

Stock Code: 1339



昭輝實業股份有限公司

Y.C.C. PARTS MFG. CO., LTD.

2023 General Shareholders' Meeting

Meeting Agenda

**Address: No. 8, Xingye Rd., Changhua
Coastal Industrial Park, Lukang Township,
Changhua County, Taiwan (R.O.C.)**

May 31, 2023

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One. 2023 General Shareholders' Meeting Procedure

I. Call the Meeting to Order

II. Chairman's Remarks

III. Report Items

IV. Proposals

V. Discussion

VI. Extempore Motion

VII. Adjournment

Two. 2023 Shareholders' Meeting Agenda

I. Time: 9:30 am, May 31, 2023 (Wed.)

II. Venue: No. 8, Xingye Rd., Changhua Coastal Industrial Park, Lukang Township, Changhua County, Taiwan (R.O.C.) Convening Method: Physical shareholders' meeting.

III. Call the Meeting to Order

IV. Chairman's Remarks

V. Report Items

(I). 2022 Business Report

(II). Audit Committee's Review Report on 2022 Financial Statements

(III). Appropriation to Special Reserve

(IV). Distribution of 2022 Remuneration to Employees and Directors

(V). 2022 Earnings Distribution.

(VI) Rename the title "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles"

(VII) The Company's sustainable development promotion plan report.

VI. Proposals

(I). To Approve 2022 Business Report and Financial Statements

(II). To Approve 2022 Earnings Distribution

VII. Discussion

To Release Non-Compete Restrictions on the Company's Directors and their Representatives

VIII. Extempore Motion

IX. Adjournment

Three. Report Items

I. 2022 Business Report

Explanation: For the 2022 Business Report, please refer to pages 11 (Attachment I).

II. Audit Committee's Review Report on 2022 Financial Statements

Explanation: For the Audit Committee's Review Report on the 2022 Financial Statements, please refer to page 13 (Attachment II).

III. Appropriation to Special Reserve

Explanation: The Company's reversal of special reserve is carried out pursuant to Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865 dated April 6, 2012, issued by the Financial Supervisory Commission (FSC). The amount of appropriation is as follows:

1. The Company's net deduction of other equity as of December 31, 2022 is NT\$-109,142,058. Related accounting titles are as follows:
 - (1) Exchange differences from the translation of foreign financial statement: NT\$-82,601,940.
 - (2) Unrealized profits and losses from investments in equity instruments at FVTOCI: NT\$-26,540,118.
2. The Company's special reserve as of December 31, 2022: NT\$120,040,686. Special reserve reversal: NT\$10,898,628.

IV. Distribution of 2022 Remuneration to Employees and Directors

Explanation: (I). 2022 Remuneration to employees, Directors and Supervisors is distributed in accordance with the Company Act and Article 26 of the Company's "Articles of Incorporation".

(II). Article 26 of the Company's "Articles of Incorporation" stipulates that, if the Company has earnings for the year, no less than 1% - 3% of the earnings should be appropriated to pay remuneration to employees and no more than 3% of the earnings should be appropriated to pay remuneration to Directors and Supervisors. However, profits must first be

taken to offset cumulative losses, if any.

(III). The Company's 2022 remuneration to Directors and Supervisors was approved by the Remuneration Committee on March 13, 2023. The remuneration to Directors is NT\$5,661,252 and Remuneration to employees is NT\$7,359,628.

V. 2022 Earnings Distribution.

Explanation: (I). According to Article 27 of the Company's articles of incorporation, the board of directors is authorized to resolve all or part of the dividends and bonuses to be distributed in cash and shall report such distribution proposal to the shareholders' meeting.

(II). The cash dividends of NT\$222,371,625 are distributed among shareholders at NT\$3 per share and the cash dividend are rounded off to the nearest NTD. The Chairman is authorized to have dedicated personnel to adjust the fractional-cent amount.

(III). This Proposal has been reviewed and approved by the Auditing Committee and was approved by the board of directors on March 13, 2023. The Chairman was authorized to set the ex-dividends base date, distribution date and determine other related matters; when the number of outstanding common stocks changes, the Chairman is also authorized to have dedicated personnel to adjust it.

(IV). The proposal has been submitted to the shareholders' meeting for report.

6. Rename the title "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles".

Explanation: (1) The original title of GM-32 is Corporate Social Responsibility Best Practice Principles, which is hereby amended as the "Sustainable Development Best Practice Principles" and some of its articles are also amended.

(2) Please refer to Attachment 5 for the comparison table of amendments.

7. The Company's sustainable development promotion plan report.

Explanation: The Corporate Governance and Sustainable Development Committee of the Company passed the 2023 promotion plan on

November 11, 2022. On March 13, 2023, the 2023 promotion plan was passed by the board of directors.

- (1) In February, May, August, and November of 2023, a total of \$2 million will be invested to hold blood donation events once for each of the above months.
- (2) In January 2023, a total of NT\$2 million was invested for winter relief.
- (3) In 2023, a total of NT\$500,000 will be invested to hold the events of Family Day.

Four. Proposals

Motion 1

(Proposed by the Board of Directors)

Motion: To Approve 2022 Business Report and Financial Statements

Explanatory Notes: I. The Company's 2022 business report and financial statements are reviewed by the CPAs, and are submitted to the Audit Committee for review.

II. For the 2022 business report, CPAs' Report, and financial statements, please refer to pages 11-39 (Attachments I-III).

III. Please approve.

Resolutions:

Motion 2

(Proposed by the Board of Directors)

Motion: To Approve 2022 Earnings Distribution.

Explanatory Notes: The Company's 2022 distributable earnings are NT\$1,395,723,028, 10% (NT\$40,787,984) of which is set aside as a legal reserve, and special reserve reversal is NT\$10,898,628. The distributable amount is as follows:

- I. Cash dividends to shareholders are NT\$222,371,625 at NT\$3 per share. The Board of Directors authorizes the Chairman to determine the ex-dividends date and other related matters.

- II. The cash dividends are rounded off to the nearest NTD. The Chairman is authorized to adjust the fractional-cent amount to certain shareholders.
- III. The Chairman is authorized to adjust the dividends if the number of common stocks is affected by the Company's repurchase, transfer or retirement of treasury stock or domestic seasoned equity offering.
- IV. Please refer to Attachment IV for the 2022 earnings distribution table.
- V. Please approve.

Resolutions:

Five. Discussion

(Proposed by the Board of Directors)

Motion: To Release Non-Compete Restrictions on the Company's Directors and their Representatives

- Explanatory Notes: I. As stipulated in Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval."
- II. Due to business needs, it is proposed to release the non-compete restriction on the Company's Directors and representatives acting as a natural person when serving concurrently in other companies within the same business scope listed in the Company's "Articles of Incorporation." In accordance with Article 209 of the Company Act. This matter

is proposed to be resolved at the (2023) Shareholders' Meeting.

III. This proposal is reported to Shareholders' Meeting for discussion after being approved by the Board.

IV. Please discuss.

Director	Status of Release Non-Compete Restrictions
Ziqun International Co., Ltd.	Director of Weiersi Biotech Ltd.
Hehan Investment Co., Ltd.	Director of Gordon Auto Body Parts Co., Ltd.
Hao-Chen Lin	Director of Changshu Guanlin Automotive Trim Co., Ltd. Director of Liaoning Hetai Automotive Parts Co., Ltd. Director of Chang Jie Technology Co., Ltd. Supervisor of Changshu Xinxiang Automobile Parts & Components Co., Ltd.
Shih-Yun Lin	Director of China First Holdings Limited Director of Changshu Guanlin Automotive Trim Co., Ltd. Director of Liaoning Hetai Automotive Parts Co., Ltd. Director of Changshu Xinxiang Automobile Parts & Components Co., Ltd. Chairman of Chang Jie Technology Co., Ltd. Chairman of Weiersi Biotech Ltd.
Jui-Tse Lin	Director of China First Holdings Limited Director of Changshu Guanlin Automotive Trim Co., Ltd. Director of Liaoning Hetai Automotive Parts Co., Ltd.

	<p>Director of Chang Jie Technology Co., Ltd.</p> <p>Director of Gordon Auto Body Parts Co., Ltd.</p>
Shu-Mei Liu	<p>Chairman of Changshu Guanlin Automotive Trim Co., Ltd.</p> <p>Chairman of Liaoning Hetai Automotive Parts Co., Ltd.</p> <p>Chairman of Changshu Xinxiang Automobile Parts & Components Co., Ltd.</p>
Kuo-Hua Chang	<p>Independent Director, Auditing Committee Member and Remuneration Committee Member of Shining Victory Motor Electronic Co., Ltd.</p> <p>Independent Director, Auditing Committee Member and Remuneration Committee Member of Cryomax Cooling System Corp.</p>

Resolutions:

Six. Extempore Motion

Seven. Adjournment

Eight. Attachment

2022 Business Report

Attachment I

Dear Shareholders:

First of all, I would like to thank you for attending the 2022 Shareholders' Meeting, and also for your continued support. On behalf of the Company, we would like to express our sincerest gratitude to our shareholders.

In 2022, due to the Ukrainian-Russian War, global inflation caused customer demand of AM industry to decrease and the port congestion to be mitigated, resulting in excessive customer inventory adjustments reducing volume of purchases. Although shipping fees gradually stabilized, our overall revenue still fell short as expected. And compared with revenue in 2021, the one for 2022 by increased by NT\$116 million. With the reopening of pulling in the first quarter of 2023 and heavy blizzard in North America, the largest market, the growth of demand for AM parts and components after the passing of disaster would be expected. Since traffic accidents are emerging endlessly, business opportunities for car maintenance are increasing, and also, with rising price of new cars and the shortage of chips and supply chain disruption, the cycle for buying new cars to replace the old ones has been prolonged. Further, the uncertainty of economic status remains, making the used car market still hot in 2023. In addition, State Farm, the largest property insurance company in North America, has expanded the coverage of claims for AM parts and components, which will reserve the momentum of performance growth for the AM business in 2023. Since 2020, we have diversified our management to mitigate significant impact on a single industry due to *force majeure* factors. The equipment and devices required for our management diversification of have been purchased from abroad and are expected to be delivered to the premises of the plant for installation by the end of 2022. They will be put into commissioning for mass production at the beginning of 2023 and afterwards adopted to continue to increase revenue and enhance profitability as the return for the long-time support from our shareholders and hard-working staff.

2022 Business Results

(I) 2022 Results of the business plan

The Company's 2022 net revenue was NT\$2,020,758 thousand; net profit before tax was NT\$527,223 thousand; net profit after tax was NT\$408,560 thousand; and EPS after tax was NT\$5.51.

(II) 2022 Revenues, expenses, and profitability analysis

Items	Year	2022	2021
		Financial	Ratio of liabilities to assets	31.10	29.72

structure (%)	Ratio of long-term capital to fixed assets		145.39	142.32	
Profitability (%)	Return on assets		15.50	2.91	
	Return on equity		21.98	3.93	
	As a percentage of paid-in capital	Operating profit		24.28	23.54
		Net income before tax		71.13	22.98
	Net profit rate		20.22	7.08	
	Earnings per share (NT\$)		5.51	1.83	

(III) Research and development

Actively research and develop various equipment related to process automation to gradually reduce the labor demand and increase the stability of the product quality at the production lines.

The Company is a professional manufacturer of automotive plastic parts, manufacturing products with stable quality. Quality control, physical and chemical properties such as impact resistance and tensile strength of the product are the keys to our high-quality products. Our products must have assemblability and be able to withstand various weather conditions and pass internationally recognized tests. Thus, the quality and performance of our products are similar to those of the original manufacturers.

We continue to improve our automated process to reduce labor costs and mitigate the impact of the low birth rate. Through equipment optimization and the introduction of new processes, we expect to be able to increase capacity and improve production yields. In the next three years, according to our short- and medium-term plans, we will be purchasing new equipment and upgrading existing equipment in our plants to equip with automation, IOT, big data collection, and AI, so as to equip our production line with intelligent technology and functions, moving forwards Industry 4.0.

Attachment II

Audit Committees' Review Report

We have reviewed the Company's 2022 financial statements, business report and earnings distribution proposal. The Board retained PricewaterhouseCoopers to audit the 2022 financial statements and issue a review report on their unqualified opinion.

We are responsible for supervision the procedures of financial reporting.

The communication with CPAs regarding 2022 financial statements is as follows:

1. CPAs' responsibilities for the audit of the financial statements
2. Scope and period of audit
3. Major accounting estimate and accounting principles
4. Material findings in the audit
5. Statement of independence
6. Key audit matter
7. Eligibility Assessment

We found no misstatements in the 2022 financial statements, business report and earnings distribution proposal and has issued the report as presented above in accordance with Article 219 of the Company Act.

Yours sincerely,

For

2023 General Shareholders' Meeting of Y.C.C. Parts MFG Co., Ltd.

Convener of the Auditing Committee: Hung-Lung Huang
Lung-Fa Hsieh
Kuo-Hua Chang
Chin-Feng Kuo

March 13, 2023

Attachment III

Y.C.C. PARTS MFG. CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, ” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Y.C.C. PARTS MFG. CO. LTD.

Representative:

March 13, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Y.C.C. Parts Mfg. Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Y.C.C. Parts Mfg. Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Cut-off of sales revenue recognition

Description

For the accounting policy of revenue recognition, please refer to Note 4(29); and for details of operating revenue, please refer to Note 6(18). The Group is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms.

The sales revenue recognition involves the use of several manual judgements and procedures. As a result, the timing of sales revenue recognition may be inappropriate. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

How our audit addressed the matter:

Our audit procedures in relation to the above key audit matter included:

1. Understanding and evaluating the operating procedures and internal controls over sales revenue, and assessing the effectiveness on how the management controls the timing of recognizing sales revenue.
2. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Assessment of allowance for inventory valuation loss

Description

For the accounting policy of inventory assessment, please refer to Note 4(14); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5; and for details of allowance for inventory valuation losses, please refer to Note 6(5). The Group is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms.

As of December 31, 2022, the balances of inventories and allowance for inventory valuation losses were NT\$ 385,108 thousand and NT\$ 84,916 thousand, respectively.

The Group is primarily engaged in manufacturing and trading automobile parts. Inventories that are over a certain age and separately recognised as impaired inventories are stated at the lower of cost and net realisable value. Those inventory items separately identified as obsolete and damaged are corroborated against supporting documents in recognising valuation losses. Considering that the Group's inventories were material to its financial statements, and the determination of net realisable value as at balance sheet date involved judgements and estimates, we identified the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter:

Our audit procedures in relation to the above key audit matter included:

1. Obtained an understanding of the nature of the Group's business and industry and assessed the reasonableness of provision policies in the determination of allowance for inventory valuation losses.
2. Reviewed the Group's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Obtained the Group's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Group's policy.
4. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Y.C.C. Parts Mfg. Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements,

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 1,036,374	19	\$ 635,392	13
1110	Financial assets at fair value through profit or loss - current	129,623	2	117,251	2
1136	Current financial assets at amortised cost	-	-	199,416	4
1150	Notes receivable, net	27,081	1	55,055	1
1170	Accounts receivable, net	534,281	10	441,993	9
1200	Other receivables	10,366	-	10,792	-
130X	Inventories	300,192	5	313,690	6
1470	Other current assets	43,097	1	52,099	1
11XX	Total current Assets	<u>2,081,014</u>	<u>38</u>	<u>1,825,688</u>	<u>36</u>
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	75,247	1	48,308	1
1535	Non-current financial assets at amortised cost	300	-	300	-
1600	Property, plant and equipment	2,974,815	54	2,830,766	56
1755	Right-of-use assets	140,906	3	140,137	3
1760	Investment property, net	14,713	-	15,477	-
1780	Intangible assets	5,016	-	11,147	-
1840	Deferred income tax assets	107,967	2	108,171	2
1900	Other non-current assets	137,492	2	71,871	2
15XX	Total non-current assets	<u>3,456,456</u>	<u>62</u>	<u>3,226,177</u>	<u>64</u>
1XXX	Total assets	<u>\$ 5,537,470</u>	<u>100</u>	<u>\$ 5,051,865</u>	<u>100</u>

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 261,721	5	\$ 264,320	5
2110	Short-term notes and bills payable	-	-	50,000	1
2120	Financial liabilities at fair value through profit or loss - current	-	-	12,111	-
2130	Current contract liabilities	14,852	-	17,912	-
2150	Notes payable	179,968	3	92,502	2
2170	Accounts payable	141,453	2	157,602	3
2200	Other payables	197,101	4	145,514	3
2230	Current income tax liabilities	143,864	3	68,729	2
2320	Long-term liabilities, current portion	169,662	3	105,835	2
2399	Other current liabilities, others	2,655	-	1,703	-
21XX	Total current Liabilities	<u>1,111,276</u>	<u>20</u>	<u>916,228</u>	<u>18</u>
Non-current liabilities					
2540	Long-term borrowings	566,370	10	540,190	11
2560	Current tax liabilities-non current	28,511	1	31,538	1
2570	Deferred income tax liabilities	513	-	-	-
2600	Other non-current liabilities	15,251	-	13,651	-
25XX	Total non-current liabilities	<u>610,645</u>	<u>11</u>	<u>585,379</u>	<u>12</u>
2XXX	Total Liabilities	<u>1,721,921</u>	<u>31</u>	<u>1,501,607</u>	<u>30</u>
Equity attributable to owners of parent					
Share capital					
3110	Share capital - common stock	741,239	13	741,389	15
Capital surplus					
3200	Capital surplus	1,193,349	22	1,193,349	24
Retained earnings					
3310	Legal reserve	343,211	6	329,574	6
3320	Special reserve	120,040	2	105,211	2
3350	Unappropriated retained earnings	1,425,612	26	1,194,447	24
Other equity interest					
3400	Other equity interest	(109,142)	(2)	(120,040)	(3)
3500	Treasury shares	-	-	(526)	-
31XX	Equity attributable to owners of the parent	<u>3,714,309</u>	<u>67</u>	<u>3,443,404</u>	<u>68</u>
36XX	Non-controlling interests	<u>101,240</u>	<u>2</u>	<u>106,854</u>	<u>2</u>
3XXX	Total equity	<u>3,815,549</u>	<u>69</u>	<u>3,550,258</u>	<u>70</u>
Significant events after the balance sheet 9 date					
3X2X	Total liabilities and equity	<u>\$ 5,537,470</u>	<u>100</u>	<u>\$ 5,051,865</u>	<u>100</u>

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue		\$ 2,020,758	100	\$ 1,918,100	100
5000	Operating costs		(1,490,296)	(74)	(1,472,524)	(77)
5900	Net operating margin		530,462	26	445,576	23
	Operating expenses					
6100	Selling expenses		(126,108)	(6)	(113,494)	(6)
6200	General and administrative expenses		(136,240)	(7)	(115,548)	(6)
6300	Research and development expenses		(70,601)	(3)	(37,564)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(17,511)	(1)	(4,481)	-
6000	Total operating expenses		(350,460)	(17)	(271,087)	(14)
6900	Operating profit		180,002	9	174,489	9
	Non-operating income and expenses					
7100	Interest income		18,751	1	2,584	-
7010	Other income		33,458	1	21,917	1
7020	Other gains and losses		321,339	16	(10,009)	-
7050	Finance costs		(26,327)	(1)	(18,575)	(1)
7000	Total non-operating income and expenses		347,221	17	(4,083)	-
7900	Profit before income tax		527,223	26	170,406	9
7950	Income tax expense		(126,230)	(6)	(42,707)	(2)
8200	Profit for the year		\$ 400,993	20	\$ 127,699	7

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(\$ 381)	-	\$ 776	-
8316	Total expenses, by nature	7,008	-	(3,933)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	76	-	(155)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	6,703	-	(3,312)	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	5,843	-	(11,542)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss	5,843	-	(11,542)	(1)
8300	Total other comprehensive income (loss) for the year	\$ 12,546	-	(\$ 14,854)	(1)
8500	Total comprehensive income for the year	\$ 413,539	20	\$ 112,845	6
Profit (loss), attributable to:					
8610	Owners of parent	\$ 408,560	20	\$ 135,753	7
8620	Non-controlling interests	(7,567)	-	(8,054)	-
	Total	\$ 400,993	20	\$ 127,699	7
Comprehensive income (loss) attributable to:					
8710	Owners of parent	\$ 419,153	20	\$ 121,545	6
8720	Non-controlling interests	(5,614)	-	(8,700)	-
	Total	\$ 413,539	20	\$ 112,845	6
Basic earnings per share					
9750	Basic earnings per share	\$	5.51	\$	1.83
9850	Diluted earnings per share	\$	5.50	\$	1.83

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent										Non-controlling interests	Total equity
	Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings			Other equity interest			Treasury shares	Total		
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income					
Year 2021												
Balance at January 1, 2021	\$ 741,389	\$1,193,259	\$ 317,795	\$ 119,480	\$1,203,831	(\$ 75,596)	(\$ 29,615)	(\$ 526)	\$3,470,017	\$ 115,644	\$3,585,661	
Profit (loss) for the year	-	-	-	-	135,753	-	-	-	135,753	(8,054)	127,699	
Other comprehensive income (loss)	-	-	-	-	621	(10,896)	(3,933)	-	(14,208)	(646)	(14,854)	
Total comprehensive income	-	-	-	-	136,374	(10,896)	(3,933)	-	121,545	(8,700)	112,845	
Appropriation and distribution of 2020 earnings												
Legal reserve	-	-	11,779	-	(11,779)	-	-	-	-	-	-	
Special reserve	-	-	-	(14,269)	14,269	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(148,248)	-	-	-	(148,248)	-	(148,248)	
Acquisition of non-controlling interests in subsidiaries	-	90	-	-	-	-	-	-	90	(90)	-	
Balance at December 31, 2021	\$ 741,389	\$1,193,349	\$ 329,574	\$ 105,211	\$1,194,447	(\$ 86,492)	(\$ 33,548)	(\$ 526)	\$3,443,404	\$ 106,854	\$3,550,258	
Year 2022												
Balance at January 1, 2022	\$ 741,389	\$1,193,349	\$ 329,574	\$ 105,211	\$1,194,447	(\$ 86,492)	(\$ 33,548)	(\$ 526)	\$3,443,404	\$ 106,854	\$3,550,258	
Profit (loss) for the year	-	-	-	-	408,560	-	-	-	408,560	(7,567)	400,993	
Other comprehensive income (loss)	-	-	-	-	(305)	3,890	7,008	-	10,593	1,953	12,546	
Total comprehensive income (loss)	-	-	-	-	408,255	3,890	7,008	-	419,153	(5,614)	413,539	
Appropriation and distribution of 2021 earnings												
Legal reserve	-	-	13,637	-	(13,637)	-	-	-	-	-	-	
Special reserve	-	-	-	14,829	(14,829)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(148,248)	-	-	-	(148,248)	-	(148,248)	
Retirement of treasury shares	(150)	-	-	-	(376)	-	-	526	-	-	-	
Balance at December 31, 2022	\$ 741,239	\$1,193,349	\$ 343,211	\$ 120,040	\$1,425,612	(\$ 82,602)	(\$ 26,540)	\$ -	\$3,714,309	\$ 101,240	\$3,815,549	

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 527,223	\$ 170,406
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property)		362,608	334,048
Depreciation expense - right-of-use assets		6,383	5,698
Amortisation expense		7,087	7,483
Expected credit impairment loss		17,511	4,481
Net gain on financial assets or liabilities at fair value through profit or loss		(39,275)	(47,204)
Interest expense		26,327	18,575
Interest income		(18,751)	(2,584)
Government grant revenues		(1,099)	(966)
Dividend income		(4,958)	(4,111)
Proceeds from disposal of property, plant and equipment		(3,798)	(4,528)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		27,974	(25,502)
Accounts receivable, net		(109,799)	145,184
Other receivables		2,445	(7,515)
Inventories		13,498	(10,936)
Other current assets		7,000	9,589
Changes in operating liabilities			
Contract liabilities - current		(3,060)	(2,265)
Notes payable		(15,488)	(25,990)
Accounts payable		(16,149)	(93,501)
Other payables		(1,620)	(3,985)
Other current liabilities		(677)	190
Net defined benefit liability		409	(209)
Cash inflow generated from operations		783,791	466,358
Interest received		16,732	2,886
Interest paid		(26,212)	(18,678)
Dividend received		4,958	4,111
Income taxes paid		(31,677)	(25,903)
Net cash flows from operating activities		<u>747,592</u>	<u>428,774</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through profit or loss	(\$	102,240)	(\$	121,127)
Decrease in financial assets at amortised cost		199,416		65,268
Acquisition of property, plant and equipment	(	365,716 )	(	306,802)
Proceeds from disposal of property, plant and equipment		5,040		7,667
Payment for capitalized interest	(	1,193 )	(	1,972)
Acquisition of intangible assets	(	937 )	(	6,868)
Decrease in other financial assets		2,002		24,738
Increase in other non-current assets	(	34,707)		973
Increase in refundable deposits	(	1,797 )	(	17)
Proceeds from disposal of financial assets at fair value through profit or loss		<u>95,485</u>		<u>57,760</u>
Net cash flows used in investing activities	(	<u>204,647 )</u>	(	<u>280,380)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings		289,015		987,609
Decrease in short-term borrowings	(	298,582 )	(	1,054,832)
Decrease in short-term notes and bills payable	(	50,000)		50,000
Proceeds from long-term borrowings		192,540		75,860
Repayments of long-term borrowings	(	105,835 )	(	143,101)
Increase in refundable deposits		132		-
Repayments of principal portion of lease liabilities	(	2,668 )	(	594)
Cash dividends paid	(	<u>148,248 )</u>	(	<u>148,248)</u>
Net cash flows used in financing activities	(	<u>123,646 )</u>	(	<u>233,306)</u>
Effect of exchange rate changes on cash and cash equivalents	(	<u>18,317 )</u>	(	<u>22,106)</u>
Net increase (decrease) in cash and cash equivalents		400,982	(	107,018)
Cash and cash equivalents at beginning of year		<u>635,392</u>		<u>742,410</u>
Cash and cash equivalents at end of year	\$	<u>1,036,374</u>	\$	<u>635,392</u>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Y.C.C. Parts Mfg. Co., Ltd. •

Opinion

We have audited the accompanying parent company only balance sheets of Y.C.C. Parts Mfg. Co., Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming

our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Cut-off of sales revenue recognition

Description

For the accounting policy of revenue recognition, please refer to Note 4(28); and for details of operating revenue, please refer to Note 6(19). The Company is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms. The sales revenue recognition involves the use of several manual judgements and procedures. As a result, the timing of sales revenue recognition may be inappropriate, which also affected the Company's subsidiary accounted for using equity method. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

How our audit addressed the matter:

Our audit procedures in relation to the above key audit matter included:

1. Understanding and evaluating the operating procedures and internal controls over sales revenue, and assessing the effectiveness on how the management controls the timing of recognizing sales revenue.
2. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Assessment of allowance for inventory valuation loss

Description

For the accounting policy of inventory assessment, please refer to Note 4(13); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5; and for details of allowance for inventory valuation losses, please refer to Note 6(6). The Company is primarily engaged

in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms.

As of December 31, 2022, the balances of inventories and allowance for inventory valuation losses were NT\$ 188,867 thousand and NT\$ 30,598 thousand, respectively.

The Company is primarily engaged in manufacturing and trading automobile parts. Inventories that are over a certain age and separately recognised as impaired inventories are stated at the lower of cost and net realisable value. Those inventory items separately identified as obsolete and damaged are corroborated against supporting documents in recognising valuation losses. Considered that the Company's inventories were material to its financial statements, and the determination of net realisable value in the balance sheet date involved judgements and estimates, which also affected the Company's subsidiary accounted for using equity method. We identified the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter:

Our audit procedures in relation to the above key audit matter included:

1. Obtained an understanding of the nature of the Company's business and industry and assessed the reasonableness of provision policies in the determination of allowance for inventory valuation losses.
2. Reviewed the Company's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Obtained the Company's inventory aging report and verified dates of movements with supporting documents. Ensured the proper categorisation of inventory aging report in accordance with the Company's policy.
4. Obtained the net realisable value statement of each inventory, assessed whether the estimation policy was consistently applied, tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

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

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

The accompanying 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 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.

Y.C.C. PARTS MFG. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents		\$ 905,487	18	\$ 508,757	11
Current financial assets at fair value through profit or loss		118,291	2	113,654	3
Current financial assets at amortised cost		-	-	180,449	4
Notes receivable, net		14,275	-	16,066	-
Accounts receivable, net		227,195	5	167,171	4
Accounts receivable due from related parties, net		27,489	1	21,967	1
Other receivables		3,712	-	8,164	-
Other receivables due from related parties		317,288	6	233,495	5
Current inventories		158,269	3	177,125	4
Other current assets		26,819	1	29,757	1
Total current assets		<u>1,798,825</u>	<u>36</u>	<u>1,456,605</u>	<u>33</u>
Non-current assets					
Non-current financial assets at fair value through other comprehensive income		75,247	1	48,308	1
Non-current financial assets at amortised cost		300	-	300	-
Investments accounted for using equity method		573,977	12	661,787	15
Property, plant and equipment		2,281,091	46	2,140,379	48
Right-of-use assets		6,630	-	3,942	-
Deferred tax assets		94,477	2	94,895	2
Other non-current assets		136,813	3	69,012	1
Total non-current assets		<u>3,168,535</u>	<u>64</u>	<u>3,018,623</u>	<u>67</u>
Total assets		<u>\$ 4,967,360</u>	<u>100</u>	<u>\$ 4,475,228</u>	<u>100</u>

(Continued)

Y.C.C. PARTS MFG. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term notes and bills payable		\$ -	-	\$ 50,000	1
Current financial liabilities at fair value through profit or loss		-	-	12,111	-
Current contract liabilities		2,811	-	2,485	-
Notes payable		179,943	4	92,502	2
Accounts payable		12,954	-	24,588	1
Other payables		132,118	3	90,541	2
Current tax liabilities		143,864	3	68,709	2
Long-term liabilities, current portion		169,662	3	105,835	2
Other current liabilities, others		2,233	-	603	-
Total current liabilities		<u>643,585</u>	<u>13</u>	<u>447,374</u>	<u>10</u>
Non-current liabilities					
Long-term borrowings		566,370	11	540,190	12
Income tax liabilities - non-current		28,511	1	31,538	1
Deferred tax liabilities		513	-	-	-
Other non-current liabilities		14,072	-	12,722	-
Total non-current liabilities		<u>609,466</u>	<u>12</u>	<u>584,450</u>	<u>13</u>
Total liabilities		<u>1,253,051</u>	<u>25</u>	<u>1,031,824</u>	<u>23</u>
Equity					
Share capital					
Ordinary share		741,239	15	741,389	17
Capital surplus					
Capital surplus		1,193,349	24	1,193,349	27
Retained earnings					
Legal reserve		343,211	7	329,574	7
Special reserve		120,040	2	105,211	2
Unappropriated retained earnings		1,425,612	29	1,194,447	27
Other equity interest					
Other equity interest		(109,142)	(2)	(120,040)	(3)
Treasury shares		-	-	(526)	-
Total equity		<u>3,714,309</u>	<u>75</u>	<u>3,443,404</u>	<u>77</u>
Significant contingent liabilities and unrecognised contract commitments					
Total liabilities and equity		<u>\$ 4,967,360</u>	<u>100</u>	<u>\$ 4,475,228</u>	<u>100</u>

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Operating revenue		\$ 1,259,707	100	\$ 1,134,285	100
Operating costs		(786,838)	(63)	(745,780)	(66)
Gross profit from operations		<u>472,869</u>	<u>37</u>	<u>388,505</u>	<u>34</u>
Operating expenses					
Selling expenses		(91,298)	(7)	(81,162)	(7)
Administrative expenses		(83,849)	(7)	(54,867)	(5)
Research and development expenses		(53,029)	(4)	(29,595)	(2)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(3,895)	-	(694)	-
Total operating expenses		<u>(232,071)</u>	<u>(18)</u>	<u>(166,318)</u>	<u>(14)</u>
Net operating income		<u>240,798</u>	<u>19</u>	<u>222,187</u>	<u>20</u>
Non-operating income and expenses					
Interest income		21,893	2	9,218	1
Other income		41,769	3	36,894	3
Other gains and losses		331,936	26	(13,246)	(1)
Finance costs		(9,941)	(1)	(5,986)	(1)
Share of loss of associates and joint ventures accounted for using equity method		(91,701)	(7)	(70,630)	(6)
Total non-operating income and expenses		<u>293,956</u>	<u>23</u>	<u>(43,750)</u>	<u>(4)</u>
Profit before income tax		<u>534,754</u>	<u>42</u>	<u>178,437</u>	<u>16</u>
Income tax expense		(126,194)	(10)	(42,684)	(4)
Profit from continuing operations		<u>408,560</u>	<u>32</u>	<u>135,753</u>	<u>12</u>
Profit		<u>\$ 408,560</u>	<u>32</u>	<u>\$ 135,753</u>	<u>12</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		(\$ 381)	-	\$ 776	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		7,008	1	(3,933)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		<u>76</u>	-	<u>(155)</u>	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>6,703</u>	<u>1</u>	<u>(3,312)</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation		<u>3,890</u>	-	<u>(10,896)</u>	<u>(1)</u>
Total components of other comprehensive income that will be reclassified to profit or loss		<u>3,890</u>	-	<u>(10,896)</u>	<u>(1)</u>
Other comprehensive (loss) income		<u>\$ 10,593</u>	<u>1</u>	<u>(\$ 14,208)</u>	<u>(1)</u>
Total comprehensive income		<u>\$ 419,153</u>	<u>33</u>	<u>\$ 121,545</u>	<u>11</u>
Basic earnings per share					
Basic earnings per share		<u>\$ 5.51</u>		<u>\$ 1.83</u>	
Diluted earnings per share		<u>\$ 5.50</u>		<u>\$ 1.83</u>	

Y.C.C. PARTS MFG CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity interest			Treasury shares	Total equity
		Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<u>Year 2021</u>										
Balance at January 1, 2021		\$ 741,389	\$1,193,259	\$ 317,795	\$ 119,480	\$1,203,831	(\$ 75,596)	(\$ 29,615)	(\$ 526)	\$3,470,017
Profit for the year		-	-	-	-	135,753	-	-	-	135,753
Other comprehensive income (loss) for the year		-	-	-	-	621	(10,896)	(3,933)	-	(14,208)
Total comprehensive income (loss)		-	-	-	-	136,374	(10,896)	(3,933)	-	121,545
Appropriation and distribution of 2020 earnings										
Legal reserve		-	-	11,779	-	(11,779)	-	-	-	-
(Reversal of) Special reserve		-	-	-	(14,269)	14,269	-	-	-	-
Cash dividends		-	-	-	-	(148,248)	-	-	-	(148,248)
Acquisition of non-controlling interests in subsidiaries		-	90	-	-	-	-	-	-	90
Balance at December 31, 2021		\$ 741,389	\$1,193,349	\$ 329,574	\$ 105,211	\$1,194,447	(\$ 86,492)	(\$ 33,548)	(\$ 526)	\$3,443,404
<u>Year 2022</u>										
Balance at January 1, 2022		\$ 741,389	\$1,193,349	\$ 329,574	\$ 105,211	\$1,194,447	(\$ 86,492)	(\$ 33,548)	(\$ 526)	\$3,443,404
Profit for the year		-	-	-	-	408,560	-	-	-	408,560
Other comprehensive income (loss) for the year		-	-	-	-	(305)	3,890	7,008	-	10,593
Total comprehensive income		-	-	-	-	408,255	3,890	7,008	-	419,153
Appropriation and distribution of 2021 earnings										
Legal reserve		-	-	13,637	-	(13,637)	-	-	-	-
(Reversal of) Special reserve		-	-	-	14,829	(14,829)	-	-	-	-
Cash dividends		-	-	-	-	(148,248)	-	-	-	(148,248)
Decrease in treasury shares		(150)	-	-	-	(376)	-	-	526	-
Balance at December 31, 2022		\$ 741,239	\$1,193,349	\$ 343,211	\$ 120,040	\$1,425,612	(\$ 82,602)	(\$ 26,540)	\$ -	\$3,714,309

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 534,754	\$ 178,437
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense		276,987	260,624
Depreciation expense - right-of-use assets		2,268	1,647
Amortization expense		9,779	6,108
Expected credit impairment loss		3,895	694
Net loss on financial assets or liabilities at fair value through profit or loss		(38,008)	(47,257)
Interest expense		9,941	5,986
Interest income		(21,893)	(9,218)
Government grant		(1,099)	(966)
Dividend income		(4,958)	(4,111)
Share of loss (profit) of associates accounted for under equity method		91,701	70,630
Gain on disposal of property, plant and equipment		(3,550)	(3,455)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		1,791	(8,151)
Accounts receivable		(63,919)	11,146
Accounts receivable-related parties		(5,522)	(10,766)
Other receivables		6,471	(5,122)
Other receivables-related parties		(3,718)	5,604
Inventories		18,856	(11,805)
Other current assets		2,938	(270)
Changes in operating liabilities			
Contract liabilities - current		326	791
Notes payable		(15,513)	(17,205)
Accounts payable		(11,634)	(10,137)
Other payables		(13,598)	7,068
Other current liabilities		2	(153)
Net defined benefit liability		202	(209)
Cash inflow generated from operations		<u>776,499</u>	<u>419,910</u>
Interest received		19,874	9,581
Interest paid		(9,809)	(4,014)
Dividend received		4,958	4,111
Income taxes paid		(31,622)	(25,868)
Net cash flows from operating activities		<u>759,900</u>	<u>403,720</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through profit or loss	(\$	78,280)	(\$	117,477)
Proceeds from disposal of financial assets at fair value through profit or loss		77,419		57,760
Decrease in financial assets at amortised cost		180,449		76,335
Decrease (increase) in other receivables due from related parties	(	80,075)		65,826
Acquisition of investments accounted for under equity method		-	(	158,179)
Acquisition of property, plant and equipment	(	309,651 )	(	211,586)
Payment for capitalized interests	(	1,193 )	(	1,972)
Gain on disposal of property, plant and equipment		4,073		5,300
Acquisition of intangible assets	(	861 )	(	5,435)
Increase in other non-current assets	(	22,101 )	(	2,130)
Increase in guarantee deposits	(	1,809)		-
Net cash flows used in investing activities	(	<u>232,029 )</u>	(	<u>291,558)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings		15,000		730,000
Decrease in short-term borrowings	(	15,000 )	(	730,000)
Increase in short-term notes and bills payable	(	50,000)		50,000
Proceeds from long-term borrowings		192,540		75,860
Repayments of long-term borrowings	(	105,835 )	(	108,334)
Repayment of principal portion of lease liabilities	(	2,668 )	(	594)
Cash dividends paid	(	<u>148,248 )</u>	(	<u>148,248)</u>
Net cash flows used in financing activities	(	<u>114,211 )</u>	(	<u>131,316)</u>
Effect of exchange rate changes on cash and cash equivalents	(	<u>16,930 )</u>	(	<u>9,142)</u>
Net increase (decrease) in cash and cash equivalents		396,730	(	28,296)
Cash and cash equivalents at beginning of year		<u>508,757</u>		<u>537,053</u>
Cash and cash equivalents at end of year	\$	<u>905,487</u>	\$	<u>508,757</u>

Attachment IV

Y.C.C. Parts MFG Co., Ltd.
Statement of Retained Earnings
2022

		Unit: NT\$
Beginning undistributed earnings		1,017,732,544
Add: Current period net profit	408,560,453	
Cancellation of treasury stocks of 2022	(375,897)	
Remeasurement of the defined benefit plan recorded in retained earnings	(304,716)	
Disposal of equity instrument at FVTOCI, accumulated gain or loss is directly transferred to retained earnings	0	
The sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings		407,879,840
Less: Legal reserve (10%)		(40,787,984)
Less: Reversal (appropriation) of special reserve		10,898,628
Current distributable earnings		1,395,723,028
Allocation:		
Cash dividends (NT\$3 per share)		(222,371,625)
Ending undistributed earnings		1,173,351,403

Note:

- (1) 2022 earnings are distributed first.
- (2) The distributable cash dividends are rounded off to the nearest NTD. The Chairman is authorized to have dedicated personnel to adjust the fractional-cent amount.
- (3) The legal reserve shall be appropriated based on “the sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings” in accordance with Jing-Shang-Zi Letter No. 1082432410.

Y.C.C. Parts MFG Co., Ltd.
Comparison Table for Amendment of Corporate Social Responsibility
Best Practice Principles

	Clauses after the amendments	Clauses before the amendments	Explanation
	<u>Sustainable Development</u> Best Practice Principles	Corporate Social Responsibility Best Practice Principles	Rename the title “Corporate Social Responsibility Best Practice Principles” to “Sustainable Development Best Practice Principles”
Article 1	In order to assist the Company to fulfill their corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Taiwan Stock Exchange Corporation (“TWSE”) and Taipei Exchange (“TPEX”) hereby jointly adopt the Principles to be followed by the Company. The Company hereby promulgates its own <u>sustainable development</u> principles in accordance with the Principles to manage its economic, environmental and social risks and impact.	In order to assist the Company to fulfill their corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Taiwan Stock Exchange Corporation (“TWSE”) and Taipei Exchange (“TPEX”) hereby jointly adopt the Principles to be followed by the Company. The Company hereby promulgates its own corporate social responsibility principles in accordance with the Principles to manage its economic, environmental and social risks and impact.	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 2	The Principles apply to the Company, including the entire operations of each such company and its business group. The Principles encourage the Company to actively fulfill <u>sustainable development</u> in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance	The Principles apply to the Company, including the entire operations of each such company and its business group. The Principles encourage the Company to actively corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	competitive edges built on <u>sustainable development</u> .	competitive edges built on corporate social responsibility.	
Article 3	In promoting <u>sustainable development</u> initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.	In promoting corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 4	To implement <u>sustainable development</u> initiatives, the Company is advised to follow the principles below: <ol style="list-style-type: none"> 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate <u>sustainable development</u> information. 	To implement <u>corporate social responsibility</u> initiatives, the Company is advised to follow the principles below: <ol style="list-style-type: none"> 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information. 	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 5	The Company shall take into consideration the correlation between the development of domestic and international <u>sustainable development</u> issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving <u>sustainable development</u> , the company's board of directors is advised to	The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving corporate social responsibility , the company's board of directors is advised to review and consider including it	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	review and consider including it in the shareholders meeting agenda.	in the shareholders meeting agenda.	
Article 7	<p>The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its <u>sustainable development</u> initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its <u>sustainable development</u> policies. The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its <u>sustainable development objectives</u>:</p> <ol style="list-style-type: none"> 1. Identifying the Company's <u>sustainable development</u> mission or vision, and declaring its <u>sustainable development</u> policy, systems or relevant management guidelines; 2. Making <u>sustainable development</u> the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for <u>sustainable development</u> initiatives; and 3. Enhancing the timeliness and accuracy of the disclosure of <u>sustainable development</u> information. <p>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each</p>	<p>The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its corporate social responsibility objectives:</p> <ol style="list-style-type: none"> 1. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines; 2. Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and 3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. <p>The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each</p>	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	relevant issue shall be concrete and clear.	relevant issue shall be concrete and clear.	
Article 8	The Company is advised to, on a regular basis, organize education and training <u>on the promotion of sustainable development</u> initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.	The Company is advised to, on a regular basis, organize education and training on the promotion of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.	
Article 9	For the purpose of managing <u>sustainable development</u> initiatives, the Company is advised to <u>create a governance structure for promotion of sustainable development</u> , and <u>establish</u> an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the <u>sustainable development</u> policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with <u>sustainable development</u> policies, and that a clear and effective incentive and discipline system be established.	For the purpose of managing corporate social responsibility initiatives, the Company is advised to create a governance structure for promotion of corporate social responsibility , and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 10	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important <u>sustainable development</u> issues which they	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	are concerned about.	are concerned about.	
Article 12	The Company is advised to endeavor to <u>utilize energy</u> more efficiently <u>and</u> use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	The Company is advised to endeavor to utilize various resources more efficiently, and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 17	<p>The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions <u>resulting from the utilization of energy such as imported electricity, heating, or steam.</u> 3. <u>Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.</u> <p>The Company <u>is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies'' carbon reduction strategies should include</u></p>	<p>The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:</p> <ol style="list-style-type: none"> 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as externally purchased electricity, heating, or steam. <p>The Company is advised to be aware of climate change's impact on business operation, formulate carbon reduction strategies based on the business operation status and greenhouse gas inventory results, and include the obtaining <u>of carbon credits for promotion</u> accordingly to minimize the impact of their business operations on climate change.</p>	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.		
Article 21	<p>The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.</p> <p>The Company <u>shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and</u> appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</p>	<p>The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.</p> <p>The Company shall properly reflect the corporate business performance or results of the in the employee remuneration policies to ensure the recruitment, retention and motivation of human resources and achieve the objectives of sustainable operation.</p>	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 24	<p>The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.</p> <p>The Company shall follow relevant laws, regulations and international guidelines in regard to <u>customer health and safety and customer privacy</u> involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.</p> <p>The Company shall follow relevant laws, regulations and international guidelines in regard to marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Article 26	The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and	The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and	Amended in accordance with Sustainable Development Best Practice

	<p>shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.</p> <p>The Company <u>is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights.</u> Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier’s impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</p> <p>When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</p>	<p>shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.</p> <p>Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier’s impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</p> <p>When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</p>	Principles for TWSE/TPEX Listed Companies
Article 28	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for the Company and shall fully disclose relevant and reliable information relating to their <u>sustainable development</u> initiatives to improve information transparency. Relevant information relating to <u>sustainable development</u> which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems or 	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for the Company and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems or 	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	<p>relevant management guidelines, and concrete promotion plans for <u>sustainable development</u> initiatives, as resolved by the board of directors.</p> <ol style="list-style-type: none"> 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for <u>promoting the sustainable development</u> initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to <u>sustainable development</u> initiatives. 	<p>relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.</p> <ol style="list-style-type: none"> 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for promoting the corporate social responsibility initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other related corporate social responsibility information. 	
Article 29	<p>The Company <u>shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</u></p> <p>The reports are advised to include:</p> <ol style="list-style-type: none"> 1. The policy, system, or relevant management guidelines and concrete promotion plans for 	<p>The content of the corporate social responsibility report prepared by the Company may include:</p> <ol style="list-style-type: none"> 1. Adopting policies, system or management guidelines regarding corporate social responsibility and internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the corporate social responsibility policy. It also 	Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

	<p>implementing <u>sustainable development</u> initiatives.</p> <p>2. Major stakeholders and their concerns.</p> <p>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>4. Future improvements and goals.</p>	<p>is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</p> <p>Specific promotion plan.</p> <p>2. Major stakeholders and their concerns.</p> <p>3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.</p> <p>2. Future improvements and goals.</p>	
Article 30	<p>The Company shall at all times monitor the development of domestic and foreign <u>sustainable development</u> standards and the change of business environment so as to examine and improve their established <u>sustainable development</u> framework and to obtain better results from the <u>promotion of the sustainable development</u> policy.</p>	<p>The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the promotion of the corporate social responsibility policy.</p>	<p>Amended in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p>

Nine. Appendix

Appendix I

Y.C.C. Parts MFG Co., Ltd.

Articles of Incorporation

Chapter I General

- Article 1: The Company is duly incorporated in accordance with the regulations regarding corporations in the Company Act and bears the title of Y.C.C. Parts MFG Co., Ltd.
- Article 2: The operating businesses are listed as follows:
- I. CB01010 Mechanical Equipment Manufacturing
 - II. CB01990 Other Machinery Manufacturing
 - III. CD01030 Automobiles and Parts Manufacturing
 - IV. F114010 Wholesale of Motor Vehicles
 - V. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 - VI. F214010 Retail Sale of Motor Vehicles
 - VII. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 - VIII. CD01040 Motorcycles and Parts Manufacturing
 - IX. F114020 Wholesale of Motorcycles
 - X. F214020 Retail Sale of Motorcycles
 - XI. CD01050 Bicycles and Parts Manufacturing
 - XII. F114040 Wholesale of Bicycles and Component Parts Thereof
 - XIII. F214040 Retail Sale of Bicycles and Component Parts Thereof
 - XIV. F401010 International Trade
 - XV. H201010 Investment
 - XVI. CA04010 Surface Treatments
 - XVII. C805050 Industrial Plastic Products Manufacturing
 - XVIII. C303010 Manufacture of Non-woven Fabrics
 - XIX. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 - XX. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 - XXI. CF01011 Medical Materials and Equipment Manufacturing
 - XXII. F108031 Wholesale of Medical Materials and Equipment
 - XXIII. F208031 Retail Sale of Medical Materials and Equipment
 - XXIV. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
 - XXV. CP01010 Hand Tools Manufacturing
 - XXVI. CQ01010 Mold and Die Manufacturing
 - XXVII. E603050 Automatic Control Equipment Engineering
 - XXVIII. C805020 Manufacture of Plastic Films and Bags
 - XXIX. F107190 Wholesale of Plastic Films and Bags

XXX.	F207190	Retail Sale of Plastic Films and Bags
XXXI.	C805990	Other Plastic Products Manufacturing
XXXII.	C103050	Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
XXXIII.	F102170	Wholesale of Food and Grocery
XXXIV.	F203010	Retail Sale of Food, Grocery and Beverage
XXXV.	C114010	Food Additives Manufacturing
XXXVI.	F121010	Wholesale of Food Additives
XXXVII.	F221010	Retail Sale of Food Additives
XXXVIII.	C199990	Manufacture of Other Food Products Not Elsewhere Classified
XXXIX.	C802100	Cosmetics Manufacturing
XL.	F108040	Wholesale of Cosmetics
XLI.	F208040	Retail Sale of Cosmetics
XLII.	F107990	Wholesale of Other Chemical Products
XLIII.	F207990	Retail Sale of Other Chemical Products
XLIV.	C110010	Beverage Manufacturing
XLV.	F102040	Wholesale of Non-alcoholic Beverages
XLVI.	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may provide endorsement and guarantee due to business needs without being subject to Article 16 of the Company Act. Procedures for Endorsement and Guarantee and any amendments hereto, shall be implemented after approval at the shareholders' meetings.

Article 4: The total amount of the Corporation's reinvestment in other businesses shall not be subject to the restrictions of not more than 40% of the Corporation's paid-up capital as provided in Article 13 of the Company Act. Such matter shall be resolved in accordance with the resolutions of the Board of Directors.

Article 5: The Company shall be based in Changhua County, Taiwan (R.O.C) and shall be free, upon resolution of the Board of Directors, to set up branch offices at various locations within and outside the territory of Taiwan (R.O.C).

Article 6: The Company shall make public announcements in accordance with the Company Act and other related laws and regulations.

Chapter II Shareholding

Article 7: The total amount of the Company's capital stock shall be NT\$ 1 billion, divided into 100 million shares, at par value of NT\$ 10 per share. For shares not yet issued, the Board of Directors is authorized to issue the shares in installments.

Article 8: The Company's shares shall all be name-bearing share certificates signed by the Directors representing the Company or affixed with seals thereof and shall be duly certified or authenticated by share certificate issuers pursuant to the laws before issuance thereof. After public offering, the Company may issue shares without printing share certificates in a non-physical form. However, the shares shall be registered at the Taiwan Depository & Clearing

Corporation.

- Article 9: The renaming for transfer of shares shall be suspended by 60 days before general shareholders' meeting, or 30 days before special shareholders' meeting, or within 5 days before the Company decides to distribute dividends and bonuses or other benefits.
- Article 9-1: The Company's bought-back shares are assigned or transferred to subsidiary and controlling company employees who meet specific requirements. The Board of Directors is delegated to decide on such requirements and methods of transfer.

Chapter III Shareholders' Meeting

- Article 10: The Shareholders' Meeting consists of regular sessions and special sessions. Regular sessions are convened by the Board in accordance with the laws once a year within 6 months after the close of each fiscal year. Special sessions are called for at any time when necessary in accordance with the law.
- Article 10-1: The Company's shareholders' meeting may be held by video conference or other methods announced by the Ministry of Economic Affairs.
- Article 11: Shareholders who are unable to attend the shareholders' meeting in person may appoint a proxy to attend the meeting by providing a signed and sealed proxy form issued by the Company stating the scope of the proxy's authorization.
- Article 12: Except for shares with no voting power as described in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.
- Article 13: Except otherwise regulated by the laws and regulations, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, representing more than one-half of the total number of voting shares. Pursuant to laws, the Company's shareholders may exercise his/her/its voting power by way of electronic transmission and shall be deemed to have attended the shareholders' meeting in person. Such matters shall be handled in accordance with relevant laws and regulations.
- Article 14: When the Company plans to withdraw public offering, such matter shall be submitted to the shareholders' meeting for resolution, and this Article shall stay unchanged during the period when the Company's shares are listed on emerging, TPEX and TWSE stock market.

Chapter IV Directors and the Auditing Committee

- Article 15: The Company shall establish 5-9 seats of Directors, each with a term of office for 3 years. Directors shall be elected from a candidate list with legal capacity at the shareholders' meeting and may be eligible for re-election. The Board of Directors is authorized to determine the number of Directors. Among the aforementioned seats of the Directors, there must be at least 3 seats of Independent Directors.
- In accordance with Article 192-1 of the Company Act, the elections for Directors of the Company shall be done by nomination system with candidates. The nomination of directors and related announcements shall comply with the Company Act's relevant regulations and the Securities and

Exchange Act. Independent directors and non-independent directors shall be elected at the same time to calculate the elected places separately.

Article 16: The Directors shall be organized into the Board. The Board shall elect a Chairman from among the Directors and a vice-chairman when necessary by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall represent the Company externally.

Article 17: In calling a meeting of the Board of Directors, a notice stated with the cause of the meeting shall be given to each Director no later than 7 days prior to the scheduled meeting date. In circumstances of emergency, a Board meeting may be convened by contacting Directors in ways of written notice, e-mails or facsimile. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the designation of a person acting on the Chairman's behalf shall be conducted in accordance with Article 208 of the Company Act.

Article 18: Unless otherwise regulated by the laws and regulations, the Board's resolutions are passed only if more than half of the Board members are present in a meeting, and with more than half of attending Directors voting in favor. In case a Director is unable to attend the Board Meeting in person, he may appoint another director to attend the meeting on his/her/its behalf. A director may accept the appointment to act as the proxy of one other director only.

Article 19: The Company shall pay remuneration to Chairman and Directors for their service rendered regardless of whether the Company operates at a profit or loss. The remuneration payable shall be equivalent to that of the peers in the same industry. If the Company operates at a profit, remuneration may be distributed in accordance with Article 26.

Article 20: The Company may take out liability insurance policies to ensure itself against liabilities that arise due to operational decisions made by directors during their terms of service. All matters regarding the said insurance is determined by the Board of Directors.

Article 21: For the sound supervisory capabilities and robust management capabilities, the Company may establish various functional committees taking into consideration the scale of the Board of Directors and the number of Independent Directors.

The functional committees are direct subordinates to the board of directors, and submit their proposals to the board of directors for resolution.

The Board must approve the rules and regulations of the functional committees of Directors. The said rules and regulations must cover matters include a number of committee members, tenures, duties, rules for meetings, and resources the Company must provide for committee members' rendering of service.

Article 22: The Company has established a Remuneration Committee. The Remuneration Committee must consist of at least one Independent Director. The committee members shall elect the Independent Directors as the convener and chair of committee meetings.

The Remuneration Committee shall provide suggestions to the Board of Directors regarding remuneration to Directors and managerial officers.

The remuneration policy shall never abet Directors and managerial officers in misconducts that exceed the Company's risk appetite for higher remuneration.

Article 23: The Company has established an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act. The Audit Committee consists of all Independent Directors, one of whom shall be the committee convener, and at least one of whom shall have accounting or financial expertise. All resolutions of the audit committee meetings shall be approved by more than one-half of all audit committee members. The first Audit Committee is established on the date when the independent director was first elected as provided in the preceding Article. Since the Audit Committee's establishment, the Audit Committee or the Audit Committee members are responsible for carrying out the duties and responsibilities of supervisors as stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

Chapter V Managerial Officers

Article 24: The Company may appoint managerial officers. The appointment, discharge and remuneration of the managerial officers shall be decided in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 25: After each accounting period, the Board of Directors shall prepare the following reports and statements, and submit them to the Audit Committee or the committee members for review 30 days prior to the general shareholders' meetings. The Audit Committee shall present review reports regarding the said reports and statements and present them to the general shareholders' meeting for approval.

I. Business report

II. Financial statements

III. Proposal concerning the appropriation of net profits or recovering of losses

Article 26: If the Company operates at a profit, it shall appropriate 1% - 3% as remuneration to employees, distributed to subsidiary and controlling company employees who meet specific requirements in the form of shares or cash as determined by the Board of Directors. The Company may authorize the Board of Directors to appropriate no more than 3% of the said profit as remuneration to the Directors and Supervisors. The remuneration to employees and directors and supervisors shall be submitted to the shareholders' meeting for review.

However, profits must first be taken to offset cumulative losses, if any, then used for the appropriation of remuneration to employees and directors and supervisors based on the preceding percentage.

Article 27: The Company's articles of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, and pay any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, but not subject to if the amount of accumulated legal capital reserve has reached the amount of the Company's paid-in capital. Then, amounts are appropriated or reversed to special reserves in accordance with relevant laws and regulations. The remaining profit, if any, together with accumulated undistributed surplus will be determined by the Board for distribution. Shall the dividend be distributed in the form of new shares, such matter shall be resolved by the Shareholders' Meeting before distribution thereof.

The Company may distribute all or part of the dividends and bonuses, legal reserve and paid-in capital in the form of cash and report to the Shareholders' Meeting, after such matter has been approved by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members.

When distributing dividends, the Company takes into consideration factors including the future development plans, investment environment, capital needs and domestic and foreign competitions, and shareholders' returns. The shareholders' dividends shall be no less than 40% of that year's distributable amount, with cash dividends accounting for more than 20%. Such matter is approved by the Board of Directors and submitted to the Shareholders' Meeting for resolution.

Chapter VII Miscellaneous

Article 28: Issues that are not fully addressed in the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 29: The Articles of Incorporation are adopted on February 19, 1986.

The 1st amendment on June 1, 1986.

The 2nd amendment on October 15, 1989.

The 3rd amendment on October 7, 1994.

The 4th amendment on August 15, 1996.

The 5th amendment on November 13, 1998.

The 6th amendment on November 5, 1999.

The 7th amendment on December 1, 2000.

The 8th amendment on December 1, 2000.

The 9th amendment on June 10, 2002.

The 10th amendment on June 5, 2003.

The 11th amendment on December 17, 2003.

The 12th amendment on June 4, 2004.

The 13th amendment on June 18, 2004.
The 14th amendment on November 24, 2004.
The 15th amendment on October 5, 2005.
The 16th amendment on June 5, 2007.
The 17th amendment on July 5, 2007.
The 18th amendment on September 14, 2007.
The 19th amendment on December 20, 2007.
The 20th amendment on June 22, 2010.
The 21st amendment on May 17, 2011.
The 22nd amendment on July 15, 2011.
The 23rd amendment on June 26, 2012.
The 24th amendment on June 23, 2014.
The 25th amendment on December 18, 2014.
The 26th amendment on June 20, 2016.
The 27th amendment on June 19, 2017.
The 28th amendment on October 1, 2018.
The 29th amendment on May 29, 2019.
The 30th amendment on May 29, 2020.
The 31st amendment on November 23, 2020.
The 32nd amendment on August 30, 2021.
The 33rd amendment on February 14, 2022.
The 34th amendment on May 27, 2022.

Appendix II

Y.C.C. Parts MFG Co., Ltd. Procedures for Shareholder Meetings

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, the Procedures for Shareholder Meetings (hereinafter referred to as "the Procedures") are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 The rules and procedures for the Company's shareholders' meetings, except as otherwise provided by laws and regulations, or the Company's Article of Incorporation, shall be as provided in the Procedures.
- Article 3 The convening of shareholders' meetings and shareholders' meeting notice.
- I. The Board shall call for the session unless otherwise specified in other applicable laws.
 - II. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days prior to the date of a general shareholders' meeting or 15 days prior to the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days prior to the date of the general shareholders' meeting or 15 days prior to the date of the special shareholders' meeting. In addition, before 15 days prior to the date of the shareholders' meeting, the Company shall also prepare the shareholders' meeting agenda and supplemental meeting materials and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, as well as being distributed on-site at the meeting place.
 - III. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
 - IV. Election or dismissal of Directors or Supervisors, amendments to the Company's Article of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised as an extraordinary motion.
 - V. Shareholders holding more than 1% of the outstanding shares issued by the Company may propose motions for regular sessions in writing to the Company. Such proposals, however, are limited to one item only, and proposals containing more than one item will not be included in the meeting agenda. The Board of Directors may not have the proposals presented by shareholders that fall in the scope of Article 172-1 paragraph 4 of the Company Act included for discussion.
 - VI. Prior to the date on which share transfer registration is suspended before the

convention of a general shareholders' meeting, the Company shall give a public notice announcement regarding acceptance of the proposal, the place and the period for shareholders to submit proposals; and the period shall not be less than 10 days.

VII. Shareholder-submitted proposals are limited to 300 words, and proposals containing more than 300 words will not be included in the meeting agenda. The shareholders making the proposals shall be present in person or by proxy at the general shareholders' meeting and discuss the proposal.

VIII. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that comply with the provisions in this Article. Regarding shareholder-submitted proposals, the Board of Directors shall explain the reasons for excluding the proposals in the meeting agenda.

Article 4 Attendance by proxy

I. A shareholder may appoint a proxy to attend the meeting by providing a proxy form issued by the Company stating the scope of the power authorized to the proxy.

II. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company 5 days prior to the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.

III. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to the Company 2 days prior to the meeting date. Delayed submission of cancellation shall be revoked, and the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 The venue for a shareholders' meeting shall be within the Company's premises, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the independent directors' opinions with respect to the place and time of the meeting.

Article 6 Presence:

I. The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

II. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the commencement of the meeting. The place at which attendance registrations are accepted shall be clearly marked and with a sufficient number of suitable personnel assigned to handle the registrations.

III. Shareholders and their proxies (collectively, "shareholders") may attend shareholders' meetings only with valid attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

IV. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

V. The Company shall furnish attending shareholders with the meeting agenda

book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

- VI. When the government or a legal person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a legal person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Article 7 Convening Shareholders' Meeting

- I. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board of Directors. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the vice Chairman shall act in place of the Chairman; if there is no vice Chairman or the vice Chairman is also on leave or for any reason unable to exercise the powers of the vice Chairman, the Chairman shall appoint one of the managing directors to act as chair. If there no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as the Chair.
- II. When a managing director or a director serves as the chair, the managing director or director shall be the one that has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be applied for a representative of a legal person director that serves as chair.
- III. It is advisable that shareholders' meetings, which are convened by the Board of Directors, be attended by a majority of the Directors.
- IV. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- V. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 The Company shall make uninterrupted audio or video recording of the shareholder' meeting.

The recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9 Calling a Meeting

- I. Attendance at a shareholders meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- II. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.
- III. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the

total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. The Company shall notify the shareholders of the tentative resolutions, and convene another shareholders' meeting within 1 month.

- IV. If, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 Discussions

- I. If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be prepared by the Board of Directors. The meeting shall proceed in the order in accordance with the agenda, which may not be changed without a resolution of the shareholders' meeting.
- II. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.
- III. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda mentioned in the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the Procedures, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- IV. The chair shall allow sufficient opportunities during the meeting for explanation and discussion of proposals and of amendments or extemporary motion put forward by the shareholders. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
- V. After the meeting is adjourned, shareholders shall not elect another chairman to continue the meeting at the same place or any other place.

Article 11 Speech of the Shareholders

- I. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her/its shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be set by the chair.
- II. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- III. Except with the chair's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- IV. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the chair's consent and the shareholder presenting the speech. The chair shall stop any violation.
- V. When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same motion. After an attending shareholder has spoken, the chair may respond in person or designate relevant personnel to respond.

Article 12 Voting and Resolution

- I. Voting at a shareholders' meeting shall be calculated based the number of shares.
- II. With respect to resolutions of shareholders' meeting the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- III. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the Company's interests, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholders.
- IV. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- V. Except for a trust enterprise or a shareholder services agent approved by the competent securities authorities, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. The number of votes exceeding the limit shall not be included in the calculation.

Article 13 Voting and Resolution

- I. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.
- II. When the Company holds a shareholders' meeting, the shareholders may exercise voting rights by correspondence or electronic means. When voting rights are exercised by ways of correspondence or electronically, the method of exercising voting rights shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her/its rights with respect to the extemporaneous motions and amendments to that meeting's original proposals.
- III. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days prior to the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, it is not subject to the restriction when a declaration is made to cancel the earlier declaration of intent.
- IV. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person, a written declaration of intent to retract the voting rights as mentioned in the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least 2 days prior to the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights that are already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
- V. Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, approval of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the

attending shareholders, followed by a poll of the shareholders. On the same day after the Shareholders' Meeting, each proposal's results, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

- VI. The resolution shall be deemed passed. It shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the Chairman and all votes by correspondence and electric means present no objection or abstentions. Where there is an objection, the procedure in the preceding paragraph shall be conducted.
- VII. If there shall be an amendment or alternative to a motion, the Chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. When any motion among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- VIII. Vote monitoring and counting personnel for the voting on a motion shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting is completed, the voting results, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record is made of the vote.

Article 14 Election Matters

- I. The director election at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
- II. The ballots for the election referred to in the preceding paragraph shall be sealed with the monitoring personnel's signatures and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Minute of the Shareholders' Meeting

The resolutions at a shareholders' meeting shall be compiled in a meeting minute. The preparation, distribution and other related rules are in compliance with Article 183 of the Company Act and relevant regulations issued by the competent authority.

Article 16 Announcement to the Public

- I. The Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.
- II. If matters put to a resolution at a shareholders' meeting constitute material information identified by the laws and regulations, Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Order Maintenance at the Meeting Venue

- I. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
- II. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband or an identification card that read "Proctor."

- III. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may stop the shareholder from so doing.
- IV. When a shareholder violates the Procedures and defies the chair's correction, interrupting the procedure of the session, and insubordinate to instructions, the chair may command the proctors or security personnel to escort the shareholder out of the meeting venue.

Article 18 Break and Resumption of Meeting

- I. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- II. If the Shareholders' Meeting venue is no longer available for continued use before all of the items (including extemporary motions) on the meeting agenda have been addressed, a resolution may be adopted to resume the meeting at another venue.
- III. The provisions of Article 172 shall not apply where a shareholders' meeting resolves to postpone the meeting for not more than, or to reconvene the meeting within, five days.

Article 19 The Procedures, and any amendments hereto, shall be implemented after adoption by shareholders' meetings

Appendix III

Y.C.C. Parts MFG Co., Ltd. Shareholdings of All Directors

- I. Handled in accordance with Article 3, Paragraph 4 in the “Regulations Governing Content and Compliance Requirements for Shareholders’ Meeting Agenda Handbooks of Public Companies.”
- II. The Company’s total common shares are 74,123,875 shares. In accordance with Article 2 in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum shareholdings of all Directors shall be no less than 5,929,910 shares. Currently, the shareholding of all Directors is compliant with the rules.

Detail of the total and individual shareholding of Directors

Title	Names	Date for suspension of share transfer (April 2, 2023) Shareholding as in the shareholder roster	Percentage of shareholding
Institutional Chairman	Hehan Investment Co., Ltd. Rep.: Hao-Chen Lin	7,586,503	10.234%
Institutional director	Taquan International Co., Ltd. Rep.: Jui-Tse Lin	1,011,000	1.363%
Institutional director	Ziqun International Co., Ltd. Rep.: Jo-Ning Huang	1,080,000	1.457%
Institutional director	Haoqun Investment and Development Ltd. Rep.: Shih-Yun Lin	11,791,000	15.907%
Institutional director	Songqun Investment and Development Ltd. Rep.: Shu-Mei Liu	10,731,000	14.477%
Independent director	Hung-Lung Huang	0	0%
Independent director	Chin-Feng Kuo	13,000	0.018%
Independent director	Lung-Fa Hsieh	0	0%
Independent director	Kuo-Hua Chang	0	0%
Total	All directors	32,212,503	43.456%

Appendix IV

Impact of Issuance of bonus shares on the Company's Business Performance, Earnings per Share and Shareholder Return Rate Not applicable. The Company is not required to disclose its 2022 financial forecast.



Y.C.C. PARTS MFG. CO.,LTD.



Chairman: Hehan Investment Co., Ltd.

Hao-Chen Lin

