. has focused on developing in recent years. Therefore, we have identified the recognition of the sales revenue generated from used cars of Pan German Universal Motors Ltd. as a key audit matter. For related accounting policies, please refer to Note 4(11)"Summary of Key Accounting Policies" in the Parent company only financial statements.

We have gained an understanding of both the design and implementation of the internal control system for the recognition of the revenue generated from sale of used cars, and sampled vouchers with respect to the revenue generated from sale of used cars to review the recognition of such revenue and verify related sales documents to ascertain the occurrence of revenue recognition.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations Committee and Standard Interpretations Committee's Interpretations as endorsed by the Financial Supervisory Commission, management is responsible for the preparation and fair presentation of consolidated financial statements for internal control as deemed necessary to be free from material misstatement, whether due to fraud or error.

In preparing Parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing relevant matters as applicable as the basis of accounting unless management intends to liquidate the Company, cease operations, or has no realistic alternatives.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for Auditing the Parent company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent company only 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements 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 Parent company only financial statements.

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

1. Identify and assess risks of material misstatement due to fraud or error, design and perform audit procedures, and obtain sufficient and proper evidence as basis for our opinions. The risk of not detecting a material misstatement from fraud is higher than for one 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 Pan German Universal Motors Ltd.'s internal control.

3. Evaluate the properness of accounting policies and reasonableness of estimates and disclosures made by management.
4. Conclude on the properness of management’s usage of the going concern basis of accounting and whether a material uncertainty on events or conditions based on evidence may cast significant doubt on the Company’s ability to continue as a going concern. If such a material uncertainty exists, we are required to draw attention in our auditors’ report to disclosures or, if inadequate, to modify our opinion. Our conclusions are based on evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease as a going concern.
5. Evaluate the overall presentation, structure, and content, including the disclosures, and whether underlying transactions and events are represented in a fair manner.
6. Obtain sufficient proper audit evidence on the financial information of entities within Pan German Universal Motors Ltd. to express an opinion on the individual financial statements. Our auditor is responsible for directing, supervising, and executing the audit, and is responsible for forming the audit opinion of Pan German Universal Motors Ltd.

We communicate with those charged with governance on the planned scope and timing of the audit and key findings, including deficiencies in internal control identified.

We also provide those charged with governance with a statement that we have complied with ethical requirements on independence and communicate with them all relevant relationships, safeguards, and other matters where applicable.

From the matters communicated with those charged with governance, we determined the key audit matters for the audit of the 2024 Parent company only financial statements of Pan German Universal Motors Ltd. 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.

Deloitte & Touche Taiwan
CPA: Shih, Chin-Chuang　　　　　　　　CPA: Liu, Shu-Ling

March 12, 2025

<u>Notice to Readers</u>

The accompanying consolidated financial statements are intended only to present the Parent company only 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 Parent company only financial statements are those generally applied in the Republic of China.
For the convenience of readers, the independent auditors' report and the accompanying Parent company only 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 Parent company only financial statements shall prevail.

PAN GERMAN UNIVERSAL MOTORS LTD.

Parent company only Balance Sheets

December 31, 2024 and 2023

(In Thousands of NTD)

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6 and 24)	$ 2,374,551	11	$ 5,809,756	27
1136	Current financial assets at amortized cost (Notes 4, 8, 24 and 26)	5,400	-	505,400	2
1150	Notes receivable, net (Notes 4, 9, 24 and 25)	6,373	-	211	-
1170	Accounts receivable, net (Notes 4, 9, 24 and 25)	469,903	2	385,463	2
1200	Other receivables (Notes 24 and 25)	697,916	3	571,500	3
130X	Inventories (Notes 4 and 10)	6,298,616	28	4,429,650	21
1421	Prepayments to suppliers (Note 25)	2,174,567	10	1,070,113	5
1470	Prepaid expenses and other current assets (Note 25)	98,431	-	84,747	-
11XX	Total current assets	12,125,757	54	12,856,840	60
	Non-current assets				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 4, 7 and 24)	29,674	-	29,674	-
1535	Non-current financial assets at amortized cost (Notes 4, 8, 24 and 26)	76,965	-	73,743	-
1550	Investments accounted for using equity method (Notes 4 and 11)	566,489	3	539,672	3
1600	Property, plant and equipment (Notes 4, 12, 20 and 25)	5,425,722	24	4,995,654	23
1755	Right-of-use assets (Notes 4, 13 and 25)	2,776,328	12	2,845,514	13
1821	Intangible assets (Note 4)	1,992	-	1,654	-
1840	Deferred tax assets (Notes 4 and 21)	25,710	-	32,007	-
1915	Prepayments for business facilities (Note 25)	1,222,341	6	3,909	-
1920	Guarantee deposits paid (Note 24)	101,880	1	96,593	1
1984	Other non-current financial assets (Note 24)	1,380	-	1,380	-
1995	Long-term prepaid expenses	22,042	-	24,474	-
15XX	Total non-current assets	10,250,523	46	8,644,274	40
1XXX	Total	$ 22,376,280	100	$ 21,501,114	100

Code	Liability and equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 14 and 24)	$ 700,000	3	$ -	-
2130	Contract liabilities - current (Notes 19 and 25)	3,143,731	14	3,701,580	17
2150	Notes payable (Notes 15, 24 and 25)	3,626	-	12,828	-
2170	Accounts payable (Notes 15 and 24)	72,656	-	90,854	-
2180	Accounts payable to related parties (Notes 15, 24 and 25)	497,768	2	321,993	2
2200	Other payables (Notes 16, 24 and 25)	1,148,418	5	907,699	4
2230	Current tax liabilities (Notes 4 and 21)	237,668	1	247,464	1
2280	Lease liabilities - current (Notes 4, 13, 24 and 25)	345,415	2	339,275	2
2399	Other current liabilities	137,318	1	139,364	1
21XX	Total current liabilities	6,286,600	28	5,761,057	27
	Non-current liabilities				
2550	Other non-current liabilities	44,683	1	44,683	-
2580	Lease liabilities - non-current (Notes 4, 13, 24 and 25)	2,722,225	12	2,826,395	13
2640	Net defined benefit liabilities - non-current (Notes 4 and 17)	28,277	-	57,018	-
25XX	Total non-current liabilities	2,795,185	13	2,928,096	13
2XXX	Total liability	9,081,785	41	8,689,153	40
	Equity (Note 18)				
	Share capital				
3110	Ordinary share	807,087	4	807,087	4
3200	Capital surplus	4,269,075	19	4,269,075	20
	Retained earnings				
3310	Legal reserve	1,243,213	5	1,064,283	5
3350	Unappropriated retained earnings	6,947,621	31	6,647,844	31
3300	Total retained earnings	8,190,834	36	7,712,127	36
3400	Other equity interest	27,499	-	23,672	-
3XXX	Total equity	13,294,495	59	12,811,961	60
	Total Liabilities and equity	$ 22,376,280	100	$ 21,501,114	100

The accompanying notes are an integral part of Parent company only Financial Statement.

PAN GERMAN UNIVERSAL MOTORS LTD.

Parent company only Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(In thousands of NTD, except for earnings per share)

		2024		2023	
Code		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 19 and 25)	$ 54,324,867	100	$ 47,951,383	100
5000	Operating costs (Notes 10, 20 and 25)	48,324,621	89	42,428,170	89
5900	Gross profit from operations	6,000,246	11	5,523,213	11
	Operating expenses (Notes 9, 17, 20 and 25)				
6100	Selling expenses	3,609,149	7	3,272,104	7
6200	Administrative expenses	221,665	-	213,434	-
6450	Expected credit loss	421	-	456	-
6000	Total operating expenses	3,831,235	7	3,485,994	7
6500	Other income and net expenses (Notes 4 and 20)	21,170	-	18,308	-
6900	Income from operations	2,190,181	4	2,055,527	4
	Non-operating income and expenses				
7100	Interest revenue	26,700	-	29,586	-
7110	Rent income	2,022	-	2,460	-
7190	Other income (Note 25)	78,606	-	53,411	-
7375	Share of profit of subsidiaries accounted for using equity (Notes 4 and 11)	129,778	1	114,401	1
7510	Interest expense (Notes 20 and 25)	(37,588)	-	(40,437)	-
7590	Miscellaneous disbursements	-	-	(107)	-
7000	Total non-operating income and expenses	199,518	1	159,314	1

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7900	Profit before tax	$ 2,389,699	5	$ 2,214,841	5
7950	Income tax expense (Notes 4 and 21)	458,235	1	425,542	1
8200	Net profit	1,931,464	4	1,789,299	4
8300	Other comprehensive income, net				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans (Notes 4, 17 and 18)	3,827	-	2,123	-
8500	Total comprehensive income	$ 1,935,291	4	$ 1,791,422	4
	Earnings per share (Note 22)				
9750	Basic	$ 23.93		$ 22.17	
9850	Diluted	$ 23.93		$ 22.17	

The accompanying notes are an integral part of Parent company only Financial Statement.

PAN GERMAN UNIVERSAL MOTORS LTD.

Parent company only Statement of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Unless otherwise specified, in Thousands of NTD)

		Share capital			Retained earnings		Other equity interest	
Code		Shares (In Thousands)	Amount	Capital surplus	Legal reserve	Unappropriated retained earnings	Remeasurement of defined benefit plans	Total equity
A1	Balance on January 01, 2023	80,709	$ 807,087	$ 4,269,075	$ 916,780	$ 6,216,679	$ 21,549	$ 12,231,170
	2022 earning appropriation							
B1	Legal reserve appropriated	-	-	-	147,503	(147,503)	-	-
B5	Cash dividends to shareholders	-	-	-	-	(1,210,631)	-	(1,210,631)
D1	2023 net profit	-	-	-	-	1,789,299	-	1,789,299
D3	2023 other comprehensive income	-	-	-	-	-	2,123	2,123
Z1	Balance on December 31, 2023	80,709	807,087	4,269,075	1,064,283	6,647,844	23,672	12,811,961
	2023 earning appropriation							
B1	Legal reserve appropriated	-	-	-	178,930	(178,930)	-	-
B5	Cash dividends to shareholders	-	-	-	-	(1,452,757)	-	(1,452,757)
D1	2024 net profit	-	-	-	-	1,931,464	-	1,931,464
D3	2024 other comprehensive income	-	-	-	-	-	3,827	3,827
Z1	Balance on December 31, 2024	80,709	$ 807,087	$ 4,269,075	$ 1,243,213	$ 6,947,621	$ 27,499	$ 13,294,495

The accompanying notes are an integral part of Parent company only Financial Statement.

PAN GERMAN UNIVERSAL MOTORS LTD.

Parent company only Statement of Cash Flows

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before tax	$ 2,389,699	$ 2,214,841
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	932,664	878,580
A20200	Amortization expense	4,323	4,984
A29900	Amortization of long-term prepaid expenses	2,679	2,468
A20300	Expected credit loss	421	456
A20900	Interest expense	37,588	40,437
A21200	Interest revenue	(26,700)	(29,586)
A21300	Dividend revenue	(2,735)	(1,743)
A22400	Share of profit of subsidiaries accounted for using equity	(129,778)	(114,401)
A22500	Gains on disposals of property, plant and equipment	-	(298)
A23700	Inventory write-downs and obsolescence loss	15,249	3,966
A29900	Lease modification gains	-	(230)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(6,162)	1,934
A31150	Accounts receivable	(84,861)	(54,450)
A31180	Other receivables	(124,203)	(69,011)
A31200	Inventories	(625,110)	358,929
A31220	Long-term prepaid expenses	(247)	(517)
A31230	Prepayments to suppliers	(1,104,454)	355,728
A31240	Prepaid expenses and other current assets	(13,684)	(2,312)
A32125	Contract liabilities	(557,849)	(202,226)
A32130	Notes payable	(9,202)	8,366
A32150	Accounts payable	(18,198)	50,310
A32160	Accounts payable to related parties	175,775	(648,319)
A32180	Other payables	103,542	61,549
A32230	Other current liabilities	(2,046)	(17,445)
A32200	Other non-current liabilities	-	32,644
A32240	Net defined benefit liability	(23,957)	(12,297)
A33000	Cash inflow generated from operations	932,754	2,862,357
A33100	Interest received	27,575	29,652

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Code		2024	2023
A33300	Interest paid	($ 41,084)	($ 40,940)
A33500	Income taxes paid	(462,691)	(372,999)
AAAA	Net cash flows from operating activities	456,554	2,478,070
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(16,461)
B00040	Acquisition of financial assets at amortized cost	(103,222)	(3,700,000)
B00050	Proceeds from disposal of financial assets at amortized cost	600,000	3,225,098
B02700	Purchase of property, plant, and equipment	(2,081,194)	(1,555,361)
B02800	Proceeds from disposal of property, plant, and equipment price	-	369
B03700	Increase in refundable deposits	(5,287)	(1,845)
B04500	Acquisition of intangible assets	(4,661)	(4,179)
B07100	Increase in prepayments for business facilities	(1,229,668)	(23,096)
B07600	Dividends received	105,696	90,005
BBBB	Net cash flows used in investing activities	(2,718,336)	(1,985,470)
	Cash flows from financing activities		
C00100	Increase in short-term loans	700,000	-
C03000	Decrease in deposits received	-	(100)
C04020	Payment of the principal portion of lease liabilitie	(420,666)	(369,401)
C04500	Cash dividends paid	(1,452,757)	(1,210,631)
CCCC	Net cash flows used in financing activities	(1,173,423)	(1,580,132)
EEEE	Net decrease in cash and cash equivalents for the period	(3,435,205)	(1,087,532)
E00100	Cash and cash equivalents at beginning of period	5,809,756	6,897,288
E00200	Cash and cash equivalents at end of period	$ 2,374,551	$ 5,809,756

The accompanying notes are an integral part of Parent company only Financial Statement.

PAN GERMAN UNIVERSAL MOTORS LTD.

Notes on the Parent company only Financial Statements

For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Established in 1979, Pan German Universal Motors Ltd. (hereinafter referred to as the "Company") is primarily engaged in the distribution, trading, repair, and maintenance of automobiles and components.

Shares of the parent company have been listed on the Taiwan Stock Exchange since October 12, 2020.

The Parent company only Financial Statement is expressed in the functional currency, New Taiwan Dollars, of the Company.

2. Approval Date and Procedures of the Financial Statements

The Parent company only Financial Statement was approved by the Board of Directors on March 12, 2025.

3. New Standards, Amendments, and Interpretations Adopted

(1) The initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs"), as endorsed and made effective by the Financial Supervisory Commission (FSC)

The application of the revised IFRSs endorsed and issued into effect by the FSC will not result in significant changes to the Company's accounting policies.

(2) IFRS accounting standards endorsed by the FSC applicable in 2025

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 01, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments Amendments" regarding the application guidance amendments on the classification of financial assets	January 01, 2026 (Note 2)

Note 1: Effective for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, prior periods will not be restated. Instead, the impact will be recognized in retained earnings and relevant affected assets and liabilities as of the date of initial application.

Note 2: Effective for annual reporting periods beginning on or after January 1, 2026, with the option for companies to early adopt on January 1, 2025. Upon initial application of the amendments, retrospective application is required but prior periods will not be restated, and the impact of the initial application will be recognized as of the date of initial application. However, if a company can restate without the use of hindsight, it may choose to restate comparative periods.

As of the date the Parent company only financial statements were authorized for issue, the Company assesses that the amendments to the aforementioned standards and interpretations will not have a significant impact on its financial position and performance.

(3) IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note)
"Annual Improvements to IFRS Accounting Standards - 11th Cycle"	January 01, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments Amendments" regarding the application guidance amendments on the derecognition of financial liabilities	January 01, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 01, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Undecided
IFRS 17 “Insurance Contracts”	January 01, 2023
Amendments to IFRS 17	January 01, 2023
Amendment to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 01, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 01, 2027
IFRS 19 "Disclosure of Non-Publicly Accountable Subsidiaries"	January 01, 2027

Note: Unless otherwise specified, the abovementioned new, revised, or amended standards or interpretations take effect for annual reporting period beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The key changes introduced by the standard include:

- Income statement should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- Income statement should present operating profit or loss, profit or loss before financing and tax, as well as subtotals and totals of profit or loss.
- Guidance is provided to enhance aggregation and disaggregation of requirements: The Company should identify assets, liabilities, equity, revenue, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them on the basis of common characteristics, so that each line item in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Company labels such items as "Others" only when no more informative label can be identified.
- Increase the disclosure of management-defined performance measures: When the Company engages in public communication outside of the financial statements or communicates management's perspective on specific aspects of the Company's overall financial performance to users of the financial statements, it should disclose the management-defined performance measures in a single note to the financial statements. This disclosure should include a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the effects of related adjustments on income tax and non-controlling interests.

Except for the impacts noted above, as of the date the Parent company only financial statements were authorized for issue, the Company is continuing to assess the potential impacts of the amendments to various standards and interpretations on its financial position and performance. The relevant impacts will be disclosed once the evaluation is complete.

4. <u>Summary of Key Accounting Policies</u>

(1) Statement of Compliance

The parent-company-only Financial Statement has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligations minus the fair value of plan assets, this individual financial report is prepared on a historical cost basis.

Fair value measurements are categorized into Level 1 through Level 3 based on the observability and importance of the relevant input values:

1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
2) 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).
3) Level 3 inputs are unobservable inputs of assets or liabilities.

When preparing Parent company only Financial Statement, the Company adopted Equity to account for its investments in subsidiaries. In order for the amounts of the net profit for the year of Parent company only Financial Statement, Other comprehensive income and Equity to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, Other comprehensive income and Equity, adjustments arising from the differences in accounting treatments between the Parent company only basis and the consolidated basis were made to "Investments accounted for using equity method" and "Share of profit or loss of subsidiaries accounted for using the Equity method".

(3) Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held for trading purposes;
2) Assets expected to be realized within 12 months after the balance sheet date; and
3) Cash and cash equivalents (excluding those restricted from being exchanged or used to settle liabilities for more than 12 months after the balance sheet date).

Current liabilities include:

1) Liabilities held for trading purposes;
2) Liabilities to be settled within 12 months after the balance sheet date, and;
3) Liabilities for which there is no substantive right to defer settlement beyond at least 12 months after the balance sheet date.

Those not classified as current assets or current liabilities are categorized as non-current assets or non-current liabilities.

(4) Inventories

Inventories include automobiles, components, and accessories. Inventories are based on the lower of cost or net realizable value. When comparing cost and net realizable value, except for the same category of inventories, it is based on individual items. Net realizable value is the estimated selling price under normal circumstances less selling expenses resulting in the balance. Inventories cost is determined using the identification method for automobiles and the weighted-average method for components and accessories.

(5) Subsidiaries

The Company adopts the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, the initial investment is recognized at cost, and the subsequent carrying amount is adjusted according to the share of profit or loss and other comprehensive income of subsidiaries enjoyed by the company and profit distribution. In addition, the Company recognizes the changes in the Company's share of other equity interest in subsidiaries according to the ownership percentage.

Changes in the Company's ownership equity in a subsidiary that do not result in the loss of control are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized as equity. Unrealized profits and losses on downstream transactions between the Company and its subsidiaries are eliminated from the Parent company only Financial Statement. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in equity, limited to the interests in the subsidiaries not attributable to the Company.

(6) Property, Plant, and Equipment

Property, plant, and equipment are recognized at cost and subsequently measured at cost less accumulated depreciations and impairment losses.

Property under construction, property, plant and equipment are recognized at cost less accumulated impairment loss. Costs less any recognized impairment loss include professional fees, borrowing costs eligible for capitalization, and depreciation expenses for land-use rights related to property under construction. Assets are measured at lower cost and net realizable value before reaching the expected state of use, and its sales price and cost are recognized in profit or loss. Upon completion, these assets are classified into the appropriate category of property, plant, and equipment and depreciation begins.

Except for owned land which is not recognized for depreciations, all other property, plant and equipment are individually depreciated on a straight-line basis over the useful life of each significant component for depreciations. Depreciations is recognized over the lease term if the lease term is shorter than the useful life. The estimated useful lives, residual values and depreciations methods are reviewed at the end of each balance sheet date, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of property, plant, and equipment, the difference between the net disposal proceeds and the carrying amount of the assets is recognized in profit or loss.

(7) Intangible Assets

1) Separate Acquisition

Acquired separately intangible assets with limited useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over their useful lives, and the company reviews the estimated useful lives, residual values, and amortization methods at least at the end of each year, deferring the impact of changes in applicable accounting estimates. Intangible assets are stated at cost less accumulated under impairment loss.

2. Derecognition

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

(8) Impairment of Property, Plant and Equipment, Right-of-Use Assets and Intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets (excluding goodwill) to determine any indication that property, plant, and equipment, right-of-use and intangible assets may have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated to determine the extent of the impairment loss. If the recoverable amount of an individual assets cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Shared assets are allocated to the smallest cash-generating unit group on a reasonable and consistent basis.

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

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

When impairment loss is subsequently reversed, the carrying amount of the assets or cash-generating unit is increased to the revised estimate of its recoverable amount, but not to an amount that exceeds the carrying amount that would have been determined had impairment loss not been recognized for the assets or cash-generating unit in prior years. The reversal of impairment loss is recognized in profit or loss.

(9) Financial Instruments

Assets and liabilities will be recognized in Parent company only balance sheets when the Company becomes a party to the contractual provisions of the instruments.

Initial recognition of financial assets and liabilities not measured at fair value through profit or loss are added with directly attributable transaction costs for acquisition or issuance. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Assets

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

A. Measurement Categories

Assets held by the Company are measured at amortized cost and investment at fair value through other comprehensive income.

(i) Financial Assets Measured at Amortized Cost

Assets are classified as financial assets measured at amortized cost if:

a. The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows, and;

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

Assets (including cash and cash equivalents, receivables at amortized cost, restricted term deposits, other receivables, deposits held as collateral, and other assets) are measured at the total carrying amount determined by the effective interest method, less any amortized cost of impairment loss after initial recognition, and any foreign currency exchange gains or losses are recognized in profit or loss.

Interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. Purchased or originated credit-impaired financial asset Assets, Interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest revenue should be calculated by applying the effective interest rate to the amortized cost of the financial asset starting from the next reporting period after the credit impairment.

Cash equivalents include time deposits and repurchase agreements collateralized by bonds 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.

(ii) Equity Instrument Investments Measured at Fair Value through Other Comprehensive Income

The Company may irrevocably elect, at initial recognition, to designate investments in equity instruments, which are not held for trading and not contingent consideration recognized by acquirers in a business combination, to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity interest. 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 Company's right to receive the dividends is established in accordance with other comprehensive income fair value and equity unless the dividends clearly represent a recovery of part of the cost of the investment.

B. Impairment of Assets

The company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on expected credit losses on each balance sheet date.

Accounts receivable are recognized with loss allowances based on lifetime ECLs. Other financial assets are first assessed to determine whether credit risk has significantly increased since original recognition. If it has not significantly increased, the loss allowance is recognized based on the 12-month expected credit loss.

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

Impairment losses on all financial assets are recognized by adjusting their carrying amounts through an allowance account, but the loss allowance for debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and the carrying amount is not reduced.

C. Derecognition of financial assets

The Company derecognizes a financial assets only when the contractual rights to the cash flows from the financial assets expire, or it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another entity.

On derecognition of financial assets measured 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 investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and is not reclassified to profit or loss.

2) Financial Liabilities

A. Subsequent Measurement

Liabilities are measured at amortized cost using the effective interest method.

B. Derecognition of financial liabilities

The difference between the carrying amount of the financial asset derecognized in Liabilities and the consideration paid, including any non-cash assets transferred or liabilities assumed in liabilities, is recognized in profit or loss.

(10) Provision for Liabilities

The amount recognized as a provision for liabilities is the best estimate of the consideration required to settle the present obligation at the end of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. The provision for liabilities is measured at the discounted value of the estimated cash flows from the settlement of the obligation.

<u>Decommissioning and Restoration Obligations</u>

Provisions for liabilities are recognized at the present value of the best estimate of the future outflow of economic benefits that will be required to settle the Company's obligations under the lease.

(11) Revenue Recognition

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

For contracts where the period between the date the Company transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Sales Revenue from Goods

Sales revenue comes from the sale of automotive products. Sales of automotive products are recognized as revenue upon transfer of ownership.

2) Revenue from Services

Service revenue comes from vehicle maintenance services.

As the Company provides vehicle maintenance services, the customer pays for the services after the vehicle maintenance is completed. Therefore, the Company recognizes revenue when the vehicle maintenance is completed.

(12) Leases

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

1) The Company as Lessor

Lease payments received under operating leases are recognized as income on a straight-line basis over the lease term.

2) The Company as Lessee

Except for lease payments of low-value underlying assets and short-term leases that are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities at the lease commencement date.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of assets 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 depreciations and accumulated impairment loss and adjusted for any remeasurement of liabilities. Right-of-use assets is separately expressed in the individual balance sheet.

Assets adopts a straight-line basis from the lease start date to the expiration of the service life or the lease period, whichever is earlier, to allocate Depreciations.

Lease liabilities is initially measured at the present value of the lease payments, which comprise 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 Company uses the lessee's incremental borrowing rate.

Subsequently, the lease liabilities adopt the effective interest method to measure the cost after amortization, and interest expense is amortized during the lease period. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company 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. For lease modifications not treated as separate leases, the remeasurement of lease liabilities due to a reduction in the scope of the lease results in an adjustment to the Right-of-use assets, and the gain or loss from partial or complete termination of the lease is recognized; for other modifications, the remeasurement of lease liabilities results in an adjustment to the Right-of-use assets. The lease Liabilities is separately expressed in the Assets Liabilities table.

(13) Borrowing Costs

Borrowing costs directly attributable to the 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.

Specific borrowings, such as investment revenue, earned by temporary investment before the occurrence of capital expenditures that meet the requirements, are 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.

(14) Employee Benefits

1) Short-term Employee Benefits

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

2) 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 the 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 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 and other equity interest in the period in which they occur.

The net defined benefit liabilities are the deficit in the contribution to the defined benefit retirement plan. The net defined benefit assets may not exceed the present value of refunds of contributions from the plan or reductions in future contributions.

(15) Income Tax

Income tax expense comprises current income tax and deferred income tax.

1) Current Income Tax

The Company determines the current income (loss) in accordance with the laws and regulations of the reporting jurisdiction of income tax and calculates the payable (recoverable) amount of income tax.

According to Income Tax Act, additional income tax levied on unappropriated retained earnings is recognized in the year of resolution.

The adjustment of payable to income tax in the previous year is listed in the current income tax.

2) Deferred Income Tax

Deferred income tax is calculated 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, and deferred income tax assets are recognized when it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company 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. Deductible temporary differences associated with such investments and interests are only recognized 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 they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each assets liabilities date 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 deferred tax asset to be recovered. The previously unrecognized deferred tax assets are also reviewed at each balance sheet date and increased in carrying amount to the extent that it becomes probable that future taxable profits will be available to recover all or part of the assets.

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

3) Current and Deferred Income Tax

Current and deferred income tax 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 income tax are also recognized in other comprehensive income or directly in equity, respectively.

5. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about 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 factors that are considered relevant to other. Actual results may differ from these estimates.

The accounting policies, estimates and basic assumptions adopted by the Company have been assessed by the management of thereof and there are no significant accounting judgments, estimates and assumption uncertainties.

6. Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 17,281	$ 6,583
Cheque and current deposits	2,357,270	3,780,121
Cash equivalents (Investments with maturities within 3 months)		
Time deposits	-	1,000,000
Repurchase Agreements	-	1,023,052
	$ 2,374,551	$ 5,809,756

The market rate intervals of cash equivalents are listed below:

	December 31, 2024	December 31, 2023
Time deposits	-	1.2%~1.3%
Repurchase Agreements	-	1.1%

7. Financial Assets at Fair Value through Other Comprehensive Income

	December 31, 2024	December 31, 2023
Non-current		
Investments in equity instruments		
Unlisted (over-the-counter) ordinary shares		
Yung Shin Carleasing Ltd.	$ 6,924	$ 6,924
Union Capital Carleasing Ltd.	22,750	22,750
	$ 29,674	$ 29,674

The Company invests in the common stock of Yung Shin Carleasing Ltd. and Union Capital Carleasing Ltd. for medium and long-term strategic purposes and expects to make profits through long-term investments. The management of the company believes that recognizing short-term fluctuations in the fair value of these investments in profit or loss would not align with the aforementioned long-term investment strategy, and has therefore elected to designate these investments as measured at fair value through other comprehensive income.

8. Financial Assets at Amortized cost

	December 31, 2024	December 31, 2023
Current		
Domestic investment		
Time deposits with original maturities of more than 3 months	$ -	$ 500,000
Restricted time deposits	5,400	5,400
Less: Allowance for impairment loss	-	-
	$ 5,400	$ 505,400
Non-current		
Domestic investment		
Restricted time deposits	$ 76,965	$ 73,743
Less: Allowance for impairment loss	-	-
	$ 76,965	$ 73,743

The market rate intervals for time deposits with original maturities exceeding three months and restricted time deposits as of the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Time deposits with original maturities of more than 3 months	-	1.3%～1.4%
Restricted time deposits	0.67%～1.7%	0.57%～1.575%

Refer to Note 26 for information regarding financial assets measured at amortized cost pledged as collateral.

9. Notes and Accounts Receivable

	December 31, 2024	December 31, 2023
Notes receivable, net (including related parties)		
Measurement at amortized costs		
Total carrying amount	$ 6,373	$ 211
Less: Allowance for impairment loss	-	-
	$ 6,373	$ 211
Accounts receivable (including related party)		
Measurement at amortized costs		
Total carrying amount	$ 472,732	$ 387,871
Less: Allowance for impairment loss	(2,829)	(2,408)
	$ 469,903	$ 385,463

The average credit period of sales of goods was 60 days. No interest was charged on accounts receivable. The Company adopted a policy of rating its major customers by using historical transaction records and reviewing the recoverable amount of receivables on a case-by-case basis as of the balance sheet date to ensure appropriate allowances for uncollectible receivables have been made. As a result, the management believes the Company’s credit risk was significantly reduced.

In addition to recognizing impairment losses for individual customers with obvious signs of impairment, the Company records allowances for doubtful accounts receivable based on expected credit losses over their remaining lifespan. Lifetime ECLs for trade receivables are estimated using a provision matrix that considers the customer’s historical default experience and current financial condition. Since the Company's historical credit loss experience indicates no significant differences in loss patterns among different customer segments, the provision matrix does not further distinguish between customers, but instead relies solely on the number of days overdue for accounts receivable to determine the expected credit loss rate.

When evidence indicates that a counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amounts due, such as when the counterparty is undergoing liquidation, the Company writes off the related accounts receivable. However, the Company continues its collection efforts, and any subsequent recoveries are recognized in profit or loss.

The Company's notes receivable are all not overdue, and the allowance for loss measured by the matrix for accounts receivable (including related party) is as follows:

December 31, 2024

	Not past due	Overdue for 1-60 days	Overdue for more than 61 days	Individual assessment	Total
Expected credit loss rate	0.50%	1.00%	1.00%		
Total carrying amount	$ 427,809	$ 30,587	$ 14,066	$ 270	$ 472,732
Loss allowance (lifetime expected credit losses)	(2,139)	(306)	(141)	(243)	(2,829)
At amortized cost	$ 425,670	$ 30,281	$ 13,925	$ 27	$ 469,903

December 31, 2023

	Not past due	Overdue for 1-60 days	Overdue for more than 61 days	Individual assessment	Total
Expected credit loss rate	0.50%	1.00%	1.00%		
Total carrying amount	$ 342,326	$ 37,731	$ 7,543	$ 271	$ 387,871
Loss allowance (lifetime expected credit losses)	(1,712)	(377)	(75)	(244)	(2,408)
At amortized cost	$ 340,614	$ 37,354	$ 7,468	$ 27	$ 385,463

Accounts receivable (including related party) changes in loss allowances are listed below:

	2024	2023
Opening balance	$ 2,408	$ 2,124
Add: Allowance for current period impairment loss	421	456
Less: Write-off in current period	-	(172)
Closing balance	$ 2,829	$ 2,408

10. Inventories

	December 31, 2024	December 31, 2023
Vehicles	$ 5,802,691	$ 3,886,304
Automotive parts and accessories	495,925	543,346
	$ 6,298,616	$ 4,429,650

In 2024 and 2023, the cost of sales related to inventories were NT$48,324,621 thousand and NT$42,428,170 thousand, respectively. Cost of sales including inventories valuation loss were NT$15,249 thousand and NT$3,966 thousand, respectively.

As of December 31, 2024 and 2023, the loss from allowance for inventory valuation losses for automobiles and parts was NT$28,205 thousand and NT$12,956 thousand, respectively.

11. Investments Accounted for Using Equity Method

	December 31, 2024		December 31, 2023	
	Carrying Amount	Shareholding	Carrying Amount	Shareholding
Investments in subsidiaries – unlisted companies				
Jet-Li Motors Ltd.	$ 566,489	100%	$ 539,672	100%

The share of profit or loss of subsidiaries recognized using Equity method is as follows:

Company name	2024	2023
Jet-Li Motors Ltd.	$ 129,778	$ 114,401
Owners of the Company	$ 129,778	$ 114,401

The profit or loss of subsidiaries accounted for using the equity method for the years 2024 and 2023 is recognized based on the financial reports audited by accountants during the same period.

12. Property, Plant and Equipment

	Land	Buildings	Machinery equipment	Transportation equipment	Miscellaneous equipment	Leasehold improvements	construction in progress real estate	Total
Cost								
Balance on January 1, 2024	$ 928,019	$2,962,438	$ 287,226	$ 805,073	$ 303,463	$1,327,881	$ 23,998	$6,638,098
Additions	-	2,100	17,161	1,478,212	7,426	8,984	704,435	2,218,318
Disposals	-	(576)	(4,552)	(3,249)	(20,532)	(1,135)	-	(30,044)
Reclassifications	-	-	6,894	(1,427,539)	2,373	1,213	15,966	(1,401,093)
Balance on December 31, 2024	$ 928,019	$2,963,962	$ 306,729	$ 852,497	$ 292,730	$1,336,943	$ 744,399	$7,425,279
Accumulated depreciation								
Balance on January 1, 2024	$ -	$ 673,208	$ 146,736	$ 96,172	$ 147,441	$ 578,887	$ -	$1,642,444
Depreciation expense	-	174,061	44,581	172,676	52,613	109,328	-	553,259
Disposals	-	(576)	(4,552)	(161)	(20,532)	(1,135)	-	(26,956)
Reclassifications	-	-	(7)	(169,140)	(43)	-	-	(169,190)
Balance on December 31, 2024	$ -	$ 846,693	$ 186,758	$ 99,547	$ 179,479	$ 687,080	$ -	$1,999,557
Net amount on December 31, 2024	$ 928,019	$2,117,269	$ 119,971	$ 752,950	$ 113,251	$ 649,863	$ 744,399	$5,425,722

	Land	Buildings	Machinery equipment	Transportation equipment	Miscellaneous equipment	Leasehold improvements	construction in progress real estate	Total
Cost								
Balance on January 01, 2023	$ 928,019	$2,111,920	$ 283,942	$ 676,745	$ 243,661	$1,353,219	$ 750,330	$6,347,836
Additions	-	69,981	31,928	1,265,626	22,644	19,776	160,615	1,570,570
Disposals	-	(5,597)	(59,356)	-	(52,078)	(63,397)	-	(180,428)
Reclassifications	-	786,134	30,712	(1,137,298)	89,236	18,283	(886,947)	(1,099,880)
Balance on December 31, 2023	$ 928,019	$2,962,438	$ 287,226	$ 805,073	$ 303,463	$1,327,881	$ 23,998	$6,638,098
Accumulated depreciation								
Balance on January 01, 2023	$ -	$ 530,294	$ 162,809	$ 139,278	$ 149,975	$ 527,526	$ -	$1,509,882
Depreciation expense	-	148,511	43,212	141,856	49,544	114,758	-	497,881
Disposals	-	(5,597)	(59,285)	-	(52,078)	(63,397)	-	(180,357)
Reclassifications	-	-	-	(184,962)	-	-	-	(184,962)
Balance on December 31, 2023	$ -	$ 673,208	$ 146,736	$ 96,172	$ 147,441	$ 578,887	$ -	$1,642,444
Net amount on December 31, 2023	$ 928,019	$2,289,230	$ 140,490	$ 708,901	$ 156,022	$ 748,994	$ 23,998	$4,995,654

The reclassifications as of December 31, 2024 and 2023 mainly involved transferring prepayments for business facilities, reclassifying transportation equipment to inventories, and properties under construction. Upon completion, the costs eligible for capitalization were reclassified and recognized according to their nature. Please refer to Notes 13 and 20.

As there were no indications of impairment in 2024 and 2023, the Company did not conduct an impairment assessment.

Property, plant and equipment of the Company are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and structures	
Main building and decoration project	5 to 51 years
Water, electrical and communication engineering	3 to 18.5 years
Machinery equipment	2 to 13 years
Transportation equipment	3 to 6 years
Miscellaneous equipment	2 to 15 years
Leasehold improvements	1 to 18 years

As of December 31, 2024, the Company’s significant property contracts under construction were as follows:

Contracting party	Contract date	Total contract price	Amount paid
Lee Ming Construction Co., Ltd.	December 2023	$ 1,084,571	$ 390,446
Fuli Construction Co., Ltd.	March 2024	$ 890,476	$ 311,571

The above-mentioned real estate contracts under construction are all construction contracts of the new business locations of the Company in the province. As of December 31, 2024, the overall project has not been completed yet, so the price has been paid and listed under the real estate under construction.

13. Lease Arrangements

(1) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Land	$ 2,018,175	$ 2,061,495
Buildings	758,153	784,019
	$ 2,776,328	$ 2,845,514

	2024	2023
Additions to right-of-use assets	$ 322,636	$ 134,873
Depreciation of right-of-use assets'		
Land	$ 159,499	$ 154,530
Buildings	232,323	227,947
Capitalization under property, plant and equipment	(12,417)	(1,778)
	$ 379,405	$ 380,699

Except for the above-mentioned addition and recognition of depreciation expense, the Company's right-of-use assets has not undergone significant subleasing and impairment in 2024 and 2023.

(2) Leases liabilities

	December 31, 2024	December 31, 2023
Lease liabilities book value		
Current	$ 345,415	$ 339,275
Non-current	$ 2,722,225	$ 2,826,395

Range of discount rates for lease liabilities was as follows:

	December 31, 2024	December 31, 2023
Land	1.05%～1.70%	1.05%～1.30%
Buildings	1.05%～1.70%	1.05%～1.30%

(3) Other lease information

In 2023, due to the modification of the lease terms, the right-of-use assets decreased by $6,920 thousand, and the lease liabilities decreased by 7,150 thousand.

	2024	2023
Short-term lease expenses	$ 93,223	$ 60,179
Total cash (outflow) for leases	($ 553,497)	($ 470,506)

The Company elected to apply the recognition exemption for short-term leases and therefore did not recognize related right-of-use assets and lease liabilities.

Total cash outflows for leases include repayments of the principal portion of lease liabilities, lease interest payments (including interest capitalized), and cash flows arising from short-term lease expenses.

14. Short-term Borrowings

	December 31, 2024	December 31, 2023
Unsecured borrowing		
Borrowings by credit lines	$ 700,000	$ -

The interest rate on bank credit loans as of December 31, 2024 was 1.78%.

15. Notes and Accounts Payable (including related parties)

	December 31, 2024	December 31, 2023
Notes payable	$ 3,626	$ 12,828
Accounts payable	570,424	412,847
	$ 574,050	$ 425,675

The Company's Notes payable and accounts payable are mainly payables to manufacturers.

16. Other Payables

	December 31, 2024	December 31, 2023
Wages, salaries, and bonuses payable	$ 574,569	$ 501,046
Payable on machinery and equipment	206,666	69,542
Employee and director remuneration payable	25,900	24,000
Rents payable	9,767	2,444
Payable to others	331,516	310,667
	$ 1,148,418	$ 907,699

17. Retirement Benefit Plans

(1) Defined contribution plans

The Company adopted a pension plan under Labor Pension Act, which is a state-managed defined contribution plan. Employees' retirement contributions are allocated at 6% of monthly salaries to individual pension accounts at the Labor Insurance Bureau.

(2) Defined benefit plans

The Company operates a government-managed defined benefit retirement plan under the Labor Standards Act of our country. The company allocates 5% of the total monthly salary of employees to retirement funds. Pension benefits are calculated on the basis of the length of service and the average monthly salaries of the six months before retirement. Pension contributions are deposited in an account at the Bank of Taiwan under the committee's name. If the balance in the pension fund is insufficient to cover retirement benefits for employees who conform to retirement requirements in the next year, the Company 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 Company has no right to influence the investment policy and strategy.

The amounts included in the individual balance sheet in respect of the defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 52,589	$ 73,348
Fair value of plan assets	(24,312)	(16,330)
Net defined benefit liability	$ 28,277	$ 57,018

Movements in net defined benefit liabilities (assets) were as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
January 01, 2023	$ 90,252	($ 18,283)	$ 71,969
Service cost			
Current service costs	62	-	62
Interest expense (revenue)	1,182	(148)	1,034
Recognized in profit or loss	1,244	(148)	1,096
Remeasurement			
Plan assets remuneration (except the amount included in net interest)	-	(406)	(406)
Actuarial loss (gain)			
– Changes in financial assumptions	1,234	-	1,234
– Experience adjustments	(3,482)	-	(3,482)
Recognized in other comprehensive income	(2,248)	(406)	(2,654)
Contributions from the employer	-	(13,393)	(13,393)
Benefits paid	(15,900)	15,900	-
December 31, 2023	73,348	(16,330)	57,018
Service cost			
Current service costs	67	-	67
Interest expense (revenue)	827	(112)	715
Recognized in profit or loss	894	(112)	782

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Remeasurement			
Plan Assets remuneration (Except the amount included in net interest)	$ -	($ 2,414)	($ 2,414)
Actuarial loss (gain)			
– Changes in financial assumptions	(890)	-	(890)
– Experience adjustments	(1,480)	-	(1,480)
Recognized in other comprehensive income	(2,370)	(2,414)	(4,784)
Contributions from the employer	-	(14,034)	(14,034)
Benefits paid	(19,283)	8,578	(10,705)
December 31, 2024	$ 52,589	($ 24,312)	$ 28,277

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	2024	2023
Operating expenses	$ 782	$ 1,096

Through the defined benefit plans under Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor, invests the labor retirement fund through self-management and entrusted management in domestic and foreign equity securities, debt securities, and cash in banks, among other targets. However, the distributable amount of the Company's plan assets is calculated based on earnings not less than the interest rate of a two-year fixed deposit at 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 in assets.
3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Qualified actuaries conducted the actuarial valuations of the present value of the defined benefit obligation. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.38%
Expected rate (s) of salary increase	3.00%	3.00%

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

	December 31, 2024	December 31, 2023
Discount rate		
Increase 0.25%	($ 1,720)	($ 2,441)
Decrease 0.25%	$ 1,800	$ 2,554
Expected rate (s) of salary increase		
Increase 0.25%	$ 1,741	$ 2,468
Decrease 0.25%	($ 1,673)	($ 2,373)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation because assumptions may be correlated, and it is unlikely that only one assumption would change independently.

	December 31, 2024	December 31, 2023
Expected contributions to the plan for the next year	$ 3,530	$ 10,032
The average duration of the defined benefit obligation	13.4 years	13.6 years

18. Equity

(1) Capital stock

Common Stocks

	December 31, 2024	December 31, 2023
Authorized shares (thousand shares)	100,000	100,000
Authorized capital	$ 1,000,000	$ 1,000,000
Issued and paid shares (thousand)	80,709	80,709
Issued capital	$ 807,087	$ 807,087

Each issued common share with a par value of NT$ 10 per share carries one voting right and entitles the holder to receive dividends.

(2) Capital surplus

	December 31, 2024	December 31, 2023
The Portion that may be used to offset deficits, distributed as cash dividends, or transferred to share capital (Note)		
Share premium	$ 3,916,244	$ 3,916,244
Difference between the actual acquisition cost and the book value of subsidiary ownership interests	352,831	352,831
	$ 4,269,075	$ 4,269,075

Note: when the Company has no deficit, it may be distributed as cash dividends or transferred to share capital, provided that the transfer is limited to a certain percentage of the Company's paid-in capital each year.

(3) Retained earnings and dividend policy

According to the earnings distribution policy stipulated in the Company's Articles of Association, if there is a surplus in the annual financial statements, after paying taxes according to law and offsetting accumulated deficits, 10% shall be appropriated as legal reserve. The remainder shall be appropriated or reversed as special reserve in accordance with legal regulations. If there is still a balance, it shall be combined with the accumulated unappropriated retained earnings, and the Board of Directors shall draft an earning appropriation proposal to be submitted to the shareholders' meeting for a resolution on the distribution of dividends and bonuses. When distributing dividends or bonuses using the aforementioned legal reserve and capital surplus, the Board of Directors must convene with at least two-thirds of its members present and obtain approval from the majority of the directors in attendance. The resolution will then be reported to the shareholders' meeting.

The Company's dividend policy is based on factors such as the Company's profitability, capital structure and future operating needs. The annual distribution shall not be less than 50% of the net profit after tax of the current year. However, if the accumulated distributable surplus is less than 20% of the paid-in capital of Share capital, it may not be distributed; The Company follows a balanced dividend policy between stock dividends and cash dividends, with the proportion of cash dividends no less than 10% of the total amount of dividends and bonuses distributed to shareholders. For policies regarding the distribution of employee compensation and director remuneration, please refer to "Employee and Director Remuneration" in Note 20-5.

Legal reserve balance reaches the total amount of the Company's paid-in share capital, no further allocation is required. The legal reserve may be used to offset a deficit. If the Company has no deficit, any portion of the legal reserve exceeding 25% of the paid-in share capital may be transferred to share capital or distributed in cash.

The Company's earning appropriation proposals for 2023 and 2022 are as follows:

	Earning distribution proposals		Dividends per share	
	2023	2022	2023	2022
Legal reserve	$ 178,930	$ 147,503	$ -	$ -
Cash dividends	1,452,757	1,210,631	18	15

The above cash dividends were resolved by the Board of Directors on March 13, 2024, and March 24, 2023, respectively. The remaining earning appropriation items for the year 2022 were resolved at the shareholders' general meeting on June 16, 2023. The remaining earning appropriation items for the year 2023 were also resolved at the shareholders' general meeting on June 21, 2024.

On March 12, 2025, the Company's Board of Directors resolved the earning appropriation proposals for the year 2024 as follows:

	Earning distribution proposals	Dividends per share
Legal reserve	$ 193,146	$ -
Cash dividends	1,493,112	18.5

(4) Other equity

Remeasurement of defined benefit plans

	2024	2023
Opening balance	$ 23,672	$ 21,549
Remeasurement (Note 17)	4,784	2,654
Less: Relevant income tax (Note 21)	(957)	(531)
Closing balance	$ 27,499	$ 23,672

19. Revenue

(1) Contract balance

	December 31, 2024	December 31, 2023	January 01, 2023
Contract liabilities-current			
Advance sales receipts	$ 3,143,731	$ 3,701,580	$ 3,903,806

The beginning contract liabilities recognized as revenue in 2024 and 2023 were NT$3,282,032 thousand and NT$3,458,240 thousand, respectively.

(2) Disaggregation of revenue from contracts with customers

	December 31, 2024	December 31, 2023
Type of goods or services		
Revenue from sale of cars	$ 49,654,111	$ 43,465,436
Maintenance revenue	4,670,756	4,485,947
	$ 54,324,867	$ 47,951,383

20. Net Income

(1) Other gains and losses, net

	2024	2023
Gains on disposals of property, plant and equipment	$ -	$ 298
Revenue from warranty extension	21,170	18,010
	$ 21,170	$ 18,308

(2) Finance cost

	2024	2023
Interest expenses on bank loans	$ 1,529	$ 12
Interest expenses on lease liabilities	39,608	40,926
Less: Amounts capitalized as part of the cost of qualifying assets	(3,549)	(501)
	$ 37,588	$ 40,437

Information on capitalized interest is as follows:

	2024	2023
Amount of capitalized interest	$ 3,549	$ 501
Interest rate of capitalized interest	1.3%	1.3%

(3) Depreciation and amortization

	2024	2023
Depreciation expense		
Property, plant and equipment	$ 553,259	$ 497,881
Right-of-use assets	379,405	380,699
	932,664	878,580
Amortization expense		
Computer software	4,323	4,984
Long-term prepaid expenses	2,679	2,468
	7,002	7,452
Total depreciation and amortization expenses (recognized in operating expenses)	$ 939,666	$ 886,032

(4) Employee benefits expenses

	2024	2023
Retirement benefits (Note 17)		
Defined contribution plan	$ 72,911	$ 70,949
Defined benefit plans	782	1,096
Other employee benefits	2,124,260	1,953,787
Total employee benefits expenses	$ 2,197,953	$ 2,025,832
Expenses summarized by function		
Operating costs	$ 214,724	$ 172,189
Operating expenses	1,983,229	1,853,643
	$ 2,197,953	$ 2,025,832

(5) Employee and director remuneration

In accordance with Articles of Incorporation, the Company accrued employee and director remunerations at rates no less than 0.1% and no higher than 3%, respectively, of net profit before income tax. The employee and director remunerations for 2024 and 2023 were resolved by the Board of Directors on March 12, 2025, and March 13, 2024, respectively, as follows:

Accrued percentage

	2024	2023
Employee remuneration	0.11%	0.11%
Director remuneration	0.96%	0.96%

Amount

	2024	2023
Employee remuneration	$ 2,590	$ 2,400
Director remuneration	23,310	21,600

If there is any change in the amounts after the date of the individual financial statements are authorized for issue, such changes shall be treated as changes in accounting estimates and recognized in the subsequent year.

The actual distribution amounts of employee and director remuneration for 2023 and 2022 were consistent with the amounts recognized in the individual financial statements for the years 2023 and 2022.

For information regarding the employee and director remuneration resolved by the Board of Directors for 2024 and 2023, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

21. Income Tax

(1) Major components of tax expense recognized in profit or loss

	2024	2023
Current income tax		
Generated in the current year	$ 452,860	$ 424,947
Adjustments to prior-year overestimation (underestimation)	35	(7)
	452,895	424,940
Deferred income tax		
Generated in the current year	5,340	602
Income tax expense recognized in profit or loss	$ 458,235	$ 425,542

A reconciliation of accounting profit and tax expense is as follows:

	2024	2023
Profit from continuing operations before tax	$ 2,389,699	$ 2,214,841
Tax expense calculated based on profit before tax and statutory tax rate	$ 477,940	$ 442,968
Effect of income tax on earnings of subsidiaries	(25,956)	(22,880)
Nondeductible expenses in determining taxable income	6,216	5,461
Adjustments to prior years' current tax expense in the current year	35	(7)
Income tax expense recognized in profit or loss	$ 458,235	$ 425,542

(2) Income tax liabilities for the current period

	December 31, 2024	December 31, 2023
Due to income tax	$ 237,668	$ 247,464

(3) Deferred tax assets

The movements of deferred tax assets were as follows:

2024

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary differences				
Defined benefit retirement plan	$ 11,404	($ 4,791)	($ 957)	$ 5,656
Provisions - liability	1,380	990	-	2,370
Allowance for inventory revaluation losses	2,591	3,050	-	5,641
Sales revenue/deferred revenue	16,632	(4,589)	-	12,043
	$ 32,007	($ 5,340)	($ 957)	$ 25,710

2023

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary differences				
Defined benefit retirement plan	$ 14,394	($ 2,459)	($ 531)	$ 11,404
Provisions - liability	499	881	-	1,380
Allowance for inventory revaluation losses	1,798	793	-	2,591
Sales revenue/deferred revenue	16,449	183	-	16,632
	$ 33,140	($ 602)	($ 531)	$ 32,007

(4) Approval of income tax

The income tax returns of the Company have been assessed by the taxes authorities for the years up to 2022.

22. **Earnings Per Share**

Weighted average number of common shares for computation of earnings per share is as follows:

Net income

	2024	2023
Net income used in computation of basic/diluted EPS	$ 1,931,464	$ 1,789,299

Number of shares Unit: Thousand shares

	2024	2023
Weighted average number of outstanding common shares used in the computation of basic EPS	80,709	80,709
Effects of dilutive potential common shares:		
Employee compensation	10	10
Weighted average number of outstanding common shares used in the computation of diluted EPS	80,719	80,719

If the Company offers to settle employee compensation in cash or shares, it is assumed that the entire amount of the compensation will be settled in shares. The resulting potential shares are included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share, provided the effect is dilutive. This dilutive effect of the potential shares is considered in the calculation of diluted earnings per share until the number of shares to be distributed to employees is determined by the Board of Directors in the following year.

23. Capital Risk Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders by optimizing the balance between debt and equity. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt and equity.

The Company is not subject to any externally imposed capital requirements.

24. Financial Instruments

(1) Fair value information - financial instruments not measured at fair value.

The Corporation held financial instruments that are not measured at fair value including restricted time deposits and negotiable certificates of deposit, which are measured at amortized cost for restricted use. Management believes that the carrying amounts of these financial assets and financial liabilities measured at amortized cost approximate their fair values or that their fair values cannot be reliably measured.

(2) Fair value information - financial instruments at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
– Domestic unlisted stocks	$ -	$ -	$ 29,674	$ 29,674

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
– Domestic unlisted stocks	$ -	$ -	$ 29,674	$ 29,674

2) Reconciliation of financial instruments measured at fair value - Level 3

2024

Financial assets	Financial instruments at FVOCI
Opening balance	$ 29,674
Closing balance	$ 29,674

2023

Financial assets	Financial instruments at FVOCI
Opening balance	$ 13,213
Additions	16,461
Closing balance	$ 29,674

3) Valuation techniques and inputs for level 3 fair value measurement

Investments in domestic unlisted equity are measured using the asset-based approach, which determines the fair value of the entire common stock based on the balance sheet.

(3) Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortized cost (Note 1)	$ 3,734,368	$ 7,444,046
Financial assets at fair value through other comprehensive income	29,674	29,674
Financial liabilities		
Measured at amortized cost (Note 2)	1,812,232	805,884

Note 1: The balances include financial assets measured at amortized cost, comprising cash and cash equivalents, assets, notes receivable, accounts receivable, other receivables, guarantee deposits paid and other assets.

Note 2: The balance of financial liabilities measured at amortized cost includes short-term borrowings, notes payable, accounts payable, and other payables (excluding salaries and bonuses payable, rents payable, and employees' and directors' compensation payable).

(4) Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable (including related party), other receivables, guarantee deposits paid, other financial assets, equity investment, notes payable and accounts (including related party), other payables, short-term borrowings, and lease liabilities. The Company manages its financial risks relating to the operations of the Company. The Group manages financial risks arising from operations, which include market risk (primarily interest rate risk), credit risk, and liquidity risk.

The corporate treasury function reports regularly to the Company's management, which monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in interest rates.

Interest rate risk

The Company's short-term borrowings are a variable-rate debt, resulting in interest rate risk. The Company's short-term borrowings have no significant interest rate risk due to the short borrowing period.

Other price risks

The Company was exposed to the equity price risk through its investments of domestic unlisted shares. The equity investments are not held for trading; they are strategic investments, and the Company does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below is based on the Group's balance sheet exposure to equity price risks at the end of the reporting period.

If the equity price increases/decreases by 1%, pre-tax other comprehensive income for 2024 will increase/decrease by $297 thousand due to the rise/fall in the fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. As of Assets Liabilities, the Company's maximum exposure to credit risk, which will cause a financial loss to the Company due to counterparties failing to fulfill obligations could arise from:

The carrying amounts of financial assets recognized in the individual balance sheet.

The Company adopted a policy of only dealing with creditworthy counterparties, which were deemed to have no significant credit risk.

3) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. At present, the Company's working capital is sufficient to meet its needs, so there is no liquidity risk due to the inability to raise funds to meet contractual obligations. The Company's unused financing facilities were NT$ 1,900,000 thousand and NT$ 2,600,000 thousand as of December 31, 2024, and 2023, respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. The maturity dates for non-derivative financial instruments of other were based on the agreed repayment dates.

For cash flows of interest payments at floating rates, the undiscounted interest amounts are derived from the yield curve as of the balance sheet date.

December 31, 2024

	Less than 1 year	1 ~ 5 years	Over 5 years
Non-interest-bearing liabilities	$ 1,121,999	$ -	$ -
Leases liabilities	362,852	1,097,693	1,744,978
Fixed rate instruments	700,853	-	-
	$ 2,185,704	$ 1,097,693	$ 1,744,978

December 31, 2023

	Less than 1 year	1 ~ 5 years	Over 5 years
Non-interest-bearing liabilities	$ 808,328	$ -	$ -
Leases liabilities	390,431	1,141,421	1,906,793
	$ 1,198,759	$ 1,141,421	$ 1,906,793

25. Related Party Transactions

Transactions between the Company and related parties are as follows:

(1) Related party names and relationships

Related party	Relationship with the Company
Jet-Li Motors Ltd.	Subsidiaries
Pan German Motors Ltd.	The entity is a joint venture
Union Capital Carleasing Ltd.	The entity is a joint venture
Yi Der International Ltd.	The entity is a joint venture
Universal Motor Traders Ltd.	The entity is a joint venture
Yung Shin Carleasing Ltd.	The entity is a joint venture
Yung Foong Imp. & Exp. Co., Ltd.	The entity is a joint venture
Porsche Taiwan Motors Limited	Other related party (No longer a related party of the Company Since July 2023)

(2) Net revenue

Related party categories	2024	2023
Joint Venture		
Union Capital Carleasing Ltd.	$ 3,155,776	$ 2,824,290
Yi Der International Ltd.	2,529,073	2,463,699
Pan German Motors Ltd.	335,640	265,980
Other	49	229
Subsidiaries	42,126	15,257
Other related party	-	96,749
	$ 6,062,664	$ 5,666,204

The Company’s sales terms to related parties are consistent with those of non-related-parties, except for Pan German Motors Ltd., Porsche Taiwan Motors Limited and Jet-Li Motors Ltd., which are unique in nature and do not have comparable transactions with non-related-parties.

(3) Purchases

Related party categories	2024	2023
Joint Venture		
Pan German Motors Ltd.	$ 30,943,780	$ 26,539,010
Other	130,603	117,322
Subsidiaries	22,680	1,434
Other related party		
Porsche Taiwan Motors Limited	-	8,830,865
	$ 31,097,063	$ 35,488,631

The Company's purchase conditions for related parties are unique in nature, with no related parties available for comparison.

(4) Notes and accounts receivable - related parties

Item	Related party category	December 31, 2024	December 31, 2023
Notes receivable	Joint venture	$ 29	$ -
Accounts receivable	Joint venture		
	Pan German Motors Ltd.	$ 199,323	$ 92,693
	Other	2,419	2,906
	Subsidiaries	490	632
		$ 202,232	$ 96,231

Notes and accounts receivable from related parties arise from sales activities. he outstanding balances of these receivables are not secured by any guarantees.

For information on the payment terms of accounts receivable granted by the Company and the credit risk management policies, please refer to Note 9.

The company's notes receivable due from related parties are not overdue. For the measurement of loss allowances of accounts receivable due from related parties according to the provision matrix, please refer to Note 9.

(5) Notes and accounts payable - related parties

Item	Related party categories	December 31, 2024	December 31, 2023
Notes payable	The entity is a joint venture of the investor	$ 464	$ -
Accounts payable	The entity is a joint venture of the investor		
	Pan German Motors Ltd.	$ 496,656	$ 321,806
	Other	-	15
	Subsidiaries	1,112	172
		$ 497,768	$ 321,993

The outstanding balances of notes and accounts payable to related parties are not secured by any guarantees.

(6) Other receivables - related parties

Related party categories	December 31, 2024	December 31, 2023
Joint venture		
Pan German Motors Ltd.	$ 638,459	$ 509,912
Other	926	1,215
Subsidiaries	853	22
	$ 640,238	$ 511,149

Other receivables – related parties primarily consist of target and image incentives receivable from the general agent and receivables from purchases returns.

(7) Prepayments to suppliers

Related party category	December 31, 2024	December 31, 2023
Joint Venture		
Pan German Motors Ltd.	$ 1,824,653	$ 837,003

(8) Prepaid rents

Related party	December 31, 2024	December 31, 2023
Joint Venture	$ 291	$ 229

(9) Contract Liabilities

Related party	December 31, 2024	December 31, 2023
Joint Venture	$ 3,418	$ 24,066

(10) Other payables

Related party	December 31, 2024	December 31, 2023
Joint Venture	$ 58,444	$ 29,344
Subsidiaries	6	225
	$ 58,450	$ 29,569

Other payables-related parties are rents payable to associates, advertisement expenses, payable on machinery and equipment, computer software maintenance fee payable, transportation fee payable, repairs and maintenance expenses, utilities expenses, and telephone and fax fee payable.

(11) Other related party transactions

Item	Related party category	2024	2023
Operating expenses	Joint Venture	$ 131,107	$ 64,600
	Other related party	-	15,037
		$ 131,107	$ 79,637
Other income	Joint Venture	$ 13,056	$ 10,139
	Subsidiaries	190	563
	Other related party	-	5,293
		$ 13,246	$ 15,995
Target and image incentives (Recognized in cost of sales Deduction)	Joint Venture		
	Pan German Motors Ltd.	$ 838,859	$ 677,421
	Other related party		
	Porsche Taiwan Motors Limited	-	89,599
		$ 838,859	$ 767,020

Operating expenses – related party primarily include warehouse rent, promotion expenses, miscellaneous purchases, repairs and maintenance expense, training expense, system maintenance fees, etc.

Other income – related parties primarily consisted of subsidies from the general agent for marketing activities.

Target and image incentives are provided by the general agent to distributors as rewards for achieving sales targets and maintaining a positive brand image. These incentives are recognized as deductions to cost of sales.

(12) Acquisition of property, plant and equipment

	Amount of acquisition	
Related party category	2024	2023
Joint Venture	$ 5,093	$ 3,988
Other related party	-	1,691
	$ 5,093	$ 5,679

The amounts of acquisition for the years 2024 and 2023 include the year-end prepayments for business facilities.

(13) Lease agreement

Acquisition of right-of-use assets

Related party category/Name	2024	2023
Joint Venture		
Pan German Motors Ltd.	$ 12,813	$ -
Universal Import Corporation	-	4,234
Yung Foong Imp. & Exp. Co., Ltd.	-	1,027
	$ 12,813	$ 5,261

Leases liabilities

Related party category/Name	December 31, 2024	December 31, 2023
Joint Venture		
Pan German Motors Ltd.	$ 290,307	$ 333,231
Other	54,751	83,789
	$ 345,058	$ 417,020

Interest expense

Related party category/Name	2024	2023
Joint Venture		
Pan German Motors Ltd.	$ 4,108	$ 4,572
Other	745	1,059
	$ 4,853	$ 5,631

The Company leased real estate from related parties in 2024 and 2023, with lease terms ranging from 13 months to 43 years. The rental rates were negotiated based on market conditions and settled under standard payment terms.

Lease expenses

Related party category/Name	2024	2023
Joint Venture	$ 70,071	$ 43,175

(14) Compensation of key management personnel

	2024	2023
Short-term employee benefits	$ 131,826	$ 124,778

The compensation to directors and other key management personnel were determined in accordance with the individual performance and the market trends.

26. Pledged Assets

The following assets of the company have been provided as collateral for land leases and the performance guarantees under distribution contracts:

	December 31, 2024	December 31, 2023
Pledged time deposits (Recognized as financial assets at amortized cost)	$ 82,365	$ 79,143

27. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Important contracts

As of December 31, 2024, the important commitments signed by the Company are summarized as follows:

Nature of contract	Counterparty	Commencement date	Scope
Distribution contract	Pan German Motors Ltd.	2025.1.1~2025.12.31	Authorize the Company to sell the vehicles and parts provided by the company and to provide vehicle repair and maintenance services within the distribution region.
Distribution contract	Porsche Taiwan Motors Limited	2018.1.1 with no expiry date Either party may terminate the distribution contract at the end of the month by giving 12 months prior notice.	Authorize the Company to sell the vehicles and parts provided by the company and to provide vehicle repair and maintenance services within the distribution region.

(2) Contracted but not yet incurred capital expenditures

	December 31, 2024	December 31, 2023
Construction in progress contract	$ 1,293,450	$ 1,097,839

28. Supplementary Disclosures

(1) Information on significant transactions and (2) Information on investees:

1) Financing provided to others: None.

2) Endorsement and guarantee for others: None.

3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures with control interest): Table 1.

4) Acquisitions or disposals of the same marketable security with a transaction amount of at least NT$ 300 million or 20% of the paid-in capital: None.

5) Acquisition of real estate with a transaction amount of at least NT$ 300 million or 20% of paid-in capital: Table 2

6) Disposal of real estate with a transaction amount of at least NT$ 300 million or 20% of the paid-in capital: None.

7) Purchases from or sales to related parties with a transaction amount of at least NT$ 100 million or 20% of paid-in capital: Table 3

8) Receivables from related party amounting to at least NT$ 100 million or 20% of paid-in capital: Table 4

9) Derivative instruments transactions: None.

10) Information on investees: Table 5

(3) Investments in China:

1) Information on any investee company in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, equity ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and the investment limit in mainland China: none

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, including their prices, payment terms, and unrealized gains or losses: none

A. Amounts and percentages of purchases and the amounts and percentages of related payables at the end of the period.

B. Amounts and percentages of sales and the amounts and percentages of related receivables at the end of the period.

C. Amounts of property transactions and the resulting gains or losses.

D. Endorsements, guarantees, or collateral provided at the end of the period and their purposes.

E. The highest balance, ending balance, interest rate range, and total interest for the current period with respect to fund financing.

(4) Major shareholders: A list all shareholders with ownership of 5% or greater, indicating the name of the shareholder, the number of shares owned, and the percentage of ownership for each shareholder: Table 6

PAN GERMAN UNIVERSAL MOTORS LTD. AND SUBSIDIARIES

Marketable Securities Held as of December 31, 2024

December 31, 2024

Table 1

(In thousands of NTD, except for earnings per share)

Holder	Type and Name of Marketable Securities (Note 1)	Relationship with Issuer (Note 2)	Account Name	End of period				Remark (Note 4)
				Shares	Carrying Amount (Note 3)	Ownership Percentage	Fair Value	
Pan German Universal Motors Ltd.	Yung Shin Carleasing Ltd.	The entity is a joint venture	Non-current financial assets at fair value through other comprehensive income	212,000	$ 6,924	2%	$ 6,924	None.
Pan German Universal Motors Ltd.	Union Capital Carleasing Ltd.	The entity is a joint venture	Non-current financial assets at fair value through other comprehensive income	475,200	22,750	3%	22,750	None.

Note 1: Marketable securities listed in this table refer to stocks, bonds, beneficiary certificates, and derivative securities derived from these instruments, as defined within the scope of IFRS 9 "Financial Instruments."

Note 2: If the issuers of the marketable securities are not related parties, this column may be left blank.

Note 3: For marketable securities measured at fair value, the "Carrying Amount" column should reflect the balance of the carrying amount adjusted for fair value valuation and net of loss allowances. For marketable securities not measured at fair value, the "Carrying Amount" column should reflect the balance of amortized cost, net of loss allowances.

Note 4: If the listed marketable securities are subject to limitations due to being pledged as collateral, pledged for loans, or other restrictions per agreements, the Company should disclose the number of shares, the pledged amount, and details of the limitations in the remark column.

PAN GERMAN UNIVERSAL MOTORS LTD. AND SUBSIDIARIES

Acquisition of Real Estate with a Transaction Amount Reaching NT$ 300 Million or 20% of Paid-in Capital.

January 1, 2024 to December 31, 2024

Table 2

(In thousands of NTD, except for earnings per share)

Acquirer	Name of Property	Date of Transaction	Transaction Amount	Payment Status	Transaction Counterparty	Relationship	Previous Transfer Data If the Transaction Counterparty Is a Related Party				Basis of Pricing	Purpose of Acquisition and Usage	Other Matters
							Owner	Relationship with Issuer	Date of Transfer	Amount			
Pan German Universal Motors Ltd.	Property under construction	2024.01.30 (Note 2)	$ 890,476	$ 311,571	Fuli Construction Co., Ltd.	Unrelated party	-	-	-	$ -	Price comparison and negotiation	Showroom	None.
Pan German Universal Motors Ltd.	Prepayments for business facilities	2024.09.16 (Note 3)	1,216,817	1,216,817	Land Administration Bureau of Taichung City Government	Unrelated party	-	-	-	-	Open tender	Showroom	None.

Note 1: Paid-in capital refers to the paid-in capital of the parent company. For transactions where the issuer's stocks have no par value or the par value per share is not NT 10, the transaction amount equivalent to 20% of the paid-in capital is calculated based on 10% of the equity attributable to owners of the parent as reported in the balance sheet.

Note 2: The board of directors approved the resolution on January 30, 2024, and the contract was officially signed on March 25, 2024.

Note 3: The board of directors approved the resolution on September 16, 2024, and the bid was successfully won on September 19, 2024, and the transfer was completed in January 2025.

PAN GERMAN UNIVERSAL MOTORS LTD. AND SUBSIDIARIES

Related-party Transactions for Purchases and Sales Reaching NT$ 100 Million or 20% of Paid-In Capital

January 1, 2024 to December 31, 2024

Table 3

(In thousands of NTD, except for earnings per share)

Purchasers (sellers)	Transaction Counterparty	Relationship	Transaction Details				Transactions with Terms Different from Arm's-length Transactions And Reasons		Notes/Accounts Receivable (Payable)		Note
			Purchase /Sale	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes/Accounts Receivable (Payable)	
Pan German Universal Motors Ltd.	Pan German Motors Ltd.	Joint Venture	Purchase	$ 30,943,780	60%	Note	No comparable unrelated parties	No comparable unrelated parties	($ 496,656)	(87%)	Prepayments to suppliers $ 1,824,653
Pan German Universal Motors Ltd.	Union Capital Carleasing Ltd.	Joint Venture	Purchase	127,033	-	O/A 60 days	No comparable unrelated parties	No comparable unrelated parties	(464)	-	-
Pan German Universal Motors Ltd.	Yi Der International Ltd.	Joint Venture	Sales	2,529,073	5%	Immediate payment	Same as unrelated parties	Same as unrelated parties	173	-	Contract liabilities 2,655
Pan German Universal Motors Ltd.	Union Capital Carleasing Ltd.	Joint Venture	Sales	3,155,776	6%	Immediate payment	Same as unrelated parties	Same as unrelated parties	2,275	-	-
Pan German Universal Motors Ltd.	Pan German Motors Ltd.	Joint Venture	Sales	335,640	1%	O/A 60 days	No comparable unrelated parties	No comparable unrelated parties	199,323	42%	Contract liabilities 763
Jet-Li Motors Ltd.	Union Capital Carleasing Ltd.	Joint Venture	Sales	383,019	11%	Immediate payment	Same as unrelated parties	No comparable unrelated parties	-	-	Contract liabilities 11,184

Note: Payment for vehicles must be fully settled before delivery; payment for parts is on a monthly basis with a 45-day payment term.

PAN GERMAN UNIVERSAL MOTORS LTD. AND SUBSIDIARIES

Receivables from Related Parties with Amounts Reaching NT$ 100 Million or 20% of Paid-in Capital

December 31, 2024

Table 4

(In thousands of NTD, except for earnings per share)

Company with Receivables Due from	Transaction Counterparty	Relationship	Balance of Receivables from Related Party	Turnover Rate	Receivables Overdue from Related Parties		Amount recovered after the period	Loss Allowance
					Amount	Action Taken		
Pan German Universal Motors Ltd.	Pan German Motors Ltd. (Note 1)	The entity is a joint venture	$ 837,782	-	$ 1,391	-	$ 337,964	$ 1,004

Note 1: The receivables of Pan German Universal Motors Ltd. due from Pan German Motors Ltd. totaled NT$ 837,782 thousand, comprising accounts receivable of NT$ 199,323 thousand and other receivables of NT$ 638,459 thousand.

PAN GERMAN UNIVERSAL MOTORS LTD. AND SUBSIDIARIES

Information on Investees, Locations and Other Information

January 1,2024 to December 31, 2024

Table 5

(In thousands of NTD, except for earnings per share)

Investor	Investee	Location	Main Business and Products	Initial Investment Amount		Held at End of Period			Profit and Loss of Investee	Investment Income or Loss Recognized for the Period	Note
				End of the Period	End of Last Year	Shares	Percentage	Carrying Amount			
Pan German Universal Motors Ltd.	Jet-Li Motors Ltd.	Taiwan	Transactions of vehicles, parts, and accessories as well as maintenance and repair service.	$ 393,338	$ 393,338	16,000,000	100%	$ 566,489	$ 129,778	$ 129,778	

PAN GERMAN UNIVERSAL MOTORS LTD.

Information on Major Shareholders

December 31, 2024

Table 6

Name of Major Shareholders	Shares	
	Total Shares Held	Ownership Percentage
De-Chen Ltd.	14,416,251	17.86%
San Jie Co., Ltd.	12,792,000	15.85%
Xing Rong Co., Ltd.	12,792,000	15.85%
Yun-Hwa Ltd.	8,428,171	10.44%
Yung Foong Motors Ltd.	5,448,448	6.75%

Note: The information on major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation, based on the number of ordinary and preferred shares held by shareholders who own 5% or more of the total shares, which have been fully dematerialized and registered as of the last business day of the current quarter. The number of shares of hare capital recorded in the Company's financial report and the actual number of shares delivered without physical registration may differ due to different calculation bases.

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STATEMENT OF SIGNIFICANT ACCOUNTS§

Pan German Universal Motors Ltd.

Statement of Inventories

December 31, 2024

Appendix 1 (In thousands of NTD, except for earnings per share)

Item	Amount		Note
	Cost	Net realizable value	
Vehicles	$ 5,824,908	$ 5,802,691	
Automotive parts and accessories	501,913	495,925	
	6,326,821	$ 6,298,616	
Less: allowance for inventory revaluation losses	(28,205)		
	$ 6,298,616		

Pan German Universal Motors Ltd.

Prepayments to Suppliers Statement

December 31, 2024

Appendix 2 (In thousands of NTD)

Vendor Name	Description	Amount
Pan German Motors Ltd.	Purchase	$ 1,824,653
Porsche Taiwan Motors Limited	Purchase	306,095
Others (Note)	Purchase	43,819
		$ 2,174,567

Note: The balances of subaccounts do not exceed five percent of the amount of this account.

Pan German Universal Motors Ltd.

Statement of Changes in Non-current Financial Assets at FVOCI

For the Year Ended December 31, 2024

Appendix 3

(In Thousands of NTD)

Company name	Beginning of period Shares	Beginning of period Fair value	Increase in current period Shares	Increase in current period Amount	Decrease in current period Shares	Decrease in current period Amount	End of period Shares	End of period Fair value	Accumulated impairment	Pledged as collateral (Y/N)	Note
Investments in equity instruments											
Unlisted (over-the-counter) ordinary shares											
Yung Shin Carleasing Ltd.	212,000	$ 6,924	-	$ -	-	$ -	212,000	$ 6,924	Not applicable.	N	
Union Capital Carleasing Ltd.	475,200	22,750	-	-	-	-	475,200	22,750	Not applicable.	N	
		$ 29,674		$ -		$ -		$ 29,674			

Pan German Universal Motors Ltd.

Statement of Changes in Investments Accounted for Using Equity Method

For the Year Ended December 31, 2024

Appendix 4

(In Thousands of NTD)

Company name	Opening amount		Increase in current period		Decrease in current period		Investment income (loss)	Equity at end of period			Valuation basis	Pledged as collateral (Y/N)
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Shareholding%	Amount		
Jet-Li Motors Ltd.	16,000,000	$ 539,672	-	$ -	-	$ 102,961	$ 129,778	16,000,000	100	$ 566,489	Equity method	N

Note: The decrease in the current period is due to the distribution of dividends.

Pan German Universal Motors Ltd.

Statement of Changes in Right-of-Use Assets

For the Year Ended December 31, 2024

Appendix 5

(In Thousands of NTD)

Item	Opening balance	Increase in current period	Decrease in current period: Expiry of contracts	Decrease in current period: Early termination of contract	Closing balance	Note
Land	$2,742,682	$ 116,179	($ 8,499)	$ -	$2,850,362	
Buildings	1,511,953	206,457	(155,935)	-	1,562,475	
Total	$4,254,635	$ 322,636	($ 164,434)	$ -	$4,412,837	

Pan German Universal Motors Ltd.

Statement of Changes in Accumulated Depreciations of Right-of-use Assets

For the Year Ended December 31, 2024

Appendix 6

(In thousands of NTD, except for earnings per share)

			Decrease in current period			
	Opening balance	Increase in current period	Expiry of contracts	Early termination of contract	Closing balance	Note
Land	$ 681,187	$ 159,499	($ 8,499)	$ -	$ 832,187	
Buildings	727,934	232,323	(155,935)	-	804,322	
Total	$1,409,121	$ 391,822	($ 164,434)	$ -	$1,636,509	

Pan German Universal Motors Ltd.

Statement of Current Contract Liabilities

December 31, 2024

Appendix 7 (In Thousands of NTD)

Nature	Amount
Advance receipts of payments for automobiles (Note)	$ 3,143,731

Note: The balances of subaccounts do not exceed five percent of the amount of this account.

Pan German Universal Motors Ltd.

Statement of Lease Liabilities

December 31, 2024

Appendix 8 (In Thousands of NTD)

Item	Lease term	Discount rate	Closing balance	Note
Land	1 ~ 41 years	1.30-1.70%	$ 2,262,644	
Buildings	1 ~ 41 years	1.30-1.70%	804,996	
Total			$ 3,067,640	

Pan German Universal Motors Ltd.

Statement of Operating Costs

For the Year Ended December 31, 2024

Appendix 9 (In Thousands of NTD)

Company name	Amount
Purchased Goods Cost of sales	
Opening inventories - merchandise	$ 4,442,606
Add: Purchases in current period	51,285,826
Property, plant and equipment transferred in	1,259,438
Less: closing inventories - merchandise	(6,326,821)
Inventories for self-use	(1,478,990)
Costs of purchases and sales	49,182,059
Cost of services	290,923
Target and image incentives (Note)	(1,163,610)
Other operating costs	
Inventory revaluation losses	15,249
	$ 48,324,621

Note: Target and image incentives are accounted for as deductions from cost of sales.

Pan German Universal Motors Ltd.

Statement of Selling and Administrative Expenses

For the Year Ended December 31, 2024

Appendix 10

(In thousands of NTD, except for earnings per share)

Company name	Selling expenses	Administrative expenses	Total
Salaries and year-end bonuses	$ 1,469,546	$ 181,121	$ 1,650,667
Rent expenses	77,110	104	77,214
Stationery supplies	11,558	245	11,803
Traveling expenses	3,066	335	3,401
Freight	21,526	-	21,526
Postage expenses	9,876	709	10,585
Repairs and maintenance expenses	66,621	167	66,788
Advertisement expenses	41,675	23	41,698
Utilities expenses	77,224	749	77,973
Insurance expenses	166,092	10,750	176,842
Depreciations	926,257	6,407	932,664
Amortizations	7,002	-	7,002
Meal expenses	43,043	3,718	46,761
Employee benefits/welfare	46,505	2,735	49,240
Training expenses	19,013	134	19,147
Miscellaneous purchases	20,671	309	20,980
Pensions	68,811	4,882	73,693
Labor service fees	3,699	3,489	7,188
Other expenses	529,854	5,788	535,642
	$ 3,609,149	$ 221,665	$ 3,830,814

Pan German Universal Motors Ltd.

Statement of Employee Benefits, Depreciations,

Depletion, and Amortization Expenses by Function

For the Year Ended December 31, 2024 and 2023

Appendix 11 (In Thousands of NTD)

	2024			2023		
	Operating costs	Operations expenses	Total	Operating costs	Operations expenses	Total
Employee benefit expenses						
Wages and salaries	$ 214,724	$ 1,611,097	$ 1,825,821	$ 172,189	$ 1,504,777	$ 1,676,966
Labor and health insurance	-	141,774	141,774	-	137,645	137,645
Pensions	-	73,693	73,693	-	72,045	72,045
Director remuneration	-	39,570	39,570	-	37,476	37,476
Other employee benefits	-	117,095	117,095	-	101,700	101,700
	$ 214,724	$ 1,983,229	$ 2,197,953	$ 172,189	$ 1,853,643	$ 2,025,832
Depreciation	$ -	$ 932,664	$ 932,664	$ -	$ 878,580	$ 878,580
Amortization	$ -	$ 7,002	$ 7,002	$ -	$ 7,452	$ 7,452

Note:

1. The numbers of employees in the current year and the previous year were 1,645 and 1,591, respectively, of which the numbers of non-employee directors were both 7.
2. Companies whose stocks are TWSE-listed or TPEx-listed should disclose the following information:
   (1) The average employee benefit expense for the year was NT $1,318 thousand (“Total employee benefit expenses for the year - total director remuneration”/“Number of employees for the year-Number of non-employee directors”).
   The average employee benefit expense in the previous year was $1,255 thousand (“total director remuneration - director in the previous year”/“number of employees in the previous year - number of non-employee directors”).
   (2) The average employee salary for the year was NT $1,115 thousand (total salary in the year /number of employees in the year - number of non-employee directors).
   The average employee salary expense in the previous year was NT $1,059 thousand (total salary expense in the previous year /number of employees in the previous year - number of non-directors).
   (3) Change in average employee salary expenses was 5.3% (“average employee salary expenses for the current year - average employee salary expenses for the previous year”/average employee salary expenses for the previous year).
   (4) Supervisor remuneration for the year: The Company has set up the Audit Committee, so there are no supervisors.
   (5) The Company’s salary and remuneration policy (including directors, managerial officers and employees):
      (i) Director remuneration payment: The remuneration received by the directors of the Company includes director remuneration, travel expenses, business execution expenses and remuneration allocated in accordance with Articles of Incorporation regulations. According to Article 28 of the Company’s Articles of Incorporation, no more than 3% of the current year’s profit shall be distributed as director remuneration. In addition, the Remuneration Committee shall consider the overall performance of the board of directors, the Company’s operating performance, the Company’s future operation and risk appetite to formulate distribution recommendations. The remuneration distribution is based on the “Regulations Governing Performance Evaluation of the Board of Directors”.
      (ii) Remuneration of managerial officers: The Company’s managerial officer remuneration includes salary and bonus, which are determined based on the position held, the responsibilities undertaken, and the contribution to the Company, with reference to the standards of the industry and taking into account both the Company’s future operating risks and the relevance to its operating performance.
      (iii) Employee remuneration policy: The Company's employee remuneration policy is based on the employee's position, performance and contribution, salary adjustment and bonus distribution, and year-end bonuses are issued according to the Company's annual profit.