

**Y.C.C. PARTS MFG. CO. LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2024 AND 2023**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Y.C.C. Parts Mfg. Co., Ltd. and subsidiaries (the "Group") as at June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the changes in equity and of cash flows for the six months then ended and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$308,991 thousand and NT\$306,246 thousand, constituting 5.80% and 5.63% of the consolidated total assets as at June 30, 2024 and 2023, respectively, total liabilities amounted to NT\$71,133 thousand and NT\$44,902 thousand, constituting 5.57% and 2.66% of the consolidated total liabilities as at June 30, 2024 and 2023, respectively,

and the total comprehensive (loss) income amounted to (NT\$7,871) thousand, NT\$4,099 thousand, (NT\$9,542) thousand and NT\$3,389 thousand, constituting (9.54)%, 4.59%, (4.13)% and 2.06% of the consolidated total comprehensive income (loss) for the three months and six months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

August 8, 2024

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' review 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
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2024		December 31, 2023		June 30, 2023				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	722,087	14	\$	550,670	10	\$	531,870	10
1110	Financial assets at fair value	6(2)									
	through profit or loss - current			131,804	2		135,445	2		125,173	2
1136	Financial assets at amortised cost -	6(3)									
	current			-	-		125,890	2		495,784	9
1150	Notes receivable, net	6(4)		19,041	-		37,971	1		27,264	1
1170	Accounts receivable, net	6(4)		345,555	7		499,189	9		493,478	9
1200	Other receivables			5,229	-		10,072	-		9,404	-
130X	Inventories	6(5)		343,402	6		357,322	7		312,971	6
1470	Other current assets			30,221	1		33,194	1		48,185	1
11XX	Total current Assets			1,597,339	30		1,749,753	32		2,044,129	38
Non-current assets											
1517	Non-current financial assets at fair	6(6)									
	value through other comprehensive										
	income			122,754	2		128,299	2		92,975	2
1535	Non-current financial assets at	6(3) and 8									
	amortised cost			300	-		300	-		300	-
1600	Property, plant and equipment	6(7) and 8		3,042,904	57		2,873,418	53		2,822,211	52
1755	Right-of-use assets	6(8) and 8		149,508	3		150,100	3		133,905	2
1760	Investment property, net	6(9) and 8		94,407	2		94,441	2		13,713	-
1780	Intangible assets			2,513	-		3,758	-		3,491	-
1840	Deferred income tax assets			92,825	2		109,196	2		104,636	2
1900	Other non-current assets	6(10)		224,934	4		309,435	6		228,951	4
15XX	Total non-current assets			3,730,145	70		3,668,947	68		3,400,182	62
1XXX	Total assets		\$	5,327,484	100	\$	5,418,700	100	\$	5,444,311	100

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(12)	\$ -	-	\$ 35,786	1	\$ 143,936	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	2,952	-	-	-
2130	Current contract liabilities	6(20)	4,276	-	22,267	-	3,893	-
2150	Notes payable		145,654	3	178,448	3	172,320	3
2170	Accounts payable		66,596	1	101,114	2	102,142	2
2200	Other payables	6(13)	394,458	7	182,257	3	392,839	7
2230	Current income tax liabilities	6(25)	102,621	2	188,160	4	120,481	2
2320	Long-term liabilities, current portion	6(14)	133,167	3	133,167	2	133,167	3
2399	Other current liabilities, others	6(8)	5,716	-	5,696	-	2,645	-
21XX	Total current Liabilities		852,488	16	849,847	15	1,071,423	20
Non-current liabilities								
2540	Long-term borrowings	6(14)	381,054	7	446,846	8	512,147	9
2560	Current tax liabilities-non-current	6(25)	19,497	-	56,283	1	83,020	2
2570	Deferred income tax liabilities		3,655	-	-	-	5,191	-
2600	Other non-current liabilities	6(8)(15)	20,369	1	23,763	1	14,716	-
25XX	Total non-current liabilities		424,575	8	526,892	10	615,074	11
2XXX	Total Liabilities		1,277,063	24	1,376,739	25	1,686,497	31
Equity attributable to owners of parent								
	Share capital	6(17)						
3110	Share capital - common stock		741,239	14	741,239	14	741,239	14
	Capital surplus	6(18)						
3200	Capital surplus		1,193,349	22	1,193,349	22	1,193,349	22
	Retained earnings	6(19)						
3310	Legal reserve		427,883	8	383,999	7	383,999	7
3320	Special reserve		94,043	2	109,142	2	109,141	2
3350	Unappropriated retained earnings		1,585,111	30	1,612,189	30	1,359,514	25
	Other equity interest							
3400	Other equity interest		(87,089)	(2)	(94,043)	(2)	(126,456)	(3)
31XX	Equity attributable to owners of the parent		3,954,536	74	3,945,875	73	3,660,786	67
36XX	Non-controlling interests		95,885	2	96,086	2	97,028	2
3XXX	Total equity		4,050,421	76	4,041,961	75	3,757,814	69
	Significant events after the balance sheet date	9						
3X2X	Total liabilities and equity		\$ 5,327,484	100	\$ 5,418,700	100	\$ 5,444,311	100

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

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three months ended June 30				Six months ended June 30			
			2024		2023		2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(20)	\$ 441,967	100	\$ 485,688	100	\$ 954,286	100	\$ 958,296	100
5000	Operating costs	6(5)(23)(24)	(284,774)	(64)	(340,341)	(70)	(615,501)	(65)	(678,069)	(71)
5900	Net operating margin		157,193	36	145,347	30	338,785	35	280,227	29
	Operating expenses	6(23)(24)								
6100	Selling expenses		(36,199)	(8)	(37,764)	(8)	(76,972)	(8)	(69,606)	(7)
6200	General and administrative expenses		(29,400)	(6)	(27,557)	(6)	(63,116)	(7)	(52,181)	(6)
6300	Research and development expenses		(16,110)	(4)	(16,221)	(3)	(32,741)	(3)	(30,868)	(3)
6450	Impairment gain determined in accordance with IFRS 9	12(2)	9,313	2	11,060	2	12,740	1	28,496	3
6000	Total operating expenses		(72,396)	(16)	(70,482)	(15)	(160,089)	(17)	(124,159)	(13)
6900	Operating profit		84,797	20	74,865	15	178,696	18	156,068	16
	Non-operating income and expenses									
7100	Interest income		7,202	2	9,535	2	14,015	2	18,220	2
7010	Other income	6(21)	18,332	4	22,600	5	31,087	3	30,775	3
7020	Other gains and losses	6(22)	4,245	1	43,893	9	64,656	7	35,496	4
7050	Finance costs		(3,037)	(1)	(4,595)	(1)	(6,600)	(1)	(8,676)	(1)
7000	Total non-operating income and expenses		26,742	6	71,433	15	103,158	11	75,815	8
7900	Profit before income tax		111,539	26	146,298	30	281,854	29	231,883	24
7950	Income tax expense	6(25)	(25,711)	(6)	(28,177)	(6)	(61,149)	(6)	(47,344)	(5)
8200	Profit for the period		\$ 85,828	20	\$ 118,121	24	\$ 220,705	23	\$ 184,539	19

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended June 30		2023		Six months ended June 30		2023	
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316 Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	6(6)	(\$ 6,973)	(2)	(\$ 4,815)	(1)	(\$ 5,545)	(1)	(\$ 772)	-
8310 Components of other comprehensive loss that will not be reclassified to profit or loss		(6,973)	(2)	(4,815)	(1)	(5,545)	(1)	(772)	-
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		3,623	1	(23,978)	(5)	15,672	2	(19,130)	(2)
8360 Components of other comprehensive income that will be reclassified to profit or loss		3,623	1	(23,978)	(5)	15,672	2	(19,130)	(2)
8300 Total other comprehensive income (loss) for the period		(\$ 3,350)	(1)	(\$ 28,793)	(6)	\$ 10,127	1	(\$ 19,902)	(2)
8500 Total comprehensive income for the period		\$ 82,478	19	\$ 89,328	18	\$ 230,832	24	\$ 164,637	17
Profit, attributable to:									
8610 Owners of parent		\$ 90,887	21	\$ 122,023	25	\$ 224,079	23	\$ 186,163	19
8620 Non-controlling interests		(5,059)	(1)	(3,902)	(1)	(3,374)	-	(1,624)	-
Total		\$ 85,828	20	\$ 118,121	24	\$ 220,705	23	\$ 184,539	19
Comprehensive income attributable to:									
8710 Owners of parent		\$ 86,773	20	\$ 96,392	19	\$ 231,033	24	\$ 168,849	17
8720 Non-controlling interests		(4,295)	(1)	(7,064)	(1)	(201)	-	(4,212)	-
Total		\$ 82,478	19	\$ 89,328	18	\$ 230,832	24	\$ 164,637	17
Basic earnings per share	6(26)								
9750 Basic earnings per share		\$ 1.23		\$ 1.65		\$ 3.02		\$ 2.51	
9850 Diluted earnings per share		\$ 1.22		\$ 1.64		\$ 3.02		\$ 2.51	

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

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent										
<div>Retained earningsOther equity interest</div>										
						Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings			Total	Non-controlling interests	Total equity
	\$ 741,239	\$ 1,193,349	\$ 343,211	\$ 120,040	\$ 1,425,612	(\$ 82,602)	(\$ 26,540)	\$ 3,714,309	\$ 101,240	\$ 3,815,549
6(6)	-	-	-	-	186,163	-	-	186,163	(1,624)	184,539
	-	-	-	-	-	(16,542)	(772)	(17,314)	(2,588)	(19,902)
	-	-	-	-	186,163	(16,542)	(772)	168,849	(4,212)	164,637
	-	-	40,788	-	(40,788)	-	-	-	-	-
6(19)	-	-	-	(10,899)	10,899	-	-	-	-	-
	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)
	<u>\$ 741,239</u>	<u>\$ 1,193,349</u>	<u>\$ 383,999</u>	<u>\$ 109,141</u>	<u>\$ 1,359,514</u>	<u>(\$ 99,144)</u>	<u>(\$ 27,312)</u>	<u>\$ 3,660,786</u>	<u>\$ 97,028</u>	<u>\$ 3,757,814</u>
6(6)	\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875	\$ 96,086	\$ 4,041,961
	-	-	-	-	224,079	-	-	224,079	(3,374)	220,705
	-	-	-	-	-	12,499	(5,545)	6,954	3,173	10,127
	-	-	-	-	224,079	12,499	(5,545)	231,033	(201)	230,832
6(19)	-	-	43,884	-	(43,884)	-	-	-	-	-
	-	-	-	(15,099)	15,099	-	-	-	-	-
	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)
	<u>\$ 741,239</u>	<u>\$ 1,193,349</u>	<u>\$ 427,883</u>	<u>\$ 94,043</u>	<u>\$ 1,585,111</u>	<u>(\$ 81,308)</u>	<u>(\$ 5,781)</u>	<u>\$ 3,954,536</u>	<u>\$ 95,885</u>	<u>\$ 4,050,421</u>

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

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 281,854	\$ 231,883
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment loss	6(7)(11)(22)	12,052	-
Depreciation expense (including investment property)	6(7)(9)(23)	185,712	181,580
Depreciation expense - right-of-use assets	6(8)(23)	4,777	3,387
Amortisation expense	6(23)	2,905	3,715
Reversal of expected credit losses	12(2)	(12,740)	(28,496)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(22)	691	(1,789)
Interest expense		6,600	8,676
Interest income		(14,015)	(18,220)
Government grant revenues	6(15)	(716)	(695)
Dividend income	6(21)	(6,834)	(4,070)
Proceeds from disposal of property, plant and equipment	6(22)	(1,685)	(16)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		11,751	(183)
Accounts receivable, net		138,773	69,299
Other receivables		11,783	(1,172)
Inventories		13,920	(12,779)
Other current assets		2,973	(5,088)
Changes in operating liabilities			
Contract liabilities - current		(17,991)	(10,959)
Notes payable		(93,412)	(1,120)
Accounts payable		(34,518)	(39,311)
Other payables		345	(12,756)
Other current liabilities		2,529	1,340
Cash inflow generated from operations		494,754	363,226
Interest received		14,414	17,208
Interest paid		(6,430)	(8,652)
Dividend received		6,834	4,070
Income taxes paid		(146,283)	(19,600)
Net cash flows from operating activities		363,289	356,252

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss	6(27)	\$ -	(\$ 12,263)
Proceeds from disposal of financial assets at fair value through profit or loss		-	17,119
Decrease (increase) in financial assets at amortised cost		125,890	(495,784)
Acquisition of property, plant and equipment	6(27)	(264,715)	(68,613)
Proceeds from disposal of property, plant and equipment		10,996	6,785
Decrease in refundable deposits		682	906
Acquisition of non-current financial assets at fair value through other comprehensive income		-	(18,500)
Decrease in other non-current assets		461	882
Decrease (increase) in prepayment of equipment and construction		83,822	(74,355)
Net cash flows used in investing activities		(42,864)	(643,823)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	-	36,615
Decrease in short-term borrowings	6(28)	(37,060)	(149,988)
Repayments of long-term borrowings	6(28)	(66,583)	(87,841)
Increase in deposits received	6(28)	101	368
Repayments of principal portion of lease liabilities	6(28)	(2,646)	(1,389)
Net cash flows used in financing activities		(106,188)	(202,235)
Effect of exchange rate changes on cash and cash equivalents		(42,820)	(14,698)
Net increase (decrease) in cash and cash equivalents		171,417	(504,504)
Cash and cash equivalents at beginning of period		550,670	1,036,374
Cash and cash equivalents at end of period		\$ 722,087	\$ 531,870

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

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2024 AND 2023

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

1. History and Organisation

Y.C.C. PARTS MFG. CO., LTD. (the “Company”) was incorporated in March 1986 and has been listed on the Taiwan Stock Exchange since April 2012. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacturing and trading automobile parts, import and export and wholesale and retail of health supplements as well as operating and reinvesting related businesses.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on August 8, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements are the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2023.

- B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	RISE BRIGHT HOLDINGS LTD. (RISE BRIGHT)	Holding company and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	
The Company	UNITED SKILLS CO., LTD. (UNITED SKILLS)	Wholesale and retail of health supplements, online shopping and mail order	100.00%	100.00%	100.00%	(Note 2 、3)
RISE BRIGHT	CHINA FIRST HOLDINGS LTD. (CHINA FIRST)	Holding company and selling interior and exterior accessories of automobiles	89.44%	89.44%	89.44%	
RISE BRIGHT	CHANG JIE TECHNOLOGY CO., LTD. (CHANG JIE)	Producing and selling interior and exterior accessories of automobiles	99.83%	99.83%	99.83%	(Note 2)

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
CHINA FIRST	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. (CHANGSHU FUTE)	Producing and selling interior and exterior accessories of automobiles	100.00%	100.00%	100.00%	
CHINA FIRST	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD. (LIAONING HETAI)	Producing and selling interior and exterior accessories of automobiles	82.61%	82.61%	82.61%	
CHINA FIRST	CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD. (CHANGSHU XINXIANG)	Producing and selling interior and exterior accessories of automobiles	NA	NA	100.00%	(Note 1 、 2)

Note 1 : In order to simplify the organizational structure, CHANSHU FUTE used November 30, 2023 as the merger base date to absorb and merge with CHANSHU XINXIANG.

Note 2 : The financial statements of the entity as of and for the six months ended June 30, 2024 and 2023 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiaries.

Note 3 : The Company passed a resolution by the Board of Directors to invest NT\$100,000 thousand in its subsidiary UNITED SKILLS in installments on March 7, 2024. As of June 30, 2024, the Company increased its capital NT\$48,000 thousand and the change in registration was completed.

C. Subsidiaries not included in the consolidated financial statements

None.

D. Adjustments for subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group

None.

(4) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(5) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

(6) Income tax

A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

B. When the tax rate changes during the interim period, the Group recognizes the impact of the change once in the current period when the change occurs. For income tax related to items recognized out of profit or loss, the impact of the change is recognized in other comprehensive profit or loss or equity items. For income tax related to items recognized in profit or loss, the effect of the change is recognized in profit or loss.

(7) Dividends

Cash dividends to shareholders are recognized as liabilities in the financial report when the Board of Directors of the Company decides to distribute, and stock dividends are recognized as stock dividends to be distributed in the financial report when the Company's shareholders' meeting decides to distribute, and transferred to the Company on the base date of new share issuance.

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

There have been no significant changes as of June 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand	\$ 237	\$ 231	\$ 315
Checking accounts and demand deposits	204,236	312,716	303,568
Time deposits	517,614	237,723	196,384
Short-term notes and bills - Re-Purchase	-	-	31,603
	<u>\$ 722,087</u>	<u>\$ 550,670</u>	<u>\$ 531,870</u>

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

B. The time deposits maturing over three months and time deposits that are restricted and are not held for the purpose of meeting short-term cash commitments were presented as 'financial assets at amortised cost'. Refer to Note 6(3) for details.

C. Information about the financial assets at amortised cost that were pledged to others as collaterals is provided in Notes 6(3) and 8.

(2) Financial assets and liabilities at fair value through profit or loss - current

<u>Items</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 104,825	\$ 104,823	\$ 104,824
Valuation adjustment	26,240	30,622	9,204
Total	<u>\$ 131,065</u>	<u>\$ 135,445</u>	<u>\$ 114,028</u>
Financial assets (liabilities) held for trading			
Foreign exchange swap contracts	<u>\$ 739</u>	<u>(\$ 2,952)</u>	<u>\$ 11,145</u>
Total financial assets at fair value through profit or loss	<u>\$ 131,804</u>	<u>\$ 135,445</u>	<u>\$ 125,173</u>
Total financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>(\$ 2,952)</u>	<u>\$ -</u>

A. The Group recognized financial assets and liabilities at fair value through profit or loss of (\$7,671), \$10,070, (\$691) and \$1,789 for the three months and six months ended June 30, 2024 and 2023, respectively.

- B. Explanations of the transactions and contract information in respect of derivative financial assets and liabilities that the Group does not adopt hedge accounting are as follows:

	June 30, 2024	
<u>Derivative financial assets (liabilities)</u>	<u>Contract amount (Notional principal)</u>	<u>Contract period</u>
Foreign exchange swap contracts	USD 2,969 thousand	2024.06.03 ~ 2024.07.22
	December 31, 2023	
<u>Derivative financial assets (liabilities)</u>	<u>Contract amount (Notional principal)</u>	<u>Contract period</u>
Foreign exchange swap contracts	USD 7,086 thousand	2023.12.07 ~ 2024.01.29
	June 30, 2023	
<u>Derivative financial assets (liabilities)</u>	<u>Contract amount (Notional principal)</u>	<u>Contract period</u>
Foreign exchange swap contracts	USD 16,224 thousand	2023.03.13 ~ 2023.09.13

The Group entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. Therefore, the Group did not apply hedge accounting treatment for these forward exchange contracts.

- C. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others as collateral.
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

<u>Items</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current items:			
Time deposits maturing over three months	\$ -	\$ 125,890	\$ 495,784
Non-current items:			
Restricted time deposits	\$ 300	\$ 300	\$ 300

- A. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$300, \$126,190 and \$496,084, respectively.
- B. Information about the financial assets at amortised cost that were pledged to others as collateral is provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable, net

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	\$ 19,249	\$ 38,179	\$ 27,437
Less: Allowance for uncollectible accounts	(208)	(208)	(173)
	<u>\$ 19,041</u>	<u>\$ 37,971</u>	<u>\$ 27,264</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable	\$ 355,312	\$ 521,330	\$ 528,534
Less: Allowance for uncollectible accounts	(9,757)	(22,141)	(35,056)
	<u>\$ 345,555</u>	<u>\$ 499,189</u>	<u>\$ 493,478</u>

A. The aging analysis of notes receivable and accounts receivable are as follows:

	<u>June 30, 2024</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 19,249	\$ 253,942
1 to 60 days	-	87,781
61 to 120 days	-	2,826
121 to 180 days	-	4,239
181 to 240 days	-	2,475
Over 241 days	-	4,049
	<u>\$ 19,249</u>	<u>\$ 355,312</u>
	<u>December 31, 2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 38,179	\$ 337,528
1 to 60 days	-	118,126
61 to 120 days	-	42,614
121 to 180 days	-	10,464
181 to 240 days	-	3,380
Over 241 days	-	9,218
	<u>\$ 38,179</u>	<u>\$ 521,330</u>
	<u>June 30, 2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 27,437	\$ 317,360
1 to 60 days	-	111,533
61 to 120 days	-	45,450
121 to 180 days	-	23,515
181 to 240 days	-	5,271
Over 241 days	-	25,405
	<u>\$ 27,437</u>	<u>\$ 528,534</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the ageing analysis was based on past due date.

B. As of June 30, 2024, December 31, 2023 and June 30, 2023, the balances of accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2023, the balances of accounts receivable and notes receivable from contracts with customers amounted to \$598,967 and \$27,225, respectively.

C. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$19,041, \$37,971 and \$27,264 and accounts receivable were \$345,555, \$499,189 and \$493,478, respectively.

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

(5) Inventories

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 106,195	(\$ 22,561)	\$ 83,634
Work in progress	54,882	(2,297)	52,585
Semi-finished goods	10,104	(3,165)	6,939
Finished goods	213,660	(14,974)	198,686
Merchandise	1,558	-	1,558
Total	<u>\$ 386,399</u>	<u>(\$ 42,997)</u>	<u>\$ 343,402</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 154,153	(\$ 30,736)	\$ 123,417
Work in progress	51,953	(1,700)	50,253
Semi-finished goods	7,142	(1,761)	5,381
Finished goods	188,772	(20,325)	168,447
Merchandise	9,824	-	9,824
Total	<u>\$ 411,844</u>	<u>(\$ 54,522)</u>	<u>\$ 357,322</u>
	June 30, 2023		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 124,357	(\$ 34,109)	\$ 90,248
Work in progress	56,145	(4,119)	52,026
Semi-finished goods	8,374	(2,042)	6,332
Finished goods	201,086	(45,924)	155,162
Merchandise	9,203	-	9,203
Total	<u>\$ 399,165</u>	<u>(\$ 86,194)</u>	<u>\$ 312,971</u>

The cost of inventories recognised as expense for the period :

	Three months ended June 30,	
	2024	2023
Cost of goods sold	\$ 285,373	\$ 336,461
Unallocated fixed overheads	934	-
Loss on scrapping inventory	105	121
(Gain on reversal of) loss on market value decline and obsolete and slow-moving inventories	(542)	4,077
Gain on physical inventory	(1,096)	(318)
	<u>\$ 284,774</u>	<u>\$ 340,341</u>

	Six months ended June 30,	
	2024	2023
Cost of goods sold	\$ 626,576	\$ 674,224
Unallocated fixed overheads	2,500	1,129
Loss on scrapping inventory	125	252
(Gain on reversal of) loss on market value decline and obsolete and slow-moving inventories	(12,223)	2,819
Gain on physical inventory	(1,477)	(355)
	<u>\$ 615,501</u>	<u>\$ 678,069</u>

The Group reversed a previous inventory write-down because inventories with decline in market value were partially sold and scrapped by the Group for the for the three months and six months ended June 30, 2024.

(6) Non-current financial assets at fair value through other comprehensive income

Items	June 30, 2024	December 31, 2023	June 30, 2023
Non-current items:			
Equity instruments			
Listed stocks	\$ 128,535	\$ 128,535	\$ 120,288
Valuation adjustment	(5,781)	(236)	(27,313)
Total	<u>\$ 122,754</u>	<u>\$ 128,299</u>	<u>\$ 92,975</u>

A. The Group has elected to classify investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$122,754, \$128,299 and \$92,975, as at June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 6,973)	(\$ 4,815)
Dividend income recognised in profit or loss held at end of period	\$ 3,561	\$ 1,552
	Six months ended June 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 5,545)	(\$ 772)
Dividend income recognised in profit or loss held at end of period	\$ 3,561	\$ 1,552

C. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$122,754, \$128,299 and \$92,975, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(7) Property, plant and equipment

Six months ended June 30, 2024						
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	\$ 956,365	\$ 77,700	\$ -	\$ -	\$ -	\$ 1,034,065
Buildings and structures	1,614,968	58,001	(1,325)	10,599	12,949	1,695,192
Machinery and equipment	1,355,693	27,186	(65,332)	78,990	16,194	1,412,731
Molding equipment	2,308,680	40,871	(15,056)	41,460	904	2,376,859
Transportation equipment	35,101	-	(1,996)	-	73	33,178
Furniture equipment	3,022	-	(48)	-	24	2,998
Other equipment	223,208	9,384	(4,549)	14,532	1,228	243,803
Unfinished construction and equipment under acceptance	288,386	31,978	-	(34,622)	1,332	287,074
	<u>\$ 6,785,423</u>	<u>\$ 245,120</u>	<u>(\$ 88,306)</u>	<u>\$ 110,959</u>	<u>\$ 32,704</u>	<u>\$ 7,085,900</u>
Accumulated Depreciation						
Buildings and structures	(\$ 968,179)	(\$ 36,362)	\$ 1,325	\$ -	(\$ 4,090)	(\$ 1,007,306)
Machinery and equipment	(904,107)	(52,267)	63,230	-	(7,208)	(900,352)
Molding equipment	(1,849,061)	(83,724)	7,848	-	(572)	(1,925,509)
Transportation equipment	(28,898)	(1,253)	1,996	-	(56)	(28,211)
Furniture equipment	(2,616)	(138)	48	-	(18)	(2,724)
Other equipment	(159,144)	(11,494)	4,548	-	(625)	(166,715)
	<u>(\$ 3,912,005)</u>	<u>(\$ 185,238)</u>	<u>\$ 78,995</u>	<u>\$ -</u>	<u>(\$ 12,569)</u>	<u>(4,030,817)</u>
Accumulated Impairment						
Machinery and equipment	\$ -	(\$ 8,502)	\$ -	\$ -	(\$ 90)	(\$ 8,592)
Molding equipment	-	(346)	-	-	(4)	(350)
Furniture equipment	-	(12)	-	-	-	(12)
Other equipment	-	(3,192)	-	-	(33)	(3,225)
	<u>\$ -</u>	<u>(\$ 12,052)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 127)</u>	<u>(\$ 12,179)</u>
Total	<u>\$ 2,873,418</u>					<u>\$ 3,042,904</u>

		Six months ended June 30, 2023						
		<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Net exchange differences</u>	<u>Ending balance</u>	
Cost								
Land	\$	956,365	\$ -	\$ -	\$ -	\$ -	\$	956,365
Buildings and structures		1,617,747	1,320	-	1,138	(10,720)		1,609,485
Machinery and equipment		1,345,856	23,383	(38,838)	20,488	(12,948)		1,337,941
Molding equipment		2,136,767	17,094	(8,215)	85,090	(859)		2,229,877
Transportation equipment		35,281	-	-	-	(50)		35,231
Furniture equipment		3,485	-	(210)	-	(23)		3,252
Other equipment		189,283	11,287	(2,593)	7,305	(864)		204,418
Unfinished construction and equipment under acceptance		328,357	18,357	-	(132,913)	(1,740)		212,061
	\$	<u>6,613,141</u>	<u>\$ 71,441</u>	<u>(\$ 49,856)</u>	<u>(\$ 18,892)</u>	<u>(\$ 27,204)</u>	\$	<u>6,588,630</u>
Accumulated Depreciation								
Buildings and structures	(\$	896,986)	(\$ 36,668)	\$ -	\$ -	\$ 3,044	(\$	930,610)
Machinery and equipment	(	860,554)	(50,470)	36,826	-	5,718	(	868,480)
Molding equipment	(	1,706,235)	(81,341)	3,458	-	460	(	1,783,658)
Transportation equipment	(	26,864)	(1,295)	-	-	42	(	28,117)
Furniture equipment	(	2,825)	(176)	210	-	18	(	2,773)
Other equipment	(	144,862)	(11,070)	2,593	-	558	(	152,781)
	(	<u>3,638,326)</u>	<u>(\$ 181,020)</u>	<u>\$ 43,087</u>	<u>\$ -</u>	<u>\$ 9,840</u>	(	<u>3,766,419)</u>
Total	\$	<u>2,974,815</u>					\$	<u>2,822,211</u>

A. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

B. Transfers for the period were from equipment under acceptance.

C. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows: Six months ended June 30, 2024 and 2023 : None.

(8) Lease transactions – lessee

- A. The Group leases various assets including land and transportation equipment. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes. Upon expiry of the lease, the terms of lease agreements do not give priority rights to renew the lease or purchase the property.
- B. Short-term leases with a lease term of 12 months or less comprise certain buildings.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 129,616	\$ 127,514	\$ 128,660
Transportation equipment (Business vehicles)	19,892	22,586	5,245
	<u>\$ 149,508</u>	<u>\$ 150,100</u>	<u>\$ 133,905</u>

	Three months ended June 30,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 1,050	\$ 967
Transportation equipment (Business vehicles)	1,347	780
	<u>\$ 2,397</u>	<u>\$ 1,747</u>

	Six months ended June 30,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 2,082	\$ 2,002
Transportation equipment (Business vehicles)	2,695	1,385
	<u>\$ 4,777</u>	<u>\$ 3,387</u>

- D. For the three months and six months ended June 30, 2024 and 2023, there were no additions to right-of-use assets.
- E. Information on profit or loss in relation to lease contracts are as follows:

	Three months ended June 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 66	\$ 18
Expense on short-term lease contracts	\$ 50	\$ 130
Expense on leases of low-value assets	<u>\$ 102</u>	<u>\$ 191</u>

	Six months ended June 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 137	\$ 39
Expense on short-term lease contracts	\$ 126	\$ 241
Expense on leases of low-value assets	\$ 637	\$ 550

F. As of June 30, 2024, December 31, 2023 and June 30, 2023, the balances of lease liabilities -current and lease liabilities - non-current are as follows (shown as other current liabilities - others and other non-current liabilities):

	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities - current	\$ 5,342	\$ 5,308	\$ 1,682
Lease liabilities - non-current	\$ 14,675	\$ 17,355	\$ 3,622

G. For the three months and six months ended June 30, 2024 and 2023, the Group's total cash outflow for leases were \$1,543, \$1,035, \$3,546 and \$2,219, respectively.

H. Information about the right-of-use assets that were pledged to others as collateral is provided in Note 8.

(9) Investment property

	Six months ended June 30, 2024				
	Beginning balance	Additions	Decreases	Net exchange differences	Ending balance
Cost					
Land	\$ 80,887	\$ -	\$ -	\$ -	\$ 80,887
Land use right	4,151	-	-	135	4,286
Buildings and structures	16,048	-	-	527	16,575
	<u>\$ 101,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 101,748</u>
Accumulated Depreciation					
Land use right	(\$ 560)	(\$ 64)	\$ -	(\$ 18)	(\$ 642)
Buildings and structures	(6,085)	(410)	-	(204)	(6,699)
	<u>(6,645)</u>	<u>(\$ 474)</u>	<u>\$ -</u>	<u>(\$ 222)</u>	<u>(7,341)</u>
Total	<u>\$ 94,441</u>				<u>\$ 94,407</u>

Six months ended June 30, 2023					
	Beginning balance	Additions	Decreases	Net exchange differences	Ending balance
Cost					
Land use right	\$ 4,240	\$ -	\$ -	\$ 265	\$ 4,505
Buildings and structures	17,411	-	-	(527)	16,884
	<u>\$ 21,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 262)</u>	<u>\$ 21,389</u>
Accumulated Depreciation					
Land use right	(\$ 449)	(\$ 64)	\$ -	(\$ 366)	(\$ 879)
Buildings and structures	(6,489)	(496)	-	188	(6,797)
	<u>(6,938)</u>	<u>(\$ 560)</u>	<u>\$ -</u>	<u>(\$ 178)</u>	<u>(7,676)</u>
Total	<u>\$ 14,713</u>				<u>\$ 13,713</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

Three months ended June 30,		
	2024	2023
Rental income from investment property	<u>\$ 1,019</u>	<u>\$ 912</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 240</u>	<u>\$ 280</u>
Six months ended June 30,		
	2024	2023
Rental income from investment property	<u>\$ 2,017</u>	<u>\$ 1,838</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 474</u>	<u>\$ 560</u>

B. The fair value of the investment property held by the Group, which is the land, as at June 30, 2024, and December 31, 2023 were both \$92,468. The land price is obtained from the actual value of real estate transactions of the Ministry of Interior, the fair value is classified as a level 2 fair value. The fair values of the investment properties held by the Group, which is the land use right and buildings and structures, as at June 30, 2024, December 31, 2023 and June 30, 2023 were \$19,998, \$19,752 and \$20,028, respectively. The valuations were made using the carrying amount of land use rights upon the expiry of the lease and the discounted inflow of future rental income for 3 years, using the borrowing interest rate of 4.35%, after taking into consideration of future economic growth and results of inflation. The fair value is classified as a level 3 fair value.

C. CHANGSHU FUTE subleases its 36.5-year land use right in Changshu city, Jiangsu Province, China to DAQIAOJIXIE JIANGSU YOUXIANGONGSI (DAQIAOJIXIE) under operating lease agreements. The lease term is 2.5 years. As CHANGSHU FUTE pledged the buildings and structures as collateral to the Shanghai Pudong Development Bank for its loans, it will terminate the agreement early with the DAQIAOJIXIE and JIANGSU JIASHENGYU and pay the relevant compensation if the bank exercises its rights to the pledged collateral and disposes it. In January 2024, due to the expiration of the lease and the cancellation of the pledge by CHANGSHU FUTE and the bank, the lease contract was re-signed. The lease period was for one year. If the lease expired and there was no notice of non-renewal from both parties, the lease would be considered as renewed.

D. The Group acquired land located in the Yutengping section of Sanyi Township, Miaoli County in September 2023, and it is expected to be used for sustainable development.

E. The future aggregate minimum lease payments receivable are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not later than one year	\$ 1,933	\$ -	\$ 3,769
Later than one year but not later than five years	-	-	-
	<u>\$ 1,933</u>	<u>\$ -</u>	<u>\$ 3,769</u>

F. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(10) Other non-current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayments for business facilities and construction	\$ 215,010	\$ 298,832	\$ 222,508
Guarantee deposits paid	7,061	7,743	3,186
Others	2,863	2,860	3,257
	<u>\$ 224,934</u>	<u>\$ 309,435</u>	<u>\$ 228,951</u>

(11) Impairment of non-financial assets

The Company's subsidiaries recognised impairment loss for the three months and six months ended June 30, 2024 and 2023 amounting to \$12,052, \$0, \$12,052 and \$0, respectively, the related information is provided in Note 6(7).

(12) Short-term borrowings

Type of borrowings	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings	<u>\$ -</u>	<u>\$ 35,786</u>	<u>\$ 143,936</u>
Interest rate range	<u>-</u>	<u>4.35%</u>	<u>4.35%</u>

(13) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Dividends payable	\$ 222,372	\$ -	\$ 222,372
Salaries and bonus payable	52,003	53,647	41,191
Machinery and equipment payable	45,767	56,453	52,790
Employees' compensation payable	15,480	8,425	9,292
Directors' remuneration payable	10,110	5,841	8,045
Others	48,726	57,891	59,149
	<u>\$ 394,458</u>	<u>\$ 182,257</u>	<u>\$ 392,839</u>

(14) Long-term borrowings

Type of borrowings	Borrowing period	Repayment term	June 30, 2024
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	\$ 30,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	192,014
Secured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	230,000
Secured borrowings	From September 19, 2019 to December 15, 2029	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	63,238
			<u>\$ 515,252</u>
Less: Current portion			(133,167)
Less: Discount on government grants			(1,031)
			<u>\$ 381,054</u>
Interest rate range			<u>1.375%~1.905%</u>

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Repayment term</u>	<u>December 31, 2023</u>
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	\$ 36,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	206,597
Secured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	276,000
Secured borrowings	From September 19, 2019 to December 15, 2029	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	63,238
			\$ 581,835
Less: Current portion			(133,167)
Less: Discount on government grants			(1,822)
			\$ 446,846
Interest rate range			<u>1.25%~1.78%</u>

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Repayment term</u>	<u>June 30, 2023</u>
Long-term bank borrowings			
Unsecured borrowings	From November 26, 2018 to November 26, 2023	The loan is fully disbursed once the contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with 1-year grace period on principal only	\$ -
Unsecured borrowings	From December 26, 2019 to December 26, 2026	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a 3-year grace period on principal only	42,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	221,181
Secured borrowings	From December 26, 2019 to December 26, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	322,000
Secured borrowings	From December 26, 2019 to December 26, 2029	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	63,238
			<u>\$ 648,419</u>
Less: Current portion			(133,167)
Less: Discount on government grants			(3,105)
			<u>\$ 512,147</u>
Interest rate range			<u>1.25%~1.79%</u>

(15) Government grants

As of June 30, 2024, the Group obtained government concessional loans under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” from the Bank of Taiwan in the amounts of \$432,000 and \$48,000, respectively, for supporting capital expenditure and working capital. Such loans will mature in December 2029 and December 2026, respectively. The fair values for the loans were \$424,935 and \$47,217, respectively which were calculated at a market rate of 1.25% and 1.375%. The differences between the acquired amount obtained and the fair value were \$7,065 and \$723, respectively, which were deemed as a low interest loan subsidy from government and recognized in deferred revenue (shown as other non-current liabilities). The deferred revenue is reclassified to other income on a straight-line basis over their estimated useful life during the period of paying interest. The realized deferred government grants revenue were \$358, \$358, \$716 and \$695, respectively, for the three months and six months ended June 30, 2024 and 2023.

(16) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) For the three months and six months ended June 30, 2024 and 2023, the estimated appropriations paid to the defined pension plan are \$51, \$50, \$103 and \$100, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$ 213.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump

sum upon termination of employment.

(b) The Company's mainland China subsidiaries, have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage as of June 30, 2024, December 31, 2023 and June 30, 2023, were both 16%. Other than the monthly contributions, the Group has no further obligations.

(c) For the aforementioned pension plan, the Group recognised pension costs of \$2,835, \$3,754, \$6,148 and \$7,320 for the three months and six months ended June 30, 2024 and 2023, respectively.

(17) Share capital

A. As of June 30, 2024, the Company's authorized capital was \$1,000,000, constituting 100,000 thousand shares and the paid-in capital was \$741,239 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2024</u>	<u>2023</u>
	<u>Number of thousand shares</u>	<u>Number of thousand shares</u>
At January 1 and June 30	\$ 74,124	\$ 74,124

(18) Capital surplus

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Used to offset deficits,</u>			
<u>distributed as cash</u>			
<u>dividends or transferred to</u>			
<u>share capital (Note 1)</u>			
Additional paid-in capital in excess			
of par-ordinary share	\$ 1,163,298	\$ 1,163,298	\$ 1,163,298
Difference between consideration			
and carrying amount of			
subsidiaries acquired	\$ 2,125	\$ 2,125	\$ 2,125
<u>Used to offset accumulated</u>			
<u>deficits only (Note 2)</u>			
Changes in ownership interests			
in subsidiaries	\$ 27,926	\$ 27,926	\$ 27,926

Note 1: Such capital surplus can be used in offsetting deficit and distributed as cash dividends or transferred to capital provided that the Company has no deficit. However, the amount that can be transferred to capital is limited to a certain percentage of paid-in capital every year.

Note 2: Such capital surplus arises from the effect of changes in ownership interests in subsidiaries under equity transactions when there is no actual acquisition or disposal of subsidiaries by the Company, or from changes in capital surplus of subsidiaries.

(19) Retained earnings

- A. According to the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset against prior years' operating losses and then be distributed as follows: 10% as legal reserve, and appropriate or reverse for special reserve until the legal reserve equals the Company's paid-in capital. The remaining earnings, if any, may be appropriated along with the accumulated unappropriated earnings according to a resolution proposed by the Board of Directors and resolved at the shareholders' meeting.
- B. The Board of Directors of the Company may distribute all or part of dividends and bonuses, legal reserve and capital reserve in the form of cash, with the presence of more than two-thirds of the directors and the resolution of more than half of the directors present, and reports it to the shareholders' meeting.
- C. The Company's dividend policy is to distribute dividends to shareholders in line with current and future development plans, considering the investment environment, capital needs, and domestic and foreign competition conditions, and taking into account shareholders' interests and other factors. Shareholder dividends shall not be less than 40% of the distributable surplus of the current year, of which cash dividends should be more than 20% of the total dividends for shareholders, and the Board of Directors will submit it to the shareholders' meeting for resolution.
- D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- E. (a) In accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment

property other than land.

F. The appropriations of 2023 earnings had been resolved at the Board of Directors' meeting on May 30, 2024. The appropriations of 2022 earnings had been resolved at the shareholders' meeting on May 31, 2023. Details are summarized below:

	Year ended December 31			
	2023		2022	
	Dividend per share		Dividend per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve appropriated	\$ 43,884		\$ 40,788	
Special reserve reversed	(15,099)		(10,899)	
Cash dividend	222,372	\$ 3.00	222,372	\$ 3.00

G. Refer to Note 6 (24) for further information relating to employees' compensation and directors' remuneration.

(20) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue primarily from the transfer of goods at a point in time in the following products:

	Three months ended June 30, 2024		
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 351,209	\$ 87,821	\$ 439,030
Others	2,937	-	2,937
	<u>\$ 354,146</u>	<u>\$ 87,821</u>	<u>\$ 441,967</u>
	Three months ended June 30, 2023		
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 353,745	\$ 125,081	\$ 478,826
Others	6,376	486	6,862
	<u>\$ 360,121</u>	<u>\$ 125,567</u>	<u>\$ 485,688</u>
	Six months ended June 30, 2024		
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 707,814	\$ 241,529	\$ 949,343
Others	4,943	-	4,943
	<u>\$ 712,757</u>	<u>\$ 241,529</u>	<u>\$ 954,286</u>

	Six months ended June 30, 2023		
	Domestic operating entities	Overseas operating entities	Total
Auto parts	\$ 647,108	\$ 301,517	\$ 948,625
Others	8,874	797	9,671
	<u>\$ 655,982</u>	<u>\$ 302,314</u>	<u>\$ 958,296</u>

B. Contract liabilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023</u>
Contract liabilities - advance sales receipts	<u>\$ 4,276</u>	<u>\$ 22,267</u>	<u>\$ 3,893</u>	<u>\$ 14,852</u>

For the three months and six months ended June 30, 2024 and 2023, revenue recognized that were included in the contract liability balance at the beginning of the period amounted to \$281, \$4,267, \$21,764 and \$11,895, respectively.

(21) Other income

	Three months ended June 30,	
	2024	2023
Dividend income	\$ 6,834	\$ 4,070
Rent income	2,179	1,858
Revenue for Government Grants (Note)	1,126	4,337
Other income	8,193	12,335
	<u>\$ 18,332</u>	<u>\$ 22,600</u>

	Six months ended June 30,	
	2024	2023
Dividend income	\$ 6,834	\$ 4,070
Rent income	4,297	3,758
Revenue for Government Grants (Note)	2,057	4,674
Other income	17,899	18,273
	<u>\$ 31,087</u>	<u>\$ 30,775</u>

Note: This is to obtain relevant information on Tieling City Government's policies and measures to assist enterprises in rescuing enterprises and stabilizing economic growth, government subsidies from the unemployment subsidy fund, and government subsidy income from Taiwanese businessmen returning to Taiwan to invest. Please refer to Note 6 (15) for details.

(22) Other gains and losses

	Three months ended June 30,	
	2024	2023
Gains on disposal of property, plant and equipment	\$ 1,543	\$ -
Foreign exchange gains	22,574	33,912
(Losses) gains on financial assets and liabilities at fair value through profit or loss	(7,671)	10,070
Impairment loss	(12,052)	-
Other losses	(149)	(89)
	<u>\$ 4,245</u>	<u>\$ 43,893</u>
	Six months ended June 30,	
	2024	2023
Gains on disposal of property, plant and equipment	\$ 1,685	\$ 16
Foreign exchange gains	76,672	33,883
(Losses) gains on financial assets and liabilities at fair value through profit or loss	(691)	1,789
Impairment loss	(12,052)	-
Other losses	(958)	(192)
	<u>\$ 64,656</u>	<u>\$ 35,496</u>

(23) Expenses by nature

	Three months ended June 30,	
	2024	2023
Employee benefit expense	\$ 76,863	\$ 78,496
Depreciation charges on property, plant and equipment	94,355	90,705
Depreciation charges on right-of-use assets	2,397	1,747
Depreciation charges on investment property	240	280
Amortisation	1,408	1,912
	<u>\$ 175,263</u>	<u>\$ 173,140</u>
	Six months ended June 30,	
	2024	2023
Employee benefit expense	\$ 156,922	\$ 150,109
Depreciation charges on property, plant and equipment	185,238	181,020
Depreciation charges on right-of-use assets	4,777	3,387
Depreciation charges on investment property	474	560
Amortisation	2,905	3,715
	<u>\$ 350,316</u>	<u>\$ 338,791</u>

(24) Employee benefit expense

	Three months ended June 30,	
	2024	2023
Wages and salaries	\$ 65,261	\$ 63,743
Labour and health insurance fees	4,792	5,113
Pension costs	2,886	3,804
Other personnel expenses	3,924	5,836
	<u>\$ 76,863</u>	<u>\$ 78,496</u>

	Six months ended June 30,	
	2024	2023
Wages and salaries	\$ 132,394	\$ 121,345
Labour and health insurance fees	10,132	10,523
Pension costs	6,251	7,420
Other personnel expenses	8,145	10,821
	<u>\$ 156,922</u>	<u>\$ 150,109</u>

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall appropriate 1%~3% for employees' compensation and no higher than 3% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.
- B. For the three months and six months ended June 30, 2024 and 2023, the accrued employees' compensation and directors' remuneration were as follows:

	Three months ended June 30,	
	2024	2023
Employees' compensation	\$ 3,211	\$ 2,025
Directors' remuneration	718	1,558
	<u>\$ 3,929</u>	<u>\$ 3,583</u>

	Six months ended June 30,	
	2024	2023
Employees' compensation	\$ 8,536	\$ 3,099
Directors' remuneration	4,268	2,384
	<u>\$ 12,804</u>	<u>\$ 5,483</u>

For the three months and six months ended June 30, 2024 and 2023, the employees' compensation and directors' remuneration were estimated and accrued based on 3% and 1.3% as well as 1.5% and 1%, respectively, of distributable profit of current year as of the end of reporting period.

- C. Employees' compensation and directors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

Components of income tax expense

	Three months ended June 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 18,010	\$ 26,036
Prior year income tax under (over) estimation	(2,914)	(13,026)
Origination and reversal of temporary differences	10,615	15,167
Income tax expense	<u>\$ 25,711</u>	<u>\$ 28,177</u>

	Six months ended June 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 44,037	\$ 52,725
Prior year income tax under (over) estimation	(2,914)	(13,026)
Origination and reversal of temporary differences	20,026	7,645
Income tax expense	<u>\$ 61,149</u>	<u>\$ 47,344</u>

- B. The Company's and domestic subsidiaries' income tax returns through 2022 have been assessed and approved by the Tax Authority.
- C. As of June 30, 2024, relevant information of current income tax liabilities and non-current income tax liabilities is as follows:

	June 30, 2024		December 31, 2023		June 30, 2023	
	Income tax payable		Income tax payable		Income tax payable	
	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)
2020	\$ -	\$ -	\$ -	\$ -	\$ 11,904	\$ -
2021	8,748	-	11,999	3,789	11,999	11,999
2022	37,055	19,497	37,055	52,494	37,055	71,021
2023	-	-	139,106	-	59,523	-
2024	56,818	-	-	-	-	-
	<u>\$ 102,621</u>	<u>\$ 19,497</u>	<u>\$ 188,160</u>	<u>\$ 56,283</u>	<u>\$ 120,481</u>	<u>\$ 83,020</u>

- (a) The Company incurred an income tax of \$111,164 from the 2022 profit-seeking enterprise income tax (including the filing of unappropriated retained earnings of 2021), and applied for the installment payments in accordance with Article 26 of the Tax Collection Act and Decree No.11004575510 issued by the Ministry of Finance, R.O.C. on June 3, 2021.
- (b) The Company incurred an income tax of \$35,997 from the 2021 profit-seeking enterprise income tax (including the filing of unappropriated retained earnings of 2020), and applied for the installment payments in accordance with Article 26 of the Tax Collection Act and Decree No.11004575510 issued by the Ministry of Finance, R.O.C. on June 3, 2021.
- (c) The Company incurred an income tax of \$63,075 from the 2020 profit-seeking enterprise income tax (including the filing of unappropriated retained earnings of 2019), and applied for the installment payments in accordance with Article 26 of the Tax Collection Act and Decree No.10904533690 issued by the Ministry of Finance, R.O.C. on March 19, 2020.

(26) Earnings per share

	Three months ended June 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 90,887	74,124	\$ 1.23
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	90,887	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	128	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 90,887	74,252	\$ 1.22

	Three months ended June 30, 2023		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 122,023</u>	<u>74,124</u>	<u>\$ 1.65</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	122,023	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	<u>-</u>	<u>67</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 122,023</u>	<u>74,191</u>	<u>\$ 1.64</u>

	Six months ended June 30, 2024		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 224,079</u>	<u>74,124</u>	<u>\$ 3.02</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	224,079	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	<u>-</u>	<u>169</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 224,079</u>	<u>74,293</u>	<u>\$ 3.02</u>

	Six months ended June 30, 2023		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 186,163	74,124	\$ 2.51
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	186,163	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	129	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 186,163	74,253	\$ 2.51

The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will all be distributed in the form of shares.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30, 2024	
Purchase of property, plant and equipment	\$	245,120
Add: Opening balance of notes payable		105,428
Opening balance of payable on equipment and construction		56,453
Less: Ending balance of notes payable	(	89,340)
Ending balance of payable on equipment and construction	(	45,767)
Other (Note)	(	7,179)
Cash paid during the period	\$	264,715
	Six months ended June 30, 2023	
Purchase of property, plant and equipment	\$	71,441
Add: Opening balance of notes payable		102,954
Opening balance of payable on equipment and construction		65,309
Less: Ending balance of notes payable	(	118,301)
Ending balance of payable on equipment and construction	(	52,790)
Cash paid during the period	\$	68,613

Note: The notes receivable derecognised to pay for the equipment.

B. Investing activities with partial cash payments :

	<u>Six months ended June 30, 2024</u>
Purchase of financial assets at fair value through profit or loss	\$ -
Add: Opening balance of securities payables (shown as other payables)	-
Cash paid during the period	<u>\$ -</u>
	<u>Six months ended June 30, 2023</u>
Purchase of financial assets at fair value through profit or loss	\$ 10,880
Add: Opening balance of securities payables (shown as other payables)	1,383
Cash paid during the period	<u>\$ 12,263</u>

(Remainder of page intentionally left blank)

(28) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non- current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2024	\$ 35,786	\$ 580,012	\$ 1,176	\$ 22,663	\$ -	\$ 639,637
Additions for the period	-	-	-	-	222,372	222,372
Changes in cash flow from financing activities	(37,060)	(66,583)	101	(2,646)	-	(106,188)
Changes in other non-cash items	-	792	-	-	-	792
Impact of changes in foreign exchange rate	1,274	-	39	-	-	1,313
At June 30, 2024	<u>\$ -</u>	<u>\$ 514,221</u>	<u>\$ 1,316</u>	<u>\$ 20,017</u>	<u>\$ 222,372</u>	<u>\$ 757,926</u>
	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non- current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2023	\$ 261,721	\$ 736,032	\$ 821	\$ 6,693	\$ -	\$ 1,005,267
Additions for the period	-	-	-	-	222,372	222,372
Changes in cash flow from financing activities	(113,373)	(87,841)	368	(1,389)	-	(202,235)
Changes in other non-cash items	-	(3,104)	-	-	-	(3,104)
Impact of changes in foreign exchange rate	(4,412)	-	(42)	-	-	(4,454)
At June 30, 2023	<u>\$ 143,936</u>	<u>\$ 645,087</u>	<u>\$ 1,147</u>	<u>\$ 5,304</u>	<u>\$ 222,372</u>	<u>\$ 1,017,846</u>

7. Related Party Transactions

Key management compensation

	Three months ended June 30,	
	2024	2023
Short-term employee benefits	\$ 5,379	\$ 5,473
Post-employment benefits	4	14
Total	<u>\$ 5,383</u>	<u>\$ 5,487</u>

	Six months ended June 30,	
	2024	2023
Short-term employee benefits	\$ 14,253	\$ 12,384
Post-employment benefits	8	28
Total	<u>\$ 14,261</u>	<u>\$ 12,412</u>

8. Pledged Assets

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

Pledged asset	Book value			Purpose
	June 30, 2024	December 31, 2023	June 30, 2023	
Property, plant and equipment	\$ 993,211	\$ 1,151,385	\$ 1,152,751	Short-term borrowings and long-term borrowings
Right-of-use assets	-	73,839	74,611	Short-term borrowings
Investment property	-	13,554	13,713	Short-term borrowings
Financial assets at amortised cost - non-current	300	300	300	Natural gas for manufacturing
	<u>\$ 993,511</u>	<u>\$ 1,239,078</u>	<u>\$ 1,241,375</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None

(2) Commitments

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were \$211,682, \$286,885 and \$381,306, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

- A. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximize returns for shareholders and to optimize the balance of liabilities and equity.
- B. The Group's capital structure comprises net liabilities (borrowings net of cash and cash equivalents) and equity (common shares, capital surplus, retained earnings, other equity interest and non-controlling interests).
- C. The Group has no obligation to comply with any external capital requirements.
- D. The key management of the Group monitors the capital structure every year, including capital costs and related risks, and the Group may adjust capital structure by paying dividends to shareholders, issuing new shares, buying shares back and issuing new bonds or repaying old bonds based on the advices from the management.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 131,804</u>	<u>\$ 135,445</u>	<u>\$ 125,173</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	<u>\$ 122,754</u>	<u>\$ 128,299</u>	<u>\$ 92,975</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 722,087	\$ 550,670	\$ 531,870
Financial assets at amortised cost	300	126,190	496,084
Notes receivable	19,041	37,971	27,264
Accounts receivable	345,555	499,189	493,478
Other receivables	5,229	10,072	9,404
Guarantee deposits paid (shown as other non-current asset)	7,061	7,743	3,186
	<u>\$ 1,099,273</u>	<u>\$ 1,231,835</u>	<u>\$ 1,561,286</u>

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities held for trading	\$ <u>-</u>	\$ <u>2,952</u>	\$ <u>-</u>
Financial liabilities at amortised cost			
Short-term borrowings	\$ -	\$ 35,786	\$ 143,936
Notes payable	145,654	178,448	172,320
Accounts payable	66,596	101,114	102,142
Other payables	394,458	182,257	392,839
Long-term borrowings (including current portion)	514,221	580,013	645,314
Guarantee deposits received (shown as other non-current asset)	<u>1,316</u>	<u>1,176</u>	<u>1,147</u>
	\$ <u>1,122,245</u>	\$ <u>1,078,794</u>	\$ <u>1,457,698</u>
Lease liabilities (including current portion)	\$ <u>20,017</u>	\$ <u>22,663</u>	\$ <u>5,304</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used for hedging exchange rate risk arising from export proceeds by using forward foreign exchange contracts.
- (b) The Company treasury performs the financial risk management for each business unit. The treasury operates in domestic and international financial markets through planning and coordination, as well as monitors and manages the financial risks related to the Group's operation based on internal risk reports about exposure to risk with the analysis of the extent and width of risk.
- The Board of Directors of the Group supervises the compliance by the management with financial risk policy and procedure, and reviews the appropriateness of structure of financial risk related to the Company. The internal auditors act as supervisors to assist the Board of Directors of the Company by conducting regular and irregular reviews, and report the results to the Board of Directors.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the United States Dollar and Chinese Renminbi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The companies within the Group are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable United States Dollar and Chinese Renminbi expenditures. Entities of the Group use natural hedge to decrease the risk exposure in the foreign currency through the Group treasury.
- iii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: New Taiwan Dollars; certain subsidiaries' functional currency: New Taiwan Dollars, United States Dollar and Chinese Renminbi). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations and analysis of foreign currency market risk arising from significant foreign exchange variation is as follows:

June 30, 2024				
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	27,388	32.45	\$ 888,742
USD : RMB		112	7.27	5,890
RMB : NTD		82,987	4.45	603,277
RMB : USD		1,503	0.14	6,753
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : RMB	\$	1,334	7.27	\$ 43,105

December 31, 2023				
	Foreign		Book value	
	currency amount	Exchange rate		(NTD)
(In thousands)				
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$ 28,521	30.71	\$	875,737
EUR : NTD	123	33.98		4,180
USD : RMB	72	7.10		2,213
RMB : NTD	98,232	4.33		425,050
RMB : USD	1,335	0.14		5,772
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : RMB	\$ 3,496	7.10	\$	107,459
June 30, 2023				
	Foreign		Book value	
	currency amount	Exchange rate		(NTD)
(In thousands)				
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$ 31,285	31.14	\$	974,215
USD : RMB	125	7.25		3,893

- iv. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2024 and 2023, amounted to \$22,574, \$33,912, \$76,672 and \$33,883, respectively.

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

	Six months ended June 30, 2024			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD : NTD	1%	\$	8,887	\$ -
USD : RMB	1%		59	-
RMB : NTD	1%		6,033	-
RMB : USD	1%		68	-
Financial liabilities				
Monetary items				
USD : RMB	1%	\$	431	\$ -
	Six months ended June 30, 2023			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD : NTD	1%	\$	9,742	\$ -
USD : RMB	1%		39	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets (liabilities) at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, per-tax profit for the three months and six months ended June 30, 2024 and 2023 would have increased/decreased by \$32, \$27, \$1,318 and \$1,252, respectively, as a result of losses/gains on equity securities classified as at fair

value through profit or loss. Other components of equity would have decreased/increased by \$69, \$137, \$1,228 and \$930 respectively, as a result of other comprehensive income on classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the six months ended June 30, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan Dollars and United States Dollars.
 - ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit before tax for the three months and six months ended June 30, 2024 and 2023 would have increased/decreased by \$121, \$188, \$258 and \$395, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of equity instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.
 - ii. For banks and financial institutions, after reviewing deposit ratings, only the counterparties with good credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored.
 - iii. The Group adopts credit risk management procedure to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 3 months based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - iv. In line with credit risk management procedure, the default occurs when the contract payments are past due over 180 days.
 - v. Impairment loss is assessed and recognized when there is objective evidence that individual receivables cannot be recovered. The Group used historical and timely information to establish loss rate of remaining receivables and used the forecast ability to assess the default possibility of accounts receivable. As of June 30, 2024, December 31, 2023 and June 30, 2023, accumulated loss allowance provided for individually assessed receivables amounted to \$173, \$5,406 and \$9,379, respectively. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of remaining receivables

(including notes receivables). On June 30, 2024, December 31, 2023 and June 30, 2023, the provision matrix is as follows:

	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>June 30, 2024</u>							
Expected loss rate	1%~10%	1%~10%	1%~10%	1%~10%	100%	100%	
Total book value	\$ 273,191	\$ 87,781	\$ 2,826	\$ 4,239	\$ 2,475	\$ 3,876	\$ 374,388
Loss allowance	(2,015)	(1,059)	(300)	(67)	(2,475)	(3,876)	(9,792)
	<u>\$ 271,176</u>	<u>\$ 86,722</u>	<u>\$ 2,526</u>	<u>\$ 4,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,596</u>
	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>December 31, 2023</u>							
Expected loss rate	1%~10%	1%~10%	1%~10%	10%-30%	100%	100%	
Total book value	\$ 375,708	\$ 118,126	\$ 42,599	\$ 9,245	\$ 3,355	\$ 5,071	\$ 554,104
Loss allowance	(4,477)	(1,023)	(294)	(2,723)	(3,355)	(5,071)	(16,943)
	<u>\$ 371,231</u>	<u>\$ 117,103</u>	<u>\$ 42,305</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,161</u>
	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>June 30, 2023</u>							
Expected loss rate	0%-1%	1%-10%	1%-10%	1%-10%	70-90%	100%	
Total book value	\$ 344,797	\$ 111,533	\$ 45,447	\$ 23,515	\$ 5,271	\$ 16,029	\$ 546,592
Loss allowance	(2,382)	(1,127)	(1,480)	(524)	(4,308)	(16,029)	(25,850)
	<u>\$ 342,415</u>	<u>\$ 110,406</u>	<u>\$ 43,967</u>	<u>\$ 22,991</u>	<u>\$ 963</u>	<u>\$ -</u>	<u>\$ 520,742</u>

vi. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 208	\$ 22,141	\$ 22,349
Reversal of impairment loss	-	(12,740)	(12,740)
Effect of foreign exchange	-	356	356
At June 30	<u>\$ 208</u>	<u>\$ 9,757</u>	<u>\$ 9,965</u>
	2023		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 144	\$ 64,686	\$ 64,830
Provision for (reversal of) impairment loss	29	(28,525)	(28,496)
Write-offs	-	(327)	(327)
Effect of foreign exchange	-	(778)	(778)
At June 30	<u>\$ 173</u>	<u>\$ 35,056</u>	<u>\$ 35,229</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

ii. The Group has the following undrawn borrowing facilities:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Floating rate:			
Expiring within one year	<u>\$ 567,907</u>	<u>\$ 523,513</u>	<u>\$ 413,367</u>

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
June 30, 2024						
Notes payable	\$ 145,654	\$ -	\$ -	\$ -	\$ -	\$ 145,654
Accounts payable	66,596	-	-	-	-	66,596
Other payables	394,458	-	-	-	-	394,458
Lease liability	5,565	5,150	4,512	5,314	-	20,541
Long-term borrowings (including current portion)	140,015	144,906	93,336	80,288	76,886	535,431

Non-derivative financial liabilities:

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
December 31, 2023						
Short-term borrowings	\$ 36,237	\$ -	\$ -	\$ -	\$ -	\$ 36,237
Notes payable	178,448	-	-	-	-	178,448
Accounts payable	101,114	-	-	-	-	101,114
Other payables	182,257	-	-	-	-	182,257
Lease liability	5,565	5,461	4,943	7,355	-	23,324
Long-term borrowings (including current portion)	155,083	154,399	152,380	61,578	61,936	585,376

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
June 30, 2023						
Short-term borrowings	\$ 146,551	\$ -	\$ -	\$ -	\$ -	\$ 146,551
Notes payable	172,320	-	-	-	-	172,320
Accounts payable	102,142	-	-	-	-	102,142
Other payables	392,839	-	-	-	-	392,839
Lease liability	1,739	1,739	1,304	634	-	5,416
Long-term borrowings (including current portion)	157,428	155,409	153,390	122,316	77,135	665,678

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and over-the-counter stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in foreign exchange swap contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

The carrying amounts of financial instruments not measured at fair value are approximate to their fair value, including cash and cash equivalents, notes receivable, accounts receivable other receivables, financial assets at amortized cost, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion), guarantee deposits received and lease liabilities (including current portion).

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities on June 30, 2024 and 2023, are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 131,065</u>	<u>\$ 739</u>	<u>\$ -</u>	<u>\$ 131,804</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 122,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,754</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2023				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 135,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,445</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 128,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,299</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 2,952</u>	<u>\$ -</u>	<u>\$ 2,952</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2023				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 114,028</u>	<u>\$ 11,145</u>	<u>\$ -</u>	<u>\$ 125,173</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 92,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,975</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

- ii. Foreign exchange swap contracts are usually valued based on the current foreign exchange swap rate.

E. For the six months ended June 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.

F. For the six months ended June 30, 2024 and 2023, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Note 13(1).

(4) Major shareholders information: Please refer to table 7.

14. Segment Information

(1) General information

The information provided to the Chief Operating Decision-Maker to allocate resources and evaluate segment performance focuses on area of operations. The Group is primarily engaged in the manufacture of parts for the interior and exterior of automobiles and manages the business from a geographic perspective due to the different characteristics in culture, environment and economic condition although the manufacturing process and marketing strategy are the same throughout the operations. The reportable segments are as follows:

Domestic operation area - domestic consolidated entities.

Foreign operation area - foreign consolidated entities.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on a measure of adjusted profit from operations. This measurement basis excludes the effects of non-recurring expenditure from the operating segments.

(Remainder of page intentionally left blank)

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments are as follows:

	Segment revenue				Segment income (loss)			
	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Domestic operation entities	\$ 354,536	\$ 356,060	\$ 715,632	\$ 652,214	\$ 109,202	\$ 94,892	\$ 207,830	\$ 171,609
Foreign operation entities	91,499	126,681	245,714	303,810	(21,476)	(26,036)	(23,871)	(26,460)
Others	2,959	11,937	7,032	16,628	(4,708)	(621)	(8,760)	(2,325)
Inter-segment eliminations	(7,027)	(8,990)	(14,092)	(14,356)	1,779	6,630	3,497	13,244
Total amount from continuing operations	<u>\$ 441,967</u>	<u>\$ 485,688</u>	<u>\$ 954,286</u>	<u>\$ 958,296</u>	<u>\$ 84,797</u>	<u>\$ 74,865</u>	<u>\$ 178,696</u>	<u>\$ 156,068</u>
Interest income					7,202	9,535	14,015	18,220
Rent income					2,179	1,858	4,297	3,758
Dividend income					6,834	4,070	6,834	4,070
Other income - others					9,319	16,672	19,956	22,947
Foreign exchange (loss) gain					22,574	33,912	76,672	33,883
(Loss) gain on financial assets and liabilities at fair value through profit or loss					(7,671)	10,070	(691)	1,789
Gain on disposal of property, plant and equipment					1,543	-	1,685	16
Impairment loss					(12,052)	-	(12,052)	-
Other losses					(149)	(89)	(958)	(192)
Finance costs					(3,037)	(4,595)	(6,600)	(8,676)
Profit before income tax	<u>\$ 111,539</u>	<u>\$ 146,298</u>	<u>\$ 281,854</u>	<u>\$ 231,883</u>				

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

Loans to others

Six months ended June 30, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.			General	Is a	Maximum outstanding					Nature of	Amount of	Reason for	Allowance for	Collateral		Limit on loans	Ceiling on total loans	
(Note 1)	Creditor	Borrower	ledger	related	balance during the six	Balance at June	Actual amount	Interest rate	(Note 4)	loan	transactions	short-term	doubtful accounts	Item	Value	party (Note 3)	granted (Note 3)	Footnote
			account	party	months ended June	30, 2024	drawn down				with the	financing						
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Other receivables	Y	\$ 227,150	\$ 113,575	\$ 113,575	1.4%	2		\$ -	Operating capital	\$ -	N	\$ -	\$ 395,453	\$ 1,581,815	
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Other receivables	Y	25,000	25,000	25,000	0.77%	2		-	Operating capital	-	N	-	395,453	1,581,815	
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	425,983	271,780	217,005	4%~4.35%	2		-	Operating capital	-	N	-	395,453	1,581,815	Note 5
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD.	Other receivables	Y	162,341	162,341	126,620	4.35%~5%	2		-	Operating capital	-	N	-	395,453	1,581,815	
1	CHINA FIRST HOLDINGS LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	16,225	16,225	-	-	2		-	Operating capital	-	N	-	42,380	169,520	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Balance at June 30, 2024 and actual amount drawn down were calculated at the RMB to USD and USD to TWD spot buy and selling spot exchange rate of 0.1376 and 32.45 on June 30, 2024.

Note 3: Limit on total loans granted to others by the Company is 40% of the net assets and limit on loans granted to a single party is 10% of the net assets.

Note 4: The nature of the loan are as follows:

(1) Fill in ‘1’ for business transaction.

(2) Fill in ‘2’ for short-term financing.

Note 5: The maximum outstanding balance of loans granted to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. by Y.C.C. amounted to NT\$425,983, which exceeds the capital loan limit for individual objects, because the board meeting was held in advance, the balance was double counted, and the company actually did not exceed the limit. The maximum amount includes NT\$89,303 and NT\$64,900, which are used to repay the capital loans due in January 2024 and March 2024. The total loan limit after borrowing new funds and repaying old ones is NT\$271,780.

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

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Current financial assets at fair value through profit or loss	443,000	\$ 27,518	0.53%	\$ 14,287	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Current financial assets at fair value through profit or loss	2,518,000	25,540	1.52%	87,501	
Y.C.C. PARTS MFG. CO., LTD.	ROUNDTOP MACHINERY INDUSTRIES CO., LTD.	N	Current financial assets at fair value through profit or loss	67,000	1,030	0.08%	1,481	
Y.C.C. PARTS MFG. CO., LTD.	SHUN ON ELECTRONIC CO., LTD.	N	Current financial assets at fair value through profit or loss	73,000	3,342	0.05%	2,117	
Y.C.C. PARTS MFG. CO., LTD.	NUUO INC.	N	Current financial assets at fair value through profit or loss	5,071	278	0.04%	674	
Y.C.C. PARTS MFG. CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	277,869	37,716	0.17%	12,685	
UNITED SKILLS CO., LTD.	ROUNDTOP MACHINERY INDUSTRIES CO., LTD.	N	Current financial assets at fair value through profit or loss	355,000	5,132	0.42%	7,845	
UNITED SKILLS CO., LTD.	WANHWA ENTERPRISE COMPANY	N	Current financial assets at fair value through profit or loss	100,000	1,227	0.02%	1,325	
UNITED SKILLS CO., LTD.	COWEALTH MEDICAL HOLDING CO., LTD.	N	Current financial assets at fair value through profit or loss	68,000	2,038	0.09%	1,588	
UNITED SKILLS CO., LTD.	GLOBAL BRANDS MANUFACTURE LTD.	N	Current financial assets at fair value through profit or loss	20,000	769	0.00%	1,486	
UNITED SKILLS CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	1,667	235	0.00%	76	
			Valuation adjustment		26,240		\$ 131,065	
					\$ 131,065			
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Non-current financial assets at fair value through other comprehensive income	855,000	\$ 81,855	1.02%	\$ 27,574	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Non-current financial assets at fair value through other comprehensive income	2,739,000	46,680	1.66%	95,180	
			Valuation adjustment		(5,781)		\$ 122,754	
					\$ 122,754			

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

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

June 30, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024		Turnover rate (Note 5)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 6)	Allowance for doubtful accounts	Footnote
				(Note 1)		Amount	Action taken			
Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD	Subsidiary	\$	134,841	-	\$ -	-	\$ 76,416	-	Note 2
Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Subsidiary		217,005	-	-	-	-	-	Note 3
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Subsidiary		113,741	-	-	-	-	-	Note 4

Note 1: The transactions were eliminated when preparing the consolidated financial statements.

Note 2: It pertains to principal and interest aggregating to \$131,336 from loans to the subsidiary and technical service expense amounting to \$3,505 shown as other receivables.

Note 3: It pertains to principal aggregating to \$217,005 from loans to the subsidiary shown as other receivables.

Note 4: It pertains to principal and interest aggregating to \$113,741 from loans to the subsidiary shown as other receivables.

Note 5: Only accounts receivable was used for the calculation of turnover rate.

Note 6: Subsequent collection is the amount collected as of July 31, 2024.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Other receivables	\$ 113,741	Based on the contract	2.13%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	1	Other receivables	217,005	Based on the contract	4.07%
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD	1	Other receivables	134,841	Based on the contract	2.53%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANG JIE TECHNOLOGY CO., LTD.	1	Accounts receivable	11,224	Based on the contract	0.21%
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD	1	Other receivables	25,038	Based on the contract	0.47%
1	CHANG JIE TECHNOLOGY CO., LTD.	Y.C.C. PARTS MFG. CO., LTD.	2	Contract liabilities	13,287	Based on the contract	0.25%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, and subsidiaries or between subsidiaries refer to it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Transaction amount that did not reach \$10 million or more will not be disclosed.

Note 5: The transactions were eliminated when preparing the consolidated financial statements.

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

Information on investees

Six months ended June 30, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2024			Net profit (loss) of the	Investment income (loss)	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	investee for the	recognised by the Company	
									six months ended June 30, 2024	for the six months ended June 30, 2024	
Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Taiwan	Wholesale and retail of health supplements, online shopping and mail order	\$ 98,000	\$ 50,000	9,800	100.00%	\$ 98,789	(\$ 130)	(\$ 130)	Subsidiary (Note1)
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Samoa	Holding company	1,235,358	1,235,358	-	100.00%	413,215	(54,388)	(54,388)	Subsidiary (Note2)
RISE BRIGHT HOLDINGS LTD.	CHINA FIRST HOLDINGS LTD.	Samoa	Holding company	1,158,673	1,158,673	-	89.44%	379,047	(46,918)	(41,963)	Subsidiary (Note2)

Note 1: The Company passed a resolution by the Board of Directors to invest NT\$100,000 thousand in its subsidiary UNITED SKILLS in installments on March 7, 2024.

As of June 30, 2024, the Company increased its capital NT\$48,000 thousand and the change in registration was completed.

Note 2: The company does not hold any share in the investee because the investee is a limited company.

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

Information on investments in Mainland China

Six months ended June 30, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount	Amount remitted from Taiwan to Mainland China/Amount remitted		Accumulated amount	Net income of investee as of June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2024	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount	Footnte
				of remittance	back to Taiwan for the six months		of remittance					of investment income	
				from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	from Taiwan to Mainland China as of June 30, 2024					remitted back to Taiwan as of June 30, 2024	
CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and electronic plastic parts	\$ 483,600	2	\$ 890,664	\$ -	\$ -	\$ 890,664	(\$ 54,374)	89.44%	(\$ 48,632)	\$ 142,130	\$ -	Note 2 Note 5
LIAONING HETAI AUTOMOTIVE PARTS CO., LTD.	Injecting and surface coating parts of air bags with inflation system,covers, interior and exterior accessories of air bag and electronic equipment systems	347,588	2	268,009	-	-	268,009	9,183	73.89%	6,785	216,243	-	Note 3
CHANG JIE TECHNOLOGY CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and automatic production equipments for spraying	176,406	2	177,602	-	-	177,602	(9,412)	99.83%	(9,396)	138,832	-	Note 4

Note 1: Investment methods are classified into the following three categories:
(1) Directly invest in a company in Mainland China.
(2) Through investing in existing companies in the third area, RISE BRIGHT HOLDINGS LTD. and CHINA FIRST HOLDINGS LTD. , which then invested in the investee in Mainland China.
(3) Others.

Note 2: Paid-in capital is US\$16,000 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$28,300 thousand.

Note 3: Paid-in capital is US\$11,500 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$8,591 thousand.

Note 4: Paid-in capital is US\$6,080 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$6,070 thousand.

Note 5: Investment income (loss) recognised by the Company for the six months ended June 30, 2024 was based on the financial statements that were reviewed by parent company’s CPA

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Investment amount approved by the		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
		Investment Commission of the Ministry of Economic Affairs (MOEA)		
Y.C.C. PARTS MFG. CO., LTD.	\$ 1,336,275	\$ 1,518,474	\$	2,372,722

Note 1: Calculation for ceiling on investments in Mainland China (60% of net assets) is based on MOEA “Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area”.

Note 2: At the end of this period, the investment amount transmitted from Taiwan to mainland China was US\$42,961 thousand. The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) was US\$48,765 thousand.

Note 3: The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) to CHANG JIE TECHNOLOGY CO., LTD. was RMB\$10,000 thousand.

There is US\$10 thousand difference with MOEA due to exchange rate fluctuations. Paid-in capital is US\$1,560 thousand and accumulated amount of remittance from Taiwan to Mainland China is US\$1,570 thousand.

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

Major shareholders information

June 30, 2024

Table 7

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
HAO QUN INVESTMENT & DEVELOPMENT CO.,LTD	11,791,000	15.90%
SONG QUN INVESTMENT & DEVELOPMENT CO.,LTD	10,731,000	14.47%
HE HAN INVESTMENT CO.,LTD	7,586,503	10.23%
RU HAN INVESTMENT CO.,LTD	5,964,420	8.04%
HUANG KAI INVESTMENT CO.,LTD	5,791,500	7.81%

Description: If the company applies Taiwan Depository & Clearing Corporation for the information of the table, the following can be explained in the notes of the table.

(1) The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter.

The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form because of a different calculation basis.

(2) If the aforementioned data contains shares which were kept in trust by the shareholders, the data that was disclosed was the settlor's separate account for the fund set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to the Market Observation Post System.