FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

June 30, 2025 and 2024

(Stock Code 2258)

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Foxtron Vehicle Technologies Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Foxtron Vehicle Technologies Co., Ltd. and its subsidiaries (the “Group”) as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, and the consolidated of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, (including a summary of material accounting policies). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and of its consolidated financial performance and consolidated cash flows for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS)34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Hsu, Chieh-Ju
Hsu, Sheng-Chung
For and on Behalf of PricewaterhouseCoopers, Taiwan
August 6, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024, AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024	
	Assets	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,902,533	16	$ 4,180,593	20	$ 6,903,808	33
1136	Financial assets at amortized cost - current	6(2) and 12	303,552	2	1,148,041	6	603,551	3
1140	Contract assets - current	6(17) and 7	157,487	1	142,532	1	263,730	1
1170	Accounts receivable, net	6(3)	51,688	-	78,351	-	7,218	-
1180	Accounts receivable, net - related parties	7	136,606	1	57,811	-	454,372	2
1200	Other receivables		55,201	-	71,181	-	3,794	-
1220	Income tax assets - current		10,657	-	10,188	-	7,465	-
130X	Inventories	6(4)	1,022,387	6	1,593,342	8	675,563	3
1410	Prepayments	6(5) and 7	544,642	3	530,528	3	489,895	2
11XX	**Total current assets**		5,184,753	29	7,812,567	38	9,409,396	44
	Non-current assets							
1600	Property, plant and equipment	6(6)	3,803,103	21	3,891,731	19	3,126,726	15
1755	Right-of-use assets	6(7) and 7	446,585	2	377,057	2	322,141	2
1780	Intangible assets	6(8)	6,366,234	35	6,721,446	32	6,863,911	32
1840	Deferred income tax assets		1,493,269	8	1,493,135	7	1,291,266	6
1900	Other non-current assets	6(9) and 7	864,160	5	368,024	2	163,294	1
15XX	**Total non-current assets**		12,973,351	71	12,851,393	62	11,767,338	56
1XXX	**Total assets**		$ 18,158,104	100	$ 20,663,960	100	$ 21,176,734	100

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FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024, AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and equity	Notes	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
	Current liabilities							
2130	Contract liabilities - current	6(17) and 7	$ 61,227	-	$ 20,867	-	$ 62,043	-
2170	Accounts payable		354,238	2	1,082,186	5	221,947	1
2180	Accounts payable - related parties	7	176,161	1	219,334	1	447,223	2
2200	Other payables	6(10)	391,439	2	957,691	5	609,470	3
2220	Other payables - related parties	7	35,333	-	103,827	1	350,443	2
2250	Provisions for liabilities - current	6(11)	45,959	-	38,127	-	23,052	-
2280	Lease liabilities current		124,538	1	79,772	-	75,424	1
2300	Other current liabilities	9	9,918	-	60,617	-	12,564	-
21XX	Total current liabilities		1,198,813	6	2,562,421	12	1,802,166	9
	Non-current liabilities							
2527	Contract liabilities - non-current	6(17)	276,499	2	276,500	1	276,499	1
2550	Provisions for liabilities - non-current	6(11)	52,212	-	51,522	-	32,131	-
2570	Deferred income tax liabilities		414,234	2	414,234	2	354,698	2
2580	Lease liabilities - non-current		349,904	2	312,906	2	261,103	1
2600	Other non-current liabilities		2,030	-	400	-	1,550	-
25XX	Total non-current liabilities		1,094,879	6	1,055,562	5	925,981	4
2XXX	Total liabilities		2,293,692	12	3,617,983	17	2,728,147	13
	Equity							
	Equity attributable to owners of parent							
	Share capital							
3110	Ordinary share	6(14)	17,413,140	94	17,413,140	84	17,413,140	82
	Capital surplus							
3200	Capital surplus	6(15)	6,072,817	34	6,066,557	30	6,060,027	29
	Retained earnings							
3350	Accumulated deficit	6(16)	(7,615,206)	(42)	(6,434,477)	(31)	(5,024,619)	(24)
	Other equity							
3400	Other equity		(6,339)	-	757	-	39	-
31XX	Equity attributable to owners of the parent		15,864,412	88	17,045,977	83	18,448,587	87
3XXX	Total equity		15,864,412	88	17,045,977	83	18,448,587	87
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	Total liabilities and equity		$ 18,158,104	100	$ 20,663,960	100	$ 21,176,734	100

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

			Three months ended				Six months ended			
			June 30,2025		June 30,2024		June 30,2025		June 30,2024	
	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(17) and 7	$ 1,186,359	100	$ 3,604,764	100	$ 2,939,984	100	$ 4,426,925	100
5000	Operating costs	6(4)(18)(19) and 7	(955,949)	(81)	(2,930,763)	(81)	(2,348,301)	(80)	(3,633,320)	(82)
5900	**Gross Profit from operations**		230,410	19	674,001	19	591,683	20	793,605	18
	Operating expenses	6(18)(19) and 7								
6100	Selling Expenses		(10,551)	(1)	(10,682)	-	(18,082)	(1)	(15,976)	-
6200	General and administrative expenses		(158,354)	(13)	(134,688)	(4)	(309,078)	(11)	(271,746)	(6)
6300	Research and development expenses		(796,807)	(67)	(812,950)	(23)	(1,560,927)	(53)	(1,540,642)	(35)
6000	**Total Operating Expenses**		(965,712)	(81)	(958,320)	(27)	(1,888,087)	(65)	(1,828,364)	(41)
6900	Net operating loss		(735,302)	(62)	(284,319)	(8)	(1,296,404)	(45)	(1,034,759)	(23)
	Total non-operating income and expenses									
7100	Interest income		9,924	1	22,921	1	21,297	1	46,099	1
7010	Other income	7 and 9	31,641	3	(3,011)	-	54,238	2	42,272	1
7020	Other gains and losses		44,792	4	28,105	1	44,259	2	24,204	1
7050	Finance costs		(2,369)	-	(1,040)	-	(4,119)	-	(1,565)	-
7000	**Total non-operating income and expenses**		83,988	8	46,975	2	115,675	5	111,010	3
7900	Loss before tax		(651,314)	(54)	(237,344)	(6)	(1,180,729)	(40)	(923,749)	(20)
7950	Income tax (expenses) benefit	6(20)	26	-	87,440	2	-	-	194,710	4
8200	Loss for the period		$ (651,288)	(54)	$ (149,904)	(4)	$ (1,180,729)	(40)	$ (729,039)	(16)

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FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

			Three months ended				Six months ended			
			June 30,2025		June 30,2024		June 30,2025		June 30,2024	
	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
	Other comprehensive income(loss)									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Currency translation differences		(8,499)	(1)	515	-	(7,096)	-	1,180	-
8360	**Other comprehensive income that will be reclassified to profit or loss**		(8,499)	(1)	515	-	(7,096)	-	1,180	-
8300	**Other comprehensive income**		$ (8,499)	(1)	$ 515	-	$ (7,096)	-	$ 1,180	-
8500	**Total comprehensive loss**		$ (659,787)	(55)	$ (149,389)	(4)	$ (1,187,825)	(40)	$ (727,859)	(16)
	Net Income (Loss) Attributable to:									
8610	Owners of Parent		$ (651,288)	(54)	$ (149,904)	(4)	$ (1,180,729)	(40)	$ (729,039)	(16)
	Comprehensive loss attributable to:									
8710	Owners of the Parent Company		$ (659,787)	(55)	$ (149,389)	(4)	$ (1,187,825)	(40)	$ (727,859)	(16)
	Basic and Diluted Loss Per Share									
9750	Loss Per Share	6(21)	$ (0.38)		$ (0.09)		$ (0.68)		$ (0.42)	

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock capital	Capital surplus	Accumulated deficit	Exchange differences on translation of foreign operations	Total Equity
2024						
Balance at January 1, 2024		$ 17,413,140	$ 6,053,782	$ (4,295,580)	$ (1,141)	$ 19,170,201
Loss for the period		-	-	(729,039)	-	(729,039)
Other Comprehensive Income for the Period		-	-	-	1,180	1,180
Total comprehensive income (loss) for the period		-	-	(729,039)	1,180	(727,859)
Share-based Payment	6(13)(15)	-	6,245	-	-	6,245
Balance at June 30, 2024		$ 17,413,140	$ 6,060,027	$ (5,024,619)	$ 39	$ 18,448,587
2025						
Balance at January 1, 2025		$ 17,413,140	$ 6,066,557	$ (6,434,477)	$ 757	$ 17,045,977
Loss for the period		-	-	(1,180,729)	-	(1,180,729)
Other Comprehensive Income for the Period		-	-	-	(7,096)	(7,096)
Total comprehensive income (loss) for the period		-	-	(1,180,729)	(7,096)	(1,187,825)
Share-based Payment	6(13)(15)	-	6,260	-	-	6,260
Balance at June 30, 2025		$ 17,413,140	$ 6,072,817	$ (7,615,206)	$ (6,339)	$ 15,864,412

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		$ (1,180,729)	$ (923,749)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(18)	392,991	277,186
Amortization	6(18)	467,730	485,167
Expected credit loss	12(2)	60	524
Finance costs		4,119	1,565
Interest income		(21,297)	(46,099)
Share-based payments	6(13)	6,260	6,245
Loss on disposal of property, plant and equipment		-	(171)
Changes in operating assets/and liabilities			
Changes in operating assets			
Contract assets		(14,972)	(17,245)
Accounts receivable		26,659	119,833
Accounts receivable - related parties		(78,834)	(329,165)
Other receivables		15,979	22,842
Inventories		574,956	(69,092)
Prepayments		(14,131)	(96,609)
Changes in operating liabilities			
Contract liabilities		40,359	195,882
Accounts payable		(727,940)	(329,128)
Accounts payable - related parties		(43,171)	362,829
Other payables		(470,819)	(71,901)
Other payables - related parties		(62,190)	(8,954)
Provisions for liabilities		8,522	42,611
Other current liabilities		(50,394)	(65,728)
Net defined benefit liability		1,644	80
Cash outflow generated from operations		(1,125,198)	(443,077)
Interest received		21,297	46,099
Interest paid		(4,119)	(1,565)
Income tax paid		(789)	(4,314)
Net cash flows used in operating activities		(1,108,809)	(402,857)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in net financial assets at amortized cost - current		$ 844,489	$ 2,445,174
Acquisition of property, plant and equipment	6(22)	(859,530)	(1,504,980)
Proceeds from disposal of property, plant and equipment		-	171
Acquisition of intangible assets		(112,518)	(135,416)
Decrease (increase) in guarantee deposits		1,200	(9,906)
Net cash flows from (used in) investing activities		(126,359)	795,043
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities		(33,969)	(42,372)
Net cash flows used in financing activities		(33,969)	(42,372)
Net effect of changes in foreign currency		(8,923)	879
Net increase (decrease) in cash and cash equivalents		(1,278,060)	350,693
Cash and cash equivalents at beginning of period		4,180,593	6,553,115
Cash and cash equivalents at end of period		$ 2,902,533	$ 6,903,808

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

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Foxtron Vehicle Technologies Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on November 6, 2020 and was listed on the Taiwan Innovation Board on November 20, 2023. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the design and manufacture of vehicles and related components. As of June 30, 2025, Hon Hai Precision Ind. Co., Ltd. holds 46% equity interest in the Group, and is the Group's ultimate parent company

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on August 6, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effects of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS). Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

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

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

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 " Amendments to the Classification and Measurement of Financial Instruments.	January 1, 2026
Amendments to IFRS 9 and IFRS 7 ‘ Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17 ,‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17 ,‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17,‘Initial application of IFRS 17 and IFRS 9 - comparative information’	January 1, 2023
Annual Improvements to IFRS Standards - Volume 11	January 1, 2026

Except for those explained as follows, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment:

IFRS 9 and Amendments to IFRS 7 ‘Amendments to Classification and Measurement of Financial Instruments’

A. Clarifies and add further guidance for assessing whether financial assets meet the Solely Payments of Principal and Interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example interest rates linked to ESG targets), non-recourse features, and contractually linked instruments.

B. Adds new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortized cost of financial liabilities subject to these contractual terms.

C. Clarifying the recognition and derecognition dates of some financial assets and liabilities, and adding the provision that an entity is permitted to deem a financial liability (or a part of a financial liability) that is settled in cash using an electronic payment system discharged before the settlement date if, and only if, the entity has initiated the payment instruction and the following conditions are met:

   i. the entity does not have the ability to with draw, stop or cancel the payment instruction;

   ii. the entity does not have the practical ability to access the cash to be used for the settlement due to the payment instruction; and

   iii. the settlement risk associated with the electronic payment system is not significant.

D. Updating the disclosure requirements for equity instruments designated as fair value through other comprehensive income (FVTOCI) through an irrevocable election, the fair value should be disclosed by category, without the need to disclose fair value information for each individual item. Additionally, the amount of fair value gains or losses recognized in other comprehensive income during the reporting period should be disclosed, separately showing the fair value gains or losses related to investments derecognized during the reporting period and those related to investments still held at the end of the reporting period; and the cumulative gains or losses transferred to equity upon derecognition of investments during the reporting period.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28,'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18,'Presentation and disclosure of financial statements'	January 1, 2027
IFRS 19,'Subsidiaries without public accountability: disclosures'	January 1, 2027

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

IFRS 18, 'Presentation and disclosure of financial statements'

IFRS 18, 'Presentation and Disclosure in Financial Statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance Statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34 “Interim Financial Reporting” that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the defined benefit liabilities recognized as the net amount of retirement fund assets less the present value of defined benefit obligations, these consolidated financial statements have been prepared on a historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, interpretations and interpretative guidance endorsed and issued into effect by the Financial Supervisory Commission (collectively referred to as IFRSs) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of Consolidation

A. Principles for Preparing Consolidated Financial Statements

(a) The Group includes all subsidiaries in the preparation of the consolidated financial statements. Subsidiaries refer to entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group obtains control and are excluded from the consolidated financial statements from the date the Group loses control.

(b) Intercompany transactions, balances and unrealized gains and losses between companies within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.

(c) Components of profit or loss and other comprehensive income are attributed to the owners of the parent company and non-controlling interests; total comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if this results in a deficit balance in non-controlling interests.

(d) Changes in ownership interests in subsidiaries that do not result in loss of control (transactions with non-controlling interests) are accounted for as equity transactions, that is, as transactions with owners. The difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or received is recognized directly in equity.

(e) When the Group loses control over a subsidiary, any remaining investment in the former subsidiary is remeasured at fair value, which becomes the fair value for initial recognition as a financial asset or the cost for initial recognition as an investment in an associate or joint venture. The difference between the fair value and carrying amount is recognized in current profit or loss. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities, that is, gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss when control over the subsidiary is lost, just as they would be reclassified to profit or loss upon disposal of the related assets or liabilities.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Investor	subsidiary	Main business activities	June 30, 2025	December 31, 2024	June 30, 2024	Description
Foxtron Vehicle Technologies Co., Ltd.	Foxtron Vehicle Technologies (Hangzhou) Co. Ltd.	Primarily engaged in procurement of vehicle components.	100	100	100	
Foxtron Vehicle Technologies Co., Ltd.	Foxtron Vehicle Technologies USA, Inc.	Specializes in vehicle and parts order processing, regulatory certification, and quality assurance.	100	100	100	Note

Note: The Group established Foxtron Vehicle Technologies USA, Inc. with a capital injection of US$1.2 million on April 15, 2024, holding 100% equity interest, and included it in the consolidated financial statements from the date of establishment.

(4) Foreign Currency Translation

The items listed in the financial reports of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (i.e., the functional currency). These consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency.

A. Foreign Currency Transactions and Balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation, and translation differences arising from these transactions are recognized in current profit or loss.

(b) Foreign currency monetary items are translated at the closing exchange rates on the balance sheet date, and the resulting exchange differences are recognized in current profit or loss.

(c) All exchange gains and losses are reported under "Other Gains and Losses" in the statements of comprehensive income.

B. Translation of Foreign Operations

For all group entities, associates, and joint arrangements whose functional currency differs from the presentation currency, their operating results and financial position are translated into the presentation currency as follows:

(a) Assets and liabilities presented in each balance sheet are translated at the closing exchange rate on the balance sheet date;

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

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

(5) Classification Criteria of Current and Non-current Assets and Liabilities

A. Assets that meet any of the following conditions are classified as current assets:

(a) Expected to realize the asset within the normal operating cycle, or intended to be sold or consumed.

(b) Held primarily for trading purposes.

(c) Expected to be realized within twelve months after the reporting period.

(d) Cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all assets that do not meet the above conditions as non-current.

B. Liabilities that meet any of the following conditions are classified as current liabilities:

(a) Expected to be settled within the normal operating cycle.

(b) Held primarily for trading purposes.

(c) Expected to be settled within twelve months after the reporting period.

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

The Group classifies all liabilities that do not meet the above conditions as non-current.

(6) Cash Equivalents

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

(7) Financial Assets at Amortized Cost

A. Refers to those that simultaneously meet the following conditions:

(a) The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows.

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

B. The Group adopts trade date accounting for financial assets at amortized cost that meet regular way transactions.

C. The Group initially measures these assets at fair value plus transaction costs, and subsequently recognizes interest income using the effective interest method over the circulation period, recognizes impairment losses, and recognizes gains or losses in profit or loss upon derecognition.

D. The Group holds time deposits that do not qualify as cash equivalents. Due to their short holding periods, the impact of discounting is insignificant, and they are measured at the investment amount.

(8) Accounts and Notes Receivable

A. Refers to accounts and notes receivable that represent unconditional rights to consideration in exchange for goods or services transferred under contractual arrangements.

B. For non-interest bearing short-term accounts and notes receivable, due to the insignificant impact of discounting, the Group measures them at the original invoice amount.

(9) Impairment of Financial Assets

At each balance sheet date, for financial assets measured at amortized cost, the Group considers all reasonable and supportable information (including forward-looking information) and measures the loss allowance at an amount equal to 12-month expected credit losses for those whose credit risk has not increased significantly since initial recognition; measures the loss allowance at an amount equal to lifetime expected credit losses for those whose credit risk has increased significantly since initial recognition; and measures the loss allowance at an amount equal to lifetime expected credit losses for accounts receivable or contract assets that do not contain a significant financing component.

(10) Derecognition of Financial Assets

When the Group's contractual rights to receive cash flows from financial assets expire, the financial assets are derecognized.

(11) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost determined using the moving weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and manufacturing overhead related to production, but excludes borrowing costs. When comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(12) Property, Plant and Equipment

A. Property, plant and equipment are recorded at acquisition cost, and related interest during the construction period is capitalized.

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

C. The subsequent measurement of property, plant and equipment adopts the cost model. Except for land which is not depreciated, other assets are depreciated using the straight-line method over their estimated useful lives or the units of production method based on estimated benefits. If components of property, plant and equipment are significant, they are depreciated separately.

D. At the end of each financial year, the Group reviews the residual value, useful life and depreciation method of each asset. When the expected residual value and useful life differ from previous estimates, or when there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, changes are accounted for as changes in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change.

The useful lives of various assets are as follows:

Molding equipment	3～ 5 years
Other equipment	2～ 9 years

(13) Leasing arrangements (lessee)－ Right-of-use Assets/Lease Liabilities

A. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

B. At the lease commencement date, lease liabilities are recognized at the present value of unpaid lease payments discounted using the Group's incremental borrowing rate. Lease payments include:

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

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

(c) The amount expected to be paid by the Group under residual value guarantees;

(d) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Subsequently measured at amortized cost using the interest method, with interest expense recognized over the lease term. When there are changes in the lease term or lease payments that are not due to contract modifications, the lease liability will be reassessed and the remeasurement will be adjusted to the right-of-use asset.

C. Right-of-use assets are recognized at cost at the commencement date of the lease, with the cost comprising:

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

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

(c) Any initial direct costs incurred; and

(d) The estimated costs of dismantling and removing the underlying asset and restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequently measured using the cost model, depreciation expense is recognized over the shorter of the useful life of the right-of-use asset or the lease term. When the lease liability is reassessed, the right-of-use asset is adjusted for any remeasurement of the lease liability.

D. Except for lease modifications that reduce the scope of the lease, where the lessee reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between this and the remeasurement amount of the lease liability in profit or loss, for all other lease modifications, the right-of-use asset is adjusted by the amount of the remeasurement of the lease liability.

(14) Intangible Assets

A. The cost of technical know-how for vehicle models acquired through technical valuation is recorded at cost and amortized on a straight-line basis over the estimated useful life of 8 years.

B. Internally Generated Intangible Assets - Research and Development Expenditure

(a) Research expenditure is recognized as an expense when incurred.

(b) Development expenditure that does not meet the following conditions is recognized as an expense when incurred, while development expenditure that meets the following conditions is recognized as an intangible asset:

i. The technical feasibility of completing the intangible asset has been achieved, making it available for use or sale;

ii. The intention to complete the intangible asset and use or sell it;

iii. The ability to use or sell the intangible asset;

iv. The ability to demonstrate that the intangible asset will generate probable future economic benefits;

v. Having adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and

vi. The expenditure attributable to the development phase of the intangible asset can be reliably measured.

(c) Internally generated intangible assets, after reaching a usable state, are amortized using the units of production method based on estimated benefits.

C. Patents are amortized using the straight-line method over 3-14 years.

D. Computer software is recognized at acquisition cost and amortized using the straight-line method over 2-5 years.

(15) Impairment of Non-Financial Assets

A. The Group estimates the recoverable amount of assets with impairment indicators at the balance sheet date, and recognizes an impairment loss when the recoverable amount is lower than its carrying amount. The recoverable amount refers to the higher of an asset's fair value less costs of disposal or its value in use. When previously recognized asset impairment conditions no longer exist or have decreased, the impairment loss is reversed. However, the increased carrying amount of the asset due to the reversal of the impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset.

B. The recoverable amount of intangible assets not yet available for use is estimated regularly, and an impairment loss is recognized when the recoverable amount is lower than its carrying amount.

(16) Accounts and Notes Payable

A. This refers to debts incurred from purchasing raw materials, goods, or services on credit, and accounts payable arising from both operating and non-operating activities.

B. For non-interest-bearing short-term accounts payable, as the effect of discounting is not significant, the Group measures them at the original invoice amount.

(17) Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, canceled, or expired.

(18) Provisions

Warranty provisions are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the best estimate of the expenditure required to settle the obligation at the balance sheet date, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of the discount is recognized as interest expense. Future operating losses shall not be recognized as provisions.

(19) Employee Benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as expenses when the related services are provided.

B. Pensions

(a) Defined Contribution Plans

For defined contribution plans, the retirement fund contributions are recognized as pension costs in the period on an accrual basis. Prepaid contributions are recognized as assets to the extent that cash refunds or reductions in future payments are available.

(b) Defined Benefit Plans

i. The net obligation under defined benefit plans is calculated by discounting the amount of future benefits that employees have earned in the current or prior periods, and is measured as the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined by reference to market yields of high-quality corporate bonds that match the currency and timing of the defined benefit plans at the balance sheet date. In countries where there is no deep market for high-quality corporate bonds, the market yields of government bonds (at the balance sheet date) are used.

ii. Remeasurements arising from defined benefit plans are recognized in other comprehensive income when incurred and presented in retained earnings.

iii. Past service cost is recognized immediately in profit or loss.

iv. Pension costs for interim periods are calculated on a year-to-date basis using the pension cost rate determined by actuarial calculation at the end of the prior financial year. If there are significant market fluctuations, significant curtailments, settlements, or other significant one-time events after that ending date, adjustments are made and relevant information is disclosed in accordance with the aforementioned policies.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. When there is a difference between the actual distribution amount subsequently resolved and the estimated amount, it is treated as a change in accounting estimate.

(20) Employee Share-based Payment

For equity-settled share-based payment arrangements, employee services received are measured at the fair value of the equity instruments granted at the grant date, recognized as compensation costs over the vesting period, with a corresponding adjustment to equity. The fair value of equity instruments should reflect the impact of market vesting conditions and non-vesting conditions. The recognized compensation cost is adjusted according to the number of awards expected to meet service conditions and non-market vesting conditions, until the final recognized amount is based on the number of awards that vest on the vesting date.

(21) Income Tax

A. Income tax expense includes current and deferred income tax. Except for income tax related to items recognized in other comprehensive income or directly in equity, which are respectively recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.

B. The Group calculates current income tax based on tax rates that have been enacted or substantively enacted at the balance sheet date in countries where the Group operates and generates taxable income. Management periodically evaluates the status of income tax declarations under applicable tax regulations, and estimates income tax liabilities based on expected payments to tax authorities where applicable. The income tax imposed on undistributed earnings under the Income Tax Act is recognized as income tax expense based on the actual distribution of earnings in the year following the year in which the earnings arise, after the earnings distribution proposal is approved by the shareholders' meeting.

C. Deferred income tax is accounted for using the balance sheet approach, recognizing temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding business combinations) that affects neither accounting profit nor taxable income (tax loss) at the time of the transaction, and does not create equal taxable and deductible temporary differences, it is not recognized. If temporary differences arise from investments in subsidiaries and associates, and the Group can control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future, such deferred income tax is not recognized. Deferred income tax is measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized to the extent that it is probable that temporary differences can be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.

E. Income tax expense for interim periods is calculated by applying the estimated annual average effective tax rate to the pre-tax income for the interim period, and related information is disclosed in accordance with the aforementioned policies.

(22) Share Capital

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

(23) Revenue Recognition

A. Sales of Goods

The Group sells electric buses and electric passenger vehicles. Sales revenue is recognized when control of the products is transferred to customers, which occurs when the goods are delivered to buyers, and the Group has no unfulfilled performance obligations that may affect customer acceptance of the goods, the sales amount can be reliably measured, and future economic benefits are likely to flow in. When significant risks and rewards of ownership have been transferred to customers, and the Group neither continues to be involved in the management of the goods nor maintains effective control, and the customer accepts the goods according to the sales contract, or when there is objective evidence showing that all acceptance criteria have been met, the delivery of goods is considered to have occurred. Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur in the future, and the estimate is updated at each balance sheet date.

B. Service Revenue

Service revenue mainly arises from providing technical support services and is recognized using the percentage-of-completion method. The method used to determine the degree of completion is measured by the percentage of costs incurred to date for each individual contract relative to the estimated total costs. When the outcome of a contract cannot be reasonably estimated, revenue is recognized only to the extent of the incurred expenses that are expected to be recoverable. Changes in contract prices or estimated total project costs are treated as changes in accounting estimates.

C. Customers pay contract prices according to the agreed payment schedule. When the products provided by the Group exceed the payments due from customers, it is recognized as contract assets. When payments due from customers exceed the products provided by the Group, it is recognized as contract liabilities.

(24) Government Grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the grants and that the grants will be received. If the nature of government grants is to compensate for expenses incurred by the Group, then the grants are recognized systematically as profit or loss during the periods in which the related expenses are incurred.

(25) Operating Segments

The Group's operating segment information is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to operating segments and assessing their performance. The Group has identified its Board of Directors as the chief operating decision maker.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

Significant Accounting Estimates and Assumptions

The accounting estimates made by the Group are based on reasonable expectations of future events under the circumstances at the balance sheet date. However, actual results may differ from estimates. The estimates and assumptions that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the next financial year are explained below:

A. Impairment Assessment of Tangible and Intangible Assets (Excluding Goodwill)

In the process of asset impairment assessment, the Group needs to rely on subjective judgment and, based on asset usage patterns and industry characteristics, determine the independent cash flows of specific asset groups, asset useful lives, and potential future revenues and expenses. Any changes in estimates due to changes in economic conditions or group strategy may cause significant impairment in the future.

B. Realizability of Deferred Income Tax Assets

Deferred income tax assets are recognized only when it is highly probable that sufficient taxable income will be available in the future for the use of deductible temporary differences. The assessment of the realizability of deferred income tax assets involves significant accounting judgments and estimates by management, including assumptions about expected future sales revenue growth and profit margins, available income tax credits, and tax planning strategies. Any changes in the global economic environment, industry environment, and laws and regulations may result in significant adjustments to deferred income tax assets.

6. Description of Significant Accounting Items

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on Hand	$ 30	$ 30	$ 30
Demand deposits	2,302,503	4,180,563	6,303,778
Time deposits	600,000	-	600,000
	$ 2,902,533	$ 4,180,593	$ 6,903,808

Details of the Group's restricted cash which is classified as "financial assets at amortized cost - current" are provided in Note 9

(2) Financial assets at amortized cost

Items	June 30, 2025		December 31, 2024		June 30, 2024	
Current items:						
Restricted assets	$	3,552	$	48,041	$	3,551
Time deposits with maturity over three months		300,000		1,100,000		600,000
	$	303,552	$	1,148,041	$	603,551

Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed follows:

	Three months ended June 30,			
	2025		2024	
Interest income	$	3,725	$	16,831
	Six months ended June 30,			
	2025		2024	
Interest income	$	7,477	$	25,214

(3) Accounts receivable

	June 30, 2025		December 31, 2024		June 30, 2024	
Accounts receivable	$	51,783	$	78,442	$	8,993
Less: Allowance for uncollectible account		(95)		(91)		(1,775)
	$	51,688	$	78,351	$	7,218

A. As of June 30, 2025, December 31, 2024, and June 30, 2024 accounts receivable were all from contracts with customers. As of January 1 2024, the balance of accounts receivable from contracts with customers amounted to $128,826.

B. The Group has no accounts receivable pledged to others as collateral.

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

(4) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	$ 785,952	$ 954,003	$ 440,361
Work in progress	243,043	547,420	201,318
Finished goods	-	-	3,644
Inventory in transit	45,344	103,741	37,573
Subtotal	1,074,339	1,605,164	682,896
Less: Allowance for inventory valuation losses	(51,952)	(11,822)	(7,333)
	$ 1,022,387	$ 1,593,342	$ 675,563

Expenses and losses incurred on inventories for the three months ended June 30, 2025 and 2024 were as follows

	Three months ended June 30,	
	2025	2024
Cost of goods sold	$ 917,935	$ 2,901,886
Valuation losses (reversal gains)	38,197	(6,223)
Warranty costs	(315)	34,985
Other service costs	132	115
	$ 955,949	$ 2,930,763

	Six months ended June 30,	
	2025	2024
Cost of goods sold	$ 2,287,270	$ 3,589,485
Valuation losses	40,130	799
Warranty costs	14,815	42,819
Other service costs	6,086	217
	$ 2,348,301	$ 3,633,320

(5) Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Excess business tax paid	$ 366,729	$ 412,260	$ 395,994
Prepayment to suppliers	123,659	66,942	66,554
Other prepayments	54,254	51,326	27,347
	$ 544,642	$ 530,528	$ 489,895

(6) Property, plant and equipment

	Molding equipment	Other equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2025				
Cost	$ 3,812,732	$ 804,264	$ 756,580	$ 5,373,576
Accumulated depreciation	(1,315,770)	(166,075)	-	(1,481,845)
	$ 2,496,962	$ 638,189	$ 756,580	$ 3,891,731
Opening net book amount as at January 1, 2025	$ 2,496,962	$ 638,189	$ 756,580	$ 3,891,731
Additions	110,567	20,895	125,791	257,253
Transfers	2,706	129,250	(131,956)	-
Depreciation	(267,962)	(77,872)	-	(345,834)
Net exchange differences	-	(47)	-	(47)
Closing net book amount as at June 30, 2025	$ 2,342,273	$ 710,415	$ 750,415	$ 3,803,103
At June 30, 2025				
Cost	$ 3,926,005	$ 945,362	$ 750,415	$ 5,630,782
Accumulated depreciation	(1,583,732)	(243,947)	-	(1,827,679)
	$ 2,342,273	$ 710,415	$ 750,415	$ 3,803,103

	Molding equipment	Other equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2024				
Cost	$ 1,695,638	$ 210,404	$ 145,978	$ 2,052,020
Accumulated depreciation	(820,591)	(63,952)	-	(884,543)
	$ 875,047	$ 146,452	$ 145,978	$ 1,167,477
Opening net book amount as at January 1, 2024	$ 875,047	$ 146,452	$ 145,978	$ 1,167,477
Additions	1,122,706	343,180	740,450	2,206,336
Transfer	373,262	152,200	(525,053)	409
Depreciation	(217,548)	(29,967)	-	(247,515)
Net exchange differences	-	19	-	19
Closing net book amount as at June 30, 2024	$ 2,153,467	$ 611,884	$ 361,375	$ 3,126,726
At June 30, 2024				
Cost	$ 3,191,606	$ 705,803	$ 361,375	$ 4,258,784
Accumulated depreciation	(1,038,139)	(93,919)	-	(1,132,058)
	$ 2,153,467	$ 611,884	$ 361,375	$ 3,126,726

(7) Leasing arrangements - lessee

A. The Group's leased various assets including land, buildings and structures, and other equipment. The terms of the lease contracts are as follows:

Land	: 20 years
Buildings and structures	: 1~20 year(s)
Other equipment	: 1~6 year(s)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes

B. Short-term leases with a lease term of 12 months, include dormitories and offices.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying Amount	Carrying Amount	Carrying Amount
Land	$ 144,483	$ 148,353	$ 152,225
Buildings and structures	301,153	227,419	168,295
Other equipment	949	1,285	1,621
	$ 446,585	$ 377,057	$ 322,141

	Three months ended June 30,	
	2025	2024
	Depreciation	Depreciation
Land	$ 1,935	$ 1,805
Buildings and structures	24,238	13,790
Other equipment	168	155
	$ 26,341	$ 15,750

	Six months ended June 30,	
	2025	2024
	Depreciation	Depreciation
Land	$ 3,870	$ 1,805
Buildings and structures	42,951	27,581
Other equipment	336	285
	$ 47,157	$ 29,671

D. For the three months and six months ended June 30, 2025 and 2024, additions to right-of-use assets were $2,930, $31,348, $126,695, and $154,487, respectively.

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

	Three months ended June 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,369	$ 1,040
Expenses on short-term lease contracts	$ 2,897	$ 9,718
Expenses on leases of low-value asset	$ 3	$ 3

	Six months ended June 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 4,119	$ 1,565
Expenses on short-term lease contracts	$ 5,754	$ 19,378
Expenses on leases of low-value asset	$ 17	$ 17

F. For the three months and six months ended June 30,2025 and 2024, the Group's total cash outflows for leases were $22,955, $12,872, $43,859, and $63,332, respectively.

(8) Intangible assets

	Patents	Computer software	Car model technology costs	Total
At January 1, 2025				
Cost	$ 90,000	$ 245,103	$ 8,739,846	$ 9,074,949
Accumulated amortization and impairment	(61,997)	(122,062)	(2,169,444)	(2,353,503)
	$ 28,003	$ 123,041	$ 6,570,402	$ 6,721,446
Opening net book amount as at January 1, 2025	$ 28,003	$ 123,041	$ 6,570,402	$ 6,721,446
Additions - acquired separately	-	133	-	133
Additions - from internal development	-	-	112,385	112,385
Amortization	(5,779)	(26,682)	(435,269)	(467,730)
Closing net book amount as at June 30, 2025	$ 22,224	$ 96,492	$ 6,247,518	$ 6,366,234
At June 30, 2025				
Cost	$ 90,000	$ 245,236	$ 8,852,231	$ 9,187,467
Accumulated amortization and impairment	(67,776)	(148,744)	(2,604,713)	(2,821,233)
	$ 22,224	$ 96,492	$ 6,247,518	$ 6,366,234
At January 1, 2024				
Cost	$ 90,000	$ 173,987	$ 8,336,665	$ 8,600,652
Accumulated amortization and impairment	(47,273)	(75,413)	(1,264,304)	(1,386,990)
	$ 42,727	$ 98,574	$ 7,072,361	$ 7,213,662
Opening net book amount as at January 1, 2024	$ 42,727	$ 98,574	$ 7,072,361	$ 7,213,662
Additions - acquired separately	-	29,917	-	29,917
Additions - from internal development	-	-	105,499	105,499
Amortization	(8,358)	(21,114)	(455,695)	(485,167)
June 30, 2024	$ 34,369	$ 107,377	$ 6,722,165	$ 6,863,911
June 30, 2024				
Cost	$ 90,000	$ 203,904	$ 8,442,164	$ 8,736,068
Accumulated amortization and impairment	(55,631)	(96,527)	(1,719,999)	(1,872,157)
	$ 34,369	$ 107,377	$ 6,722,165	$ 6,863,911

A. At the end of the financial reporting period, the Group assessed the impairment of recoverable amount of vehicle model technology costs and used value in use as the basis for calculating the recoverable amount. The value in use is estimated based on the cash flows from the Group's future product life cycle financial forecasts. The discount rates used in 2024 and 2023 were 11.66% and 11.77%, respectively. As of June 30, 2025 and 2024, there were no further indications of impairment and no impairment losses was recognized.

B. For the six months ended June 30, 2025 and 2024, the amounts of the Group’s intangible assets under development shown as the above car model technology costs were $837,155 and $431,263, respectively.

C. Details of amortization of intangible assets are as follows:

	Three months ended June 30,	
	2025	2024
Operating costs	$ 13,955	$ 47,638
Operating expenses	214,735	213,456
Total	$ 228,690	$ 261,094

	Six months ended June 30,	
	2025	2024
Operating costs	$ 37,769	$ 58,195
Operating expenses	429,961	426,972
Total	$ 467,730	$ 485,167

(9) Other non-current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for equipment	$ 850,247	$ 348,856	$ 143,387
Refundable deposits	7,109	8,348	19,907
Net defined benefit assets	-	14	-
Other non-current assets	6,804	10,806	-
	$ 864,160	$ 368,024	$ 163,294

(10) Other Payables

	June 30, 2025	December 31, 2024	June 30, 2024
Wages and salaries Payable	$ 306,884	$ 550,398	$ 262,519
Design and development fee Payable	8,396	200,695	107,104
Payable on machinery and equipment	16,913	111,495	167,898
Service fees payable	6,192	21,557	30,255
Taxes payable	1,993	13,566	1,089
Other payables	51,061	59,980	40,605
	$ 391,439	$ 957,691	$ 609,470

(11) Provisions

	2025	2024
	Warranty Provision	Warranty Provision
At January 1	$ 89,649	$ 12,572
Additions	28,649	43,483
Used during the period	(6,293)	(208)
Reversed during the period	(13,834)	(664)
At June 30	$ 98,171	$ 55,183

Analysis of provisions is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	$ 45,959	$ 38,127	$ 23,052
Non-current	$ 52,212	$ 51,522	$ 32,131

Provision for warranty arising from the sales of electric buses is adjusted and calculated by considering attrition rates of parts and components in the future or other factors that affect product quality when the Group has a present legal or constructive obligation, and it is probable that an outflow of economic resources will be required to settle the obligation. The Group accrues liabilities for parts and components with warranty obligations and the amount of the obligation can be reliably estimated. Most of the warranties provided by the Group last for 3 to 8 years. The Group’s provision for warranty is calculated based on purchasing costs of the new products.

(12) Pension

A. Defined benefit plans

(a) The Group has a defined benefit pension plan, which applies to employees who transferred on November 6, 2020. Also, the Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognized pension costs of $11, $48, $22, and $96 for the three months and six months ended June 30, 2025 and 2024, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2026 amount to $50.

B. Defined contribution plans

(a) Effective July 1, 2005, the Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The subsidiaries in mainland China have defined contribution pension plans and contribute an amount monthly based on 16% of employees' monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not have further pension liabilities.

(c) The pension costs under the defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were $12,397, $10,256, $24,586, and $20,073 (of which $1,325, $1,468, $2,751, and $2,791 were capitalized as part of internally generated intangible assets, respectively.)

(13) Share-based Payment

A. In 2025, the Group's share-based payment arrangements are as follows:

Type of Arrangement	Grant date	Quantity Granted	Vesting Conditions
Employee Stock Option Plan	January 18, 2023	46,728,000 shares	Note

Note: Employees who were granted the employee stock options starting from the date of grant and employees who will serve until September 30, 2025 can exercise their employee stock options in batches at the ratio of 72.15% and 27.85%, respectively.

B. Details of the share-based payment arrangements are as follows:

	2025		2024	
	Number of options (thousand shares)	Weighted average exercise price (NT$)	Number of options (thousand shares)	Weighted average exercise price (NT$)
Options at outstanding January 1	12,508	$ 10	12,686	$ 10
Options granted during the period	-	-	-	-
Options exercised during the period	-	-	-	-
Options outstanding at June 30	12,508	$ 10	12,686	$ 10

C. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. The relevant information is as follows:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%) (Note)	Expected duration	Risk-free interest rate	Fair value per unit
Employee Stock Option Plan	January 18, 2023	$ 10.86	$ 10	32.00 ~34.04	0.08 ~2.78	0.87 ~1.08	$0.9832 ~2.7880

Note: Expected price volatility rate pertained to the standard deviation of returns on the target stock.

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

	Three months ended June 30,	
	2025	2024
Equity-settled	$ 3,130	$ 3,123

	Six months ended June 30,	
	2025	2024
Equity-settled	$ 6,260	$ 6,245

(14) Share capital

The Group was jointly established by Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as "Hon Hai") and Hua-Chuang Automobile Information Technical Center Co., Ltd. (hereinafter referred to as "Hua-Chuang") on November 6, 2020. As of June 30, 2025, the Group's authorized capital was $25,000,000, consisting of 2,500,000 thousand shares of ordinary stock, and the paid-in capital was $17,413,140 with a par value of $10 (in dollars) per share.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025		
	Share premium	Employee stock options	Total
At January 1	$ 6,041,907	$ 24,650	$ 6,066,557
Share-based Payment	-	6,260	6,260
At June 30	$ 6,041,907	$ 30,910	$ 6,072,817

	2024		
	Share premium	Employee stock options	Total
January 1	$ 6,041,907	$ 11,875	$ 6,053,782
Share-based Payment	-	6,245	6,245
June 30	$ 6,041,907	$ 18,120	$ 6,060,027

(16) Accumulated deficit

A. The current year’s earnings, if any, shall first be used to pay all taxes and offset prior years’ operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve as regulated by the competent authority. However, if the legal reserve has accumulated to an amount equal to the paid-in capital, this provision shall not apply.. In addition, after the special reserve is set aside or reversed in accordance with the relevant laws and regulations, the remainder plus the beginning unappropriated earnings comprise the cumulative distributable earnings, which shall be distributed to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders for approval.

Dividends and bonuses and all or part of capital surplus or legal reserve distributed in the form of cash regulated by Article 241 of the Company Act shall be authorized to be resolved by the Board of Directors with a majority vote at its meeting attended by two-thirds of the total number of directors and reported to the shareholders during their meeting and are not subject to the aforementioned regulations of resolutions from the shareholders.

When planning the Company's dividend distribution plan, the Company considers its profitability, capital requirements for future operating plan and changes in the industrial environment, taking into consideration the shareholder's long-term equity and the Company's long-term financial plan, at least 30% of the Company's distributable earnings for the year shall be appropriated as dividends in the form of cash or shares, and cash dividends shall account for at least 10% of the total dividends distributed.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital

C. For information regarding employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(19).

D. On May 23, 2025, the shareholders' meeting resolved to approve the accumulated losses in 2024, and on May 23, 2024, the shareholders' meeting resolved to approve the 2023 loss offsetting proposal, both had no earnings available for distribution due to accumulated losses. For details regarding the aforementioned Board of Directors and shareholders' meeting resolutions, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(17) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

	Three months ended June 30,			
	2025		2024	
Sales revenue	$	1,181,001	$	3,598,191
Service revenue		5,358		6,573
	$	1,186,359	$	3,604,764

	Six months ended June 30,	
	2025	2024
Sales revenue	$ 2,914,040	$ 4,419,838
Service revenue	25,944	7,087
	$ 2,939,984	$ 4,426,925

Three months ended June 30, 2025	Taiwan	Japan	Total
Revenue recognized at a point in time	$ 1,181,001	$ -	$ 1,181,001
Revenue recognized over time	5,353	5	5,358
Total	$ 1,186,354	$ 5	$ 1,186,359

Three months ended June 30,2024	Taiwan	Japan	Total
Revenue recognized at a point in time	$ 3,597,036	$ 1,155	$ 3,598,191
Revenue recognized over time	6,573	-	6,573
Total	$ 3,603,609	$ 1,155	$ 3,604,764

Six months ended June 30, 2025	Taiwan	Japan	Total
Revenue recognized at a point in time	$ 2,914,040	$ -	$ 2,914,040
Revenue recognized over time	25,934	10	25,944
Total	$ 2,939,974	$ 10	$ 2,939,984

Six months ended June 30,2024	Taiwan	Japan	Total
Revenue recognized at a point in time	$ 4,407,667	$ 12,171	$ 4,419,838
Revenue recognized over time	7,087	-	7,087
Total	$ 4,414,754	$ 12,171	$ 4,426,925

(a) The sales of electric buses are sales with variable consideration. The sales revenue of the aforementioned electric bus bodies for the three months and six months ended June 30, 2025 and 2024 were $290,144, $25,986, $374,148, and $74,311, respectively, of which the sales amounts with variable consideration were $132,676, $6,676, $171,346, and $19,855, respectively. According to the contract terms, the aforementioned variable consideration is based on the maximum limit of subsidies that can be fully obtained from relevant units of the Ministry of Transportation, and any shortfall will be deducted from the payment. Based on the Group's assessment, the variable consideration related to the value-added rate is highly unlikely to have significant reversal, but payment can only be collected after customers obtain government subsidies. Considering the uncertainty of the variable consideration related to the acceptance rate, it is first recognized as contract liabilities and will be transferred to revenue when the uncertainty is subsequently eliminated.

(b) As of June 30, 2025,the supporting documents with added value rate of more than 50% had been prepared by the Group, and customers had obtained the aforementioned subsidy of variable consideration.

(c) As of June 30, 2025, certain consideration with the availability had been met the aforementioned subsidy of variable consideration and had been transferred to revenue. Certain consideration will be transferred to revenue once the subsidy of variable consideration is met.

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Contract assets - current:			
Service contracts	$ -	$ -	$ 1,175
Sales contracts	157,487	142,532	262,555
Total	$ 157,487	$ 142,532	$ 263,730
Contract liabilities - current:			
Sales contracts	$ (61,227)	(20,867)	$ (62,043)
Contract liabilities - non-current:			
Sales contracts	(276,499)	(276,500)	(276,499)
Total	$ (337,726)	$ (297,367)	$ (338,542)

(a) Contract assets - service contracts pertain to services rendered but not yet billed; contract assets - sales contracts represent variable considerations that are highly probable that a significant reversal will not; and contract liabilities represent advance sales receipts. Refer to Note 7 for the information on related parties.

(b) The amounts of revenue recognized from the beginning contract liabilities for the three months and six months ended June 30, 2025 and 2024 were $0, $0, $20,867, and $13,345, respectively.

(18) Expenses by nature

Additional disclosures regarding cost of sales and operating expenses are as follows:

	Three months ended June 30,	
	2025	2024
Employee benefit expenses	$ 324,376	$ 261,773
Depreciation	193,363	160,125
Amortization	228,690	261,094
	$ 746,429	$ 682,992

	Six months ended June 30,	
	2025	2024
Employee benefit expenses	$ 641,654	$ 514,137
Depreciation	392,991	277,186
Amortization	467,730	485,167
	$ 1,502,375	$ 1,276,490

(19) Employee benefit expenses

	Three months ended June 30,	
	2025	2024
Wages and salaries	$ 328,258	$ 275,477
Share-based payments	3,130	3,123
Labor and health insurance fees	22,749	18,251
Pension costs	12,408	10,304
Other personnel expenses	1,988	3,541
	$ 368,533	$ 310,696

The above items are grouped into the following:	Three months ended June 30, 2025		2024	
Operating costs and expenses	$	324,376	$	261,773
Internally generated intangible assets		44,157		48,923
Total	$	368,533	$	310,696

	Six months ended June 30, 2025		2024	
Wages and salaries	$	645,529	$	532,076
Share-based payments		6,260		6,245
Labor and health insurance fees		52,276		39,938
Pension costs		24,608		20,169
Other personnel expenses		4,571		4,000
	$	733,244	$	602,428
The above items are grouped into the following:				
Operating costs and expenses	$	641,654	$	514,137
Internally generated intangible assets		91,590		88,291
Total	$	733,244	$	602,428

A. In accordance with the Articles of Incorporation of the Group, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation. The ratio shall be 5% to 7% for employees' compensation; directors' remuneration is zero.

B. Due to net losses for the six months ended June 30, 2025 and 2024, the Company does not plan to accrue employees' compensation.

(20) Income tax

A. Income tax benefit

Components of income tax benefit:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Current tax:		
Income tax on current income	$ (26)	$ -
Underestimation on income tax of prior years	-	61
Deferred tax:		
Origination and reversal of temporary differences	-	(87,501)
Income tax expense (benefit)	$ (26)	$ (87,440)

	Six months ended June 30, 2025	Six months ended June 30, 2024
Current tax:		
Underestimation on income tax of prior years	$ -	$ 61
Deferred tax:		
Origination and reversal of temporary differences	-	(194,771)
Income tax expense (benefit)	$ -	$ (194,710)

B. The Company's income tax returns through 2023 have been assessed by the Tax Authority.

(21) Loss per share

	Three months ended June 30, 2025		
	Amount after-tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (651,288)	1,741,314	$ (0.38)

	Three months ended June 30,2024		
	Amount after-tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted			
Loss attributable to ordinary shareholders of the parent	$ (149,904)	1,741,314	$ (0.09)

	Six months ended June 30, 2025		
	Amount after-tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (1,180,729)	1,741,314	$ (0.68)

	Six months ended June 30,2024		
	Amount after-tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted			
Loss attributable to ordinary shareholders of the parent	$ (729,039)	1,741,314	$ (0.42)

The employee share options was not included in the calculation of diluted loss per share as it will have an anti-dilutive effect because of loss incurred during the periods from April 1 to June 30, 2025, and from January 1 to June 30, 2025.

(22) Supplemental cash flow information

Investing activities with partial cash payments:

	Six months ended June 30,			
	2025		2024	
Purchase of property, plant and equipment	$	257,253	$	2,206,336
Add: Opening balance of payable on equipment payable at the beginning of period (including related parties)		117,799		60,023
Add: Prepaid equipment at the end of period		850,247		143,387
Less: Ending balance of payable on equipment at the end of period (including related parties)		(16,913)		(454,591)
Less: Prepaid equipment at the beginning of period		(348,856)		(450,175)
Cash paid during the period	$	859,530	$	1,504,980

7. Related Party Transactions

(1) Names and relationships of related parties

Names of Related Parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hon Hai Group)	Group that has control over the Company
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	〃
Jusda International Logistics (Taiwan) Co., Ltd. (Jusda)	〃
Scienbizip Consulting (Far East) Co., Ltd.	〃
CLOUD NETWORK TECHNOLOGY SINGAPORE PTE.LTD	〃
FORTUNEBAY TECHNOLOGY PTE LTD.	〃
FOXCONN EV SYSTEM LLC	〃
Yulon Motor Co., Ltd. and its subsidiaries (Yulon Group)	Group that has significant influence over the Company
Yulon Motor Co., Ltd. (Yulon Motor)	〃
Hua-Chuang Automobile Information Technical Center Co., Ltd. (Hua-Chuang)	〃
Luxgen Motor Co., Ltd. (Luxgen)	〃
Yue ki Industrial Co., Ltd. (Yue ki)	〃
Y-Teks Co., Ltd. (Y-Teks)	〃
Uni Auto Parts Manufacture Co., Ltd.	〃
Yue Sheng Industrial Co., Ltd. (Yue Sheng Industrial)	〃
Yufong Property Management Co., Ltd.	〃
Yulon Motor Co., Ltd. (China)	〃
Luxgen (Hangzhou) Motor Sales Co., Ltd (Luxgen Hangzhou)	〃
Chuang Jie New Energy Vehicles (Hangzhou) Limited	〃
Hangzhou Hua-chuang Automobile Information Technical Center Co., Ltd.	〃
Pan-International Industrial Corp. (Pan-International)	Associates of Hon Hai Group
Maxnerva Technology Service Inc. (Maxnerva)	〃
GENERAL INTERFACE SOLUTION LIMITED(GIS)	〃
Sharp (Taiwan) Electronics Corporation	〃
GARUDA INTERNATIONAL LIMITED	〃
Yonglin Foundation (Yonglin)	Other related parties

(2) Significant transactions with related parties

A. Operating revenue

	Three months ended June 30,	
	2025	2024
Sales of goods:		
Luxgen	$ 890,857	$ 3,561,826
Other related parties	-	19,980
Sales and service revenue:		
Luxgen	4,906	2,772
Hon Hai Group	-	3,552
	$ 895,763	$ 3,588,130

	Six months ended June 30,	
	2025	2024
Sales of goods:		
Luxgen	$ 2,539,892	$ 4,318,589
Other related parties	-	19,980
Sales and service revenue:		
Luxgen	24,739	2,829
Hon Hai Group	-	3,552
Others	-	145
	$ 2,564,631	$ 4,345,095

(a) The transaction prices and payment terms for service sales are not significantly different from those with non-related parties.

(b) Except for transactions where there are no comparable transactions available and whose terms are determined through mutual negotiation, the prices for sales and services provided by the Group to the aforementioned related parties are similar to those offered to general customers for sales and services.

(c) The abovementioned other sales of services for 2024 represents the operation service fee for vehicle display at Hon Hai Carnival, which was commissioned by Hon Hai Precision Industry Co., Ltd. Employee Welfare Committee and paid by Hon Hai Precision Industry Co., Ltd.

(d) The abovementioned revenue from the services contracted but unfulfilled was $64,304 and$7,052 as of June 30, 2025 and 2024.

B. Purchases

	Three months ended June 30,	
	2025	2024
Merchandise purchases:		
Hon Hai Group	$ 23,705	$ 91,266
Associates of Hon Hai Group	5,521	9,967
Yulon Group	5,874	4,622
	$ 35,100	$ 105,855

	Six months ended June 30,	
	2025	2024
Merchandise purchases:		
Hon Hai Group	$ 32,354	$ 133,858
Associates of Hon Hai Group	10,212	32,409
Yulon Group	10,472	7,745
	$ 53,038	$ 174,012

Except where there are no comparable transactions available and transaction terms are determined through mutual negotiation, the Group purchases from the aforementioned related parties at current market prices, and purchases from affiliates are made under normal commercial terms and conditions.

C. Amounts receivable from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable:			
Luxgen	$ 136,674	$ 57,840	$ 454,600
Less: Allowance for uncollectible accounts	(68)	(29)	(228)
Total	$ 136,606	$ 57,811	$ 454,372

Accounts receivables are due 7 to 45 days after the date of sale. The above receivables are neither pledged nor interest-bearing.

D. Contract assets - service contracts

	June 30, 2025	December 31, 2024	June 30, 2024
Luxgen	$ -	$ -	$ 1,176

E. Contract liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Sales contracts			
Yonglin	$ -	$ -	$ 62,043
Service contracts			
Luxgen	4,107	20,858	-
Total	$ 4,107	$ 20,858	$ 62,043

F. Payable to related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Yulon Motor	$ 144,538	$ 143,559	$ 391,577
Hon Hai Group	25,390	51,576	43,571
Associates of Hon Hai Group	3,187	19,607	7,935
Yulon Group	3,046	4,592	4,140
Total	$ 176,161	$ 219,334	$ 447,223

Payments due to related parties are due within 30-90 days after the purchase date and service provision. The accounts payable are non-interest bearing.

G. Prepayments (show as "prepayments" and "other non-current assets")

	June 30, 2025	December 31, 2024	June 30, 2024
Yulon Group	94,642	$ 63,311	$ 7,478
Associates of Hon Hai Group	8	-	-
Total	94,650	$ 63,311	$ 7,478

Prepayments mainly consist of prepayments for business equipment and research and development prototype costs, etc.

H. Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Hon Hai Group	$ 24,591	$ 68,502	$ 20,288
Yulon Group	10,742	34,961	121,218
Hua-Chuang	-	-	208,818
Associates of Hon Hai Group	-	364	119
Total	$ 35,333	$ 103,827	$ 350,443

Other payables mainly consist of pilot run fees, advances, administration service fees, design and development fees, and equipment payables, etc.

I. Lease Transactions - Lessee

(a) In 2024, the Group leased a laboratory from Yulon Motor with a 20-year lease term and monthly rental payments; in 2023, the Group leased office space from Hon Hai with a 2-year lease term and quarterly or annual rental payments. For the three months ended June 30, 2025, there were no right-of-use assets acquired from related parties.

Lease liabilities	June 30, 2025	December 31, 2024	June 30, 2024
Hon Hai	$ 119,587	$ 143,798	$ 167,155
Yulon Motor	85,152	87,011	-
Total	$ 204,739	$ 230,809	$ 167,155

The Group's interest expenses arising from lease liabilities for the three months and six months ended June 30, 2025 and 2024 were $705, $448, $1,441, and $929, respectively.

(b) For the six months ended June 30, 2025 and 2024, the Group leased offices from Yulon Motor and Yulon Group, and warehouses from Hon Hai Group. Rental contracts were both made for periods of 12 months or less.

Rental expenses

	Three months ended June 30,			
	2025		2024	
Yulon Motor	$	1,542	$	6,291
Hon Hai Group		354		-
	$	1,896	$	6,291

	Six months ended June 30,			
	2025		2024	
Yulon Motor	$	3,646	$	12,451
Yulon Group		381		-
Hon Hai Group		693		-
	$	4,720	$	12,451

J. Other costs and expenses

	Three months ended June 30,			
	2025		2024	
Service fees				
-Yulon Motor	$	7,478	$	6,110
-Associates of Hon Hai Group		-		113
- Hon Hai Group		460		284
- Yulon Group p		2,664		108
Other costs and expenses				
-Yulon Motor		332,648		1,433,082
- Yulon Group		1,120		90,472
-Associates of Hon Hai Group		1,897		25,139
- Hon Hai Group		15,195		7,156
Total	$	361,462	$	1,562,464

	Six months ended June 30,	
	2025	2024
Service fees		
-Yulon Motor	$ 10,910	$ 14,029
-Associates of Hon Hai Group	-	340
- Hon Hai Group	2,801	284
- Yulon Group	3,121	108
Other costs and expenses		
-Yulon Motor	946,556	1,789,850
- Yulon Group	4,188	96,474
-Associates of Hon Hai Group	3,934	25,139
- Hon Hai Group	24,283	12,487
Total	$ 995,793	$ 1,938,711

The cost for Yulon Motor parts during the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, were $292,677, $1,314,068, $838,473, and $1,598,938, respectively; other costs and expenses mainly consisted of shipping fees, prototyping costs and subcontracting fees.

K. Non-operating income

	Three months ended June 30,	
	2025	2024
Hon Hai Group	$ -	$ 13
Yulon Group	8	113
Total	$ 8	$ 126

	Six months ended June 30,	
	2025	2024
Hon Hai Group	$ 74	$ 64
Yulon Group	17	144
Total	$ 91	$ 208

L. Property transactions

(a) Acquisition of property and equipment

	Three months ended June 30,	
	2025	2024
Yulon Group	$ 2,836	$ 296,099
Hua-Chuang	-	208,818
Associates of Hon Hai Group	-	367
Total	$ 2,836	$ 505,284

	Six months ended June 30,	
	2025	2024
Yulon Group	$ 11,756	$ 592,495
Hua-Chuang	-	208,818
Associates of Hon Hai Group	-	430
Total	$ 11,756	$ 801,743

(b) Acquisition of intangible assets

	Three months ended June 30,	
	2025	2024
Yulon Group	$ 375	$ -

	Six months ended June 30,	
	2025	2024
Yulon Group	$ 375	$ -

(3) Key management compensation

	Three months ended June 30,	
	2025	2024
Short-term employee benefits	$ 6,972	$ 6,855
Post-employment benefits	283	291
Share-based payments	3,130	3,123
Total	$ 10,385	$ 10,269

	Six months ended June 30,	
	2025	2024
Short-term employee benefits	$ 17,068	$ 12,611
Post-employment benefits	566	573
Share-based payments	6,260	6,245
Total	$ 23,894	$ 19,429

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contract commitments

A. The Group participated in a subsidy program for the Ministry of Economic Affairs' Technology Research and Development Project from December 1, 2020 to November 30, 2022. As of December 31, 2022, a performance bond of $128,000 was required according to the contract, which was secured by a joint guarantee letter issued by the bank. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group had applied for and received subsidies of $128,000, $128,000, and $128,000, respectively. However, as certain parts of the projects have not been completed, portions of the subsidies amounting to $3,551, $3,551, and $3,551, respectively have been classified as restricted deposits (shown as "Financial assets at amortized cost - current").

B. The Group participated in the Industrial Upgrading Innovation Platform Guidance Program of the Ministry of Economic Affairs with the project period from January 1, 2023 to June 30, 2025. The project was approved on May 18, 2023, and the subsidy contract was signed on September 22, 2023. The subsidy of $269,474 will be received based on the progress of execution.

As of June 30, 2025 and 2024, the Group had cumulatively applied for and received subsidies of $250,000 and $176,425. The Group recognized gain on government grants in the amount of $22,219 and $41,599 (listed under "Other income") for the six months ended June 30, 2025 and 2024, respectively.

C. The Group participated in the A+ Corporate Innovation R&D Project of the Ministry of Economic Affairs with the project period from April 1, 2024 to June 30, 2027. The project was approved on April 12, 2024, and the subsidy contract was completed in June 2024. The subsidy of $125,000 will be received based on the progress of execution.

As of June 30, 2025, the Group has cumulatively applied for and received subsidies of $40,771. As of June 30, 2025, the Group recognized gain on deferred government grants in the amount of $21,068 (shown as "Other income").

(2) Commitments

Capital expenditures contracted but not yet incurred is as follows

	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment and intangible assets	$ 770,343	$ 548,905	$ 737,112

10. Significant Disaster Losses

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital Management

The Group's capital management objectives are to safeguard the company's ability to continue as a going concern, actively reduce the gearing ratio and cost of capital, and maximize returns for shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce gearing ratio and the cost of capital.

(2) Financial Instruments

A. Types of Financial Instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial Assets			
Financial assets at amortized cost			
Cash and cash equivalents	$ 2,902,533	$ 4,180,593	$ 6,903,808
Financial assets at amortized cost	303,552	1,148,041	603,551
Accounts Receivable (Including related parties)	188,294	136,162	461,590
Other receivables	55,201	71,181	3,794
Guarantee deposits	7,109	8,348	19,907
	$ 3,456,689	$ 5,544,325	$ 7,992,650

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities			
Financial liabilities at amortized cost			
Accounts payable (Including related parties)	$ 530,399	1,301,520	$ 669,170
Other Payables (Including related parties)	426,772	1,061,518	959,913
Guarantee deposits received	400	400	400
	$ 957,571	$ 2,363,438	$ 1,629,483
Lease liability	$ 474,442	$ 392,678	$ 336,527

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including exchange rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on unpredictable events in financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) The Group's finance department is responsible for identifying, evaluating and hedging financial risks through close cooperation with the Group's operating units. The Board of Directors provides written policies for specific areas and matters, such as procedures for acquisition or disposal of assets and the use of derivative financial instruments.

C. Significant financial risks and degrees of financial risk

(a) Market Risk

Foreign exchange risk

The Group's business operations involve several non-functional currencies (the Group's functional currency is NTD), and are therefore affected by exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2025					
				Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency amount (in thousands)	Exchange rate	Book value(NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial Assets						
Monetary Items						
USD:NTD	890	29.30	$ 26,070	1 %	$ 261	$ -
RMB:NTD	20,204	4.091	82,653	1 %	827	-
Foreign Operations						
USD:NTD	848	29.30	$ 24,840	1 %	$ -	$ 248
RMB:NTD	9,880	4.091	40,417	1 %	-	404
Financial Liabilities						
Monetary Items						
USD:NTD	3,961	29.30	$ 116,060	1 %	$ 1,161	$ -
RMB:NTD	41,240	4.091	168,714	1 %	1,687	-

	December 31, 2024					
				Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency (in thousands)	Exchange Rate	Book value(NTD)	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Financial Assets						
Monetary Items						
USD:NTD	4,136	32.79	$ 135,623	1 %	$ 1,356	$ -
RMB:NTD	78,324	4.478	350,734	1 %	3,507	-
Foreign Operations						
USD:NTD	1,219	32.79	$ 39,971	1 %	$ -	$ 400
RMB:NTD	9,601	4.478	42,995	1 %	-	430
Financial Liabilities						
Monetary Items						
USD:NTD	6,468	32.79	$ 212,083	1 %	$ 2,121	$ -
RMB:NTD	146,688	4.478	656,869	1 %	6,569	-

	June 30, 2024					
				Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency (in thousands)	Exchange Rate	Book value(NTD)	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Financial Assets						
Monetary Items						
USD:NTD	935	32.45	$ 30,344	1 %	$ 303	$ -
RMB:NTD	28,486	4.445	126,618	1 %	1,266	-
Foreign Operations						
USD:NTD	1,204	32.45	$ 39,074	1 %	$ -	$ 391
RMB:NTD	9,452	4.445	42,015	1 %	-	420
Financial Liabilities						
Monetary Items						
USD:NTD	6,299	32.45	$ 204,414	1 %	$ 2,044	$ -
RMB:NTD	76,276	4.445	339,049	1 %	3,390	-

Due to exchange rate fluctuations, the Group's monetary items had significant impacts, and the total recognized exchange losses (including realized and unrealized) for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, amounting to gains of $44,792, $27,993, $44,259, and $24,033, respectively (shown as "Other Gains and Losses").

Price Risk

The Group did not engage in any investments targets with price risk, therefore there was no significant market risk from price fluctuations.

Cash flow and fair value interest rate risk

The Group had not invested in interest rate products and has no borrowings, therefore there was no cash flow risk from interest rate changes.

(b) Credit Risk

I. Credit risk is the risk of financial loss to the Group resulting from the failure of customers or counterparties of financial instruments to fulfill their contractual obligations.

According to the Group's internally specified credit policy, before setting payment and delivery terms and conditions, each operating entity within the Group must conduct management and credit risk analysis for each new customer. Internal risk control evaluates customers' credit quality by considering their financial status, past experience, and other factors.

Individual risk limits are set by the Board of Directors based on internal or external ratings, and credit limit usage is regularly monitored. The main credit risks come from cash and cash equivalents, deposits placed with banks and financial institutions, and credit risks from other financial instruments. Since the Group's counterparties and performing parties are all banks with good credit ratings, there are no significant concerns about performance, therefore there is no significant credit risk.

II. The Group assumes that when contractual payments are overdue for more than 90 days according to the agreed payment terms, it indicates a significant increase in credit risk since initial recognition of the financial asset; when payments are overdue for more than 360 days according to the agreed payment terms, it is considered a default.

III. The Group uses the following indicators to determine if debt instrument investments are credit-impaired:

i. The issuer experiences significant financial difficulties, or there is a high probability of entering bankruptcy or other financial restructuring;
ii. The issuer delays or defaults on interest or principal payments;
iii. Adverse changes in national or regional economic conditions that lead to issuer default.

IV. The aging analysis of accounts receivable (including related parties) is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	$ 188,457	$ 136,282	$ 463,019
Within 90 days	-	-	574
	$ 188,457	$ 136,282	$ 463,593

The above aging analysis is based on the number of days past due.

V. The Group's method for assessing credit risk of overdue accounts receivable and contract assets is as follows:

i. For individually significant accounts receivable that have defaulted, expected credit losses are estimated individually;
ii. For the remaining customers, accounts receivable are grouped according to the Group's credit rating standards, and expected credit losses are estimated based on different loss rate methods or provision matrices for different groups;
iii. Incorporate forward-looking considerations from the National Development Council's Economic Indicator Inquiry System and the Basel Committee on Banking Supervision to adjust loss rates established based on historical and current information for specific periods.
iv. As of June 30, 2025, December 31, 2024, and June 30, 2024, the allowance for losses on accounts receivable (including related parties) and contract assets estimated using the loss rate method or provision matrix is as follows:

June 30, 2025	Group 1	Group 2	Group 3 and 4	Total
Expected loss rate	0.0500 %	0.1100 %	10.83%-17.45%	
Total carrying amount	$ 136,674	$ 209,087	$ 357	$ 346,118
Loss allowance	$ 68	$ 230	$ 39	$ 337

December 31, 2024	Group 1	Group 2	Group 3 and 4	Total
Expected loss rate	0.0500 %	0.1100 %	10.87%-19.25%	
Total carrying amount	$ 57,840	$ 221,092	$ 39	$ 278,971
Loss allowance	$ 29	$ 243	$ 5	$ 277

	Group 1		Group 2		Group 3 and 4		Total	
June 30, 2024								
Expected loss rate	0.0500 %		0.1100 %		9.63%~22.99%			
Total carrying amount	$	456,910	$	262,844	$	7,859	$	727,613
Loss allowance	$	229	$	289	$	1,775	$	2,293

Group 1: Those with Standard & Poor's, Fitch, or Moody's ratings of grade A or those without external agency ratings but rated as grade A according to the Group's credit standards.

Group 2: Those with Standard & Poor's or Fitch ratings of grade BBB, or Moody's ratings of grade Baa, or those without external agency ratings but rated as grade B or C according to the Group's credit standards.

Group 3: Those with Standard & Poor's or Fitch ratings of grade BB+ and below, or Moody's ratings of grade Ba1 and below.

Group 4: Those without external agency ratings and not rated as grade A, B, or C according to the Group's credit standards.

VI. The changes in loss allowance for accounts receivable (including related parties) and contract assets of the Group are as follows:

	2025		2024	
January 1	$	277	$	1,769
Impairment loss		60		524
June 30	$	337	$	2,293

(c) Liquidity risk

I. Cash flow forecasts are executed by each operating entity within the company and consolidated by the company's finance department. The company's finance department monitors forecasts of the company's liquidity requirements to ensure it has sufficient funds to meet operational needs and maintains sufficient undrawn borrowing facilities at all times.

II. The following table groups the Group's non-derivative financial liabilities by their relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the following table are undiscounted amounts. Additionally, the Group has no derivative financial liabilities.

	Less than 1 year		Within 1 to 2 years		Within 2 to 5 years		Over 5 years		Total	
Non-derivative financial liabilities										
June 30, 2025										
Lease liabilities	$	132,560	$	107,251	$	82,541	$	197,329	$	519,681
Non-derivative financial liabilities										
December 31, 2024										
Lease liabilities	$	84,872	$	71,286	$	73,878	$	204,468	$	434,504
Non-derivative financial liabilities										
June 30, 2024										
Lease liabilities	$	79,335	$	66,105	$	86,636	$	132,078	$	364,154

(3) Fair value information

A. The Group did not have any financial and non-financial instruments measured at fair value as of June 30, 2025, December 31, 2024 and June 30, 2024.

B. The carrying amounts of the Group's financial instruments not measured at fair value (cash and cash equivalents, other current assets, other non-current assets, other payables and other current liabilities) are reasonable approximations to their fair values.

13. Notes disclosure

(1) Information on significant transactions

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Securities held at the end of the period (excluding investments in subsidiaries, associates and joint controls): None.

D. Purchases from or sales to related parties reaching to NT$100 million or 20% of the paid-in capital or more: Please refer to Table 1.

E. Receivables from related parties amounting to NT$100 million or 20% of the paid-in capital or more: Please refer to Table 2.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investee companies

Names, locations and relevant information of investee companies (excluding investees in Mainland China): Please refer to Table 3.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 4.

B. Significant transactions occurring directly or indirectly through third regions with investee companies in Mainland China: None.

14. Segment information

(1) General information

The Group operates in a single industry, and the Company's Board of Directors evaluates performance and allocates resources based on the overall company performance. Therefore, the Company has been identified as a single reportable segment.

(2) Information on segment profit or loss, assets and liabilities

The Group operates in a single industry. The Group's segment profit or loss, assets and liabilities information is consistent with the financial statements. Please refer to the balance sheet and statement of comprehensive income.

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
PURCHASES FROM AND SALES TO RELATED PARTIES REACHING TO NT$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
FOR THE SIX MONTHS ENDED JUNE 30, 2025

Table 1

Expressed in thousands of TWD
(Unless otherwise specified)

			Terms of transaction				Differences in transaction terms compared to general transactions and reasons		Notes and accounts receivable (payable)		
Purchasing (selling) company	Name of counterparty	Relationship	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	Note
Foxtron Vehicle Technologies Co., Ltd.	Luxgen Motor Co., Ltd. (Luxgen)	Groups that have significant influence on the Company	Sales of goods and services	$ 2,564,631	87	Note 1	Note 2	Note 2	$ 136,674	73	

Note 1: Revenue from goods sales is settled weekly (7 days), revenue from service sales is settled monthly (45 days).

Note 2: Except for cases where there are no similar transactions for reference and transaction terms are determined through mutual negotiation, other transaction terms are similar to general transaction terms.

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES

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

JUNE 30, 2025

Table 2

Expressed in thousands of TWD

(Unless otherwise specified)

Company recording the receivables	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amount of receivables from related parties subsequently collected	Allowance for bad debts provided
					Amount	Processing method		
Foxtron Vehicle Technologies Co., Ltd.	Luxgen Motor Co., Ltd. (Luxgen)	Subsidiaries of groups that have significant influence on the Company	$ 136,674	53	$ -	-	$ 136,674	$ 68

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025

Table 3

Expressed in thousands of TWD

(Unless otherwise specified)

Name of investing company	Name of investee company	Location	Main business activities	Original Investment Amount		Balance at end of period			Current period profit/loss of investee company	Investment gain/loss recognized in current period	Note
				End of current period	End of last year	Number of shares	Ratio	Carrying Amount			
Foxtron Vehicle Technologies Co., Ltd.	Foxtron Vehicle Technologies USA, Inc.	United States	Specializes in vehicle and parts order processing, regulatory certification, and warranty services.	$ 38,859	38,859	12,000	100	$ 24,840	$ (11,832)	$ (11,832)	

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025

Table 4

Expressed in thousands of TWD
(Unless otherwise specified)

Name of Investee Company in Mainland China	Main business activities	Paid-in capital	Investment Method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Period	Amount Remitted or Repatriated in Current Period Investment Amount		End of Current Period from Taiwan Accumulated Investment Amount Remitted	Current period profit/loss of investee company	Shareholding Ratio of Direct or Indirect Investment by the Company	Investment Profit/Loss Recognized in Current Period	Investment Book Value at Period End	Investment Returns Remitted as of Current Period	Note
					Remitted	Retrieved							
Honhua Advanced Technology (Hangzhou) Co., Ltd.	Primarily engaged in procurement of vehicle components.	$ 40,910	(1)	$ 44,361	$ -	$ -	$ 44,361	$ 1,220	100	$ 1,220	$ 40,417	$ -	Note 2, 3

Company Name	Accumulated Investment Amount Remitted from Taiwan to Mainland China at Period End (Note 5)	Investment Amount Approved by the Investment Commission, MOEA (Note 5)	Investment Limit in Mainland China Regulated by the Investment Commission, MOEA
Foxtron Vehicle Technologies Co., Ltd.	$ 44,361	$ 40,910	$ 9,518,647

Note 1: Investment methods are classified into the following three types; fill in the number of category each case belongs to,

(1). Direct investment in Mainland China

(2). Through investing in an existing company in the third area, which then invested in the investee in Mainland China

(3). Other methods

Note 2: Advanced Foxtron Vehicle Technologies (Hangzhou) Co. Ltd. had been approved by the Investment Commission, of the Ministry of Economic Affairs (MOEA). The capital injection was completed on April 20, 2023.

Note 3: The investment gains and losses recognized in this period was based on the financial statements reviewed by CPA.

Note 4: The Company's investment limit in Mainland China is capped at 60% of net worth.

Note 5: The investment amount approved by the Investment Commissio,of Ministry of Economic Affairs (MOEA), and the accumulated amount remitted from Taiwan to Mainland China at the end of the period are both RMB 10 million. The difference was due to exchange rate conversion.