Stock No: 1339

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

Y.C.C.PARTSMFG.CO.,LTD.

2023 Annual Representativeort

Printed on May 10, 2024

Company website:http://www.yccco.com.tw

Website for annual Representativeort:http://mops.twse.com.tw

I. Name, Title, Contact Number and Emails of the spokesperson and deputy spokesperson

(I) Spokesperson

Name: Shu-Mei Liu	Tel: (04)7810781
Title: Deputy General Manager	E-mail:ycc888@yccco.com.tw

(II) Deputy Spokesperson:

Name: Shu-Hui, Wang	Tel: (04)7810781
Title: Manager	E-mail:ycc114@yccco.com.tw

II.
Addresses and Telephone Numbers of Headquarters and Factories

Address: No. 8, Xingye Rd., Changhua Coastal Industrial Park, Lukang Township, Changhua County, Taiwan (ROC)

Tel: (04)7810781

III. Name, Address, Website, and Telephone Number of Share Transfer Agency:

Name: Stock Affairs Department, President Securities Co, Limited	Website:http://www.pscnet.com.tw
Address: B1, No. 8, Dongxing Rd., Songshan Dist., Taipei City	Tel: (02)27463797

IV. CPAs in the latest financial statements Name, CPA firm address, website, and telephone:

CPA firm: PwC Taiwan

Names of CPAs: Yu-Chuang Wang Wang, Mei-Lan Liu

Address: 27F., No. 333, Keelung Rd., Sec. 1, Xinyi Dist., Taipei City

Tel: (04)2704-9168

Website:https://www.pwc.tw/

V. Name(s) of any exchanges where the company's securities are traded offshore and the method to access the information on said offshore securities: None.

VI. Company website: http://www.yccco.com.tw

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

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One. Letter to shareholders

Dear Shareholders:

First of all, I would like to thank you for attending the 2023 Shareholders' Meeting, and also for your continued support. On behalf of the Company, we would like to express our sincerest gratitude to our shareholders.

In 2023, as customer purchases gradually returned to normal levels due to the stabilization of ocean freight, the AM sales increased significantly and benefited from the expansion of AM parts for remuneration by State Farm, the largest property and casualty insurance provider in North America. Thus, the overall revenue in 2023 increased by NT$205.6 million compared with 2022. Looking ahead to 2024, in the winter of North America, the demand for collision parts will increase, and the peak season of AM shipments in the prior quarter will continue in the first quarter of 2024. In addition, the U.S. car insurance company, State Farm, has expanded the use of AM parts, leading to a positive change in the AM market with long-term benefits. In addition, due to the strikes in the U.S. auto market, consumers may turn to the used car market, creating more opportunities in the car parts and components market. All of the above will be momentum for the AM business's performance growth in 2024.

I. 2023 Business Results

(I) 2023 Results of the business plan

The Company's 2023 net revenue was NT$2,051,209 thousand. Net income before tax was NT$544,210 thousand. Net profit after tax was NT$435,661 thousand, and EPS after tax was NT$5.88.

(II) 2023 Revenues, expenses, and profitability analysis

<table>
<tr><th colspan="3">Year / Items</th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="2">Financial structure%</td><td colspan="2">Ratio of liabilities to assets</td><td>25.41</td><td>31.10</td></tr>
<tr><td colspan="2">Ratio of long-term capital to fixed assets</td><td>159.00</td><td>148.79</td></tr>
<tr><td rowspan="6">Profitability (%)</td><td colspan="2">Return on assets</td><td>8.15</td><td>7.97</td></tr>
<tr><td colspan="2">Return on equity</td><td>11.01</td><td>10.89</td></tr>
<tr><td rowspan="2">Ratio of income before tax to paid-in capital</td><td>Operating profit</td><td>54.22</td><td>24.28</td></tr>
<tr><td>Net income before tax</td><td>73.42</td><td>71.13</td></tr>
<tr><td colspan="2">Net profit rate</td><td>21.08</td><td>19.84</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td><td>5.88</td><td>5.51</td></tr>
</table>

(III) Research and development

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

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

We continue to improve our automated processes to reduce labor costs and mitigate the impacts of low birth rates. Through equipment optimization and the introduction of new processes, we expect to be able to increase capacity and improve production yields. According to our short- and medium-term plans, we will be purchasing new equipment and upgrading existing equipment in our factories to equip with automation, IOT, big data collection, and AI, so as to equip our production line with intelligent technology and functions, moving forwards to Industry 4.0 in the next 3 years.

II. Summary of 2024 Business Plan

(I) Operation guidelines

The Y.C.C Group has long prioritized recognition, quality, speed, service, and cost reduction. Since its inception, it has been built on the core corporate values of honesty, pragmatism, and innovation. Diversification into the AM and OE market, along with investments in nutritional supplement processing, can help spread business management risks while increasing profits.

1. After market:
   (1) Continuously develop new products in order to maintain product integrity.
   (2) Continuously shorten the speed of product certification and increase sources of profit.
2. Original equipment market:
   (1) Optimize customer relationships within the Group and arrange nearby supplies to meet customer needs.
   (2) Maximize benefits by leveraging the principles of the circular economy within the group of companies.
3. Investment
   (1) Invest in different types of products in industries of the same nature and provide customers with complete product needs with vertical and horizontal information access via investment.
   (2) Coordinate with customers in groups to reduce operating costs.
4. Nutritional supplements
   (1) Established a laboratory and obtained ISO17025 certification.
   (2) Our multi-process filling capabilities for nutritional supplements include equipment for powder sachets, liquid sachets, soft capsules, and liquid hard capsules, catering to a wide range of customer needs.

(II) Important production and marketing policies

1. Continue to boost revenue, consolidate sustainable operations to maintain stable profits, and even increase profits for the benefit of shareholders.
2. Major production policies
   (1) In the assembled vehicles market, supply to first-tier customers in Mainland China operates on a production-to-order basis. The OEM market maintains stability and long-term relationships to meet customer demands.
   (2) The Representativeair market adopts the inventory method to improve availability according to the characteristics of small and diverse orders from customers.

III. Business development strategy

(I) Continue to introduce automation to reduce workforce requirements and improve efficiency, production capacity, and quality.

(II) Introduce water-based spraying equipment to reduce VOC emissions and strengthen environmental protection.

(III) Set up a water resource center to treat electroplating wastewater and return it to the production process to reduce water waste and heavy metal pollution in the ocean.

(IV) Continue to develop molds and complete products to meet the needs of customers.

(V) Upgrade the automation of production lines, increase the capacity of automation processing, and reduce costs to fully meet the goal of customer needs.

IV. Impacts from the external competition environment, legal environment, and the overall operating environment

(I) External competition

At present, there are many domestic manufacturers engaged in vehicle connection, and they compete with each other to cause price pressure in the market. In the face of external competition, the Company continues to develop new product molds, shorten the mold development time, gain market opportunities, and increase the number of products that can be certified in order to increase product market share and profit.

(II) Regulatory environment, environment, safety, and health

Y.C.C's products are primarily composed of plastic parts. The company's management and all employees have made a joint commitment to continuous improvement and pollution prevention, including addressing the environmental impact of air and wastewater during production activities and creating a comfortable and safe work environment. The Company has always observed and followed the most recent government laws and regulations governing environmental protection and industrial safety.

(III) Overall business environment

As an auto parts manufacturer in Taiwan, Y.C.C exhibits the adaptability to generate a restricted quantity of products. In order to maintain global competitiveness, the manufacturer will persist in funding industry research and development along with advancements in production technology. Taiwan is a significant global supplier of auto parts to consumers. After the pandemic, the auto parts market reached its lowest point. The comprehensiveness of Y.C.C's product line has given it a competitive edge and laid the foundation for the enterprise group's long-term operations and expansion. To support international competitiveness, the manufacturer shall continue to invest in industry R&D, as well as production technology improvements. Taiwan is a major supplier of auto parts to customers around the world. The auto parts market bottomed out following the pandemic. Y.C.C has gained a competitive advantage through the completeness of its products, laying the groundwork for the enterprise group's long-term operations and growth.

Chair: Hao-Chen Lin, Hehan Investment Co, Ltd

Two. Company Profile

I. Date of incorporation: March 7, 1986

II. Address and telephone number of the headquarters, branch, and factory.

Address of Company and factory: No. 8, Xingye Rd., Changhua Coastal Industrial Park, Lukang Township, Changhua County, Taiwan (ROC) Tel: (04) 7810781

III. Company history

Date	Key milestones
1986	Founded in Shulin City, Taipei County, with a capital amount of NT$1,000 thousand.
1986	Executed cash capital increase of NT$4,000 thousand, and the paid-in capital was increased to NT$5,000 thousand.
1989	Executed cash capital increase of NT$5,000 thousand, and the paid-in capital was increased to NT$10,000 thousand.
1994	Executed cash capital increase of NT$40,000 thousand, and the paid-in capital was increased to NT$50,000 thousand.
1996	Executed cash capital increase of NT$33,000 thousand, and the paid-in capital was increased to NT$83,000 thousand.
1998	A shipping center was established at the Dayuan factory in Taoyuan.
1998	Executed cash capital increase of NT$25,000 thousand, and surplus to capital increased by NT$50,000 thousand. The paid-in capital was increased to NT$158,000 thousand.
1999	Executed a cash capital increase in the amount of NT$41,900 thousand, and the paid-in capital was increased to NT$199,900 thousand.
2000	Achieved ISO9001 quality certification.
2000	Achieved QS9000 quality certification.
2000	The production lines in the factory passed the US CAPA certification
2001	Passed the US CAPA product certification
2003	US MQVP system quality certification
2003	Executed cash capital increase of NT$93,500 thousand, and the paid-in capital was increased to NT$293,400 thousand.
2003	Established and operated its first warehouse and logistics center.
2004	Relocated to Chang-Bing Industrial Zone in Lugang.
2004	Established and operated its second warehouse and logistics center.
2004	Introduced the Enterprise Resource Planning (ERP) system.
2004	Promoted ISO/TS16949 quality certification.
2004	The company raised NT$156,600 thousand, and the paid-in capital was increased to NT$450,000 thousand.
2005	Commencement of operation of the all-automatic plating line.
2005	The company raised NT$30,000 thousand, and the paid-in capital was increased to NT480,000 thousand.
2007	The company raised NT$10,000 thousand, and the paid-in capital was increased to NT$490,000 thousand.
2007	The company raised NT$71,250 thousand, and the paid-in capital was increased to NT$561,250 thousand.
2007	Commencement of operation of the new injection factory, new office building, and employee dormitory.

Date	Key milestones
2008	Commencement of operation of the new container pier.
2010	Completion of construction of the mold factory.
2010	The laboratory achieves ISO17025 certification.
2010	The company raised NT$10,000 thousand, and the paid-in capital was increased to NT$571,250 thousand.
2011	The public offering of shares was approved by the Securities and Futures Bureau, FSC.
2011	Registered and trading on the Emerging Stock Board (ESB) of the Taipei Exchange (TPEx).
2011	The surplus was transferred to increase the capital to NT$31,419 thousand, and the paid-in capital was increased to NT$602,669 thousand.
2011	Applied to the Taiwan Stock Exchange for listing on the TWSE.
2012	The shares of the Company became listed on the Taiwan Stock Exchange for trading, with cash capital increased to NT$659,259 thousand.
2012	Commencement of operation of the packaging material factory
2013	Injection factory construction completion.
2015	Executed cash capital increase of NT$100,000 thousand, and the paid-in capital was increased to NT$759,259 thousand.
2015	Obtained 75.765% of equity in China First Holdings Limited (Samoa), and indirectly invested in Changshu Guanlin Auto Decorative Parts Limited in China.
2015	Indirect investment for 75% equity in Laoning Guanlin Auto Parts Limited.
2015	Established subsidiary: United Skills Co, Ltd
2015	Representativeurchased treasury shares and cancelled 17,870 treasury shares. The paid-in capital was decreased to NT$741,389 thousand.
2016	Increased the capital of China First Holdings Limited (Samoa), the shareholding became 77.97%.
2017	Increased the capital of China First Holdings Limited (Samoa), the shareholding became 88.13%.
2017	Indirect investment for 80.95% equity in Laoning Guanlin Auto Parts Limited.
2018	Indirect investment for 82.61% equity in Laoning Guanlin Auto Parts Limited.
2018	Construction of the 12th phase of the injection factory and auto warehouse equipment.
2018	On December 7, 2018, Liaoning Guanlin Auto Parts Limited was renamed Liaoning Hetai Automotive Parts Co, Ltd.
2019	On May 15, 2019, Changshu Guanlin Auto Decorative Parts Limited was renamed Changshu Fute Automotive Trimming Co, Ltd.
2019	Indirect investment for 100% equity in Changshu Xinxiang Automobile Parts & Components Co, Ltd.
2019	Increase the capital of Ventec International Group Limited, the shareholding was maintained at 100%.
2019	Indirect investment for 99.6% equity in Chang Jie Technology Co, Ltd.
2020	Increase the capital of Ventec International Group Limited, the shareholding was maintained at 100%.
2020	Increased the capital of Chang Jie Technology Co, Ltd, the shareholding was increased to 99.78%.
2021	Increase the capital of Ventec International Group Limited, the shareholding was maintained at 100%.

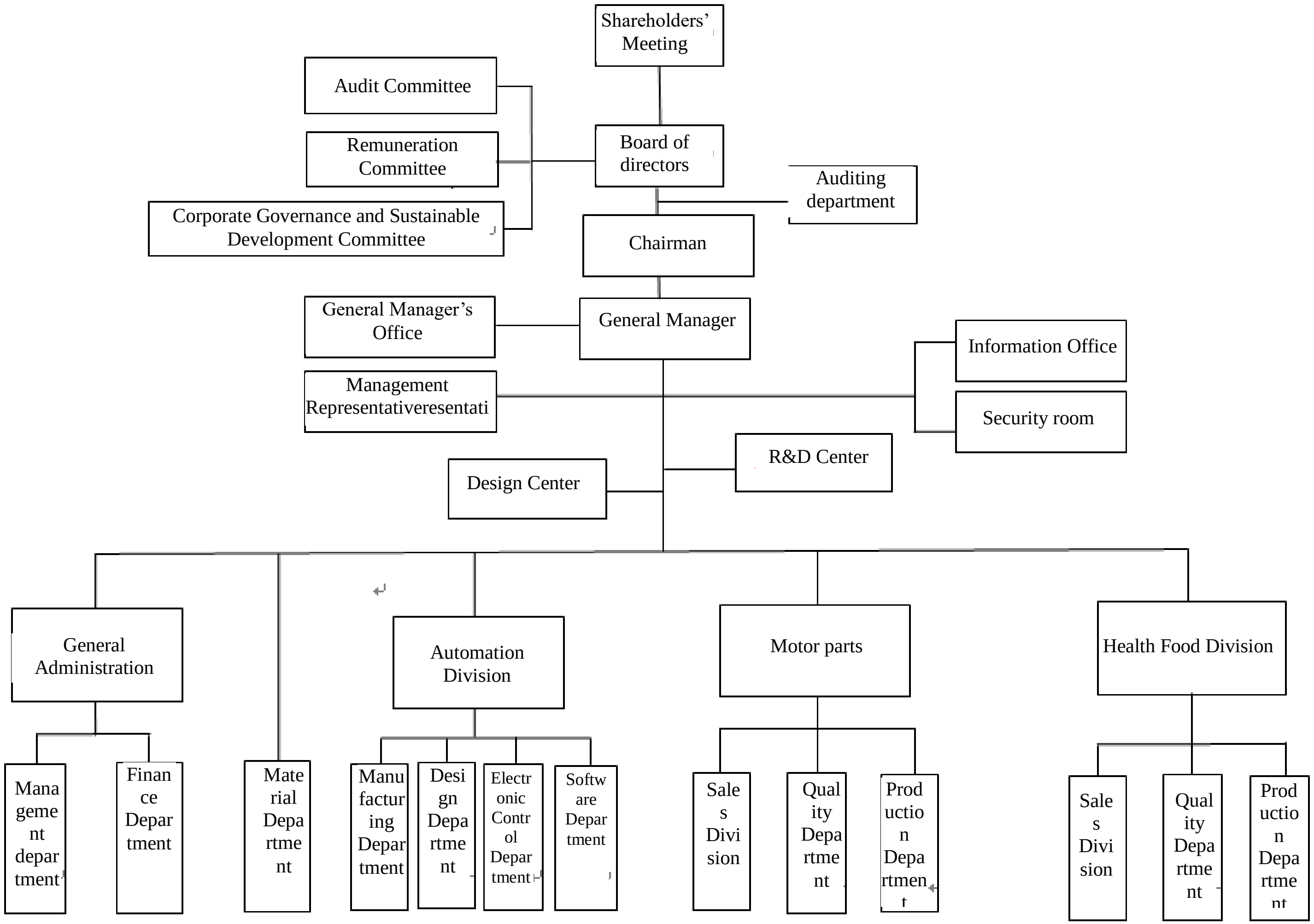
Date	Key milestones
2021	Increased the capital of Chang Jie Technology Co, Ltd, the shareholding was increased to 99.83%.
2022	Established the laboratory and made pRepresentativearations for a food factory, also built a circular economy utilization center for water resources.
2023	Changshu Xinxiang Automobile Parts & Components Co, Ltd merged with Changshu Fute Automotive Trimming Co, Ltd, and the surviving company is Changshu Fute Automotive Trimming Co, Ltd.

Three. Corporate Governance Representativeort

I. Organizational system

(II) Organizational Structure

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



(II) Business operated by each major department

Name of department	Functions of department
Auditing department	1. Assist in establishing effective internal control systems and various operating regulations. 2. Audit the Company's business, finance, risk control and legal compliance, while making suggestions for improvement of the internal control. 3. Formulate the self-audit, and evaluation descriptions and procedures of an internal control system, while supervising and reviewing the regular self-inspection of each unit.
Audit Committee	1. Supervise the Company's internal audit system and its implementation. 2. Review the Company's financial information and disclosure. 3. Review the Company's internal control system.
Remuneration Committee	1. Establish and regularly review the policies, systems, standards, and structures for performance evaluation and remuneration of directors, supervisors, and managerial officers. 2. Regularly evaluate and determine the remunerations of directors, supervisors, and managerial officers.
General Manager’s Office	1. Comprehensively manage the Company's overall strategic goals and policy promotion, while supervising and coordinating the implementation and achievement of each unit. 2. Operations related to the management of shareholder services.
Safety and Health Office	1. Management of occupational safety and health, as well as personal health.
Information Office	1. Responsible for the development and maintenance of the Company's information systems. 2. Planning, management, and maintenance of the computer hardware and software equipment. 3. Responsible for planning, structuring, developing information systems, and maintenance and management of related equipment. 4. Information security control
Management department	1. Planning and management of human resources. 2. General affairs and procurement operations for miscellaneous items. 3. Management of assets and equipment, and insurance-related operations.
Finance Department	1. Establish an accounting system, handling accounting and taxation. 2. Capital utilization and management. 3. Provide financial analysis and management Representativeorts to the management for decision-making.
Material Department	1. Responsible for production scheduling and coordination of production and sales. 2. Procurement of production-related raw materials, commodities and equipment, and supply management.
Automation Division	1. Evaluating, planning, design, and introduction of manufacturing automation of production. 2. Handling, improvement, review, and analysis of production equipment issues.

Sales Division	1. Marketing Sector: 2. Business promotion, marketing, exhibiting, customer service and market development, to achieve sales targets. 3. Collect market intelligence, latest product information, customer opinions and regional marketing materials, and evaluate the feasibility of development to meet customer needs. 4. Handling and tracking customer complaints. 5. Operation Sector: 6. Warehouse management - stock in and out of goods, storage location planning, inventory, and other operations. 7. Execute product pRepresentativearation, loading and shipment, and export customs clearance operations.
Quality Department	1. Planning and implementation for promoting quality policies. 2. Rectification, improvement, and rectification of major product complaints from customers. 3. During the development process, participate in the trial production, acceptance review, and improvement. 4. Inspect and manage the quality of incoming materials from suppliers. 5. Formulate and implement the relevant inspection specs management of product quality. 6. Calibration and maintenance of measuring instruments and equipment. 7. Execute and cooperate with ISO audits, CAPA document reviews, and on-site evaluations.
Production Department	1. Manufacturing, delivery date control, process quality and control, and production technology-related matters. 2. Maintenance, service, and management of fixed assets/molds. 3. Improve productivity and reduce production costs.
Nutritional Supplement Division	1. Efficacy test of nutritional supplement formula ingredients. 2. Supply chain management and familiarity with the R&D process. 3. Collecting market information and compiling documentation. 4. Master the schedule and planning of product projects.
R&D Center	1. Evaluation, testing, analysis, validation, and selection of raw materials. 2. Process development, introduction, and combination of products and technologies. 3. Execute sample evaluation, analysis, and Representativeort. 4. Application for government projects.
Design Center	1. Brand marketing related extension design and beauty editing. 2. Visual and graphic design. 3. Responsible for domestic and foreign marketing promotion. 4. Promote the company's image and develop product awareness to promote the company's business to achieve the predetermined goals.

II. Information of the company's directors, supervisors, general manager, deputy general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

(I) Information of directors and supervisors as of April 1, 2024

1. Names, education backgrounds, and nature of shares held by directors and supervisors. Unit: shares

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of election	Term	Date of initial election (Note 3)	Shareholding when elected		Current shareholding		Current shareholding of any spouse and underage children		Shares held by proxy		Main experience/education (Note 4)	Concurrent duties in the Company and other companies	Spouses or relatives of the second-degree or closer acting as manager, director, or supervisor			Remarks (Note 5)
							Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Title	Name	Relation	
Chair	Taiwan	Hehan Investment Co, Ltd	—	May 27, 2022	3 years	June 23, 2014	7,586,503	10.234%	7,586,503	10.234%	—	—	—	—	—	—	—	—	—	—
	The Representativeublic of China	Representativeresentative: Hao-Chen Lin	Male 31-40	May 27, 2022	3 years	December 30, 2019	1,194,305	1.611%	1,194,305	1.611%	—	—	—	—	PaceUniversityPublicAccounting Sales Specialist, Y.C.C PARTS MFG CO, LTD Special Assistant, Y.C.C PARTS MFG CO, LTD	Note 6	General Manager Director	Jui-Tse Lin Shih-Yun Lin	Older brother Mother	—
Director	Taiwan	Ziqun International Co, Ltd	—	May 27, 2022	3 years	May 29, 2020	861,000	1.161%	1,250,000	1.686%	—	—	—	—	—	—	—	—	—	—
	The Representativeublic of China	Representativeresentative: Jo-Ning Huang	Female 31-40	May 27, 2022	3 years	February 15, 2022	—	—	—	—	1,372,810	1.852%	—	—	Department of Law, National Chengchi University Lawyer, CGT Attorneys at Law Lawyer, Tzu Chung Law Firm	Note 13	General Manager	Jui-Tse Lin	Spouse	—
Director	Taiwan	Songqun Investment and Development Ltd	—	May 27, 2022	3 years	June 23, 2014	10,731,000	14.477%	10,731,000	14.477%	—	—	—	—	—	—	—	—	—	—
	The Representativeublic of China	Representativeresentative: Shu-Mei Liu	Female 51-60	May 27, 2022	3 years	June 22, 2010	15,275	0.02%	15,275	0.02%	2,110	0.003%	—	—	Department of Accounting, Providence University Manager of Finance Department, Y.C.C PARTS MFG CO, LTD Vice Manager, Deloitte Taiwan	Note 7	—	—	—	—

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of election	Term	Date of initial election (Note 3)	Shareholding when elected		Current shareholding		Current shareholding of any spouse and underage children		Shares held by proxy		Main experience/education (Note 4)	Concurrent duties in the Company and other companies	Spouses or relatives of the second-degree or closer acting as manager, director, or supervisor			Remarks (Note 5)
							Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Title	Name		
Director	Taiwan	Daqun International Co, Ltd	–	May 27, 2022	3 years	May 27, 2022	506,000	0.682%	1,192,000	1.608%	–	–	–	–	–	–	–	–	–	–
	The Representativeublic of China	Representativeresentative: Jui-Tse Lin	Male 31-40	May 27, 2022	3 years	May 29, 2020	1,372,810	1.852%	1,372,810	1.852%		–	–	–	Department of Psychology, Fu Jen Catholic University Sales Specialist, Y.C.C PARTS MFG CO, LTD Head of Production Department, Y.C.C PARTS MFG CO, LTD Special Assistant, Y.C.C PARTS MFG CO, LTD	Note 8	Chair Director Director	Hao-Chen Lin Shih-Yun Lin Jo-Ning Huang	Younger brother Mother Spouse	–
Director	Taiwan	Haoqun Investment and Development Ltd	–	May 27, 2022	3 years	June 19, 2017	11,791,000	15.907%	11,791,000	15.907%	–	–	–	–	–	–	–	–	–	–
	The Representativeublic of China	Representativeresentative: Shih-Yun Lin	Female 61-70	May 27, 2022	3 years	February 19, 1986	1,098,055	1.481%	1,100,055	1.484%	1,307,215	1.763%	–	–	Department of Business Administration, National Taiwan UniversityEMBA.PMBA	Note 9	Chair General Manager	Hao-Chen Lin Jui-Tse Lin	Son Son	
Independent director	The Representativeublic of China	Hung-Lung Huang	Male 61-70	May 27, 2022	3 years	May 17, 2011	–	–	–	–	–	–	–	–	Master's degree, Institute of Finance Law, National Chung Hsing University EMBA, Department of Accounting of Tunghai University CPA, WeTec International CPAs	Note 10	–	–	–	–
Independent director	The Representativeublic of China	Chin-Feng Kuo	Male 61-70	May 27, 2022	3 years	October 1, 2018	11,000	0.015%	13,000	0.02%	86,000	0.12%	–	–	Master's degree, Department of Economics, Shih Hsin University Financial Manager, Shinshin Natural Gas Co, Ltd	–	–	–	–	–
Independent director	The Representativeublic of China	Lung-Fa Hsieh	Male 61-70	May 27, 2022	3 years	July 15, 2011	–	–	–	–	–	–	–	–	PhD, Department of Business Administration, National Cheng-Chi University Director of Business Development Institute, Ministry of Economic Affairs General Manager and Management Consultant of Long Bang Development Co, Ltd (listed) Vice President, Da-Yeh University Dean, College of Management, Da-Yeh University President, Ming Chi University of Technology	Note 11	–	–	–	–

Independent director	The Representativeublic of China	Kuo-Hua Chang	Male 61-70	May 27, 2022	3 years	May 27, 2022	–	–	–	–	–	–	–	–	PhD, Department of Laws, Meijo University (Japan) Founding Director, Institute of Technology Law, National Yunlin University of Science and Technology	Note 12	–	–	–	–

Note 1: For a corporate shareholder, the name of the corporate shareholder and its Representativeresentative shall be listed separately (when listing the Representativeresentative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age. It may be expressed in interval form, such as 41 - 50 years old or 51 - 60 years old.

Note 3: The time when the person first served as a director or supervisor of the Company. If there is any interruption, it should be explained in the notes.

Note 4: Experience related to the current position. If the person served in the auditing CPA firm or an affiliated enterprise during the aforementioned period, the job title and responsibilities should be detailed.

Note 5: If the Chair of the Board of Directors and the general manager or equivalent (top managerial officers) of the company are the same person, spouse, or relatives within the first degree of kinship, it is necessary to explain the reason, rationality, necessity, and measures in response (such as increasing independent directors), and no more than half of the directors may serve as employees or managerial officers concurrently.

Note 6: Chair, Haoqun Investment and Development Ltd. Director, UNITED SKILLS CO, LTD. Director, Changshu Fute Automotive Trimming Co, Ltd. Director, Chang Jie Technology Co, Ltd. Supervisor, Liaoning Hetai Automotive Parts Co, Ltd.

Note 7: Supervisor of UNITED SKILLS CO, LTD, Chair of Changshu Guanlin Automotive Trim Co, Ltd, and Chair of Liaoning Hetai Automotive Parts Co, Ltd.

Note 8: President of the Company, Chair of Songqun Investment Development Co, Ltd, Director of Hua Yuan Holding Co, Ltd, Director of Changshu Fute Automotive Trimming Co, Ltd, Director of Liaoning Hetai Automotive Parts Co, Ltd, Director of Chang JieTechnology Co, Ltd, Director of Gordon Co, Ltd, and Director of UNITED SKILLS CO, LTD.

Note 9: Director Shih-Yun Lin was first elected on February 19, 1986 and served as a director until December 30, 2019. She has been a director since her re-election on May 27, 2022, and has served until the present. Hehan Investment Co, Ltd, Chair, Chang Jie Technology Co, Ltd, TENHUI (HONG KONG) HOLDINGS LIMITED, HUA YUAN HOLDINGS (HK) LIMITED, Changshu Fute Automotive Trimming Co, Ltd, Liaoning Hetai Automotive Parts Co, Ltd, director of UNITED SKILLS CO, LTD, managing director of National Changhua Senior School of Commerce Cultural Education Foundation, Chair of Changhua County Shi-Yun Lin Cultural Education Foundation.

Note 10: Director, WeTec International CPAs. Supervisor of Wufenglins Company Limited, director of Awu Zhao Culture Foundation, director of Haiching Elderly Nursing Center of Maioli County, independent director of I Jang Industrial Co, Ltd.

Note 11: Director Lung-Fa Hsieh was first elected on July 15, 2011, and served until June 30, 2018. He has been a director since his re-election on May 27, 2022, and has served until the present. Senior consultant of Hitano Enterprise Corp, director of MLM Protection Foundation.

Note 12: Independent Director of Shining Victory Motor Electronic Co, Ltd and Cryomax Cooling System Corp. Full-time Professor at the Graduate School of Science and Technology Law, National Yunlin University of Science & Technology, Visiting Professor of Osaka Institute of Technology, Consultant of Labor Affairs Bureau, Taichung City Government, CEO of the School Affairs Advisory Board, National Yunlin University of Science & Technology.

Note 13: Chair of Wells Biomedical Co, Ltd and UNITED SKILLS CO, LTD. Director of Changhua County Shi-Yun Lin Cultural Education Foundation.

2. Major shareholders of the corporate shareholder (April 1, 2024).

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Hehan Investment Co, Ltd	Shih-Yun Lin (98.08%), Jui-Tse Lin (1.92%)
Ziqun International Co, Ltd	Hao-Chen Lin (99.97%), Yi-Hung Lin (0.03%)
Haoqun Investment and Development Ltd	Yi-Hung Lin (75.26%), Hao-Chen Lin (24.74%)
Songqun Investment and Development Ltd	Shih-Yun Lin (59.87%), Jui-Tse Lin (40.13%)
Daqun International Co, Ltd	Jui-Tse Lin (99.97%), Shih-Yun Lin (0.03%)

Note 1: If a director or supervisor is a Representativeresentative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder’s major shareholders (those with a shareholder equity ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

Note 3: If the institutional shareholder is not a company organizer, the names of the shareholders and shareholding ratio that should be disclosed in the preceding paragraph shall be the name of the investor or donor (for inquiries, please refer to the announcement of the Judicial Yuan). If the donor has deceased, “deceased” is noted.

3. Major shareholders of the corporate shareholder who are also major shareholders of another corporate shareholder: none

4. Information on Directors and Supervisors:

(1) Disclosure of professional qualifications of directors and supervisors and information on the independence of independent directors:

April 1, 2024

Criteria / Name and title	Professional qualifications and experience (Note 1)	Independence of independent directors (Note 2)	Number of other public companies at which the person concurrently serves as an independent director
Hehan Investment Co, Ltd Representative: Hao-Chen Lin	Graduated from Pace University Public Accounting Chair, Y.C.C PARTS MFG, CO, LTD Possessing the expertise and experience required for business administration, marketing, and business development of the Company, as well as finance and accounting expertise. None of the matters specified in Article 30 of the Company Act	Non-independent director	0
Ziqun International Co, Ltd Representative: Jo-Ning Huang	Graduated from National Chengchi University, Department of Law Legal Manager, Y.C.C PARTS MFG, CO, LTD Attorney at Ji Chang Tong Law Firm and Zi Jun Law Firm Possessing legal expertise and practice, and obtained lawyer qualification. None of the matters specified in Article 30 of the Company Act		0
Songqun Investment and Development Ltd Representative: Shu-Mei Liu	Graduated from Providence University, Department of Accounting Head of Finance Department, Y.C.C PARTS MFG CO, LTD Vice Manager, Deloitte Taiwan Possessing working experience in finance and accounting, with operational judgment and management competence. None of the matters specified in Article 30 of the Company Act		0

Daqun International Co, Ltd Representative: Jui-Tse Lin	Graduated from the Department of Psychology, Fu Jen Catholic University President, Y.C.C PARTS MFG, CO, LTD Demonstrating competence in corporate governance, operation management, industrial development, and decision-making. None of the matters specified in Article 30 of the Company Act		0
Haoqun Investment and Development Ltd Representative: Shih-Yun Lin	Graduated from EMBA, PMBA, Department of Business Administration, National Taiwan University Chair, Hehan Investment Co, Ltd Former Chair of Y.C.C PARTS MFG, CO, LTD Demonstrating competence in operational management, accounting, and finance expertise. None of the matters specified in Article 30 of the Company Act		0
Hung-Lung Huang	Master's degree, Economic Law, National Chung Hsing University EMBA, Department of Accounting, Tunghai University Y.C.C PARTS MFG, CO, LTD. Independent Director, Yi Chang Industrial Co, Ltd. CPA, WeTec International CPAs (January 1998-present). Demonstrating competence in operational judgment and management, as well as accounting and finance expertise. The individual is a CPA. None of the matters specified in Article 30 of the Company Act	All members comply with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". (1) The independent director, spouse, or relatives within the second degree of kinship are not a director, supervisor, or employee of the company or any of its affiliates. (2) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (3) Not a managerial officer's spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, or director, supervisor, or natural-person shareholder owning 1% or more of the Company's or its affiliates' total number of issued shares or ranking in the top ten in holdings. (4) Not a director, supervisor, or employee of the Company with a specific relationship with the Company. (5) In the most recent two years, no exclusive or professional service was provided by the director him/herself, or the company he/she serves as a director to the Company.	1
Chin-Feng Kuo	Master's degree, Economics, Shih Hsin University Independent Director, Y.C.C PARTS MFG CO, LTD Manager of Finance Department, Shintao Natural Gas Co, Ltd September 2011 - February 2019 Possessing expertise in accounting, finance, and business administration None of the matters specified in Article 30 of the Company Act		0
Lung-Fa Hsieh	PhD, Business Administration, National Chengchi University Independent Director, Y.C.C PARTS MFG CO, LTD Senior consultant of Hitano Enterprise Corp, director of MLM Protection Foundation President, Business Development Research Institute, Ministry of Economic Affairs With theoretical and practical experience in business administration for more than 30 years, possessing analytical expertise and decision-making competence in business strategy, research and development management, and marketing planning. None of the matters specified in Article 30 of the Company Act		0
Kuo-Hua Chang	PhD, Meijo University, Japan, Doctor of Laws Professor, Institute of Science and Technology Law, National Yunlin University of Science and Technology (February 2021-present) Independent Director, Y.C.C PARTS MFG, CO, LTD, Hua Sheng Electronics Co, Ltd, Jimo Precision Co, Ltd. Possessing professional qualifications in laws and practices related to corporate governance, industrial development, operation management Professor, Graduate School of Science and Technology Law, YunTech Expertise: Commercial law, Company Act, Negotiable Instruments Act, Intellectual Property Law, Trade Secrets Act, Copyright Act, Administrative Law,		2

	and Environmental law None of the matters specified in Article 30 of the Company Act		

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be stated. If a member of the Audit Committee has accounting or financial expertise, the accounting background and work experience shall be stated. In addition, explain if none of the matters specified in Article 30 of the Company Act are found.

Note 2: Independent directors must specify their independence, including whether they, their spouse, or relatives within the second degree of kinship work as directors, supervisors, or employees of the Company or its affiliated companies. Number and percentage of shares held by relatives (or in the name of another person), whether or not he/she holds a position in a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5–8 of the Regulations for Appointment of Independent Directors and Compliance Matters). The amount of remuneration received by directors, supervisors, or employees for providing commercial, legal, financial, or accounting services to the Company or its affiliates within the last two years.

(2) Diversity and independence of the Board of Directors:

I. Diversity of the Board of Directors

The shareholders' meeting will hold the company's board accountable. The operations and arrangements of the corporate governance system must ensure that the Board of Directors exercises its powers in accordance with applicable laws and regulations, the Articles of Incorporation, and shareholder resolutions.

The structure of the Company's Board of Directors should be based on the scale of the company's business development and the shareholdings of major shareholders, as well as the practical operational needs. An appropriate number of director seats consisting of more than five individuals has been determined.

The board composition should consider diversity and develop an appropriate diversity policy based on its own operations, operating type, and development requirements. It is recommended to include, but not be limited to, the following standards in two aspects:

(I) Basic conditions and values: gender, age, nationality and culture, etc.

(II) Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Members of the Board of Directors must demonstrate general knowledge, skills, and literacy in order to carry out their duties. To achieve the ideal goal of corporate governance, the entire Board of Directors should demonstrate the following competencies:

(I) Operational judgement competence.
(II) Accounting and financial analysis competence.
(III) Business management competence.
(IV) Crisis management competence.
(V) Industry knowledge.
(VI) Vision and insight on international markets.
(VII) Leadership.
(VIII) Decision-making competence.

Implementation status of diversity among board members

Diversified Core Items / Name of director	Basic composition										Industry experience and professional competence.								
	Gender	Nationality	Concurrently serving as an employee of the Company	Years				Length of tenure of independent directors			Operational judgement competence.	Accounting and financial analysis competence.	Business management competence.	Crisis management competence.	Industry knowledge	Vision and insight into international markets.	Leadership.	Decision-making competence.	Legal
				30 to 40	40 to 50	50 to 60	60 to 70	ss than three years	3 to 9 years	Over 9 years									
Hehan Investment Co, Ltd Representative: Hao-Chen Lin	Male	The Representativeblic of China		V							V	V	V	V	V	V	V	V	

Taqun International Co, Ltd Representative: Jui-Tse Lin	Male	The Representativeublic of China	V	V							V	V	V	V	V	V	V	V	
Ziqun International Co, Ltd Representative: Jo-Ning Huang	Female	The Representativeublic of China	V	V															V
Representativeresentative of Haoqun Investment Development Co, Ltd: Shih-yun Lin	Female	The Representativeublic of China	V				V				V	V	V	V	V	V	V	V	
Songqun Investment and Development Ltd Representative: Shu-Mei Liu	Female	The Representativeublic of China	V			V					V	V	V	V	V	V	V	V	
Hung-Lung Huang	Male	The Representativeublic of China					V			V	V	V		V				V	V
Chin-Feng Kuo	Male	The Representativeublic of China					V		V		V	V	V		V	V	V	V	
Lung-Fa Hsieh	Male	The Representativeublic of China					V	V			V	V	V	V	V	V	V	V	V
Kuo-Hua Chang	Male	The Representativeublic of China					V	V			V		V	V		V	V	V	V

(I) The company has nine directors, all of whom are national. The four directors are employees of the company, accounting for 44%. None of the three independent directors have been consecutively re-elected for three terms.

(II) There are three female directors, with women accounting for 33.33% of the board with an average age of 49.7 years old and men accounting for 66.67% of the board members with an average age of 55.5 years old. The average age of all directors is 53.6 years old. The Company also places a high value on gender equality among board members, aiming for more than 20% female directors. There are currently 9 directors, including 3 female directors, accounting for a ratio of 33.33%.

(III) The Company’s directors demonstrate diversity, with no limitations on gender, race, nationality, or cultural background. The diversity policy will be promply updated in the future based on the Board of Directors' operations, the business model, and development needs. These updates will cover basic requirements, professional knowledge and skills, and other standards to guarantee that board members generally demonstrate the literacy and knowledge needed to carry out their duties.

(IV) The specific management objectives of the diversity policy of the Board of Directors and their achievement status:

Management objectives	Achievement status
More than half of the Board of Directors' seats must be occupied by individuals who do not share any relationships as spouses or relatives within the second degree.	Achieved
It is advised that the directors who concurrently serve as the Company’s managerial officers should not surpass one-third of the total number of directors.	Achieved
It is advised that there be a minimum of one female member on the Board of Directors.	Achieved
Independent directors may not serve more than three consecutive terms.	Achieved
It is advised that the independent directors should not be less than one third of the total number of directors.	Achieved

II. Independence of the Board of Directors

(I) The Company has 9 directors, including 4 independent directors, accounting for 44% of the independent directors (more than 1/3 of the number of directors). All board members do not have any circumstances as described in Article 30 of the Company Act. There are 5 directors on the board, and none of them fall under the provisions of Article 26-3 of the Securities and Exchange Act (where more than half of the directors are spouses or relatives within the second degree of kinship), paragraphs 3 and 4 (no spouse, second degree of kinship between supervisors or between supervisors, or the occurrence of a circumstance specified in the “family relation” section).

(II) All independent directors meet the requirements set by the Financial Supervisory Commission on independent directors, and their independence is stated as follows:

Name	The independent directors, spouses, or relatives within the second degree of kinship are not directors, supervisors, or employees of the company or any of its affiliates.	Number and percentage of shares held by the person, spouse, relatives within the second degree of kinship (or in the name of another person)	Whether serving as a director, supervisor, or employee of a company specifically related to the Company	Amount of remuneration received for providing commercial, legal, financial, accounting services to the Company or its affiliates in the last 2 years
Hung-Lung Huang	No	N.A.	No	N.A.
Chin-Feng Kuo	No	N.A.	No	N.A.
Lung-Fa Hsieh	No	N.A.	No	N.A.
Kuo-Hua Chang	No	N.A.	No	N.A.

In view of the above, the company’s Board of Directors demonstrates independence.

(2) **(1-1)**Information on the general manager, deputy general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

April 1, 2024

Unit: shares

Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and underage children		Shares held by proxy		Education/work experience (Note 2)	Concurrent positions in other companies	Spouse or relatives within the second degree acting as managerial officers.			Remarks (Note 3)
					Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Title	Name	Relation	
General Manager	The Representativeublic of China	Jui-Tse Lin	Male	February 15, 2022	1,372,810	1.852%	–	–	–	–	Department of Psychology, Fu Jen Catholic University Sales Specialist, Y.C.C PARTS MFG CO, LTD Head of Production Department, Y.C.C PARTS MFG CO, LTD Special Assistant, Y.C.C PARTS MFG CO, LTD	Chair of Songqun Investment and Development Ltd. Director of China First Holdings Limited Director of Changshu Changshu Fute Automotive Trimming Co, Ltd Director of Liaoning Hetai Automotive Parts Co, Ltd Director of Chang Jie Technology Co, Ltd Director of Gordon Co, Ltd	Chair	Hao-Chen Lin	Younger brother	
Deputy General Manager	The Representativeu blic of China	Shu-Mei Liu	Female	October 1, 2008	15,275	0.021%	2,110	0.003%	–	–	Department of Accounting, Providence University Manager of Finance Department, Y.C.C PARTS MFG CO, LTD Vice Manager, Deloitte Taiwan	Supervisor of United Skills Co, Ltd Chair of Changshu Fute Automotive Trimming Co, Ltd Chair of Liaoning Hetai Automotive Parts Co, Ltd	–	–	–	
President	The Representat iveublic of China	Yi-Hung Lin	Male	February 15, 2022	1,307,215	1.76%	1,100,055	1.484%	–	–	Advanced Management Workshop, National Taiwan University	Director, Hehan Investment Co, Ltd Director of United Skills Co, Ltd Director of China First Holdings Limited Director of Changshu Changshu Fute	Chair	Hao-Chen Lin	Son	

Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholding of spouse and underage children		Shares held by proxy		Education/work experience (Note 2)	Concurrent positions in other companies	Spouse or relatives within the second degree acting as managerial officers.			Remarks (Note 3)
					Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Title	Name	Relation	
												Automotive Trimming Co, Ltd Director of Liaoning Hetai Automotive Parts Co, Ltd Director of Chang Jie Technology Co, Ltd Director of Gordon Co, Ltd Chair of Weiersi Biotech Ltd.	General Manager	Jui-Tse Lin	Son	
Deputy General Manager	The Representativeublic of China	Chieh-Chang Tian	Male	June 1, 2022	–	–	–	–	–	–	MertonCollege，OxfordPhDinPhysicslMolecule SouthwesternUniverstyDoctorofPhilosophyinBiological. MegadataEuropePlc.ManagingDirector. BAESystems.AsiaPacificExecutive Manager. CEO, Elephant Industrial (China)	Director of Weiersi Biotech Ltd.	–	–	–	
Deputy General Manager	The Representativeublic of China	Jia-Rong Chen	Male	June 1, 2022	–	–	–	–	–	–	PhD in Science, Institute of Biochemical Sciences, National Taiwan University Postdoctoral Researcher, Institute of Biochemistry, Academia Sinica Researcher, Taiwan Centers for Disease Control, MOHW Project-based Assistant Researcher and Adjunct Assistant Professor, Department of Animal Science and Biotechnology, Tunghai University Senior Researcher, Biotechnology R&D Department, Vitalon Foods Co, Ltd	–	–	–	–	

Note 1: The information in this table should be disclosed to the general manager, deputy general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to the general manager, deputy general manager, or deputy assistant general manager, regardless of job title.

Note 2: Include experience and qualifications relevant to the current position. If the person worked as an external auditor/attestor for a CPA firm during the time period specified above, please specify the position and the duties for which the person was responsible.

Note 3: If the general manager or a person of an equivalent post (the top managerial officers) and the Chair of the Board of Directors of a company are the same people, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing independent directors and making sure that the majority of directors do not concurrently serve as employees or managerial officers).

(3) Remuneration to Ordinary Directors, Independent Directors, Supervisors, General Manager(s), and Deputy General Manager(s):

1. Remuneration to general directors, independent directors, supervisors, presidents, and vice presidents

A company shall disclose the name and remuneration of its directors or supervisors individually if any of the following circumstances occurs. For other cases, it can choose to disclose the names in an aggregate manner, or disclose the names and remunerations individually (in case of individual disclosure, please fill in the job titles individually , name and amount - no remuneration scale table is required):

(1) Those with personal or individual financial Representativeorts that have incurred after-tax losses in the last three years should separately disclose “the names and remunerations of directors and supervisors”.. This does not, however, apply to those whose personal or individual financial Representativeorts show an after-tax net profit sufficient to offset cumulative losses.

(2) In the most recent year, where the instances of insufficient shareholdings by directors have continued for more than three months, the remuneration paid to individual directors shall be disclosed. In the most recent year, the instances of insufficient shareholdings by supervisors have persisted for more than three months, and the remunerations paid to individual supervisors shall be disclosed.

(3) In the case of directors or supervisors who have held office in the most recent three months on average with pledges made more than 50% of the time, the remuneration paid to individual directors or supervisors in which pledges of more than 50% were made in each month.

(4) If the remuneration received by all directors and supervisors as directors or supervisors of all companies included in the financial statements accounts for more than 2% of the net profit after tax, and the remuneration received by any individual director or supervisor exceeds NT$15 million, such remuneration shall be disclosed. Remuneration to individual directors or supervisors. (Note: The above remuneration to directors and supervisors is calculated based on “Remuneration to Directors” and “Remuneration to Supervisors” in the attached table, excluding the related remuneration received as employees).

(5) The Company's corporate governance evaluation results in the most recent year fell within the last notch, or the company's trading methods have been changed, suspended trading, terminated from listing on TWSE/TPEx in the most recent year and up to the date of publication of the annual Representativeort, or have The Committee approved those that should not be evaluated.

(6) The average annual salary of a full-time non-managerial employee of a company listed on the TWSE/TPEx in the most recent year who held non-managerial positions did not reach NT$500,000.

(7) The after-tax net profit of the listed company in the most recent year has increased by more than 10%, but the average annual salary of non-managerial full-time employees has not increased from the previous year.

(8) A TWSE/TPEX listed company whose net income has declined by 10% and exceeded NT$5 million in the most recent year, and the average remuneration per director (excluding remuneration as employees) has increased by 10%, exceeding NT$100,000.

2. A public company listed on TWSE or TPEx that has any of the circumstances described in (1) or (5) above disclose the information on the remuneration paid to the top five executives with the highest remuneration (such as general managers, deputy general managers, CEOs, or financial officers).

(1.2) Remuneration of general directors and independent directors

December 31, 2023

Unit: NT$ thousand

Title	Name	Directors' remuneration								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base remuneration (A) (Note 2)		Retirement pay and pensions (B)		Director profit-sharing remuneration (C) (Note 3)		Expenses and per requisites (D) (Note 4)				Salaries, bonuses and special disbursements (E) (Note 5)		Retirement pay and pensions (F)		Employee profit-sharing remuneration (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements	
																Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chair	Hehan Investment Co, Ltd Representative: Hao-Chen Lin	2,520	2,520	97	97	1,374	1,374	30	30	4,021 0.92%	4,021 0.92%									4,021 0.92%	4,021 0.92%	
Director	Ziqun International Co, Ltd Representative: Jo-Ning Huang					687	687			687 0.15%	687 0.15%	1,107	1,107	48	48	61				1,903 0.44%	1,903 0.44%	
Director	Haoqun Investment and Development Ltd Representative: Shih-Yun Lin					687	687			687 0.15%	687 0.15%	3,069	3,069	140	140	312				4,208 0.97%	4,208 0.97%	
Director	Songqun Investment and Development Ltd Representative: Shu-Mei Liu					687	687			687 0.15%	687 0.15%	1,954	1,954	96	96	233				2,970 0.68%	2,970 0.68%	
Director	Daqun Investment and Development Ltd. Representative: Jui-Tse Lin					1,030	1,030			1,030 0.24%	1,030 0.24%	2,275	2,275	96	96	313				3,714 0.85%	3,714 0.85%	

Independent director	Hung-Lung Huang					344	344	144	144	488 0.11%	488 0.11%									488 0.11%	488 0.11%	
	Chin-Feng Kuo					344	344	144	144	488 0.11%	488 0.11%									488 0.11%	488 0.11%	
	Lung-Fa Hsieh					344	344	144	144	488 0.11%	488 0.11%									488 0.11%	488 0.11%	
	Kuo-Hua Chang					344	344	138	138	482 0.11%	482 0.11%									482 0.11%	482 0.11%	

1. Please explain the policy, system, standards, and structure by which independent director remuneration is paid and the association between the amount paid and independent directors' responsibilities, risks, and time committed:
(1) The Remuneration Committee of the Company has established and regularly reviews the policies, systems, standards, and structures of the performance evaluation and remuneration of directors and managers, as well as regularly evaluates and establishes the remuneration of directors and managers, and submits it to the Board of Directors for resolutions passed.
(2) In accordance with Article 19 of the Articles of Association, the Company shall pay remuneration to the Chair and Directors for their service rendered regardless of whether the Company operates at a profit or loss. The remuneration payable shall be equivalent to that of individuals in the same trade.
(3) When independent directors perform their duties in the Company in accordance with the Regulations Governing the Payment of Directors' Remuneration , regardless of the company's operating profit or loss, the Company will pay them monthly remuneration, and the directors' attendance at the Company's board meetings (excluding video conference) and the transportation allowances of directors.
2. With the exception of disclosures in the table above, the remunerations received by directors for providing services (such as serving as consultants who are not employees) to all companies included in the financial statements for the most r
year: None.

(1-2-2) Remuneration scale table

Ranges of remuneration paid to each of the Company's directors	Name of director			
	Sum of the first four remunerations(A+B+C+D)		Total remuneration for the first 7 items(A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9)(H)	The Company (Note 8)	All companies included in the financial statements (Note 9) (I)
Below NT$1,000,000	Shih-Yun Lin, Shu-Mei Liu, Ruo-Ning Huang, Hung-Lung Huang, Jin-Feng Kuo, Lung-Fa Hsieh, Kuo-Hua Chang	Shih-Yun Lin, Shu-Mei Liu, Ruo-Ning Huang, Hung-Lung Huang, Jin-Feng Kuo, Lung-Fa Hsieh, Kuo-Hua Chang	Hung-Lung Huang, Jin-Feng Kuo, Lung-Fa Hsieh, Kuo-Hua Chang	Hung-Lung Huang, Jin-Feng Kuo, Lung-Fa Hsieh, Kuo-Hua Chang
NT$1,000,000 (inclusive) - NT$2,000,000 (non-inclusive)	Jui-Tse Lin	Jui-Tse Lin	Jo-Ning Huang	Jo-Ning Huang
NT$2,000,000 (inclusive) - NT$3,500,000 (non-inclusive)	—	—	Shu-Mei Liu	Shu-Mei Liu
NT$3,500,000 (inclusive) - NT$5,000,000 (non-inclusive)	Hao-Chen Lin	Hao-Chen Lin	Hao-Chen Lin, Shi-Yun Lin, Rui-Tze Lin	Hao-Chen Lin, Shi-Yun Lin, Rui-Tze Lin
NT$5,000,000 (inclusive) - NT$10,000,000 (non-inclusive)	—	—	—	—
NT$10,000,000 (inclusive) - NT$15,000,000 (non-inclusive)	—	—	—	—
NT$15,000,000 (inclusive) - NT$30,000,000 (non-inclusive)	—	—	—	—
NT$30,000,000 (inclusive) - NT$50,000,000 (non-inclusive)	—	—	—	—
NT$50,000,000 (inclusive) - NT$100,000,000 (non-inclusive)	—	—	—	—

Ranges of remuneration paid to each of the Company’s directors	Name of director			
	Sum of the first four remunerations(A+B+C+D)		Total remuneration for the first 7 items(A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9)(H)	The Company (Note 8)	All companies included in the financial statements (Note 9) (I)
NT$100,000,000 and above	—	—	—	—
Total	9 people	9 people	9 people	9 people

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its Representativeresentative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each If a director concurrently serves as a general manager or a deputy general manager, please complete this Table and Table 3-1, or Tables 3-2-1, and 3-2-2.

Note 2: This refers to director base remuneration in the most recent fiscal year (including director salary, duty allowances, severance pay, various rewards and incentives, etc).

Note 3: Please fill in the amount of director profit-sharing remuneration approved by the Board of Directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicles, etc). If housing, cars, other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base remuneration paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as a general manager, deputy general manager, other managerial officers, or non-managerial employees) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicles, etc. If housing, cars, other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base remuneration paid by the Company to the driver, but do not include it in the calculation of the director remuneration. In addition, salary expenses recognized as share-based payments under IFRS 2, including employee stock warrants, new restricted employee shares, participation in share subscription under a rights offering, etc, should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing remuneration (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as a general manager, deputy general manager, other managerial officers, or non-managerial employee). Disclose the amount of profit-sharing remuneration approved or expected to be approved by the Board of Directors for distribution for the most recent fiscal year. If the amount cannot be forecast, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Tables 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies included in the financial statements (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies included in the financial statements (including the Company).

Note 10: Net profit after tax refers to the net profit after tax of the entity or individual financial Representativeort of the most recent year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added to the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises”.

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base remuneration, profit-sharing remuneration (including employee, director, and supervisor profit-sharing remuneration), and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2.(3-2-1) Remuneration to President and Vice Presidents December 31, 2023

Unit: NT$ thousand, shares

Title	Name	Salary (A) (Note 2)		Retirement pay and pensions (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing remuneration (D) (Note 4)				The sum of A, B, C, and D as a percentage of net income after tax (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Yi-Hung Lin	1,160	1,160	127	127	421	421	303				2,011 0.46%	2,011 0.46%	
General Manager	Jui-Tse Lin	1,760	1,760	96	96	515	515	313				2,684 0.62%	2,684 0.62%	
Deputy General Manager	Shu-Mei Liu	1,400	1,400	96	96	554	554	233				2,283 0.52%	2,283 0.52%	
Deputy General Manager	Chieh-Chang Tian	960	960	57	57	201	201	56				1,274 0.29%	1,274 0.29%	
Deputy General Manager	Jia-Rong Chen	1,395	1,395	86	86	126	126	221				1,828 0.42%	1,828 0.42%	

*Regardless of the job title, any position equivalent to a general manager or deputy general manager (such as President, CEO, Chief Officer, etc) should be disclosed.

(3-2-2) Remuneration scale table

Remuneration Range Table to General Manager(s) and Assistant General Manager(s)	Names of General Manager and Deputy General Managers	
	The Company (Note 6)	All consolidated entities (Note 7) E
Below NT$ 1,000,000		
NT$1,000,000 (incl)-NT$2,000,000 (excl)	Chieh-Chang Tian, Jia-Rong Chen	Chieh-Chang Tian, Jia-Rong Chen
NT$2,000,000 (incl)-NT$3,500,000 (excl)	Yi-Hong Lin, Jui-Zeh Lin, Shu-Mei Liu	Yi-Hong Lin, Jui-Zeh Lin, Shu-Mei Liu
NT$3,500,000 (incl)-NT$5,000,000 (excl)	—	—
NT$5,000,000 (incl)-NT$10,000,000 (excl)	—	—
NT$10,000,000 (incl)-NT$15,000,000 (excl)	—	—
NT$15,000,000 (incl)-NT$30,000,000 (excl)	—	—
NT$30,000,000 (incl)-NT$50,000,000 (excl)	—	—
NT$50,000,000 (incl)-NT$100,000,000 (excl)	—	—
NT$ 100,000,000 and above	—	—
Total	5	5

Note 1: The name of each general manager and deputy general manager shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a general manager or a deputy general manager, please complete this table and Table (1-1), or Tables (1-2-1) and (1-2-2).

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and deputy general manager(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicles, and other remuneration to the general manager(s) and deputy general managers(s) in the most recent fiscal year. If housing, cars, other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base remuneration paid by the Company to the driver, but do not include it in the calculation of the director remuneration. In addition, salary expenses recognized as share-based payments under IFRS 2, including employee stock warrants, new restricted employee shares, participation in share subscription under a rights offering, etc, should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing remuneration (including stocks and cash) received by the general manager(s) and deputy general manager(s) as approved or expected to be approved by the Board of Directors for the most recent fiscal year (including concurrent service as general manager, deputy general manager, other managerial officers, or non-managerial employee). If the amount cannot be forecast, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Tables 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and deputy general manager(s) by all companies in the consolidated financial Representativeort (including the Company).

Note 6: Disclose the names of the general manager(s) and deputy general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and deputy general manager by the Company.

Note 7: Disclose the names of the general manager(s) and deputy general manager(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each general manager and deputy general manager of the Company by all companies in the consolidated financial Representativeort (including the Company).

Note 8: Net profit after tax refers to the net profit after tax of the parent company only or individual financial Representativeort of the most recent year.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and deputy general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If general manager(s) or deputy general manager(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added to the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to "Parent company and all investee enterprises".

c. Remuneration means remuneration received by the general manager(s) and deputy general manager(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base remuneration, profit-sharing remuneration (including employee, director, and supervisor profit-sharing remuneration), and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

3. (4-1) Remuneration to the top five highest paid executives of TWSE/TPEx listed companies (disclose the name and remuneration separately) (Note 1)

Title	Name	Salary (A) (Note 2)		Retirement pay and pensions (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing remuneration (D) (Note 4)				The sum of A, B, C, and D as a percentage of net income after tax (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
General Manager	Jui-Tse Lin	1,760	1,760	96	96	515	515	313				2,684 0.62%	2,684 0.62%	
Deputy General Manager	Shu-Mei Liu	1,400	1,400	96	96	554	554	233				2,283 0.52%	2,283 0.52%	

President	Yi-Hung Lin	1,160	1,160	127	127	421	421	303				2,011 0.46%	2,011 0.46%	President
Deputy General Manager	Jia-Rong Chen	1,395	1,395	86	86	126	126	221				1,828 0.42%	1,828 0.42%	
Deputy General Manager	Chieh-Chang Tian	960	960	57	57	201	201	56				1,274 0.29%	1,274 0.29%	

Note 1: The "Top 5 executives with the highest remuneration" mean the Company's managers, up to the criteria for identifying relevant managers. Scope of application for "managers" under Letter No. 0920001301. The principle of determining the "Top 5 with the highest remuneration" is that the company's managers receive salaries, severance pay and pension, bonuses, and special expenditures from all companies included in the financial statements, and the total amount of employees' remuneration (i.e. A + total of B + C + D), and the top five remunerations shall be determined according to the highest remuneration. If the director is also an officer mentioned above, this table and the above table (1-1) should be completed.

Note 2: This includes salary, duty allowances, and severance pay to the general manager(s) and deputy general manager(s) in the most recent fiscal year.

Note 3: The amount of various bonuses, incentives, transportation allowances, special allowances, various allowances, accommodation, vehicles and other in-kind benefits and other remunerations to the top five executives in the most recent year. If housing, cars, other forms of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base remuneration paid by the Company to the driver, but do not include it in the calculation of the director remuneration. In addition, salary expenses recognized as share-based payments under IFRS 2, including employee stock warrants, new restricted employee shares, participation in share subscription under a rights offering, etc, should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing remuneration (including stocks and cash) received by the general manager(s) and deputy general manager(s) as approved or expected to be approved by the Board of Directors for the most recent fiscal year (including concurrent service as general manager, deputy general manager, other managerial officers, or non-managerial employees). If the amount cannot be forecast, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Tables 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the general manager(s) and deputy general manager(s) by all companies included in the financial statements (including the Company).

Note 6: Net profit after tax refers to the net profit after tax of the parent company only or individual financial Representativeort of the most recent year.

Note 7: a. In this column, specifically disclose the amount of remuneration received by the general manager(s) and deputy general manager(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. Remuneration means the remuneration received by the top five directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company who receive the highest remuneration, including base remuneration, profit-sharing remuneration (including employee, director, and supervisor profit-sharing remuneration), and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

4.(1-3) Names of managers assigned with employee remuneration and distribution

December 31, 2023

Unit: NT$ thousand, shares

	Title (Note 1)	Name (Note 1)	Amount paid in shares	Amount paid in cash	Total	Ratio of sum to net income
Managerial Officers	President	Yi-Hung Lin		303	303	0.07%
	General Manager	Jui-Tse Lin		313	313	0.07%
	Deputy General Manager	Shu-Mei Liu		233	233	0.05%
	Deputy General Manager	Chieh-Chang Tian		56	56	0.01%
	Deputy General Manager	Jia-Rong Chen		221	221	0.05%

Note 1: Individual names and titles shall be disclosed but the profit-sharing may be disclosed in an aggregation manner.

Note 2: This refers to employee profit-sharing remuneration (including stocks and cash) received by the managerial officers as approved or expected to be approved by the Board of Directors for the most recent fiscal year. If the amount cannot be forecast, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Net income means the net income after tax on the parent company only or individual financial Representativeort for the most recent fiscal year.

Note 3: “Managerial officers” means those falling within the applicable scope defined on March 27, 2003 Order Tai-Cai-Zheng-III-Zi No. 0920001301 of the former Securities and Futures Commission, Ministry of Finance, the scope is as below:
(1) General managers and persons of equivalent ranking
(2) Vice Presidents and persons of equivalent ranking
(3) Assistant managers and others of equivalent ranking
(4) Head of Finance Department
(5) Head of Accounting Department
(6) Other persons entitled to manage the Company's affairs and sign on behalf of the Company.

Note 4: Where any director concurrently serves as a managerial officer and receives the employee’s remuneration (including shares and cash), please complete the table.

5. Separately compare and describe the analysis of the total remuneration paid by the Company and all companies included in the consolidated financial statements to directors, supervisors, general managers, and deputy general managers during the previous two fiscal years, accounting for the percentage of net income after tax. In addition, describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risks:

(1) Analysis of the total remuneration paid by the Company and all companies included in the consolidated financial statements to directors, supervisors, general managers, and deputy general managers during the previous two fiscal years, accounting for the percentage of net income after tax.

	The Company				All companies included in the consolidated financial statements			
	2022		2023		2022		2023	
	Total amount	Percentage of net income after tax	Total amount	Percentage of net income after tax	Total amount	Percentage of net income after tax	Total amount	Percentage of net income after tax
Directors' remuneration	16,840	4.12%	18,762	4.31%	16,840	4.12%	18,762	4.31%
Remuneration to general manager(s) and deputy general manager(s)	8,358	2.05%	10,080	2.31%	8,358	2.05%	10,080	2.31%
Net profit after tax	408,560	-	435,661	-	408,560	-	435,661	-

(2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risks

A. Directors and Supervisors

The remuneration of the Company's directors and supervisors includes remuneration, remuneration, and business execution expenses, among other things. Pursuant to the Articles of Incorporation, the Board of Directors is authorized to determine the remunerations of directors and supervisors based on normal industrial standards. Compliance with the Articles of Incorporation is required for distributing director and supervisor remunerations from earnings distribution.The Company made an amendment to Article 26 of the Articles of Incorporation on June 20, 2016, specifying the following distribution method:

If the Company is profitable in the current year, no more than 3% should be provided as the directors’ remuneration.

B. General manager(s) and deputy general manager(s)

The general manager and deputy general manager are compensated with a salary, bonuses, and an employee profit-sharing bonus. The salary and bonuses are determined based on the positions held in the Company, the responsibilities assumed, and the contribution to the Company, while referring to the industrial standard. The distribution of employee profit-sharing bonuses complies with the Articles of Incorporation, which must be Representativeorted to the Board of Directors and approved by the shareholders' meeting prior to distribution.

To summarize, the Company's remuneration policy for directors, supervisors, general managers, and deputy general managers, as well as the procedures for determining remunerations, are positively correlated with business performance.

III. Implementation of corporate governance

(I) Operations of the Board of Directors:

The number of board meetings held in the most recent year (2023) up to the publication date of the prospectus was: six (four in 2023 and two in 2024). The directors and supervisors' attendance was as follows:

Title	Name (Note 1)	In-person attendance rate [B]	Number of proxy attendance	Attendance expected [A]	In-person attendance rate (%) [B/A] (Note 2)	Remarks
Chair	Hehan Investment Co, Ltd (Representative: Hao-Chen Lin)	6	0	6	100	
Director	Ziqun International Co, Ltd (Representative: Jo-Ning Huang)	6	0	6	100	
Director	Songqun Investment and Development Ltd (Representativeresentative: Shu-Mei Liu)	6	0	6	100	
Director	Daqun International Co, Ltd (Representative: Jui-Tse Lin)	6	0	6	100	
Director	Haoqun Investment and Development Ltd (Representative: Shih-Yun Lin)	5	1	6	83	
Independent director	Hung-Lung Huang	6	0	6	100	
Independent director	Chin-Feng Kuo	6	0	6	100	
Independent director	Lung-Fa Hsieh	6	0	6	100	
Independent director	Kuo-Hua Chang	5	1	6	83	

Attendance status of independent directors in each board meeting ◎ Attended in person ☆ Attended by proxy ※Absent

	March 13, 2023	May 8, 2023	August 8, 2023	November 8, 2023	March 7, 2024	May 8, 2024
Hung-Lung Huang	◎	◎	◎	◎	◎	◎
Chin-Feng Kuo	◎	◎	◎	◎	◎	◎
Lung-Fa Hsieh	◎	◎	◎	◎	◎	◎
Kuo-Hua Chang	◎	◎	◎	☆	◎	◎

Other mandatory disclosures:

If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act: approved by the independent directors.

1. In the 4th meeting, the 13th Board of Directors on March 13, 2023, the following were approved:
   (1) Approved the proposal of 2022 employee and director remuneration distribution.
   (2) Approved the Company’s 2022 Business Representativeort and Financial Statements.

(3) Approved the Company's 2022 earning distribution proposal.
(4) Approved the ratification of the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies
(5) Approved the Company's 2023 assessment of the attesting CPAs' independence and competence
(6) Approved the Company's 2022 Statement of Internal Control System.
(7) Approved the proposal to add GM-47 "Procedures for Ethical Management and Guidelines for Conduct".
(8) Approved the amendment the "Corporate Governance Best Practice Principles".
(9) Approved the request to relieve managerial officers from the non-compete restrictions.
(10) Approved the request to relieve directors and their Representativeresentatives from the non-compete restrictions.
(11) Approved the Company's sustainable development promotion plan for 2023.
(12) Approved the matters related to the convention of the 2023 regular shareholders' meeting.
(13) Approved the Company's loaning of funds.
(14) Approved the Company's loaning of funds to subsidiaries.
(15) Approved the application for renewing contracts with financial institutions.
(16) Approved the application for renewing the limit of financial product trading to banks.
(17) Approved the application for renewing contracts with financial institutions.
(18) Approved the cancellation of the purchase of land and factory buildings, and application for credit facilities from banks.

2. In the 5th meeting, the 13th Board of Directors on May 8, 2023, the following were approved:
Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(2) Approved the 2023 Q1 financial statements.
(3) Approved the Company's loaning of funds to subsidiaries.
(4) Approval of the Company's plan to increase capital in its investee Ventec International Group Limited (SAMOA) due to business development needs, and then indirectly invest in TJ Technology Co, Ltd.
(5) Approved the proposal for adjusting the salary of the Company's managers in 2023

3. In the 6th meeting, the 13th Board of Directors on August 8, 2023, the following were approved:
(1) Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(2) Approved the 2023 Q2 financial statements.
(3) Approved the loaning of funds to subsidiaries.
(4) Approved the renewal of the directors and supervisors' liability insurance.
(5) Approved the motion for the Company to loan funds to subsidiaries.

4. In the 7th meeting, the 13th Board of Directors on November 8, 2023, the following were approved:
(1) Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(2) Approved the 2023 Q3 financial statements.
(3) Approved the 2024 audit plan.
(4) Approved the Company's 2024 "Summary of Business Plan".
(5) Approved the proposal of partial amendments to "GM-42 Board of Directors Performance Evaluation".
(6) Approved the loaning of funds to subsidiaries.
(7) Approved the loaning of funds to subsidiaries.
(8) Approved the merger of two subsidiaries.
(9) Approved the motion to establish a new subsidiary in Mainland China through the Company's investee Ventec International Group Limited (SAMOA).
(10) Approved the Company's sustainable development promotion plan for 2024.

5. In the 8th meeting, the 13th Board of Directors on March 7, 2024, the following were approved:
(1) Approved the proposal of 2023 employee and director remuneration distribution.
(2) Approved the 2023 Business Representativeort and Financial Statements.
(3) Approved the Company's 2023earning distribution proposal.
(4) Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(5) Approved the Company's 2024 assessment of the attesting CPAs' independence and competence.
(6) Approved the 2023 Statement of Internal Control System.
(7) Approvedthe proposal of partial amendments to the "Articles of Incorporation".
(8) Approved the request to relieve all new directors from the non-compete restrictions.
(9) Approved the matters related to the convention of the 2024 regular shareholders' meeting.
(10) Approved the proposal of partial amendments to the "GM-16 Rules of Procedure for Board of Directors Meetings" and "GM-17 Management for Board of Directors Meeting Operation".
(11) Approved the proposal of amendments to partial provisions of "GM-37 Audit Committee Charter".
(12) Approved the motion for loaning new funds to the subsidiary Ventec International Group Limited (SAMOA) and Representativeaying the old ones.
(13) Approved the proposal of loaning new funds to the subsidiary, Changshu Fute , with new loans and Representativeayment of old funds.

(14) Approved the application for renewing contracts with financial institutions.
(15) Approved the Company’s adjustment of the salary of the Company's 2024 managers and some employees.
(16) Approved the motion for the Company to increase capital in the amount of NT$100 million to the subsidiary, UNITED SKILLS CO, LTD.

6. In the 9th meeting, the 13th Board of Directors on May 8, 2024, the following were approved:

(1) Approved the handling of derivative financial product transactions in accordance with Article 20 of the Regulations Governing the Acquisition or Disposal of Assets by Public Issuing Companies.

(2) Approved the Company's financial statements for the first quarter of the fiscal year 2024.

(3) Approved the partial amendments to the "Procedures for Handling Material Inside Information" of the Company.

(4) Approved the proposal for lending funds to meet business needs and effectively utilize funds.

(5) Approved the cancellation of cash capital increase for investments in Mainland China.

(6) Approved the application for financing facilities from financial institutions.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: none.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director’s name, the content of the motion, the reason for recusal, and whether and how the director voted: directors recused themselves from discussions and voting regarding remunerations.

III. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the Board of Directors’ self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, provide information on the Implementation of Evaluations of the Board of Directors (Note 3).

IV. Give an evaluation of the targets that were adopted for strengthening the functions of the board during the current and immediately preceding fiscal years (such as establishing an audit committee, increasing information transparency, etc) and the measures taken toward achievement thereof: The operation of the board meetings complies with the “Rules of Procedure for Board of Directors Meetings”. The board members have actively attended the continuing education courses under the coverage of corporate governance organized by the designated institutions in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. In addition, the Company has four independent directors in place. The four independent directors attended the board meetings well. With their professional knowledge and competencies, including accounting and finance analysis, they provide good advice to the Board of Directors on the proposals related to the implementation of the internal control system, business, and finance. The above implementations should help to strengthen the functions of the Board of Directors and implement the goals of corporate governance.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its Representativeresentative.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.
(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in- person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person’s actual time in office.

Note 3: Implementation of the evaluation of the Board of Directors:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Method of evaluation (Note 4)	Content of evaluation (Note 5)
Once a year	January 1, 2023-December 31, 2023	Board of Directors	Self-evaluation by board members	The degree of participation in the operation of the company, the quality of the board’s decision-making, board makeup and structure, election and continuing education of the directors, internal control.
Once a year	January 1, 2023-December 31, 2023	Individual board member	Self-evaluation of board members	Familiarity with the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationships and communication, the director's

				professionalism and continuing education, internal control.
Once a year	January 1, 2023-December 31, 2023	Functional committees	Self-evaluation of individual committee members	Participation in the operation of the company, awareness of the duties of the functional committees, improvement of the decision-making quality of the functional committees, composition of the functional committees and selection of members, internal control

Note 1: Fill in the cycle on which the board evaluations are performed, for example, performed once per year.

Note 2: Fill in the period covered by the board evaluation, for example: An evaluation was performed of the performance of the Board of Directors from January 1, 2023 to December 31, 2023.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include an internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations of external organizations or experts engaged for that purpose, or other suitable methods.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

(1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company, the quality of the board's decision-making, composition and structure of the board, election and continuing education of the directors, internal control.

(2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationships and communication, the director's professionalism and continuing education, internal control.

(3) Evaluation of the performance of the functional committees: including at least the level of participation in the Company's operations, awareness of the duties of the functional committees, improvement of the quality of the decisions made by the functional committees, composition of the functional committees and election of its members, internal control, etc.

(III) The operation of the Audit Committee:

The number of the Audit Committee meetings held in the most recent year (2023) up to the publication date of the prospectus was: six (four in 2023 and two in 2024). The attendance by the independent directors and supervisors was as following:

Title	Name	Number of meetings participated in in person [B]	Attendance expected [A]	In-person participation rate(%) [B/A] (Note)	Remarks (Note 5)
Independent director	Hung-Lung Huang	6	6	100	
Independent director	Chin-Feng Kuo	6	6	100	
Independent director	Lung-Fa Hsieh	6	6	100	
Independent director	Kuo-Hua Chang	5	6	83	
Other mandatory disclosures: I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee: The Audit Committee of the Company is composed of four independent directors. The Audit Committee aims to assist the Board of Directors to perform the supervision of the Company's quality and reliability in the implementation of accounting, auditing, financial Representativeorting					

processes, and financial systems.

The Audit Committee held 4 meetings in 2023. Matters reviewed mainly included:

(1) Auditing financial statements
(2) Internal control system and related policies and procedures
(3) Material asset or derivative transactions
(4) Material loaning of funds, and endorsements/guarantees
(5) Legal compliance
(6) Assessment of attesting CPAs' independence
(7) Inquiry on the effectiveness of the internal control system
(8) Renewal of directors and supervisors' liability insurance
(9) Earning distribution
(10)Matters involving directors' conflicts of interests

■Reviewing financial Representativeorts

The Board of Directors has pRepresentativeared the Company's 2023 business Representativeort, financial statements, and earnings distribution proposal. The financial statements have been audited by PWC Taiwan, which has issued an audit Representativeort. The aforesaid business Representativeort, financial statements, and profit distribution proposal have been audited by the Audit Committee and no inconsistency was found.

■Assessing the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system (including controlling measures such as finance, operation, risk management, information security, outsourcing, and legal compliance), as well as the regular Representativeorts from the management, including risk management and legal compliance. In reference to the Internal Control-Integrated Framework issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee believes that the Company's risk management and internal control systems are effective. The Company has adopted necessary control mechanisms to supervise and correct violations.

■Commissioning attesting CPAs

The Audit Committee is entrusted with the responsibility of supervising the independence of the attesting accounting firm, to ensure the fairness of the financial statements. Generally, except for tax-related services or items approved in particular, the attesting accounting firm is not allowed to provide other services to the Company. All services provided by attesting CPAs must be approved by the Audit Committee.

To ensure the independence of the attesting CPA firm, the Audit Committee formulated an independence assessment form by referring to Article 47 of the Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 "Integrity, Objectivity, and Independence", to evaluate the CPAs' independence, professionalism, and competence, as well as whether the Company is a related party to them, or any business or financial interest relationship exists with the Company. The 7th meeting of the 4th Audit Committee held on March 7, 2024, and the 8th meeting of the 13th Board of Directors held on March 7, 2024, reviewed and approved that CPAs Yu-Chuang Wang Wang and Mei-Lan Liu from PwC Taiwan have met the independence evaluation standards. They are qualified as the Company's financial and tax CPAs.

(I) Any matter under Article 14-5 of the Securities and Exchange Act: approved by the Audit Committee and Representativeorted to the Board.

1. The 3rd meeting of the 4th Audit Committee on March 13, 2023, approved the following:

(1) Approved the proposal of 2022 employee and director remuneration distribution.
(2) Approved the 2022 Business Representativeort and Financial Statements.
(3) Approved the Company's 2022 earning distribution proposal.
(4) Approved the ratification of the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies
(5) Approved the Company's 2023 assessment of the attesting CPAs' independence and competence
(6) Approved the 2022 Statement of Internal Control System.
(7) Approved the proposal to add GM-47 "Procedures for Ethical Management and Guidelines for Conduct".

(8) Approved the amendment of the “Corporate Governance Best Practice Principles”.
(9) Approved the request to relieve all managerial officers from the non-compete restrictions.
(10) Approved the request to relieve all new directors from the non-compete restrictions.
(11) Approved the loaning of funds.
(12) Approved the Company’s loaning of funds to subsidiaries.
(13) Approved the application for renewing contracts with financial institutions.
(14) Approved the application for renewing the limit of financial product trading to banks.
(15) Approved the application for renewing contracts with financial institutions.
(16) Approved the cancellation of the purchase of land and factory buildings and application for credit facilities from banks.
(17) Approved the intention to pre-approve the provision of non-assurance services by the attesting CPAs, their CPA firm, and its affiliates to the Company and its subsidiaries.

2. The 4th meeting of the 4th Audit Committee on May 8, 2023, approved the following:
Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing t Acquisition and Disposal of Assets by Public Companies.
(2) Approved the 2023 Q1 financial statements.
(3) Approved the Company’s loaning of funds to subsidiaries.
(4) Approval of the Company's plan to increase capital in its investee Ventec International Group Limited (SAMOA) due to business development needs, and then indirectly invest in TJ Technology Co, Ltd.
(5) Approved the proposal for adjusting the salary of the Company's managers in 2023.

3. The 5th meeting of the 4th Audit Committee on August 8, 2023, approved the following:
(1) Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(2) Approved the 2023 Q2 financial statements.
(3) Approved the loaning of funds to subsidiaries.
(4) Approved the renewal of the directors and supervisors’ liability insurance.
(5) Approved the motion for the Company to loan funds to subsidiaries.

4. The 6th meeting of the 4th Audit Committee on November 8, 2023, approved the following:
(1) Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(2) Approved the 2023 Q3 financial statements.
(3) Approved the 2024 audit plan.
(4) Approved the Company’s 2024 “Summary of Business Plan”.
(5) Approved the proposal of partial amendments to”GM-42 Board of Directors Performance Evaluation”.
(6) Approved the loaning of funds to subsidiaries.
(7) Approved the loaning of funds to subsidiaries.
(8) Approved the merger of two subsidiaries.
(9) Approved the motion to establish a new subsidiary in Mainland China through the Company's investee Ventec International Group Limited (SAMOA).
(10) Approved the Company’s sustainable development promotion plan for 2024.

5. The 7th meeting of the 4th Audit Committee on March 7, 2024, approved the following:
(1) Approved the proposal of 2023 employee and director remuneration distribution.
(2) Approved the 2023 Business Representativeort and Financial Statements.
(3) Approved the Company’s 2023earning distribution proposal.
(4) Approved the ratification of derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
(5) Approved the Company’s 2024 assessment of the attesting CPAs’ independence and competence.
(6) Approved the 2023 Statement of Internal Control System.
(7) Approvedthe proposal of partial amendments to the “Articles of Incorporation”.
(8) Approved the request to relieve all new directors from the non-compete restrictions.
(9) Approved the proposal of partial amendments to the “GM-16 Rules of Procedure for Board of

Directors Meetings" and "GM-17 Management for Board of Directors Meeting Operation".

(10) Approved the proposal of partial amendments to "GM-37Audit Committee Charter".

(11) Approved the motion for loaning new funds to the subsidiary investee Ventec International Group Limited (SAMOA) and Representativeaying the old ones.

(12) Approved the proposal of loaning new funds to the subsidiary, Changshu Fute, with new loans and Representativeayment of old funds.

(13) Approved the application for renewing contracts with financial institutions.

(14) Approved the adjustment of the salary of the Company's 2024 managers and some employees.

(15) Approved the motion for the Company's plan to increase capital in the amount of NT$100 million to the subsidiary, UNITED SKILLS CO, LTD.

6. The 4th meeting of the 4th Audit Committee on May 8, 2024, approved the following:

(1) Approved the handling of derivative financial product transactions in accordance with Article 20 of the Regulations Governing the Acquisition or Disposal of Assets by Public Issuing Companies.

(2) Approved the Company's financial statements for the first quarter of the fiscal year 2024.

(3) Approved the partial amendments to the "Procedures for Handling Material Inside Information" of the Company.

(4) Approved the proposal for lending funds to meet business needs and effectively utilize funds.

(5) Approved the cancellation of cash capital increase for investments in Mainland China.

(6) Approved the application for financing facilities from financial institutions.

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the Board of Directors.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditors (any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication).

1. The Company submits a monthly summary Representativeort on the deficiencies in the monthly inspection and the tracking of corrections and rectification to the independent directors for review.
2. The internal audit officer of the Company regularly explains the audit business, audit results, and follow-up situation to the independent directors during the Audit Committee meetings.
3. The Company holds board meetings on a quarterly basis. Independent directors and the audit officer all participated in the board meetings, and the audit officer Representativeorts on the internal audit business situation at each board meeting.
4. When reviewing annual financial Representativeorts, CPAs participated in the Audit Committee, explaining the process of auditing financial statements, scope, and the update of laws and regulations, with sufficient discussions with independent directors.
5. The audit officer, CPAs, and independent directors may contact each other directly whenever required, and the communication channels are smooth.
6. Please refer to (Note 3) and (Note 4) for the summary of the communications from 2023 to 2024.

Note 1: *If any independent director left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were on the committee.

Note 2: If any by-election for independent director was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

Note 3: Summary of the communication between independent directors and internal auditing officers

Date/Name of meeting	Emphasis of meeting	Outcomes

Date/Name of meeting	Emphasis of meeting	Outcomes
Audit Committee on March 13, 2023	1. Representativeort on internal audit operation from October 2022 to January 2023. 2. 2022 Statement of Internal Control System	No opinion was expressed by any independent director or submitted to the Board after the deliberation.
Audit Committee on May 8, 2023	Representativeort on internal audit operation from Feburary 20233 to April 2023.	No opinion was expressed by any independent director or submitted to the Board after the deliberation.
Audit Committee on August 8, 2023	Representativeort on internal audit operation from April 2023 to June 2023.	No opinion was expressed by any independent directors or submitted to the Board after the deliberation.
Audit Committee on November 8, 2023	1. Representativeort on internal audit operation from July 2023 to September 2023. 2. 2024 Annual Audit Plan	No opinion was expressed by any independent directors or submitted to the Board after the deliberation.
Audit Committee on March 7, 2024	1. Internal audit Representativeort from October 2023 to January 2024 2. 2023 Declaration of Internal Control System	No opinion was expressed by any independent directors or submitted to the Board after the deliberation.
Audit Committee on May 8, 2024	Representativeort on internal audit operation from Feburary 20233 to April 2024.	No opinion was expressed by any independent directors or submitted to the Board after the deliberation.

Note 4: Summary of previous communications between Independent Directors and CPAs

Date/Name of meeting	Emphasis of meeting	Outcomes
Audit Committee on March 13, 2023	Representativeort on the 2022 parent-only and consolidated financial Representativeorts.	The CPAs participated in the Audit Committee meeting on March 13, 2023, to explain the audit of 2022 financial Representativeorts, and discuss and communicate regarding the questions raised by the independent directors.
Audit Committee on May 8, 2023	2023 Q1 consolidated financial statements	The CPAs attended the Audit Committee on May 8, 2023, and explained the review of the financial statements for the first quarter of 2023 and discussed and communicated the issues raised by the independent directors.
Audit Committee on November 8, 2023	2023 Q3 consolidated financial statements	The CPAs participated in the Audit Committee meeting on November 8, 2023, to explain the audit of the 2023 financial Representativeorts, communicate with the governance unit regarding the CPAs' planning, as well as the AQIs, and discuss and communicate regarding the questions raised by the independent directors.
Audit Committee on March 7, 2024	2023 individual financial statements and consolidated financial statements.	The CPAs participated in the Audit Committee meeting on March 7, 2024, to explain the audit of 2023 financial Representativeorts, and discuss and communicateregarding the questions raised by the independent directors.

(IV) The status of corporate governance and the deviation and reason for “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies”.

Assessment criteria	Operation status (Note 1)			Deviation and reason “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies?	V		The Company has established the “Corporate Governance Best Practice Principles”, which are placed under the MOPS/electronic books/corporate governance, for stakeholders to download and read.	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
II. The Company’s equity structure and shareholders' equity				Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
(I) Has the Company created a set of internal procedures to handle shareholders' suggestions, queries, disputes, and litigations and enforced them accordingly?	V		The Company has units like a spokesperson, deputy spokesperson, and investor services in place, and the contact information is fully disclosed on the Company's website. Shareholders can furnish their opinions or suggestions by telephone or email, and the Company will handle them pursuant to relevant operating procedures.	
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		The Company's major shareholders and their ultimate controllers are notified of the changes and pledges in equity on a monthly basis. The Company announces and declares after the summary. Every year, the annual Representativeort includes a list of the top ten shareholders, as well as disclose information of major shareholder with shareholder equity ratios above 5%.	
(III) Has the Company established and implemented risk management practices and firewalls for its affiliated companies?	V		The Company has established relevant controls, pursuant to laws and regulations, in the internal control system, the supervision and management of subsidiaries, and the management of transactions with related parties.	
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		The Company has established the “Ethical Code of Conduct”, “Ethical Corporate Management Best Practice Principles”, and “Procedures for Handling Material Inside Information”, to regulate the personnel to avoid conflicts of interest related to their jobs, and forbid insiders to trade securities with the undisclosed information known to them, or leak the same to others, to prevent insider trading.	
III. Composition and responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		The Board has established the “Corporate Governance Best Practice Principles” and the “Regulations Governing the Election of Directors and Independent Directors”. Article 20 of the “Corporate Governance Best Practice Principles” requires that the composition of the Board of Directors shall be determined by taking diversity into consideration, such as different professional backgrounds, working fields, or genders, and with the knowledge, skills, and experience	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment criteria	Operation status (Note 1)			Deviation and reason "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
	Yes	No	Summary	
			to demonstrate competence in strategic guidance. The aforementioned are disclosed on the Company's website. 1. The Company actively cooperates with the Financial Supervisory Commission to promote the sustainable development roadmap of corporate governance, and also emphasizes the gender equality of board members. The target ratio of female directors is more than 20%. Currently, three of the nine directors are female, accounting for 33.33%. 2. All nine directors of the Company have completed 6 hours of refresher courses in 2023. 3. The 13th Board of Directors consists of 9 directors. Non-employee directors account for 44.44%, independent directors account for 44.44%, and female directors account for 33.33%. The average age of all directors is 53.6 years old. 4. The board members as a whole are competent. Please refer to pages 13-14 of the diversity of the Board of Directors of this annual Representativeort.	
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	V		The Company has established the Corporate Governance and Sustainable Development Committee to assist the Board of Directors in the promotion of sustainable development and implementation of sustainable governance, aiming to enhance corporate governance, implement environmental protection, and fulfill social responsibilities.	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors and used them as a reference in determining salary/remuneration for individual directors and their nomination and additional office terms?	V		The Company has established the "Rules for Performance Evaluation of Board of Directors" and conducts performance evaluations every year. The self-evaluations for the 2023 Board's performance were completed and Representativeorted in the board meeting on March 7, 2024 and disclosed in the annual Representativeort and the MOPS as required.	
(IV) Does the Company evaluate the independence of CPAs on a regular basis?	V		The Company does regularly evaluate the independence of the attesting CPAs, and the results were submitted to the Audit Committee and the Board of Directors for review and approval on March 7, 2024. CPA Yu-Chuan Wang and Mei-Lan Liu, CPAs of Taiwan PricewaterhouseCoopers Taiwan, have been evaluated by the Company as both meeting the Company's independence evaluation criteria (Note 2) and are qualified to serve as the Company's certified public accountants. The CPA firm has also issued a letter of declaration (Note 3).	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders in accordance with the law, and compiling minutes of board meetings and annual general meetings)?	V		On November 11, 2019, the Company's Board of Directors approved the creation of the position of "Corporate Governance Officer", which is held concurrently by the general manager. The major functions include: handling board and shareholder meetings in accordance with the law, producing minutes of the board and shareholder meetings, assisting in the onboarding and continuous development of directors and supervisors, providing information required for business execution and legal compliance, and other matters specified in the articles of incorporation or contracts. The Company's corporate governance officer has performed the relevant functions above in 2023, and completed 12 hours of continuing education in 2023. These are disclosed on the Company's website and the MOPS.	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
IV. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has established a spokesperson system to communicate with stakeholders, and has set up the stakeholders section on the Company website, to provide diversified communication channels and contact platforms. The stakeholders include investors and shareholders, employees, customers, suppliers, communities, or parties having interests in the Company. The smooth communication channels are maintained for them.	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
VI. Does the Company engage a share transfer agency to handle shareholder meeting affairs?	V		The Company commissions the Stock Affairs Department of President Securities Co, Limited to handle the affairs of the shareholders' meeting.	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment criteria	Operation status (Note 1)			Deviation and reason "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
	Yes	No	Summary	
VII. Information disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	V		The Company has established an open website (http://www.yccco.com.tw) to regularly disclose information related to finance, business, and corporate governance.	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
(II) Does the Company use other information disclosure channels? (such as maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conferences, etc)?	V		The Company has set up the website in both Chinese and English, appointed the personnel in the Office of General Manager to be responsible for collecting and disclosing information, and has a spokesperson and deputy spokesperson in place to implement the spokesperson system. The process of the Company's investor conferences is disclosed on the Company's website and the MOPS for inquiries.	
(III) Does the company publish and Representativeort its annual financial Representativeort within two months after the end of the fiscal year, and publish and Representativeort its financial Representativeorts for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	The Company publishes and Representativeorts its annual financial statements within three months after the end of the fiscal year, and publishes and Representativeorts its financial statements for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines.	Same as the summary
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices? (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		1.Employee rights and care: the Company always values the working environment and rights of employees. In addition toestablishing the Employee Welfare Committee to implement various employee benefit plans, it also established the "Employee Shareholding Association of Y. C. C. PARTS MFG. CO., LTD.", to assist employees' long-term savings for securing their lives after retirement. In addition, interactive communication is enhanced and channels for employees to provide feedback are provided. 2. Investor relations: Investors can fully understand the Company's operations through the Company's website or the Market Observation Post System, and can communicate with the spokesperson through the communication platform or participate in the institutional investor conference held by the Company. 3. Supplier relations: The Company regards suppliers as its long-term partners and aims to establish mutual growth. In addition, suppliers can maintain contact with the Company through the Company's website and communication platform. 4. The rights of stakeholders: The Stakeholders section has been set up on the Company's website to provide multiple communication channels and platforms and to respond appropriately to issues of concern to stakeholders. The status of the communication was Representativeorted to the Board of Directors on November 8, 2023. 5. Continuing education of directors and supervisors: All nine directors of the Company have	Complies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment criteria	Operation status (Note 1) Yes	No	Summary	Deviation and reason "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
			completed 6 hours of continuing education in 2023. 6. Implementation of risk management policies and risk measurement standards: The Company complies with the internal control system and various management regulations to reduce various risks, and the internal audit unit formulates annual audit plans based on risk assessment results and implements them. 7. Implementation of customer policy: Under the policy of high customer satisfaction, the Company attaches great importance to product quality and customer response, and takes immediate measures and Representativelies to customer requirements and complaints, with the goal of creating a win-win situation . 8. The purchase of liability insurance for directors and supervisors by the Company: The Company has purchased the liability insurance for directors and supervisors from ShinKong Insurance Co, Ltd for US$5 million.	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not required for companies not evaluated) Improvements made: 1. The Company has disclosed the ethical management policy approved by the Board of Directors on the website or in the 2023 annual Representativeort, specifying the specific methods and programs to prevent unethical conduct, and explaining the implementation status. Matters prioritized for improvement and the measures: 1. The Company proposes to revise and disclose on the Company's website internal regulations prohibiting insiders such as directors or employees from trading securities using undisclosed market information. This includes (but is not limited to) directors refraining from trading the Company's shares during the 30-day period preceding the announcement of the annual financial report, and the 15-day period preceding the announcement of the quarterly financial report, along with detailing the implementation.				

Note 1: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

Note 2: Standards for evaluating the independence and suitability of CPAs

Item	Specific indicators	Results	Are independence and competence conformed to?
1	There is no direct or indirect material financial interest between the Company and the members of the audit service team and their family members, other colleague CPAs and their family members, the CPA firm, and its affiliates.	Yes	Yes
2	There is no financing or guarantee between the Company or its directors and supervisors, the members of the audit service team and their families, other colleague CPAs and their family members, the CPA firm, and its affiliates (the normal commercial financing with financial institutions are not subject to the requirement).	Yes	Yes
3	There is no close business relationship between the CPA firm or the members of the audit service team and the Company or its affiliates.	Yes	Yes
4	Currently, there is no potential employment relationship between members of the audit services team and the Company.	Yes	Yes
5	None of the members of the audit service team has served as the Company’s director or supervisor, or a person holding a position with material influence over audit cases in the past two years.	Yes	Yes
6	The audit fees paid by the Company to the CPAs are fixed amounts, but not contingent fees. There is no overdue fee affecting the independence of the audit.	Yes	Yes
7	The members of the audit service team are not engaged to be the defenders of the Company's positions or opinions, or to mediate conflicts with third parties on behalf of the Company.	Yes	Yes
8	Upon the commission of this year, the CPA's service period will reach four years but not exceed seven years.	Yes	Yes
9	The members of the audit service team have no kinship with the Company's directors, supervisors, managerial officers, or personnel with material influence over audit cases.	Yes	Yes
10	The directors, supervisors, and managerial officers of the Company have not given any gift of great value to the members of the audit service team.	Yes	Yes
11	None of the Company's directors, supervisors, managerial officers, or personnel with material influence over audit cases, retired or resigned from the commissioned CPA firm within a year.	Yes	Yes
12	The independent directors of the Company were not and are not employed in the CPA firm within the two years before the appointment and during their terms of office. The Remuneration Committee members of the Company are not professionals providing business, legal, financial, accounting, and other services or consultations within the two years before the appointment and during their terms of office.	Yes	Yes
13	The Company does not make the members of the audit service team suffer or feel intimidation by the Company, making them unable to maintain objectivity and clarify professional doubts. For example: 1. The Company's management having improper requirements for the choice of accounting policies or disclosure in the financial statements. 2. The Company did not request to reduce the audit work to be performed on the grounds of reduced fees.	Yes	Yes
14	Attesting CPAs do not serve as directors, supervisors, managerial officers, or positions with material influence over audit cases of the Company within one year from discharge. (If they did not)	Yes	Yes

Note 4: Statement presented by PwC Taiwan

pwc

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

Date: March 7, 2024
Document No.: Zi-Hui-Zong-Zi No. 23007718

Summary: At the request of the Company and its subsidiaries (collectively referred to as the "Group") and in accordance with No. 10 "Integrity, Impartiality, Objectivity, and Independence" of the CPA Professional Ethics Report, the independence assessment has been described. Please review.

Explanation:

I. Pursuant to Article 4 of Bulletin No. 10 of the Code of Ethics for Certified Public Accountants ("Bulletin No. 10"), when auditing or reviewing financial Independence becomes even more important. Therefore, the members of the audit team, other certified public accountants, and affiliates of the firm (refer to attachment 3) (hereinafter referred to as the "members of the audit team and the related parties of the firm") must maintain independence from clients." In addition, Article 6 of Communiqué No. 10 also states that "independence may be affected by the familiarity of self-interest and self-assessment on defense and coercion." We only declare to the Group for the factors mentioned in Article 7 that may affect our independence that our independence has not been affected by the above factors.

II. Independence is not affected by self-interest
We hereby declare that none of the members of the audit team (detailed in the attachment 1) nor any of our related parties have (1) direct or material indirect financial interest or (2) close business relationship with the Group or the directors and supervisors; (3) Potential employment relationship; (4) Behavior of financing or guarantee.

III. Independence is not affected by the self-assessment
We hereby declare that no member of our audit service team has served as a director or supervisor of the Group in the last two years or has served as a director or supervisor of the Group or in a position that directly affects the audit case; also, we have not provided non-audit services that directly affect important items of the audit case.

IV. Independence not affected by defense
We declare that no member of the audit service team is commissioned to become the defender of the position or opinion of the Group, nor to represent the Group in mediation and coordination of conflicts with other third parties.

V. Independence is not affected by familiarity

We hereby declare that: (1) no member of the audit service team is related to any of the Group's directors, supervisors, managers, or personnel who have a significant influence on audit cases; (2) there is no Serving as a director, supervisor, manager, or a position that has a significant impact on audit cases; (3) A member of the audit service team has not received any gifts or gifts of great value from the Group, its directors, supervisors, managers, or major shareholders.

VI. Independence not affected by coercion

We hereby declare that the audit team did not suffer or feel any unjustifiable request from the Group's management regarding the choice of accounting policy or disclosure in the financial statements, or the reduction of audit work to be performed on the grounds of lower fees that affected objectivity and caused professional doubts.

VII. We hereby declare that members of the audit team are expected to act with integrity, impartiality, and independence while performing professional services and expressing opinions fairly.

This report and the above statement only has been made in accordance with our operating procedures for client independence inspections, and we have exercised due diligence on the project.

Attachment:

I. The list of members of the audit service team is specified in Communiqué No. 10.

II. Retired from the joint-practice accountant in the past year.

III. List of Affiliated Entities of PwC Taiwan

PwC Taiwan

Yu-Chuang Wang Wang

CPA:

Mei-Lan Liu

(IV) Composition,duties, and operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

April 1, 2024

Criteria / Type of identity (Note 1)	Name	Professional qualifications and experience (Note 2)	Meeting independence criteria (Note 3)	Number of positions as a Remuneration Committee member in other public companies
Convener and Independent Director	Hung-Lung Huang	Demonstrating competence in operational judgment and management, as well as accounting and finance expertise. The individual is a CPA.	All members comply with Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.Please refer to the information of directors and supervisors (II)	1
Independent director	Chin-Feng Kuo	Possessing expertise in accounting, finance, and business administration		0
Independent director	Lung-Fa Hsieh	With theoretical and practical experience in business administration for more than 30 years, possessing analytical expertise and decision-making competence in business strategy, research and development management, and marketing planning.		0
Independent director	Kuo-Hua Chang	Demonstrate qualifications in corporate governance-related law and practice, industrial development and operation management, etc. Professor, Institute of Technology Law, National Yunlin University of Science and Technology Expertise: Commercial law, Company Act, Negotiable Instruments Act, Intellectual Property Law, Trade Secrets Act, Copyright Act, Administrative Law, and Environmental law		2

Note 1: Please specify the seniority, professional qualifications, experience, and independence of each Remuneration Committee member in the table. In the case of independent directors, please refer to Table 1 Directors and Supervisors on page 16 for the description Information (1) Related content. Please fill in the identity as an independent director or others (if the convener, please specify).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Independence criteria: Members of the Remuneration Committee meet the independence criteria, including but not limited to whether the member, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliated companies; whether the member, his/her spouse, or a relative within the second degree of kinship (or through a third party) holds shares in the company and the percentage of such shares; whether the member serves as a director, supervisor, or employee of a company with a specific relationship with the Company, as defined in Article 6, Paragraph 1, Subsections 5 to 8 of the Regulations for the Establishment and Exercise of Functions of the Remuneration Committee; and the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last 2 years.

2. Operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of four members.

(2) The term of office of the current members: August 9, 2022 to May 26, 2025. The current term of office starts on the date of publication of the prospectus (three times in 2023 and once in

2024). The Remuneration Committee has held 4 meetings. The attendance record is as follows:

Title	Name	Number of meetings attended in person (B)	Number of proxy attendance	Attendance expected (A)	In-person attendance rate (%) (B/A)(Note)	Remarks
Convener	Hung-Lung Huang	4	0	4	100	
Member	Chin-Feng Kuo	4	0	4	100	
Member	Lung-Fa Hsieh	4	0	4	100	
Member	Kuo-Hua Chang	3	1	4	75	

Other mandatory disclosures:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and duration of the board meeting, the content of the motions, the resolutions of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions should be disclosed. If the remuneration approved by the board deviates from the recommendations of the Remuneration Committee, the deviation and the reason for it should be stated. No such situation occurred.
2. For decisions made by the Remuneration Committee, if a member has objections or reservations with a recorded or written statement, the date, session, content of the proposal, all members' opinions, and the handling of the members' opinions by the Remuneration Committee should be stated: No such situation occurred.

The summary of the main communications and resolutions in 2023 are as follows:

Remuneration Committee	Proposal description and follow-ups	Resolution	The Company's response to the opinions of the members:
2nd meeting of the 5th term on March 13, 2023	I. Proposal of 2022 employee and director remuneration distribution.	Approved by all attending members	Submitted to the Board and approved by all attending directors
3rd meeting of the 5th term on May 8, 2023	I. Proposal for the salary adjustment of the Company's managers for 2023.	Approved by all attending members	Submitted to the Board and approved by all attending directors
4th meeting of the 5th term on November 8, 2023	I. Review the Company's regulation governing the directors and managerial officers' remunerations. II. Partial amendments to”GM-42 Regulations Governing the Performance Evaluation of the Board of Directors”	Approved by all attending members	Submitted to the Board and approved by all attending directors
5th meeting of the 5th board March 7, 2024	I. Proposal of 2023 employee and director remuneration distribution. II. The adjustment of the 2024 managerial officers' salary as compared to some employees.	Approved by all attending members	Submitted to the Board and approved by all attending directors

Note:

1. If a Remuneration Committee member left the committee before the end of the fiscal year, indicate the date in the Remarks column. Their in-person attendance rate (%) should be calculated using the number of Remuneration Committee meetings held and the number of meetings attended in person during their tenure on the committee.
2. If a by-election for Remuneration Committee members was held before the end of the fiscal year, the names of the new and old committee members should be entered into the table, along with a note indicating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated using the number of Remuneration Committee meetings held and the number attended in person during each member's actual time on the committee.

(V) Implementation status of sustainable development promotion and deviation and reason for “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.

Assessment criteria	Implementation (Note 1)			Deviation and reason for the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.
	Yes	No	Summary	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		The Company has established the Corporate Governance and Sustainable Development Committee, with the general manager as the convener, responsible for coordinating the Company's sustainable development policy and reviewing the implementation results, and Representativeorting to the Board of Directors at least once a year. Representativeort of implementation results on March 7, 2024.	No material deviation.
II. Has the Company conducted a risk assessment on environmental, social, and corporate governance issues that are relevant to its operations and implemented risk management policies or strategies based on principles of materiality? (Note 2)	V		Regarding the environment, the Company has completed the 2022 carbon inventory in accordance with 'ISO14064-1', reviewed and initiated the Company's carbon reduction plan, and planned the 2023 carbon inventory of the subsidiaries. The Company prioritizes occupational safety by emphasizing workplace environment management, implementing maintenance plans for equipment safety, providing regular and timely employee education and training, and conducting daily fire inspections. Additionally, the Company values service and product safety, maintaining close communication channels with its customers, regularly adjusting to customer satisfaction, and purchasing product liability insurance in accordance with the law. For corporate social responsibility, the Company organizes regular blood donation activities, donates to disadvantaged groups, and supports schools at all levels in Changhua County to promote character education. In terms of corporate governance, the company has formed the Corporate Governance and Sustainable Development Committee to make sure that its operations adhere to legal requirements, safeguard its intellectual property and equity interests, organize director training programs and purchase directors' liability insurance to enhance the Board of Directors' competency, and create a range of interest-based communication channels with related parties. The Company is dedicated to risk assessment and management in all of the group's companies, as well as to its long-term operations.	No material deviation.
III. Environmental issues (I) Has the company implemented an appropriate environmental management system based on industry characteristics?	V		Certifications in accordance with ISO9001 and ISO16949 for the Company's automotive parts, ISO22000 for its food factory and FSSC application, and ISO17025 for its laboratory are expected to be acquired by 2024. The Company also takes inventory of the Group's carbon footprint in accordance with the ISO14064-1 standard.	No material deviation.

<table>
<tr><th rowspan="2">Assessment criteria</th><th colspan="3">Implementation (Note 1)</th><th rowspan="2">Deviation and reason for the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(II) Is the company committed to using more efficient energy and renewable materials with minimal environmental impact?</td><td>V</td><td></td><td>To reduce the environmental impact, the Company installs sensing lights throughout its factory areas, recycles process wastewater, and adds recycled raw materials in appropriate proportions to products.
Water-saving recycling equipment has been installed and is expected to begin operations in 2024. By then, the recycled water will have been used in the production process, reducing water consumption, and wastewater discharge.
Qualified commercial waste disposal vendors are contracted to remove and treat all commercial waste.
To use green energy, install solar power equipment on the factory roof.</td><td>No material deviation.</td></tr>
<tr><td>(III) Has the company assessed the potential risks and opportunities posed by climate change for its current and future operations and taken appropriate measures to address them?</td><td>V</td><td></td><td>The Company promptly monitors air conditioner temperature control, encourages paperless endeavors, lowers energy waste, and plants trees. At the same time, the Group's carbon footprint is inventoried in accordance with the ISO 14064-1 standard, initiating carbon reduction. The Company also advocates energy conservation through the Company's employee energy conservation and carbon reduction activities to raise employees' awareness of environmental protection and energy conservation. Furthermore, waste generated during the manufacturing process is classified into different types, and various recycling and reuse methods are used to improve resource life cycles.</td><td>No material deviation.</td></tr>
<tr><td>(IV) Did the company collect data on greenhouse gas emissions, water consumption volume, and total waste weight over the last two years and develop policies to reduce greenhouse gas emissions, reduce water consumption, or manage other wastes?</td><td>V</td><td></td><td>In 2022, the total weight of the company's waste volume was 6.37 tons, and in 2023, the volume was 8.72 tons. The Company has strengthened the implementation of the recycling, classification, and incentive policies. Water consumption in 2022 was 99,277 tons, and in 2023, it was 76,273 tons. Therefore, the company is expanding the installation of a water resource recycling system to reduce water consumption. The Company also completed the 2022 carbon inventory in accordance with ISO14064-1 standards. In 2023, the Company will continue to carry out the 2022 carbon inventory and implement the carbon reduction plan.
The following table illustrates the Company's greenhouse gas emission data for the last two years:
<u>Annual electricity consumption (kWh) and CO2e emission (tonnes)</u>
<table>
<tr><th>Year of inventory</th><th>Electricity consumption (kWh)</th><th>Emission volume (tonnes)</th><th>Increase or decrease (tons)</th><th>Increase/decrease ratio (%)</th></tr>
<tr><td>2023</td><td>17,179,776</td><td>8,503.98</td><td>731.97</td><td>9.41%</td></tr>
<tr><td>2022</td><td>15,701,024</td><td>7,772.01</td><td>-</td><td>-</td></tr>
</table>
Note: 1. The electricity coefficient announced by the Energy Administration in 2022 is 0.495 kg CO2e/kWh
2. The Company's energy consumption mainly comes from purchased electricity
<u>Annual water consumption and CO2e emissions (tonnes)</u>
<table>
<tr><th>Year of inventory</th><th>Water consumption (tonnes)</th><th>CO2e emissions (metric tons)</th><th>Change from the previous period (tonnes)</th><th>Increase/decrease ratio (%)</th></tr>
</table>
</td><td>No material deviation.</td></tr>
</table>

Assessment criteria	Implementation (Note 1)			Deviation and reason for the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.
	Yes	No	Summary	

2023	76,273	11.89	3.59	23.19%
2022	99,277	15.48		

Note: 1. Taiwan Water Corporation announced the emission of approx. 0.156 kg of CO_2 equivalent per kWh of water in 2022.
2. Implementation status: Water consumption in 2022 was 99,277 tons, down 23.19% from 76,273 tons in 2023.

Waste discharge volume in corresponding years

Year of inventory	**Domestic waste (tonnes)**	**Change from the previous period (tonnes)**	**Increase/decrease ratio (%)**
2023	8.72	2.35	36.89%
2022	6.37	0.28	4.59%
Year of inventory	**Sludge (tons)**	**Change from the previous period (tonnes)**	**Increase/decrease ratio (%)**
2023	77.06	78.25	-50.38%
2022	155.31	86.56	125.9%

Note: Waste management is carried out in accordance with the Industrial Waste Declaration and Management of the Environmental Protection Administration, Executive Yuan.

Assessment criteria	Implementation status			Deviation and reason for the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.
	Yes	No	Summary	
IV. Social issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		The Company supports the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGP), the United Nations Global Compact (UNGC), the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the Convention on the Rights of the Child (CRC), and the UN Children's Rights and Business Principles (CRBP), among other international human rights standards. The Company establishes work rules and internal management measures in accordance with these international norms and the provisions of the Labor Standards Act, holding regular labor-management meetings to maintain labor-management harmony. Specific indicators set by the Company include employee safety, employee physical and mental health, enhancement of employee welfare, employee training, prohibition of forced labor and child labor, and signing human rights clauses with suppliers to establish a human rights-compliant green supply chain.	No material deviation.

			Additionally, the Company focuses on product optimization for competitiveness and sustainability.	
(II) Has the Company established and implemented reasonable employee welfare measures (including salary/remuneration, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/remuneration?	V		The Company has established the Employee Welfare Committee, responsible for planning and executing various welfare affairs. It formulates work rules and internal management regulations in accordance with the Labor Standards Act, covering areas such as wages, working hours, leave, pension payments, and compensation for occupational accidents. Employee benefits include regular free health checkups, employee trips, access to arts and literature, physical fitness courses, family days, birthday allowances, wedding allowances, funeral allowances, and travel allowances. The Company also conducts regular reviews of all employees' salaries, with a salary adjustment rate of 3.2% in 2023. Performance bonuses and dividends are distributed based on operational performance. In 2023, NT$728,480 was allocated for welfare programs. Additionally, the Company formed the "Y.C.C. Parts MFG Co., Ltd. Employee Stock Ownership Committee" to assist employees with long-term savings, ensuring their stability and improving their quality of life in the event of retirement or loss of work capacity. The amount allocated in 2023 was NT$14,335,700. The Company also values diversity and equality in the workplace, implements equal pay and equal promotion opportunities for men and women for equal work, and female managers account for 24.14%. In addition, the number of employees with disabilities far exceeds the legal limit, in order to provide employees with disabilities-friendly working positions and environmental facilities.	No material deviation.
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		Working environment: Third-party professionals are commissioned to monitor the on-site operating environment every March and September each year. The data detected can be used to control the on-site environment. Relevant data is also Representativeorted to the Occupational Health and Safety Administration for future reference, the operating environment is strictly controlled, and equipment is maintained regularly and timely . The Company has established safety and health inspection standards, and conducts safety and health inspections of the factory areas every Monday, Wednesday, and Friday/5S checks the list of defects and requests the unit supervisor to complete the improvement within the improvement period. The suggestions for improvement from the inspection are reviewed in the monthly Representativeort meeting. Installation of AED equipment in the office building. Safety education: Each year, the company conducts a 4-hour fire safety seminar (including hands-on training) in March and September to enhance employees' fire safety knowledge and response skills. Additionally, in March and September of each year, the company provides one hour of education and training on labor safety, health, and 5S for all employees. Health: The Company organizes regular health examinations, appoints nurses to provide employees with care and care mechanisms, and regularly hires physicians on-site to provide employees with medical and health consultations. The Company has obtained the "Healthy Workplace Certification". Number of occupational accidents in 2023: 2, accounting for 0.72% of all employees. Immediate rescue, improvement measures, and immediate education and training for employees involved in the incidents, as well as other employees, were provided after the incidents occurred.	No material deviation.
(IV) Has the Company established effective career competency development training programs for employees?	V		The Company has established a comprehensive education and training plan, which includes orientation training for new recruits and on-the-job development training based on the professional needs of respective departments, performance interviews at least once a month, and flexible adjustments so that employees can receive appropriate training at different times and the effective development of career competencies.	No material deviation.
Assessment criteria	Implementation status			Deviation and reason for the "Corporate
	Yes	No	Summary	

				Governance Best Practice Principles for TWSE/TPEx-Listed Companies".
(V) Does the company comply with the relevant laws and international standards with regard to customer health and safety, customer privacy, and marketing and labeling of products and services, and set up pertinent policies and grievance procedures to protect the rights and interests of consumers or customers'?	V		The Company conducts the marketing and labeling of related products in accordance with relevant laws and regulations as well as international standards, signs confidentiality agreements with employees, protects customer information, investigates customer feedback on a regular basis, provides complaint pipelines, and establishes and implements procedures for handling customer complaints.	No material deviation.
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		The Company has established supplier management guidelines. Before dealing with suppliers, the Company will assess whether relevant information is illegal or not. All suppliers should sign a "supplier agreement" and a "social responsibility commitment". Suppliers are requested to comply with pertinent national and local laws and regulations with regard to labor rights, human rights protection, and environmental protection, which must not be violated. In 2023, a total of 190 agreements and commitments were signed and requested. The Company has established the "Supplier Evaluation Regulations" for key suppliers. Based on the three aspects of supplier quality, delivery time and service, the Company evaluates suppliers on a yearly basis and establishes a list of qualified suppliers. Construction contractors must also sign the Contractor Safety Management Regulations, Construction Safety Instructions, Safe Work Rules, implement safety and operation safety, and submit a Contractor Construction Safety and Health Application prior to construction in compliance with the relevant regulations of the Occupational Safety and Health Act and the Safety Management Best Practice Principles of the factory.	No material deviation.
V. Does the Company pRepresentativeare a sustainability Representativeort or any Representativeort of non-financial information based on international Representativeorting standards or guidelines? Are	V		In 2024, the Company will pRepresentativeare Representativeorts such as sustainability Representativeorts that disclose non-financial information about the Company in accordance with internationally accepted standards or guidelines for Representativeort pRepresentativearation, continue to practice sustainable development, and develop relevant policies as appropriate.	No material deviation.

the abovementioned Representativeorts supported by the assurance or opinion of a third-party certifier?				

VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies, please describe any deviation from the principles in the Company's operations:
The Company's sustainable development policy is specifically implemented in individual management regulations, the internal control system, and related supervision regulations. There were no material deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies

VII. Other information useful to the understanding of the implementation of sustainable development:

(I) To exalt the traditional virtue of compassion, every year before Chinese New Year, the Company holds a winter relief event for low-income households listed by the Township Office., in 2023, the Company distributed winter relief funds of NT$785,000 and gift certificates of NT$314,000 based on the population in the low- and middle-income households registered with the township offices on the eve of the Chinese New Year. The receivers were the low- or mid/low- incomers living in seven areas, namely 355 people from Lukang Township, 177 people from Fuxing Township, 9 people from Niupuli, Changhua City, 87 people from Xianxi Township, 61 people from Fanlu Township, 34 people from Puxin Township, and 62 people from Sanyi Township, for them to enjoy a warmth-filled Lunar New Year. The Company donated NT$50,000 to the Friends of the Police Association of Changhua County, NT$20,000 to the Lukang Fire Department of the Changhua County Volunteer Fire Brigade, and NT$800,000 to the Pingtung Industrial Park Fire Donation Fire Brigade. One unit of TSC from Y.C.C donated NT$1,180,000, donated NT$600,000 to Joyce-Polio Care Association, and held NT$1,329,600 in gift vouchers for the blood donation activity, which raised a total of 3,324 bags of blood.

(II) To promote education and fulfill corporate social responsibilities, the Company donated NT$10,000,000 to the "Changhua County Shi-Yun Lin Cultural Education Foundation" in 2022. In 2023, the Company donated an additional NT$600,000 to the "Changhua County Shi-Yun Lin Cultural Education Foundation" to support the foundation's efforts to promote moral education in Changhua County schools and award scholarships. In 2023, a total of eight schools received subsidies.

(III) Labor safety: The Company has made "zero occupational safety issues and zero accidents" its most important objective for occupational safety and health, and implemented the operations below:

1. Dust collection equipment is installed on the production lines to ensure the safety of on-site employees.
2. Every March and September, a third-party professional is hired to implement on-site environment monitoring in areas such as the "electroplating line", "spraying line", and "printing area" of the factory. The detected data allows for control of the on-site environment. Additionally, the relevant data has been Representativeorted to the Occupational Safety and Health Administration for reference.
3. In addition to inspections before, during, and after operations, third-party professional institutions are also commissioned to conduct maintenance and service of specific items in the case of equipment, such as forklifts, stationery cranes, and small boilers, among other things. This ensures that the equipment is fully utilized and eliminates any potential operational risks.
4. Personnel education and training, including four hours of firefighting safety lectures (including practical training) in March and September each year, to increase employees' firefighting knowledge and response to fires, labor safety and health, and 5S education and training for all employees for one hour each in March and September each year, to increase knowledge of occupational safety laws.
5. Occupational safety and health performance: the Company has established safety and health inspection standards and conducts safety and health inspections in the factory areas every Monday, Wednesday, and Friday, with the Safety and Health/5S inspection deficiency notice issued immediately, requiring the unit heads to complete the improvement by the deadline. Various recommended improvements from the inspection are discussed at the monthly meetings.

(IV) Gender equality: The company hires people without distinction based on gender, religion, race, nationality, or any other factor. Statistics are also used to calculate the gender ratio.

Category of job	Male	Female
General employees	70.68%	29.32%
Management	75.86%	24.14%

Note 1: If "Yes" is selected for the implementation, please explain specifically the important policies, strategies and measures adopted and the implementation. If "No" is selected for the implementation, please refer to the "Deviation and Reason for Corporate Governance Best Principles for TWSE/TPEx-Listed Companies" for an explanation on the deviations and reasons. In addition, explain the future plans for related policies, strategies, and measures employed.

Note 2: The environmental, social, and corporate governance issues that significantly affect the Company's investors and other stakeholders are referred to as materiality issues.

(VI) Implementation Status of Ethical Corporate Management and Deviation and reason for the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.

Assessment criteria	Implementation status			Deviation and reason for the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”.
	Yes	No	Summary	
I. Establishment of ethical management policies and solutions (I) Has the company established an ethical management policy that has been approved by its Board of Directors? Have the policies, practices, and the commitment of the Board of Directors and top management level to actively implement the management policy been explicitly disclosed in external documents?	V		The Company established and published the “Procedures for Ethical Management and Guidelines for Conduct” in accordance with the law, which were approved by the Board of Directors and are still being tracked and revised. The Board of Directors and top management have actively fulfilled their commitment to the ethical management policy, while internal management has effectively implemented the policy and signed the Directors' Declaration.	No material deviation.
(II) Has the Company established an assessment mechanism for the risk of unethical conduct, regularly analyze and evaluate, within a business context, the business activities with a higher risk of unethical conduct; and developed a program to prevent unethical conduct with a scope no less than that prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		The unethical conduct listed in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” are explicitly covered by the company's “Ethical Corporate Management Best-Practice Principles”. The Company has taken steps to preserve operational policies of integrity by putting preventative measures into place and supporting educational initiatives. The Company has implemented mechanisms and plans to address the risk of unethical behavior in accordance with the law. On a regular basis, assessments and tracking are conducted.	No material deviation.
(III) Does the company clearly stipulate the operating procedures, codes of conduct, and punishment and appeal system in the plans for preventing unethical conducts? Are the aforementioned plans implemented and reviewed on a regular basis?	V		The Company has implemented mechanisms and plans to address the risk of unethical behavior in accordance with the law. On a regular basis, assessments and tracking are conducted. The Company has established the necessary guidelines and communicated them to all employees. The company has established a grievance channel and system, which it reviews and revises on a regular basis. In the event of a violation, appropriate disciplinary measures will be taken.	No material deviation.
II. Enforcement of business integrity (I) Does the company evaluate the ethics records of those with whom it does business and include clauses addressing ethical conduct in business contracts?	V		Before transacting with suppliers, the Company will assess its ethics records and include ethical management in their contracts. Suppliers will refuse to deal with any violations discovered.	No material deviation.
(II) Has the company established a dedicated unit to promote ethical management within the Board of Directors, and does it regularly (at least once a year) Representativeort to the Board of Directors on its ethical corporate management policy and program to prevent and monitor unethical behavior?	V		In order to promote ethical management, the Company has established the Corporate Governance and Sustainable Development Committee as its dedicated unit. It will provide a Representativeort to the Board of Directors at least once a year. In 2023, no transactions occurred with anyone who had unethical records.	No material deviation.

Assessment criteria	Implementation status			Deviation and reason for the "Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies".
	Yes	No	Summary	
(III) Has the company established policies to prevent conflicts of interest, provided appropriate communication and complaint channels, and properly implemented these policies?	V		The Company has established the "Ethical Corporate Management Best-Practice Principles" and the "Procedures for Ethical Corporate Management and Guidelines for Conduct", which govern conflict-of-interest prevention. The established company offers Representativeorting channels and has established "Procedures for the Handling of Representativeorted Cases of Illegal, Unethical, or Dishonest Conduct". The aforementioned regulations were announced on the Company's website.	No material deviation.
(IV) Has the company established effective accounting and internal control systems to ensure ethical corporate management? Does the internal audit unit monitor the results of unethical conduct risk assessments and develop audit plans to ensure system compliance and prevent unethical behavior, or does it hire outside accountants to perform the audits?	V		To uphold ethical management, the company has established an effective accounting and internal control system. Internal auditors regularly request risk assessments from unit heads, with integrity processes designated as the primary audit item in the annual audit plan to enhance preventive measures. The actual implementation of the audit plan is Representativeorted to the Board of Directors. Additionally, certified public accountants (CPAs) review the implementation of the company's internal control system every year. The results of the internal audit and the audit conducted by the appointed CPAs this year revealed no significant breaches of ethical business conduct.	No material deviation.
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The company regularly organizes ethical management training and evaluations for all unit supervisors. In 2023, the company planned two training sessions.	
III. The Implementation Status of the Company's Whistleblowing System (I) Has the company established specific whistleblowing and reward procedures, created easily accessible whistle-blowing channels, and designated appropriate personnel to handle whistle-blower complaints?	V		The Company has established channels for whistleblowing and has formulated t"e "Guidelines for Handling Representativeorts of Illegal, Unethical, and Dishonest Conduct". The channels for Representativeorting and the unit receiving the Representativeort have been announced on the Company's website: (1) Spokesperson and Deputy Spokesperson: Receive complaints from shareholders, investors, and other stakeholders. Tel: 04-7810781, Ext: 415, E-mail: ycc888@yccco.com.tw : Audit supervisor: Accepting Representativeorts from employees, customers, suppliers, and contractors. Tel: 04-7810781 Ext: 421 Email:ycc777@ycccco.com.tw No whistleblowing was received in 2023.	No material deviation.

Assessment criteria	Implementation status			Deviation and reason for the "Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies".
	Yes	No	Summary	
(II) Has the company established standard operation procedures for investigating all complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		The Company has established the "Guidelines for Handling Representativeorts of Illegal, Immoral, or Unethical Conduct", which contain procedures and measures to protect whistleblowers. Anyone can make Representativeorts or appeals anonymously through this channel. There was no such occurrence in 2023.	No material deviation.
(III) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		The Company will maintain the confidentiality of whistleblowers during the whistle-blowing process, and there will be no punishment for whistleblowing. The Company takes a confidential and strict stance toward employees who Representativeort any violation or fraud and participate in the investigation process. The Company protects relevant employees from unfair retaliation or treatment, and the relevant operating procedures are provisioned in "the Guidelines for Handling Representativeorts of Illegal and Unethical Conduct".	No material deviation.
IV. Enhanced information disclosure Does the company disclose the content and promotion effectiveness of the "Ethical Corporate Management Best-Practice Principles" on its website and the Market Observation Post System (MOPS)?	V		Currently, the relevant information is disclosed through the public information platform of the Securities and Futures Bureau.	No material deviation.

V. If the Company has established its own ethical management best-practice principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies", please describe the current practices and any deviations from the Best-Practice Principles: The Company has established the "Codes of Ethical Management", and was approved by the Board of Directors, and announced this on the Company's website. All employees, managers, and board members are required to comply with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", with no material deviation.

VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (such as the company's review and amendment of its ethical corporate management best practice principles):

The Company will continue to monitor and amend the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with regulations and current circumstances, while also providing education and training.

(VII) Methods for Inquiring about the Corporate Governance Best Practice Principles and Related Regulations

The Company has established pertinent regulations, including the "Corporate Governance Best Practice Principles", "Ethical Code of Conduct", "Ethical Corporate Management Best Practice Principles", "Procedures for Election of Directors", "Rules of Procedure for Board of Directors Meetings", "Rules Governing the Scope of Powers of Independent Directors", "Remuneration Committee Charter", and "Rules for Performance Evaluation of the Board of Directors" among other regulations. These regulations can be found on the MOPS under the "Corporate Governance" section. These regulations have been uploaded to the MOPS "Corporate Governance" section and are available for inquiry.

(VIII) Other important information that will provide a better understanding of the status of the company's implementation of corporate governance may also be disclosed:

The Company's Board of Directors shall take part in various domestic and international business investigations and continuing education courses, as well as directors' attendance at board meetings. In addition, the Company has established an internal control system, audit system, and self-assessment procedures with solid controlling functions. The recusal of conflicts of interest in the board meetings is implemented concretely.

(IX) Implementation of the company's internal control system will disclose the following:

1. Declaration of Internal Control

Y.C.C. Parts MFG Co., Ltd.
Statement of Internal Control System

Date: March 7, 2024

Based on the self-assessment of the Company's internal control policies as of 2023, the following declarations are made:

I. The Company recognizes that the establishment, implementation and maintenance of internal control system is the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. The purpose is to provide reasonable and reasonable information on the effect and efficiency of operations (including profitability, performance, and security of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations. guarantee.

II. The internal control system has its innate limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three goals; moreover, due to changes in the environment and situation, the effectiveness of the internal control system may increase with time. changes. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take corrective action.

III. The Company judges the effectiveness of the design and implementation of its internal control system based on the items for judging the effectiveness of the internal control system specified in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). According to the management control process of "Regulations" the internal control system is classified into five elements: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. Supervision operations. Each component includes several items. Please refer to the "Regulations" for details.

IV. The Company has adopted the abovementioned internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.

V. Based on the assessment result referred to above, the Company believes that the Company's internal control system (including the supervision and management of its subsidiaries) as of December 31, 2023, includes: The reporting is reliable, timely, transparent, and complies with the relevant regulations. The design and implementation of the internal control system are effective and can reasonably ensure the achievement of the above objectives.

VI. This statement shall form an integral part of the Company's annual report and the prospectus and shall be disclosed to the public. The Company shall be held liable under Articles 20, 32, 171, and 174 of the Securities and Exchange Act for any violation of laws such as fraud or concealment of the above-mentioned disclosure.

VII. This Declaration was approved at the meeting of the Company's Board of Directors on March 7, 2024. None of the 8 directors attending the meeting held any dissenting opinions.

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

Chairman: Hehan Investment Co., Ltd. Signature and seal

General Manager: Jui-Tse Lin Signature and seal

2. CPAs’ review Representativeort: None.

(X) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent year or during the current year as of the printing date of the annual Representativeort, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual Representativeort shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(XI) Material resolutions of a shareholders meeting or a Board of Directors meeting during the most recent year or during the current year as of the printing date of the annual Representativeort.

1. Important resolutions adopted at the 2023 shareholders' meeting

Time	Material resolution
General shareholders' meeting - May 31, 2023 at 9:30	One. Ratifications I. To Approve the 2022 Business Representativeort and Financial Statements Implementation status: the relevant books and statements have been submitted to the competent authority for reference and announced and Representativeorted pursuant to the Company Act and other relevant laws and regulations. II. To Approve 2022 Earnings Distribution Implementation status: Cash dividend of NT$3 per share has been distributed as per the resolution passed by the shareholders' meeting. Base date of cash dividend distribution: September 12, 2023 Date of cash dividend distribution: September 27, 2023 Two. Discussion (I) To Release Non-Compete Restrictions on the Company’s Directors and their Representativeresentatives Implementation status: the implementation was completed in accordance with the resolution adopted at the shareholders' meeting.

2. Details of major resolutions of the Board of Directors between January 1, 2023 and March 7, 2024:

Title	Time	Material resolution
Regular meeting/the 13th term/4th meeting	March 13, 2023 at 12:06	I. Approved proposal of 2022 employee and director remuneration distribution. II. Approved the Company’s 2022 Business Representativeort and Financial Statements III. Approved the Company’s 2022 earning distribution proposal. IV. Approved to ratify the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. V. Approved the Company’s 2023 assessment of the attesting CPAs’ independence and competence VI. Approved the Company’s 2022 Statement of Internal Control System. VII. Approved the proposal to add GM-47 “Procedures for Ethical Management and Codes of Conduct”. VIII. Approved to amend the “Corporate Governance Best Practice Principles”. IX. Approved the request to relieve all managerial officers from the non-compete restrictions. X. Approved the request to relieve all new directors from the non-compete restrictions. XI. Approved the Company’s sustainable development

Title	Time	Material resolution
		promotion plan for 2023. XII. Approved the matters related to the convention of the 2023 regular shareholders' meeting. XIII. Approved the Company's loaning of funds. XIV. Approved the Company's loaning of funds to subsidiaries. XV. Approved to apply for renewing contracts with financial institutions. XVI. Approved to apply for renewing the limit of financial product trading to banks. XVII. Approved to apply for renewing contracts with financial institutions. XVIII. Approved to cancel the purchase of lands and factory buildings and apply for credit facilities from banks.
Regular meeting/the 13th term/5th meeting	May 18, 2023 at 11:35.	I. Approved to ratify the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. II. Approved the Company's 2023 Q1 financial statements. III. Approved the Company's loaning of funds to subsidiaries. IV. Approval of the Company's plan to increase capital in its investee Ventec International Group Limited (SAMOA) due to business development needs, and then indirectly invest in TJ Technology Co, Ltd. V. Approved the adjustment of the salary of the Company's managers for 2023.
Regular meeting/the 13th term/6th meeting	August 8, 2023 at 11:30	I. Approved to ratify the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. II. Approved the Company's 2023 Q2 financial statements. III. Approved the Company's loaning of funds to subsidiaries. IV. Approved the renewal of the directors and supervisors' liability insurance. V. Approved the Company's loaning of funds to subsidiaries.
Regular meeting/the 13th term/7th meeting	November 8, 2023 at 12:20	I. Approved to ratify the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. II. Approved the Company's 2023 Q3 financial statements. III. Approved the Company's 2024 audit plan. IV. Approved the Company's 2023 "Summary of Business Plan". V. Approved the proposal of partial amendments to "GM-42 Regulations Governing the Performance Evaluation of the Board of Directors". VI. Approved the Company's loaning of funds to subsidiaries. VII. Approved the Company's loaning of funds to subsidiaries. VIII. Approved the merger of two subsidiaries. IX. Approved the Company's reinvestment to establish a new subsidiary in Mainland China through its investee

Title	Time	Material resolution
		Ventec International Group Limited (SAMOA). X. Approved the Company's concrete promotion plan for sustainable development in 2024.
Regular meeting/the 13th term/8th meeting	March 7, 2024 at 13:50	1. Approved proposal of 2023 employee and director remuneration distribution. II. Approved the Company’s 2023 Business Representativeort and Financial Statements. III. Approved the Company’s 2023 earning distribution proposal. IV. Approved to ratify the derivative trading pursuant to Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. V. Approved the Company’s 2024 assessment of the attesting CPAs’ independence and competence. VI. Approved the Company’s 2023 Statement of Internal Control System. VII. Approved the proposal of partial amendments to “Articles of Incorporation”. VIII. Approved the request to relieve all new directors from the non-compete restrictions. IX. Approved the matters related to the convention of the 2024 regular shareholders’ meeting. X. Approved the partial amendments to the “GM-16 Rules of Procedure for Board of Directors Meetings” and “GM-17 Management for Board of Directors Meeting Operation”. XI. Approved the proposal of partial amendments to “GM-37 Audit Committee Charter”. XII. Approved the motion of the Company's loaning of funds to the subsidiary Ventec International Group Limited (SAMOA)for new loans and Representativeayment of old funds. XIII. Approved the proposal of loaning new funds to the subsidiary, Changshu Fute, with new loans and Representativeayment of old funds. XIV. Approved to apply for renewing contracts with financial institutions. XV. Approved the Company’s 2024 salary adjustment for managers and some employees. XVI. Approved the Company’s proposal to increase the capital of the subsidiary, UNITED SKILLS CO, LTD, by the Company in the amount of NT$100 million.

(XII) During the most recent year or during the current year up to the date of publication of the annual Representativeort, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or pRepresentativeared as a written declaration, disclosing the principal content thereof: None.

(XIII) A summary of resignations and dismissals, in the most recent year or the current year as of the printing date of the annual Representativeort, of the Company's Chair, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer:

IV. Information on the professional fees of the attesting CPAs

(I) Professional fees of the attesting CPAs

Amount unit: NT$ thousand

Name of CPA firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	Yu-Chuang Wang Wang Mei-Lan Liu	January 1, 2023-December 31, 2023	2.590	220	2.810	

The natures and dollar amounts of the aforementioned non-audit fees are: (1) Information checklist for reviewing payroll of non-management permanent employees for NT$20 thousand (2) translation of financial statements to English for NT$200 thousand.

(II) Proportion of non-audit fees is more than 25% of the audit fees: none.

(III) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(IV) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on Representativelacement of certified public accountant: None.

VI. The company's Chair, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the CPA firm of its certified public accountant or at an affiliated enterprise of such CPA firm: None.

VII. Any transfers of shares and changes in equity pledge by a director, supervisor, managerial officer, or shareholder with a shareholding ratio of more than 10% in the most recent year or current year as of the printing date of the annual Representativeort.

(I) Changes in equity of directors, supervisors, managerial officers, and major shareholdersUnit: shares

Title (Note 1)	Name	2023		As of April 1, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director and Chair	Hehan Investment Co, Ltd	-	-	-	-
	Representative: Hao-Chen Lin	-	-	-	-
Director and President and Corporate Governance Officer	Daqun International Co, Ltd	181,000	-	-	-
	Representative: Jui-Tse Lin	-	-	-	-
Director	Ziqun International Co, Ltd	170,000	-	-	-
	Representative: Jo-Ning Huang				
Director and Vice President and Chief Financial Officer and Accounting Officer	Songqun Investment and Development Ltd.	-	-	-	-
	Representativeresentative: Shu-Mei Liu	-	-	-	-
Director	Haoqun Investment and Development Ltd.	-	-	-	-
	Representative: Shih-Yun Lin	12,000		-10,000	
Independent director	Hung-Lung Huang	-	-	-	-
Independent director	Chin-Feng Kuo	-	-	-2,000	-
Independent director	Lung-Fa Hsieh				

Independent director	Kuo-Hua Chang				
President	Yi-Hung Lin	-	-	-	-
Deputy General Manager	Chieh-Chang Tian	-	-	-	-
Deputy General Manager	Jia-Rong Chen	-	-	-	-

Note 1: Major shareholders should be recognized and listed separately if they own more than 10% of the company's total shares.

Note 2: The counterparties of transfer of shares or equity pledge are not related parties.

(II) Information on transfers of shares: None.

(III) Information on equity Pledge: None.

VIII. Relationship among the top ten shareholders in shareholding ratio: April 1, 2024

Unit: shares, %

Name (Note 1)	Shareholding		Shareholding of spouse and underage children		Shares held by proxy		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship with the spouse or relative within the 2nd degree (Note 3)		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Title (or name)	Relation	
Haoqun Investment and Development Ltd.	11,791,000	15.907%	–	–	–	–	–	–	
Representative: Hao-Chen Lin	1,194,305	1.611%	–	–	–	–	Yi-Hung Lin Shih-Yun Lin Jui-Tse Lin	Father Mother Older brother	
Songqun Investment and Development Ltd.	10,731,000	14.477%	-	-	-	-	-	-	
Representative: Jui-Tse Lin	1,372,810	1.852%	-	-	-	-	Yi-Hung Lin Shih-Yun Lin Hao-Chen Lin	Father Mother Younger brother	
Hehan Investment Co, Ltd	7,586,503	10.234%	–	–	–	–	–	–	
Representative: Shih-Yun Lin	1,100,055	1.484%	1,307,215	1.713%	–	–	Yi-Hung Lin Hao-Chen	Spouse Son Son	

							Lin Jui-Tse Lin		
Ruhan Investment Co, Ltd	5,964,420	8.046%	–	–	–	–	–	–	
Huangview Investment Co, Ltd	5,791,500	7.813%	–	–	–	–	–	–	
Jui-Tse Lin	1,372,810	1.852%	–	–	–	–	Yi-Hung Lin Shih-Yun Lin Hao-Chen Lin	Father Mother Younger brother	
Yi-Hung Lin	1,307,215	1.763%	1,100,055	1.484%	–	–	Shih-Yun Lin Jui-Tse Lin Hao-Chen Lin	Spouse Son Son	
Macrowill Investment Company Limited	1,262,295	1.702%	–	–	–	–	–	–	
Ziqun International Co, Ltd	1,250,000	1.686%	-	-	-	-	-		
Representative: Hao-Chen Lin	1,194,305	1.611%	-	-	-	-	Yi-Hung Lin Shih-Yun Lin Jui-Tse Lin	Father Mother Older brother	
Pei-Rong Chen	1,200,000	1.618%	-	-	–	–	-	-	

Note 1: It is advised that the top ten shareholders be listed. The names of the Representativeresentative and institutional shareholders for corporate shareholders ought to appear separately on the list.

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding in the company's own name, spouse, minor children, or in the name of another party.

Note 3: The shareholders listed in the preceding paragraph include both juridical persons and natural persons, and the relationship between them shall be disclosed in accordance with the Regulations Governing the PRepresentativearation of Financial Representativeorts by Issuers.

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company: None.

Four. Capital Raising

I. Capital and outstanding shares

(I) Sources of Capital

1. Source of capital stock:

Thousand shares, NT$ thousand

Year/ Month	Issue price (NT$)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Paid in properties other than cash	Other
March 1986	1,000	1	1,000	1	1,000	Incorporation capital: NT$1,000 thousand.	None	Note 1
June 1986	1,000	5	5,000	5	5,000	Cash capital increase of NT$4,00 thousand.	None	Note 2
November 1989	1,000	10	10,000	10	10,000	Cash capital increase of NT$5,000 thousand.	None	Note 3
November 1994	1,000	50	50,000	50	50,000	Cash capital increase of NT$40,000 thousand.	None	Note 4
September 1996	1,000	83	83,000	83	83,000	Cash capital increase of NT$33,000 thousand.	None	Note 5
December 1998	1,000	158	158,000	158	158,000	Cash capital increase of NT$25,000 thousand. Surplus to a capital increase of NT$50,000 thousand.	None	Note 6
December 1999	1,000	199.9	199,900	199.9	199,900	Cash capital increase of NT$41,900 thousand.	None	Note 7
January 2001	10	19,990	199,900	19,990	199,900	Altered the amount per share for the shares of a capital increase in December 1999	—	Note 8
July 2003	10	29,340	293,400	29,340	293,400	Cash capital increase of NT$93,500 thousand.	None	Note 9
January 2004	10	40,000	400,000	40,000	400,000	Cash capital increase for NT$106,600 thousand.	None	Note 10
December 2004	10	45,000	450,000	45,000	450,000	Cash capital increase of NT$50,000 thousand.	None	Note 11
October 2005	30	48,000	480,000	48,000	480,000	Cash capital increase of NT$30,000 thousand.	None	Note 12
July 2006	32	49,000	490,000	49,000	490,000	Cash capital increase of NT$10,000 thousand.	None	Note 13
November 2007	32	80,000	800,000	56,125	561,250	Cash capital increase of NT$71,250 thousand.	None	Note 14
August 2010	24	80,000	800,000	57,125	571,250	Cash capital increase of NT$10,000 thousand.	None	Note 15
September 2011	10	80,000	800,000	60,267	602,669	Surplus to capital increase for NT$31,419 thousand.	None	Note 16
April 2012	29.5	80,000	800,000	65,926	659,259	Cash capital increase of NT$56,590 thousand.	None	Note 17
January 2015	10	80,000	800,000	75,926	759,259	Cash capital increase of NT$100,000 thousand.	None	Note 18
November 2015	10	80,000	800,000	74,139	741,389	Cancellation of treasury shares	None	Note 19
January 2022	10	80,000	800,000	74,124	741,239	Cancellation of treasury shares	None	Note 20

Note 1: Approved with Letter Qi-Wu-Chian-San-Zhi No.56194, dated March 7, 1986.

Note 2: Approved with Letter Qi-Wu-Chian-San-Bin-Zhi No.75327, dated June 25, 1986.

Note 3: Approved with Letter Qi-Ba-Chian-San-Zhi No.363670, dated November 16, 1989.

Note 4: Approved with Letter Ba-San-Chian-San-Geng-Zhi No.463090, dated November 16, 1994.

Note 5: Approved with Letter Ba-Wu-Chian-San-Bin-Zhi No.231507, dated September 16, 1996.

Note 6: Approved with Letter Jing-(087)-Shang-Zhi No.142757, dated December 31, 1998.
Note 7: Approved with Letter Jing-(088)-Shang-Zhi No.143799, dated December 4, 1999.
Note 8: Approved with Letter Jing-(089)-Shang-Zhi No.148719, dated January 4, 2001.
Note 9: Approved with Letter Jing-Shou-Shang-Zhi No. 09232382540, dated July 22, 2003
Note 10: Approved with Letter Jing-Shou-Shang-Zhi No.09331501460, dated January 6, 2004.
Note 11: Approved with Letter Jing-Shou-Shang-Zhi No.09333257360, dated December 27, 2004.
Note 12: Approved with Letter Jing-Shou-Shang-Zhi No.09433067060, dated October 31, 2005.
Note 13: Approved with Letter Jing-Shou-Shang-Zhi No.09632475230, dated July 24, 2007.
Note 14: Approved with Letter Jing-Shou-Shang-Zhi No.09601288690, dated November 23, 2007.
Note 15: Approved with Letter Jing-Shou-Shang-Zhi No.09901189960, dated August 24, 2010.
Note 16: Approved with Letter Jing-Shou-Shang-Zhi No.10001219470, dated September 27, 2011.
Note 17: Approved with Letter Jing-Shou-Shang-Zhi No.10101084510, dated May 10, 2012.
Note 18: Approved with Letter Tai-Zheng-Shang-Yi-Zhi No.10400041711, dated March 11, 2015.
Note 19: Approved with Letter Jin-Guan-Zheng-Jiao-Zhi No.1040049645, dated November 27, 2015.
Note 14: Approved with letter Jing-Shou-Shang-Zhi No.11101010350, dated January 21, 2022.

2. Shares - total

Unit: share

Share category	Authorized capital			Remarks
	Outstanding shares (Note 1)	Unissued shares	Total	
Registered common shares	74,123,875	25,876,125	100,000,000	

Note 1: Shares of a listed company

3. Information Relating to the Shelf Registration System: None.

(II) Shareholder structure

April 1, 2024

Shareholder structure / Volume	Government agency	Financial institution	Other institutional entities	Individual	International institutions and internationals	Total
Number of persons	–	–	33	5,725	42	5,800
No. of shares held	–	–	46,968,958	23,553,762	3,601,155	74,123,875
Shareholding ratio	–	–	63.3655%	31.7762%	4.8583%	100.000%

(III) Distribution of shareholder equity (par value NT$10 per share)

1. Common shares April 1, 2024

Unit: persons, shares, %

Range of shares held	Number of shareholders	No. of shares held	Shareholding ratio
1 to 999	2,703	324,341	0.437
1,000-5,000	2,563	4,699,123	6.340
5,000-10,000	246	1,979,344	2.670
10,001-15,000	75	970,688	1.309
15,001-20,000	53	969,540	1.308
20,001-30,000	51	1,319,785	1.781
30,000-40,000	19	672,000	0.907
40,001-50,000	13	603,550	0.814
50,001-100,000	32	2,340,659	3.158
100,001-200,000	18	2,628,000	3.545
200,000-400,000	9	2,742,550	3.700
400,001-600,000	3	1,514,154	2.043
600,001-800,000	1	684,000	0.923
800,001 to 1,000,000	1	933,038	1.259
Above 1,000,001	13	51,743,103	69.806
Total	5,800	74,123,875	100.000

2. Preferred shares: None.

(III) List of major shareholders: List all shareholders with a shareholder equity ratio of 5% or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholder equity ratio, and specify the number of shares and shares held by each shareholder on the list

April 1, 2024
Unit: shares, %

Shareholding / Name of major shareholders	No. of shares held	Shareholding ratio
Haoqun Investment and Development Ltd	11,791,000	15.907
Songqun Investment and Development Ltd	10,731,000	14.477
Hehan Investment Co, Ltd	7,586,503	10.234
Ruhan Investment Co, Ltd	5,964,420	8.046
Huangview Investment Co, Ltd	5,791,500	7.813
Jui-Tse Lin	1,372,810	1.852
Yi-Hung Lin	1,307,215	1.763
Macrowill Investment Company Limited	1,262,295	1.702
Ziqun International Co, Ltd	1,250,000	1.686
Pei-Rong Chen	1,200,000	1.619

(V) Information on market price, net worth, earnings, and dividends per share

Unit: NT$ thousand, thousand shares

Item		Year	2022	2023	As of March 31, 2024 (Note 8).
Market price per share (Note 1)	High		46.25	76.20	76
	Low		33.65	40.70	58.8
	Average		38.00	58.02	67.65
Net worth per share (Note 2)	Before dividend		51.48	54.53	56.53
	After dividend		49.48	51.53	-
Earnings per share	Weighted average outstanding shares		74,124	74,124	74,124
	Earnings per share (Note 3)		5.51	5.88	1.8
Dividends per share	Cash dividends		3.00	3.00 (Note 9)	0
	Stock dividends	Stock dividend from retained earnings	—	—	-
		Stock dividend from capital reserve	-	-	-
	Accumulated undistributed dividends (Note 4)		-	-	-
Return on investment analysis	Price/earnings ratio (Note 5)		6.90	8.58	9.40
	Price/dividend ratio (Note 6)		19.00	16.82	—
	Cash dividend yield (Note 7)		5.26	5.94	—

*If shares are distributed as part of a capital increase from earnings or a capital reserve, provide additional information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market prices for common shares in each fiscal year, and then calculate the average market price by weighing transacted prices against transacted volumes for that fiscal year.

Note 2: Based on the number of issued shares at the end of the year and filled in accordance with the distribution determined by the shareholders' meeting the following year.

Note 3: If retrospective adjustments are required due to the issuance of stock dividends, earnings per share should be disclosed both before and after the adjustments.

Note 4: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year in which the Company generates profits, the amount of cumulative undistributed dividends up to the current year should be Representativeorted separately.

Note 5: Price/earnings ratio = average closing price per share for the year/earnings per share.

Note 6: Price/dividend ratio = average closing price per share for the year/cash dividends per share.

Note 7: Cash dividend yield = cash dividend per share/average closing price per share for the year.

Note 8: Net worth per share and earnings per share are based on audited (reviewed) data from the most recent quarter preceding the publication date of the annual Representativeort. All other fields are calculated using data from the current year as of the printing date of the annual Representativeort.

Note 9: The 2023 dividends have been resolved and approved at the board meeting on March 7, 2024.

(VI) Company's dividend policy and implementation thereof

1. The dividend policy adopted in the company's articles of incorporation

Articles 26 and 27 of the Company's Articles of Incorporation established the following method for distributing employee and director remunerations and dividends:

If the Company is profitable, it will pay out between 1% and 3% in remuneration to staff members. Staff members of controlling and subsidiary companies who satisfy certain requirements will receive shares or cash, as decided by the Board of Directors. The Company may permit the Board of Directors to set aside a maximum of 3% of the previously mentioned profit for the directors' and supervisors' remuneration. The remuneration to employees, directors, and supervisors shall be submitted to the shareholders’ meeting for review.

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

According to the Company's articles of incorporation, net earnings should be used first to offset any prior-year deficits and pay any income taxes. Of the remaining balance, 10% is to be appropriated as a legal reserve, but only if the accumulated legal capital reserve equals the Company's paid-in capital. The amounts are then appropriated or reversed to special reserves in accordance with applicable laws and regulations. The Board will decide how to distribute the remaining profit, if any, as well as the accumulated undistributed surplus. If the dividend is distributed in the form of new shares, the Shareholders' Meeting must resolve the matter prior to its distribution.

The Company may distribute cash dividends and Representativeort to the Shareholders’ Meeting, after such matter has been approved by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members.

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

2. The dividend distributions proposed at the most recent shareholders' meeting

The 2023 earning distribution proposal was resolved and approved by the Board on March 7, 2024, as follows:

2023

Unit: NT$

Beginning undistributed earnings		1,173,351,403
Add: Current period net profit	435,661,071	
Remeasurement of the defined benefit plan recorded in retained earnings	3,177,753	
The sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year’s undistributed earnings		438,838,824
Less: Legal reserve (10%)		(43,883,882)
Less: Reversal (appropriation) of special reserve		15,098,548

Current distributable earnings	1,583,404,893
Allocation:	
Cash dividends (NT$3 per share)	(222,371,625)
Ending undistributed earnings	1,361,033,268

Note 1: Priority is given to the 2023 earnings in terms of the current year's earnings distribution.

Note 2: The distributable cash dividends are rounded down to integer.(NT$)The Chair is authorized to have dedicated personnel to adjust the fractional-cent amount.

Note 3: The legal reserve shall be appropriated based on “the sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year’s undistributed earnings” in accordance with Jing-Shang-Zi Letter No. 1082432410.

3. If a material change in dividend policy is expected, provide an explanation: None.

(VII) Impacts of business performance and earnings per share on the current stock dividend distribution: N.A. (The Company is not required to disclose its financial forecast for 2023.)

(VIII) Profit-sharing remuneration of employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing remuneration, as set forth in the company's articles of incorporation.

   Please refer to the “(VI) Company's dividend policy and implementation status 1”for the description.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing remuneration, for calculating the number of shares to be distributed as employee profit-sharing remuneration, and the accounting treatment of the discRepresentativeancy, if any, between the actual distributed amount and the estimated figure, for the current period.

   (1) The remuneration of employees and directors comply with Article 26 of the Articles of Incorporation and Letter (96) Ji-Mi-Zhi No. 52 by Accounting Research and Development Foundation, “Accounting Treatment of Employee Profit-Sharing and Directors' and Supervisors' Remuneration” to be estimated, and recognized as expenses and liabilities based on their nature.

   (2) If there is any discRepresentativeancy between the resolution of the subsequent shareholders' meeting and the estimated amount in the financial statements, it is regarded as a change in the estimate and accounted as the annual profit or loss at the year of the resolution adopted by the shareholders' meeting.

3. Information on the employee remuneration distribution proposal approved by the Board

   The Company's 2023 employees and directors' remunerations have been provided as expenses, as required by the letter of ARDF. On March 7, 2024, upon the resolution of the Board of Directors, the provided distribution is as below, which is subject to the Representativeort to the shareholders’ meeting on May 30, 2024:

   (1) The employees’ remuneration of NT$8,425,006 and the directors’ remuneration of NT$5,841,338 will be distributed.

   (2) The amount of employees’ share dividends distributed and its ratio to the total net profit after-tax of the current period, and the total amount of employee bonuses: No employee share dividend is distributed.

   (3) After considering the distribution of employees’ remuneration and directors and supervisors' remuneration, the estimated earnings per share is NT$5.88.

   (4)The difference between the said distribution proposed and the estimated expenses in 2023 is NT$0.

4. The earnings of the previous year were used to distribute employees’ bonuses and the remuneration of directors and supervisors:

   The Company's 2022 employees’ profit sharing and directors' remunerations have been provided as expenses, as required by the letter of ARDF. On March 13, 2023, upon the resolution of the Board of Directors, the provided distribution is as below, which is subject to the Representativeort to the shareholders’ meeting on May 31, 2023:

   (1) Distributed the employee bonuses of NT$7,359,628 and directors' remunerations of NT$5,661,252.

   (2) The amount of employees’ share dividends distributed and its ratio to the total net profit after-tax of the current period, and the total amount of employee bonuses: No employee share dividend is distributed.

   (3) After considering the distribution of employees’ remuneration and directors and supervisors' remuneration, the estimated earnings per share is NT$5.51.

   (4) The difference between the said distribution proposed and the estimated expenses in 2022 is NT$0.

(IX) Status of a company Representativeurchasing its own shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Global depository receipts: None.

V. Issuance of employee stock warrants and new restricted employee shares: None.

VI. Merger and acquisition activities (including mergers, acquisitions, and demergers: None.

VII. Capital Allocation Plans and Implementation Status:

(I) As of the quarter preceding the printing date of the annual Representativeort, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: None.

(II) As of the quarter preceding the printing date of the annual Representativeort, with respect to the implementation of each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: None.

Five. Overview of Business Operations

I. Business activities

(I) Scope of Business:

1. The Company’s major lines of business

(1)Manufacturing, processing, and trading of various machinery (automobiles, motorbikes, bicycles).

(2)Acting as an agent for domestic and foreign manufacturers of the aforementioned products for quotations, bidding, and distribution.

(3)Import and export of products mentioned in the preceding paragraph.

(4)Operation and investment of the businesses as mentioned in the preceding paragraph.

(5)Surface treatment

(6)Industrial plastic product manufacturing industry

(7)Designing, planning, and manufacturing factory-wide automation equipment.

2. Main products and their weights in sales

Unit: NT$ thousand

Name of product	2022		2023	
	Net operating revenue	Operation weight	Net operating revenue	Operation weight
Motor parts	2,013,027	99.62%	2,038,690	99.39%
Others	7,731	0.38%	12,519	0.61%
Total	2020758	100.00%	2,051,209	100.00%

3. Current products (services)

(1) Auto parts, other parts, among other products.

(2) Designing, planning, and manufacturing factory-wide automation equipment.

4. New products (services) planned to be developed

(1) Development of various appearance parts of automobiles.

(2) Application and development of Industrial Internet of Things.

(II) Overview of the Industry

1. Current status and development of the industry

The Taiwan Transportation Vehicle Manufacturers Association (“TTVMA”) Representativeorts that there are currently 2,800 auto parts manufacturers in Taiwan that are involved in the production and sale of related products. Of these, approximately 300 are suppliers of original equipment manufacturers (OE parts) for both domestic and international markets, but many of them also manufacture aftermarket products (AM) for export. Year after year, Taiwan's auto parts manufacturing industry has seen consistent revenue growth. It experienced its first decline of 7.72% in 2009 as a result of the global financial crisis. It made a huge comeback in 2010. There was a notable upturn in 2010. Because of Taiwan's small automotive market, Taiwanese manufacturers of parts and components have always regarded expanding their export market as their primary business goal. The export value of automotive parts has been growing annually since they became more competitive, even in the face of fluctuations in the domestic finished vehicle sales market. A new peak of NT$2373 billion was reached by the export value in 2022, growing by roughly 7.47%. The export value from January to December in 2023 was NT$2,254, a decrease of 5.01%, despite the recession and high inventory levels.

Table of Taiwan's exports of auto parts in dollars.

Unit: NT$100 million

Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Amount	2,254	2,373	2,208	1,927	2,148	2,147	2,149	2,113	2,145	2,077
Growth rate	-5.01%	7.47%	14.58%	-10.26%	0.02%	-0.11%	1.70%	-1.47%	3.26%	4.96%

Sources: import and export statistics of customs, compiled by the TTVMA.

According to Industrial Technology Research Institute statistics, Taiwan's production value of exported AM crash parts and components accounts for 60-70% of the global total. AM crash parts and components such as bumpers, sheet metal, rearview mirrors, and rubber/plastic parts make up 85% of the global market, with bumpers accounting for up to 90%.

Taiwanese AM parts manufacturers are primarily export-oriented. Taiwanese AM parts, particularly crash parts (the most frequently Representativelaced items following a car accident, such as front and rear bumpers, lights, radiator grilles, doors and hoods, and other sheet metal parts), are well accepted in the international market.

The Company's main products, front and rear bumpers, and radiator grilles, are the most easily damaged after a car accident. Before the US economy fully recovers, consumers are unwilling to Representativelace more expensive parts from the original manufacturers, thereby benefiting the automotive after-sales maintenance market.

Some of our products have CAPA (Certified Automotive Parts Association) certification and adhere to strict quality standards, making them more competitive.

Taiwan's auto parts industry has a well-developed supply chain, with the majority of companies being small and medium-sized. The industry benefits from small quantities, a wide range of products, and flexible manufacturing. In recent years, manufacturers have continued to invest in R&D, improve production processes, and implement smart manufacturing. They have international competitiveness and the potential to enter the supply chain of global automakers. Manufacturers excel at precision machining and rubber/plastic injection molding, and a sizable proportion of them focus on the aftermarket for parts. They enter the international automakers' OEM system by investing overseas in factory establishment, network construction, marketing bases, international technical cooperation, and joint ventures to position themselves in the global market. Taiwanese manufacturers have achieved significant success in terms of after-sales service and OEM.

Even though 2023 will see a slower pace of consumption due to the effects of global inflation and 2022 will see the greatest export performance ever, 2023 will still see a record-breaking export value of over US$430 billion, the first time in history that this has happened for three years in a row. Taiwan's exports to the United States hit a record high in 2023, coming in at US$8.49 billion in December, up 49.7% from the previous year. More than 60% of exports to Europe and Japan, more than 50% to Taiwan, and the United States saw a doubling of export growth overall (+128%). The export to the United States and Latin America grew to 17.6% in comparison to the same period the previous year. When it comes to after-sale service parts, Taiwan is a leader in offering lights and bumpers. The majority of Taiwan's exported crash parts are certified by the US CAPA, and the number of US-imported automobiles is constantly growing. Therefore, sales to the United States continue to grow. Following the U.S.-China trade war, although the pandemic has been contained in China, issues such as labor wages and environmental protection regulations remain, prompting the auto parts industry to withdraw production bases from China, and overall supply chain restructuring will prioritize regionalization and localization.

2. Development trends of products

(1) To meet the development trend of increasing public demand for automobile safety standards, the Company has introduced a specialty digital control welding machine, to stabilize product quality by increasing the number of bonding points between the main bodies and reinforcing components.

(2) In line with global environmental protection trends, our products' main raw materials are PP (environmental label No. 5) and ABS (environmental label No. 7). These two materials can be recycled and reused, avoiding the use of non-recyclable raw materials that harm the environment.

3. Competition

Taiwan is currently the largest exporter in the AM market. Because the Company's flexible production outperforms its competitors, it actively develops product completeness and strives to meet customer satisfaction at all times. Quality, delivery, and cost control are also important indicators of the Company's efforts, and it will continue to increase the number of product certifications to gain a competitive advantage.

Overview of R&D

The Company is a professional manufacturer of plastic automotive parts, producing products of consistent quality. Quality control is ensured, as are the physical and chemical properties of the products, such as impact resistance and tensile strength, which are essential to ensure product quality. Our products must not only fulfill the basic functions of assembled vehicles but also withstand various weather conditions and pass internationally recognized tests. This ensures that the quality and performance of our products are comparable to those of the original manufacturers. In addition, we continue to improve our automated process in order to reduce labor costs and mitigate the effects of the low birth rate. Capacity and production yields are expected to increase due to equipment optimization and the implementation of new processes. In accordance with its short- and medium-term plans, the factory will invest in new equipment and update existing equipment to incorporate automation, IoT, big data collection, and AI. Industry 4.0 will be achieved by incorporating intelligent features and technology into manufacturing lines. In October 2019, the R&D center was officially established.

Currently, an automatic storage system has been implemented to save labor and space, increase the coverage of production line automation, improve process efficiency, stabilize quality, and effectively control raw material consumption.

2. Technical levels of operated businesses

The company is a professional auto parts manufacturer. Our products not only perform the basic functions of assembled vehicles, but they also meet the requirements to withstand various weather conditions. Therefore, in addition to meeting the quality requirements of ISO, its physical properties such as impact resistance and tensile strength are also important. As a result, the company is actively introducing the CAPA certification system for products. All CAPA-certified products must pass through CAPA-approved laboratories. Their physical properties are comparable to those of the original manufacturers after a series of tests conducted in accordance with internationally recognized ASTM testing methods. In addition, test items approved by TAF are available, such as polymer and composite materials, tensile testing, impact testing, plastic electroplating film thickness, tensile testing, impact testing. Approved items continue to be added in succession.

3. R&D Plans

(1) In October 2019, the R&D center was officially established. Actively participate in the R&D and patent positioning of automation equipment and process improvements.
(2) Continue to improve the process and introduce automation equipment to increase the quality and yield of each process in order to meet the goal of high yield and productivity.
(3) Import mold flow analysis to improve the mold mechanism and reduce molding time.
(4) Continue to increase the number of CAPA certifications.

4. Research on future development policies:

(1) The most recent computer-aided technology has been integrated into the mold development process to accelerate the mold-making process and enable the rapid release of products to the market in order to capitalize on the best financial and business opportunities.
(2) The innovation of product raw material formula takes the core value of eco-friendliness, and the Company is committed to researching and developing new materials that meet high environmental protection requirements and high performance, in order to obtain the greatest benefits of products in terms of innovative production and manufacturing.
(3) To address the labor shortage caused by declining domestic birth rates, production lines are fully automated, reducing the demand for workforce in the early stages while producing high-efficiency and high-quality products.
(4) In order to continuously optimize the production process and product quality, lower production costs, and improve product quality, production management's internal efficiency is reinforced through ongoing internal improvement processes.
(5) The laboratory was established to conduct immediate quality monitoring of the physical properties of the product body, such as impact resistance and tensile strength, as well as related chemical properties. This allowed for timely quality monitoring, while quality improvement activities were carried out with efficient production processes. The company is actively planning the international certification of ISO 17025 for the internal laboratory in order to increase the credibility of its various quality data.

5. Education background and work Experience of research and development personnel

(Y.C.C only) Unit: Person, Years

Year / Education	2019	2020	2021	2022	2023	As of March 31, 2024
Postgraduate degree	5	4	5	7	9	9
Bachelor’s degree	11	8	6	7	4	5
Senior/vocational high school	0	0	1	1	0	0

Total	16	12	12	15	13	14
Average years of service	1.68	3	2.67	1.8	2.15	2.07

(Y.C.C combined)) unit: person, per year

Year / Education	2019	2020	2021	2022	2023	As of March 31, 2024
Postgraduate degree	5	4	5	7	9	9
Bachelor's degree	20	14	14	14	7	7
Senior/vocational high school	3	0	2	2	0	0
Total	28	18	21	23	16	16
Average years of service	1.64	2.7	2.19	2.04	2.03	2.96

6. R&D expenses invested in the five recent years

Unit: NT$ thousand, %

Year / Item	2019	2020	2021	2022	2023
Parent-only R&D expenses (A)	27,074	22,060	29,595	53,029	59,655
Parent-only net revenue (B)	1,486,171	1,264,279	1,134,285	1,259,707	1,456,959
(A)/(B) weight %	1.82	1.74	2.61	4.21	4.09
Year / Item	2019	2020	2021	2022	2023
Consolidated R&D expenses (A)	34,048	31,247	37,564	70,601	69,766
Consolidated net revenue (B)	2,654,787	2,120,901	1,918,100	2,020,758	2,051,209
(A)/(B) weight %	1.29	1.47	1.96	3.49	3.40

7. Technologies or products successfully developed in the five most recent years:

(1) Automatic protection device for assembling/digging holes.
(2) Human-based fixture design.
(3) Improvement and introduction of automated assembly, grinding, painting, and mass production processes.
(4) Introduction of automatic woven fabric cutting device.
(5) Improvement and intelligentization of the welding and assembly of spare parts.
(6) Introduction of laser optical cutting and digging device.
(7) The total number of CAPA product certifications continued to increase, and product development items were added.

(IV) Long- and short-term business development plans

1. Short-term business development plans (competitive edges)

(1) Enhance the Company's standing and broaden its customer base by engaging in international trade shows.
(2) The stable quality is in line with customers' requirements.
(3) Establish an independent training system
(4) Strengthen automated production equipment to increase productivity.
(5) Accelerate products' passage of the CAPA certification system, improve customers' confidence in products, and increase sales.
(6) Establish a complete mold development system to shorten the time to market.

2. Long-term business development plans

(1) Build automatic warehouse equipment for inventory.
(2) Expand new factory buildings to increase production capacity.

(3) Increase product mix and increase market share.
(4) Expand the market to achieve global sales.
(5) Establish a wastewater recycling plant.

II. Analysis of the market as well as the production and marketing situation

(I) Geographic areas where the main products are sold

Unit: PCS; NT$ thousand

Area for sales \ Year		2022		2023	
		Amount	%	Amount	%
Domestic sales (Note 2)		511,503	40.60	595,250	40.86
Export sales	Americas	690,970	54.85	818,672	56.19
	Asia	33,849	2.69	28,975	1.98
	Europe	2,317	0.19	2,171	0.15
	Africa	7,821	1.62	11,891	0.82
	Oceania	13,247	1.05	0	0
	Subtotal	748,204	59.40	861,709	59.14
Total		1,259,707	100.00	1,456,959	100.00

Note 1: The table above contains Y.C.C-only information.
Note 2: Domestic sales include indirect export sales which are sold to domestic trading companies.

Area for sales \ Year	2022		2023	
	Amount	%	Amount	%
Taiwan	505,937	25.03	597,075	29.10
Americas	721,323	35.70	826,316	40.28
Asia	701,213	34.70	554,608	27.04
Europe	84,414	4.18	61,319	3.00
Africa	7,871	0.39	11,891	0.58
Total	2,020,758	100.00	2,051,209	100.00

Note: The table above is the consolidated information.

2. Market share

According to the statistics of the Customs Administration, the total export value of auto parts - bumpers and the parts thereof in 2022 and 2023 were NT$9,797,076 thousand and NT$11,685,251 thousand. Based on the figures, the Company's share in the Taiwanese export market was about 7.75% and 7.37% during the same period.

3. Demand and supply conditions for the market in the future, and the growth potential

As the demands for automobiles in emerging markets, such as China, India, Brazil, Russia, and ASEAN have been increasing year by year, the market scale has very promising prospects of development in emerging regions. It is mentioned in the article “View the Development of Auto AM from the Sheet Metal Structure Parts” published in the journal, Mechanical Industry, issue 280, that roughly 40% of total expenses spent by the owner of a car, from purchase to scrapping, are used for after-service. Upon the end of the warranty, any car accident goes to the service markets of maintenance and insurance companies. The auto parts required for the aftermarket inherently grows simultaneously. It is obvious that in the future, with more than 1 billion vehicle parked around the world, the AM market will create a huge business opportunity. The aging of the vehicle population will continue, and opportunities for after-sales maintenance will increase, because the supply of new cars is limited and demand is also under pressure.

In an effort to find suppliers of premium aftermarket parts, insurers have successively established the CAPA (Certified Automotive Parts Association). Meanwhile, they have increased the insurance premium rate for specific OEM parts by adopting differential rates and adding instructions to the contracts explaining the insurance claim process. This approach will lead to an increase in demand for certified AM parts from insurers, providing new opportunities for the future growth of the AM market.

With favorable conditions such as flexible production, diversified development, and industrial clustering effects, Taiwan's auto parts industry continues to hold a competitive edge that other nations cannot match. Regardless of market share or customer satisfaction, the company has already established a position among its peers after 38 years of growth and effort. In the future, we will continue to develop new product items, obtain product certifications from various countries, and actively expand potential markets, to strive to move towards the goal of global positioning and marketing, as well as increasing market share.

Demands for Taiwanese manufacturers of AM automotive parts and components have been increasing as they have both quality certifications and reasonable prices. Compared to the continued sluggishness in the consumption power of the new car market, which is unfavorable to Taiwanese OEMs and OES manufacturers of related auto parts, the number of existing cars retained in the US continues to grow, which is, in turn, beneficial to Taiwanese manufacturers in the supply chain of related parts of the automotive aftermarket (AM).

PwC released the "Digital Auto Representativeort 2020: Navigating through a post-pandemic world", which estimated in a survey, that the number of vehicles parked in the EU (the number of cars registered locally) will decline slightly (an estimated is decreased by 0.5% per year) as of 2035. In 2020, the EU was still the market with the largest number of vehicles parked in the world (302 million units). By 2035, the number of vehicles parked in the EU will drop to 281 million, after 350 million in China (estimated annual growth of 3.9%) and 332 million (annual growth of 1.1%) in the US. The momentum driving the growth of the total number of vehicles in the US and China include the demand for economic liquidity after the outbreak of the pandemic, the tendency of enterprises to build new fleets with high annual mileage, and the Representativelacement of old cars with new ones. Hsu, Chien-Yen, CPA of PwC Taiwan for the automotive and parts industry services, analyzed that when the direction of vehicle development is gradually inclining to smart applications and electric vehicles, Taiwan will benefit from the advantages of the information and communication industry and with its unique advantages established in the automotive electronic components, to become a key player in the international automobile manufacturing supply chain. According to the data of the Ministry of Economic Affairs, Taiwan's vehicle industry's total production value has increased steadily, reaching NT$836.6 billion between January and December 2023. This Representativeresents a 9.63% decrease in the industry's overall production value, or roughly 4.75% of Taiwan's manufacturing sector, making it an industry of great significance in Taiwan.

4. Competitive edges

(1) Demonstrate a wide variety of products that can compete in the market competition while also meeting the needs of customers.

(2) Demonstrating vertical integration manufacturing capabilities, from mold opening, molding to assembly.

(3) Rigorous product quality control improves competitiveness.

(4) Safeguard the quality of raw materials and the stable supply of raw materials, and continue to implement the cost-down policy.

(4) Improve and introduce process automation, reducing human factors and workforce problems.

(6) Demonstrate independent design and molding capabilities, with mold quantity providing a competitive advantage.

5. Positive and negative factors for future development, and the company's response to such factors

(1) Positive factors

I. The product categories are full and varied, with a high degree of professionalism, high caliber, high effectiveness, and a dedication to offering clients high-caliber goods.

II. Due to its long history in the industry, the company enjoys a high level of customer recognition, acceptance, and trust.

III. Year after year, the total number of CAPA-certified products has grown, highlighting the company's superior quality and benefiting product sales.

IV. Keep solid, long-lasting relationships with raw material suppliers, as well as a reliable source of raw materials.

(2) Negative factors and response to such factors

I. Because of the market's price-cutting competition, product prices are still falling. Profitability will be impacted if costs are not effectively controlled or markets are not expanded.

<u>Response to such factors</u>

a. Grasp market development trends and accommodate the market demands, and develop new products in a timely manner, for improving customer satisfaction and product competitiveness.

b. Continue to increase product items to expand market customer bases and increase sales revenue.

c. Improve the manufacturing process with the integration of automation, while elevating production efficiency and quality, so that production will be more economical in scale, thereby reducing production costs.

II. Shortages of labor and rising labor costs

Response to such factors

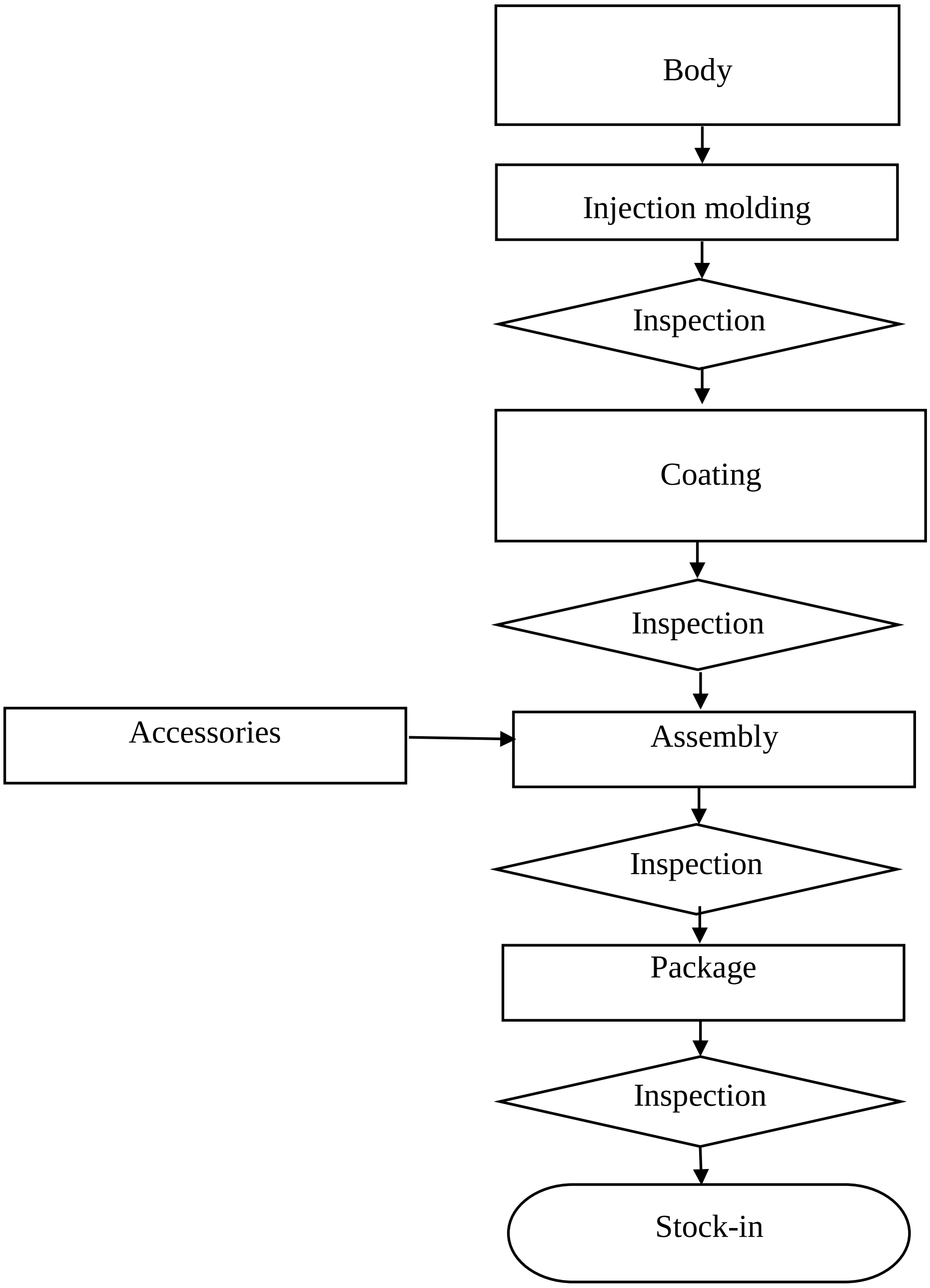
a. Streamline workforce and improve workforce quality.

b. Integration with automated processes.

(II) Usage and manufacturing processes for the company's main products.

1. Key usages of main products

Main product	Main usage
Bumpers	For the overall appearance of a vehicle and maintaining driving safety.
Radiator grilles	Improving aesthetics and allowing air to flow into the engine compartment for cooling.



(III) Supplies of major raw materials

Main raw materials	Supplier	Supply situation
ABS pellets	TAITA CHEMICAL COMPANY, LIMITED	Stable source with good quality
PP pellets	Formosa Chemicals & Fibre Corporation.	Stable source with good quality
PP pellets	Formosa Plastics Mart	Stable source with good quality

(IV) List of any suppliers and clients accounting for 10% or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures

1. List all suppliers accounting for more than 10% of purchases in the most recent two years, the purchase amounts and ratios, and reasons for increases or decreases:

Unit: NT$ thousand

Item	2022				2023				Q1 2024			
	Name	Amount	Percentage of annual net purchases	Relationship with the issuer	Title (Note)	Amount	Percentage of annual net purchases	Relationship with the issuer	Name	Amount	Percentage of annual net purchases	Relationship with the issuer
1	Others (percentage of annual net purchases lower than 10%)	725,238	100%	None	Others (percentage of annual net purchases lower than 10%)	789,769	100%	None	Others (percentage of annual net purchases lower than 10%)	154,130	100%	None
	Net purchase	725,238	100%		Net purchase	789,769	100%		Net purchase	154,130	100%	

2. List all of the clients who accounted for 10% or more of the business's total sales in the last two fiscal years, along with the amounts sold to them, their share of the overall sales, and the reasons behind any growth or decreases in that percentage.

Unit: NT$ thousand

Item	2022				2023				Q1 2024			
	Name (Note)	Amount	Percentage of annual net sales	Relationship with the issuer	Name (Note)	Amount	Percentage of annual net sales	Relationship with the issuer	Name (Note)	Amount	Percentage of annual net sales	Relationship with the issuer
1	Group A	464,885	23.01%	None	Group A	466,840	22.76%	None	Group A	115,251	22.50%	None
2	Others (percentage of annual net sales lower than 10%)	1,555,873	76.99%	None	Others (percentage of annual net sales lower than 10%)	1,584,369	77.24%	None	Others (percentage of annual net sales lower than 10%)	397,068	77.50%	None
	Net sales	2,020,758	100%		Net sales	2,051,209	100%		Net sales	512,319	100%	

(V) Production Volume and Value in the Most Recent 2 Fiscal Years

Unit: PCS, NT$ thousand

Annual production volume and value of major commodities	2022			2023		
	Production capacity (Note)	Production volume	Production value	Production capacity (Note)	Production volume	Production value
Motor parts	17,376,252	14,144,521	1,706,613	10,294,952	10,562,397	1,583,706,876
Other			320,000			394,218,373
Total			2,026,613			1,977,925,248

(Note): 1 Production capacity refers to the quantity that the Company can produce using existing production facilities in normal operations, after consideration of factors such as necessary suspensions of operations and holidays.

2. If there is substitutability in the production of any products, they may be calculated on a consolidated basis, and an explanatory note should be provided.

(VI) Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit: PCS, NT$ thousand

Year	2022				2023			
Sales value and volume	Domestic sales		Export sales		Domestic sales		Export sales	
Main product	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Motor parts	11,234,736	1,164,230	1,523,656	848,796	9,531,696	1,096,508	1,722,895	942,548
Other		7,732		-		12,153		-
Total		1,171,962		848,796		1,108,661		942,548

III. The number of employees employed for the 2 most recent fiscal years

Year		2022	2023	As of March 31, 2024
Number of employees	Managerial Officers	34	31	29
	Direct personnel	222	221	177
	Indirect personnel	197	151	147
	Total	453	403	353
Average age		38.5	37.52	38.11
Average years of service (Note 1)		4.275	4.56	5.265
Ratio of education distribution (Note 2)	PhD	0.4%	0.65%	0.7%
	Master’s degree	1.08%	1.045%	1.1%
	Bachelor’s degree	39.49%	31.97%	32.33%
	Senior high school	21.87%	22.36%	23.47%

	Below senior high school	37.16%	43.98%	42.4%

Note 1: International laborers are not included in the average years of service.

Note 2: International laborers are not included in education distribution.

IV. Contribution to environmental protection

(I) Any losses suffered by the company in the most recent year and as of the printing date of the annual Representativeort due to environmental pollution incidents (including any remuneration paid) and the total amount of disposition: none

(II) Possible expenses that could be incurred in the future and measures being or to be taken.

V. Labor-management relations

(I) List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans

(1) Establish the Employee Welfare Committee pursuant to laws, to contribute the employee welfare funds on schedule, and be responsible for the planning and implementation of various welfare affairs, such as gift money for three major festivals, birthday gift money, wedding and funeral subsidies, injury and disaster allowances, discounts in contracted merchants, employee travel, and recreational activities.

(2) Free meals for employees, free uniforms, annual regular health examinations, education subsidies, after-school care spaces for children, breastfeeding rooms, family days, and the implementation of health promotion programs.

(3) Performance bonuses depending on operating conditions, and the profit-sharing system.

(4) To seek employee benefits, assist employees with long-term savings, enjoy retirement with dignity, and enable employees to hold the Company’s shares, for sharing the gains from earnings and rising share price, as well as for the solid development of the Company’s equity on a firm foundation, the employees have voluntarily formed the “Employee Shareholding Association of Y. C. C. PARTS MFG. CO., LTD.”. It is agreed to deliver the reward allocated by the Company to the Wealth Management and Trust Department of President Securities Co, Ltd, to manage and utilize benefits for all employees, ensuring their stability and improving their quality of life in the event of employee retirement or loss of ability to work.

2. Continuing education and training system

(1) Orientation: when new recruits Representativeort to work, they must receive an orientation to understand the Company's regulations and culture in advance.

(2) On-the-job training: before the end of a year, each department submits the education and training plan for the next year based on the department's personnel training needs. After being aggregated and submitted by the Management Department, these will serve as the basis of the Company’s education and training programs.

(3) External training: the personnel of specific units may apply for external training and education if required by their jobs (such as professional certificate training, and dedicated training), and the certificates or Representativeorts are submitted after the training as the reference for education and training.

(4) Education and training: to establish a safe and healthy working environment, safety and health management is implemented, with regular employee firefighting education and training held, and regular inspections of related equipment.

The Company's education and promotions of safety in the most recent three years

Year	Times for education and training per person	Hours of education and training per person
2021	550	370
2022	583	739
2023	550	349

3. Retirement system and its implementation

(1) The Company established the Labor Retirement Reserve Fund Supervision Committee in

July 1997, and formulated the committee's charter and labor retirement procedures. to contribute the retirement reserve fund to be deposited in the specific account for the labor retirement reserve fund with the Trust Department of the Bank of Taiwan.

(2) Since July 1, 2005, the Company has contributed 6% of the total salary to the employee's individual account with the Labor Insurance Bureau on a monthly basis, pursuant to the Labor Pension Act.

4. The agreement between labor and management, and various measures adopted to protect various rights and interests of employees.

1) The Company's implementation complies with various labor-related laws and regulations, to handle labor and health insurance for workers, and contribute pensions, to protect employees' rights and interests.

(2) The Company values the safety and health of employees, and regularly invites doctors to the factory to provide medical and health-related consultations for employees. The health lectures are held from time to time,public accident liability insurance is purchased, andAED devices are installed in factory areas and the office building.

(3) All operations of the Company comply with the Labor Standards Act, so up to now, there have been no labor disputes. The employees may reflect on issues they encounter both in work and personal lives at any time through the Company's formal and informal communication channels, so that both parties better understand each other, build consensus, and create a win-win situation.

(II) List any losses suffered by the company in the most recent year and as of the printing date of the annual Representativeort due to labor disputes and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: There have not been any significant labor disputes or issues pertaining to labor agreements in the company as of the most recent two years and the printing date of the annual Representativeort.

VI. Cyber security management

(I) The Company has an information security management unit in place, evaluating and reviewing information security policies, approving various information security matters, promoting security policies, reviewing corrective and preventive measures, and responding to information security crisis incidents, to prevent incidents like damage, theft, leakage, tampering, misuse, and infringement.

1. The Company's cyber security policies and guidelines are as following:

(1) To effectively implement information security management, the Company's Audit Office executes a computer cycle for regular annual audits to implement corporate internal control security.

(2) PwC Taiwan conducts annual audits to ensure the security of corporate information operations.

(3) The information related to the Company's business activities must comply with the information security management regulations, to ensure the confidentiality of the information and protect the confidential information of the Company and individuals.

(4) 3. Outsourced manufacturers shall comply with the provisions of this policy and related procedures, and shall not use without authorization, or misuse the Company's various information assets.

(5) Improve information security protection capabilities to achieve the goal of sustainable business operations.

2. The specific management programs for cyber security are as follows:

(1) The Company employs application security firewalls, anti-virus software, three data backup methods, and other information security protection mechanisms to prevent illegal intrusions into the Company, resulting in trade secrets and the risk of leakage of personal information.

(2) The information unit shall strengthen the employees' awareness regarding the information security crisis, and regularly promotes information security precautions (eg only software with legal copyrights may be used, avoid downloading software from unknown sources online).

(3) The access of the data center is under control, requiring identifiable ID cards for access, to achieve the purpose of security control. The external people must be accompanied by the information personnel, and leave the records of access, to visit the data center.

(4) Limit the number of people going online and require authentication to access the

Internet. The old operating system computers or servers with security concerns are being Representativelaced gradually.

(5) Review the monitoring records of information security equipment and the records of abnormal conditions.

3. Resources input into cyber security management

(1) New purchase of an application firewall totaling NT$364,350 in 2023

(2) Designate one information security supervisor and one information security officer.

(3) One social engineering drill in 2023.

(4) Four meetings were held with the information security vendor in 2023 to discuss ways to improve the Company's information security.

(5) In 2023, an evaluation was conducted on the newly purchased information security software's ability to monitor, alert in real-time, and prevent the harm caused by ransomware.

(II) List any losses suffered by the company in the most recent year and as of the printing date of the annual Representativeort due to significant cyber security incidents, possible impacts, and coping measures:

The Company has established a comprehensive network and computer information security management system, to maintain the security of information and computer systems within the Company. As of the most recent year and the printing date of the annual Representativeort, no major hacker attack was encountered, and thus no loss due to major cyber security incidents. However, to protect the Company's operating data from being hacked, we continue to strengthen the relevant information security measures, such as continuing to conduct phishing email drills to improve employees' awareness of email security. We also plan to enhance the local network management and control, divide the networks for the office and factory, to prevent computer virus spread across the factory areas. The effectiveness of information security management measures can only be ensured through continuous testing, evaluation of network and system architecture, and refinement of security management measures.

VII. Major contracts

The supply and sales contracts, technical cooperation contracts, construction contracts, long-term borrowing contracts, and other important contracts that are effectively valid, but due within a year, and enough to affect the investors' rights and interests, are as follows:

Nature of contract	Counterparty	Starting and end date of the contract	Key content	Restrictive clauses
Long-term secured borrowings	Bank of Taiwan	January 6, 2016-January 6, 2021	Mortgage loan	None
Investments from returning Taiwanese companies	Bank of Taiwan	January 3, 2020-December 26, 2026	Mortgage loan	None
Investments from returning Taiwanese companies	Bank of Taiwan	December 26, 2019-December 26, 2026	Credit loans	None
Investments from returning Taiwanese companies	Bank of Taiwan	September 19, 2020-December 26, 2029	Mortgage loan	None

Six. Overview of Financial Status

I. Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years

(I) Condensed balance sheets and statements of comprehensive income - International Financial Representativeorting Standards (IFRSs)

1. Consolidated financial Representativeort:

Condensed Balance Sheet - International Financial Representativeorting Standards (IFRSs)unit: NT$ thousand

Item \ Year		Financial information for the last 5 years					As of Financial data as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		1,930,263	2,035,739	1,825,688	2,081,014	1,749,753	1,778,652
Property, factory, and equipment		2,616,905	2,767,101	2,830,766	2,974,815	2,873,418	2,893,959
Intangible assets		198,354	8,203	11,147	5,016	3,758	3,101
Other assets		603,027	487,358	384,264	476,625	791,771	785,466
Total assets		5,348,549	5,298,401	5,051,865	5,537,470	5,418,700	5,461,178
Current liabilities	Before	1,102,423	916,228	1,105,758	1,111,276	849,847	1,007,093
	After	1,250,671	1,064,476	1,254,006	1,333,648	1,072,219	1,007,093
Non-current liabilities		644,902	610,317	585,379	610,645	526,892	486,142
Total liabilities	Before	1,712,740	1,501,607	1,750,660	1,721,921	1,376,739	1,493,235
	After	1,860,988	1,649,855	1,898,908	1,944,293	1,599,111	1,493,235
Equity attributable to owners of the parent		3,485,966	3,470,017	3,443,404	3,714,309	3,945,875	3,867,763
Share capital		741,389	741,389	741,389	741,239	741,239	741,239
Capital surplus		1,193,024	1,193,259	1,193,349	1,193,349	1,193,349	1,193,349
Retained earnings	Before	1,641,106	1,629,232	1,671,560	1,888,863	2,105,330	2,016,150
	After	1,492,858	1,480,984	1,523,312	1,666,491	1,882,95	2,016,150
Other equity interest		(119,481)	(105,211)	(120,040)	(109,142)	(94,043)	(82,975)
Treasury shares		(526)	(526)	(526)	-	-	-
Non-controlling interests		111,923	155,644	106,854	101,240	96,086	100,180
Total equity	Before	3,585,661	3,550,258	3,597,889	3,815,549	4,041,961	3,967,943
	After	3,437,413	3,402,010	3,449,641	3,593,177	3,819,589	3,967,943

Note 1: Years not audited by CPAs should be specified.

Note 2: Assets that have been revalued in the current year must include both the date of revaluation and the amount of revaluation appreciated.

Note 3: As of the printing date of the annual Representativeort, for companies that have been listed or traded in securities firms, financial data inspected, attested, or reviewed by a CPA should be disclosed, if any.

Note 4: Please fill out the aforementioned figures after distribution in accordance with the Board of Directors' resolutions or at the shareholders' meeting the following year.

Note 5: If the competent authority corrects or restates the financial information on its own notice, it should present the corrected or restated figures, as well as the circumstances and reasons.

Condensed Income Statement- International Financial Representativeorting Standards (IFRSs)

Unit: NT$ thousand

Item \ Year	Financial information for the last 5 years (Note 1)					Financial information as of March 31, 2024 (Note 2).
	2019	2020	2021	2022	2023	
Operating revenue	2,654,787	2,021,901	1,918,100	2,020,758	2,051,209	512,319
Gross profit	805,086	637,503	445,576	530,462	689,467	181,592
Operating profit and loss	476,973	350,443	174,489	180,002	401,863	93,899
Non-operating income and expenses	(13,947)	(171,746)	(4,083)	347,221	142,346	76,416
Profit before tax	463,026	178,697	170,406	527,223	544,209	170,315
Current net income from continuing operations	372,828	119,613	127,699	400,993	432,464	134,877
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss) for the period	372,828	119,613	127,699	400,993	432,464	134,877
Other comprehensive income for the current period (net amount after tax)	(35,927)	16,407	(14,854)	12,546	16,320	13,477
Total comprehensive income in the current period	336,901	136,020	112,845	413,539	448,784	148,354
Net income attributable to parent company shareholders	376,363	117,619	135,753	408,560	435,661	133,192
Net income attributable to non-controlling interests	(3,535)	1,934	(8,054)	(7,567)	(3,197)	1,685
Total comprehensive income attributable to owners of parent	344,924	132,064	121,545	419,153	453,938	144,260
Total comprehensive income, attributable to non-controlling interests	(8,023)	3,956	(8,700)	(5,614)	(5,154)	4,094
Earnings per share	5.08	1.59	1.83	5.51	5.88	1.80

Note 1: Years not audited by CPAs should be specified.

Note 2: As of the printing date of the annual Representativeort, companies that have been listed or traded in securities firms should disclose any financial data inspected, attested, or reviewed by a CPA.

2. Parent-company only financial Representativeort:

Condensed Balance Sheet - International Financial Representativeorting Standards (IFRSs)

Unit: NT$ thousand

Item \ Year		Financial information for the last 5 years				
		2019	2020	2021	2022	2023
Current assets		1,428,797	1,513,402	1,456,605	1,798,825	1,747,776
Property, factory, and equipment		2,052,791	2,132,603	2,140,379	2,281,091	2,240,616
Intangible assets		3,724	7,105	11,147	4,085	3,357
Other assets		1,093,654	844,660	867,097	883,359	1,147,824
Total assets		4,578,966	4,970,770	4,475,228	4,967,360	5,139,573
Current liabilities	Before dividend	572,076	423,710	447,374	643,585	667,982
	After dividend	720,324	571,958	595,622	865,957	890,354
Non-current liabilities		520,924	604,043	584,450	609,466	525,716
Total liabilities	Before dividend	1,093,000	1,027,753	1,031,824	1,253,051	1,193,698
	After dividend	1,241,248	1,176,753	1,180,072	1,475,423	1,416,070
Share capital		741,389	741,389	741,389	741,239	741,239
Capital surplus		1,193,024	1,193,259	1,193,349	1,193,349	1,193,349
Retained earnings	Before dividend	1,671,560	1,641,106	1,629,232	1,888,863	2,105,330
	After dividend	1,523,312	1,492,858	1,480,984	1,666,491	1,882,958
Other equity interest		(119,481)	(105,211)	(120,040)	(109,142)	(94,043)
Treasury shares		(526)	(526)	(526)	0	0
Total equity	Before dividend	3,485,966	3,470,017	4,475,228	3,714,309	3,945,875
	After dividend	3,337,718	3,321,769	4,326,980	3,491,937	3,723,503

Condensed Statement of Comprehensive Income - International Financial Representativeorting Standards (IFRSs)

Unit: NT$ thousand

Item \ Year	Financial information for the last 5 years				
	2019	2020	2021	2022	2023
Operating revenue	1,486,171	1,264,279	1,134,285	1,259,707	1,456,959
Gross profit	690,570	500,490	388,505	472,869	683,445
Operating profit and loss	497,221	333,625	222,187	240,798	445,340
Non-operating income and expenses	(31,508)	(157,134)	(43,750)	293,956	102,061
Profit before tax	465,713	176,491	178,437	534,754	547,401
Current net income from continuing operations	376,363	117,679	135,753	408,560	435,661
Loss from discontinued operations	-	-	-	-	-
Net income (loss) for the period	376,363	117,679	135,753	408,560	435,661
Other comprehensive income for the current period (net amount after tax)	(31,439)	14,385	(14,208)	10,593	18,277
Total comprehensive income in the current period	344,924	132,064	121,545	419,153	453,938
Earnings per share	5.08	1.59	1.83	5.51	5.88

II. Names of the attesting CPAs and audit opinions

Year	Name of CPA firm	Names of CPAs	Audit opinion	Reason for Representativelacing CPA
2019	Deloitte Taiwan	Wu, Li-Dong; Yen, Hsiao-Fang	Unqualified opinion	
2020	PwC Taiwan	Yu-Chuang Wang; Mei-Lan Liu	Unqualified opinion	Coping with the internal management needs of the Company
2021	PwC Taiwan	Yu-Chuang Wang; Mei-Lan Liu	Unqualified opinion	
2022	PwC Taiwan	Yu-Chuang Wang; Mei-Lan Liu	Unqualified opinion	
2023	PwC Taiwan	Yu-Chuang Wang; Mei-Lan Liu	Unqualified opinion	

III. Financial analysis for the last five years

(I) Financial Analysis - International Financial Representativeorting Standards (IFRSs)

1. Consolidated financial Representativeort

Financial analysis - International Financial Representativeorting Standards (IFRSs)

Item (Note) / Year			Financial analysis for the last 5 years					As of March 31, 2024
			2019	2020	2021	2022	2023	
Financial structure (%)	Ratio of liabilities to assets		32.73	32.33	29.72	31.10	25.41	27.34
	Ratio of long-term capital to property, factory, and equipment		157.85	147.46	146.10	148.79	159.00	153.91
Solvency (%)	Current ratio		174.56	184.66	199.26	187.26	205.89	176.61
	Quick ratio		142.77	145.47	153.99	148.96	153.84	133.97
	Interest coverage ratio		14.85	9.97	9.20	20.11	32.51	48.80
Operating efficiency	Accounts receivable turnover (times)		3.27	2.85	3.17	3.45	3.46	4.03
	Average cash collection days		112	128.07	115.14	106	105.49	90.57
	Inventory turnover (times)		4.86	4.24	3.89	3.88	3.42	3.29
	Accounts payable turnover (times)		4.47	4.06	4.75	5.22	4.53	5.05
	Average inventory turnover days		75	86.08	93.83	94	106.72	110.94
	Property, factory, and equipment turnover (times)		0.94	0.79	0.69	0.70	0.70	0.71
	Total asset turnover (times)		0.45	0.40	0.37	0.38	0.37	0.38
Profitability	Return on assets (%)		6.79	2.49	2.75	7.97	8.15	10.13
	Return on equity (%)		11.01	3.44	3.58	10.89	11.01	13.47
	Ratio of income before tax to paid-in capital (%) (Note 6)	Operating profit	64.34	47.27	23.54	24.28	54.22	50.67
		Net income before tax	62.45	24.10	22.98	71.13	73.42	91.91
	Net profit margin (%)		14.04	5.64	6.66	19.84	21.08	26.33
	Earnings per share (NT$)		5.08	1.59	1.83	5.51	5.88	1.80
Cash flow	Cash flow ratio (%)		58.24	59.7	46.38	67.27	94.80	109.79
	Cash flow adequacy ratio(%)		106.48	143.18	159.56	165.90	155.36	183.19
	Cash reinvestment ratio (%)		7.66	7.49	3.90	7.90	7.59	11.53
Degree of leverage	Operating leverage		1.68	1.89	2.99	3.09	1.94	2.01
	Financial leverage		1.07	1.05	1.12	1.17	1.04	1.04

Please explain the reasons for changes in the financial ratios in the most recent two years. (Analysis is not required if the increase or decrease is less than 20%.)

1. The increase in cash flow ratio is primary due to the subsidiary's Representativeayment of short-term bank borrowings in 2023, which resulted in a reduction in current liabilities.
2. The increase in interest coverage ratio was primarily due to a reduction in the Group's interest expenses.
3. The decrease in the operating leverage ratio compared to the same period last year was primarily attributed to the absence of port traffic jams or liquidated positions in 2023. This allowed customer order volumes to gradually return to the same level, resulting in an increase in gross profit. Additionally, overall operating expenses decreased as customer orders gradually recovered to their previous levels.

Note: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual Representativeoert:

1. Financial structure
   (1) Debt to assets ratio = total liabilities/total assets.
   (2) Ratio of long-term capital to property, factory, and equipment = (total equity + non-current liabilities)/net property, factory, and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets - inventory - pRepresentativeaid expenses)/current liabilities.
   (3) Interest coverage ratio = earnings before tax and interest expense/current interest expense.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable resulting from business activities) turnover = net sales/average accounts receivable balance (which includes accounts receivable and notes receivable resulting from business activities).
   (2) Average collection days = 365/accounts receivable turnover.
   (3) Inventory turnover = cost of goods sold/average inventory.
   (4) Accounts payable (including accounts payable and notes payable resulting from business activities) turnover = cost of goods sold/average accounts payable balance (including accounts payable and notes payable resulting from business activities).
   (5) Average days in sales = 365/inventory turnover.
   (6) Property, factory, and equipment turnover = net sales/average net property, factory, and equipment.
   (7) Total asset turnover = net sales/average total assets.
4. Profitability
   (1) Return on total assets = (net income + interest expense * (1 - effective tax rate))/average total assets.
   (2) Return on equity = net income after tax/average net equity.
   (3) Net profit margin = net income after tax/net sales.
   (4) Earnings per share = (net income after tax - preferred share dividends)/weighted average number of shares outstanding (Note 4).
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities/5- year sum of (capital expenditures + increases in inventory + cash dividends).
   (3) Cash reinvestment ratio = (cash from operating activities - cash dividends)/(gross property, factory, and equipment + long-term investments + other non-current assets + working capital (Note 5).
6. Leverage:
   (1) Operating leverage = (net operating revenue – variable operating costs and expenses)/operating income (Note 6).
   (2) Financial leverage = operating income/(operating income – interest expense).

Note 4: The following should be given particular consideration when calculating earnings per share by the above equation:
1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the preferred share dividend will be deducted from net income after tax if there is any, and no adjustment will be made if there is a loss.

Note 5: The following should be given particular consideration when performing cash flow analysis calculations:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refer to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common shares and preferred shares.
5. The total dollar amount of property, factory, and equipment before deducting accumulated depreciation is referred to as gross property, factory, and equipment.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 7: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be Representativelaced by the equity attributable to owners of the parent company on the balance sheet.

2. Parent-company only financial Representativeort:

Financial analysis - International Financial Representativeorting Standards (IFRSs)

Item (Note)			Financial analysis for the last 5 years				
		Year	2019	2020	2021	2022	2023
Financial structure (%)	Ratio of liabilities to assets		23.87	22.85	23.06	25.23	23.23
	Ratio of long-term capital to property, factory, and equipment		195.19	191.04	188.18	189.55	199.57
Solvency (%)	Current ratio		249.76	357.18	325.59	279.50	261.65
	Quick ratio		218.51	307.52	275.68	246.38	217.40
	Interest coverage ratio		37.09	23.04	23.17	48.92	52.43
Operating efficiency	Accounts receivable turnover (times)		5.45	5.11	6.02	5.78	4.76
	Average cash collection days		67	71	61	63.00	76.68
	Inventory turnover (times)		4.39	4.34	3.95	4.09	3.31
	Accounts payable turnover (times)		5.83	5.44	5.70	5.08	3.95
	Average inventory turnover days		83	84	92	89.00	110
	Property, factory, and equipment turnover (times)		0.72	0.6	0.53	0.57	0.64
	Total asset turnover (times)		0.31	0.28	0.25	0.27	0.29
Profitability	Return on assets (%)		7.99	2.68	3.14	8.83	8.79
	Return on equity (%)		11.12	3.38	3.93	11.42	11.37
	Ratio of income before tax to paid-in capital (%) (Note 6)	Operating profit	67.07	45.00	29.97	32.49	60.08
		Net income before tax	62.82	23.81	24.07	72.14	73.85
	Net profit margin (%)		25.32	9.31	11.97	32.43	29.90
	Earnings per share (NT$)		5.08	1.59	1.83	5.51	5.88
Cash flow	Cash flow ratio (%)		100.72	138.11	84.92	118.07	104.08
	Cash flow adequacy ratio(%)		212.85	240.75	219.87	208.66	172.44
	Cash reinvestment ratio (%)		6.89	6.58	3.39	8.40	6.45
Degree of leverage	Operating leverage		1.47	1.69	2.21	2.20	1.65
	Financial leverage		1.02	1.01	1.03	1.04	1.02

Please explain the reasons for changes in the financial ratios in the most recent two years. (Analysis is not required if the increase or decrease is less than 20%.)

1. The cash reinvestment ratio fell compared to the same period last year, owing primarily to the distribution of more cash dividends this year than the previous year, as well as a decrease in net cash flow from operating activities due to a large purchase of raw materials at a low point and an increase in inventory.

2. The decrease in operating leverage ratio compared to the same period last year was primarily due to the absence of port traffic jams or liquidated positions in 2023, which allowed customer order volume to gradually return to the same level, resulting in an increase in gross profit.

Note: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual Representativeort:

1. Financial structure
   (1) Debt to assets ratio = total liabilities/total assets.
   (2) Ratio of long-term capital to property, factory, and equipment = (total equity + non-current liabilities)/net property, factory, and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets - inventory - pRepresentativeaid expenses)/current liabilities.
   (3) Interest coverage ratio = earnings before tax and interest expense/current interest expense.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable resulting from business activities) turnover = net sales/average accounts receivable balance (which includes accounts receivable and notes receivable resulting from business activities).
   (2) Average collection days = 365/accounts receivable turnover.
   (3) Inventory turnover = cost of goods sold/average inventory.
   (4) Accounts payable (including accounts payable and notes payable resulting from business activities) turnover = cost of goods sold/average accounts payable balance (including accounts payable and notes payable resulting from business activities).
   (5) Average days in sales = 365/inventory turnover.
   (6) Property, factory, and equipment turnover = net sales/average net property, factory, and equipment.
   (7) Total asset turnover = net sales/average total assets.
4. Profitability
   (1) Return on total assets = (net income + interest expense * (1 - effective tax rate))/average total assets.
   (2) Return on equity = net income after tax/average net equity.
   (3) Net profit margin = net income after tax/net sales.
   (4) Earnings per share = (net income after tax - preferred share dividends)/weighted average number of shares outstanding (Note 4).
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities/5- year sum of (capital expenditures + increases in inventory + cash dividends).
   (3) Cash reinvestment ratio = (cash from operating activities - cash dividends)/(gross property, factory, and equipment + long-term investments +
   Other non-current assets + working capital). (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating revenue – variable operating costs and expenses)/operating income (Note 6).
   (2) Financial leverage = operating income/(operating income – interest expense).

Note 4: The following should be given particular consideration when calculating earnings per share by the above equation:

1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the preferred share dividend will be deducted from net income after tax if there is any, and no adjustment will be made if there is a loss.

Note 5: The following should be given particular consideration when performing cash flow analysis calculations:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refer to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common shares and preferred shares.
5. The total dollar amount of property, factory, and equipment before deducting accumulated depreciation is referred to as gross property, factory, and equipment.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 7: If the Company's shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be Representativelaced by the equity attributable to owners of the parent company on the balance sheet.

IV. The Review Representativeort of the financial Representativeorts of the most recent year by the Audit Committee

Audit Committees' Review Report

We have reviewed the Company's 2023 financial statements, business report, and earnings distribution proposal. The Board retained PricewaterhouseCoopers to audit the 2023 financial statements and issue a review report on their unqualified opinion.

We are responsible for supervision of the procedures of financial reporting.

The communication with CPAs regarding 2023 financial statements is as follows:

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

We found no misstatements in the 2023 financial statements, business report and earnings distribution proposal and has issued the report as presented above in accordance with Article 219 of the Company Act.

Yours sincerely,
For
Y.C.C. Parts MFG Co., Ltd.
2024 General Shareholders' Meeting
Convener of the Auditing Committee:

Chin-Feng Kuo
Lung-Fa Hsieh
Hung-Lung Huang

March 7, 2024

V. The financial Representativeorts of the most recent year (refer to P98 to P.175)

VI. The parent-only financial Representativeorts audited and attested by CPAs of the most recent year (refer to P.176 to P.259)

VII. Any financial distress experienced by the Company or affiliated enterprise that has an impact on the Company's financial position during the current year as of the printing date of the annual Representativeort: None.

Seven. Financial Status, Review and Analysis of Operating Results, and Risk Items

I. Financial status:

(I) The main reasons and impacts of material changes in the company's assets, liabilities, or equity in the most recent two years:

Unit: NT$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	1,749,753	2,081,014	(331,261)	(15.91)
Property, factory, and equipment	2,873,418	2,974,815	(101,397)	(3.40)
Intangible assets	3,758	5,016	(1,259)	(25.09)
Other assets	791,771	476,625	315,146	66.12
Total assets	5,418,700	5,537,470	(118,770)	(2.14)
Current liabilities	849,847	1,111,276	(261,430)	(23.52)
Non-current liabilities	526,892	610,645	(83,753)	(13.72)
Total liabilities	1,376,739	1,721,921	(345,182)	(20.05)
Equity attributable to owners of the parent	3,945,875	3,714,309	231,566	6.23
Share capital	741,239	741,239	0	0.00
Capital surplus	1,193,349	1,193,349	0	0.00
Retained earnings	2,105,330	1,888,863	216,467	11.46
Other equity interest	(94,043)	(109,142)	(15,099)	(13.83)
Non-controlling interests	96,086	101,240	(5,154)	(5.09)
Total equity	4,041,961	3,815,549	226,412	5.93

The reasons and impacts of significant changes (changes of 20% or more between two consecutive periods and changes in amounts greater than NTD10 million) are analyzed and described below.

1. Current liabilities decreased compared to the same period last year, owing primarily to the subsidiary's Representativeayment of short-term borrowings in 2023.
2. Current liabilities decreased compared to the same period last year, owing primarily to the subsidiary's Representativeayment of short-term borrowings in 2023.

(II) Future response plans for material impacts: None.

II. Financial performance: The main reasons for any material change in operating revenues, operating income, or income before tax in the two recent years, sales volume forecast and basis, and possible impacts on the Company's future finance businesses, and response plans. Provide a sales volume forecast and the basis therefore, and describe the effect upon the company's financial operations as well coping measures

(I) Financial performance analysis Unit: NT$ thousand

Item \ Year	2023	2022	Amount increase (decreased)	Percentage of change (%)
Net operating revenues	2,051,209	2,020,758	30,451	1.51
Operating costs	1,361,742	1,490,296	(128,554)	(8.63)
Gross profit	689,467	530,462	159,005	29.97
Operating expenses	287,604	350,460	(62,856)	(17.94)
Net operating profit	401,863	180,002	221,861	123.25
Non-operating income and expenses	142,346	347,221	(204,875)	(59.00)
Profit before tax	544,209	527,223	16,986	3.22
Income tax expenses	111,745	126,230	(14,485)	(11.48)
Net profit of the year	432,464	400,993	31,471	7.85
Total comprehensive income in the current year	448,784	413,539	35,245	8.52

Reasons and impacts of important items changed (change between two consecutive periods reaches 20%, and the amount of change reaches NT$10 million or more) are analyzed and described below:

1. The increase in gross profit is mainly due to the low cost of raw materials purchased in large quantities at low points, resulting in lower costs in the current period.
2. The decrease in non-operating income and expenses year-on-year was mainly due to the large appreciation of the USD during the year, resulting in a decrease in exchange gains from last year.
3. Net operating income increased year-on-year mainly due to the decrease in operating costs and the increase in expected credit impairment gain, resulting in a decrease in operating expenses.

(II) The sales volume forecast and the basis therefore, describe the effect upon the company's financial operations as well as measures to be taken in response: with the continuous growth of the demands in the aftermarket, the Company will continue to develop more complete product items and actively expand new markets. The sales amount in the coming year shall be able to maintain the trend of continuous growth.

III.Cash flow: describe and analyze any cash flow changes during the most recent fiscal year, describe corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year.

(I) Analysis of the change in cash flows in the most recent fiscal year

Unit: NT$ thousand

Item \ Year	2023	2022	Ratio of increase (decrease) (%)
Cash flow ratio (%)	94.80	67.27	40.92%
Cash flow adequacy ratio(%)	153.16	165.90	-8%
Cash reinvestment ratio (%)	7.59	7.90	-4%

Description: The increase in cash flow ratio is primary due to the subsidiary's Representativeayment of short-term bank borrowings in 2023, which resulted in a reduction in current liabilities.

(II) Remedial measures of insufficient cash: none

(III) Liquidity analysis for the coming year

Unit: NT$ thousand

Beginning balance of cash ①	Expected net cash flow from operating activities for the whole year ②	Expected net cash flow from investing and financing activities ③	Expected cash surplus (deficit) amount ①＋②-③	Financing of expected cash deficits	
				for the next year	Financing plan
550,670	953,895	(654,234)	850,331	—	—

Analysis of changes in cash flows:

1. Operating activities: with the continuous growth of orders and the increase in shipments, the profit increased. It is estimated that the net cash inflow from operating activities for the whole year will be NT$953,895 thousand.
2. Investing and financing activities: Continuous purchase of fixed assets, such as molds, machinery equipment, Representativeayment of bank borrowings, and distribution of cash dividends, resulting in a net cash outflow of NT$654,234 thousand in investing and financing activities.

IV. Material capital expenditures in the last year and impacts on the financial position and business performance: None.

V. The reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year: None.

VI. Analysis and assessment of risks

(I) The Impacts of Changes in Interest and Exchange Rates and Inflation on the Company’s Profit and Loss and Future Coping Measures

1. Interest rate fluctuations

The Company's interest expenditure in 2022 and 2021 were NT$26,327 thousand and NT$17,269 thousand, respectively, accounting for 1.30% and 0.84% of the operating revenue of each year, or accounting for 4.99% and 3.17% of the pre-tax net profit, respectively. Therefore, changes in interest rates have no significant impacts on the Company. In the future, the Company will adjust the fund utilization in a timely manner depending on changes in financial interest rates, to reduce the impacts of changes in interest rates on the Company's profit and loss.

2. Exchange rate fluctuation

The Company's foreign currency sales are mainly denominated in USD. The Company's exchange gains and losses from exchange rate changes in 2022 and 2023 were exchange losses of NT$306,502 thousand and exchange gains of NT$60,398 thousand, accounting for 170.28% and 15.03% of the annual operating profit, respectively. Therefore, changes in the exchange rate of TWD to USD have a certain degree of impacts on the Company. To cope with the risks of exchange rate changes on the Company's profit and loss, the Company will closely monitor the information related to exchange rate fluctuations, grasp exchange rate movement in real time, and adjust foreign currency assets and liabilities in a timely manner based on the global macroeconomy, exchange rates, and future capital needs, to avoid the risk of exchange rate changes and reduce the impact of exchange rate changes on the Company's profit and loss.

3. Inflation

According to the wholesale price index and the consumer price index of December 2023 announced by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rates were 2.71%, respectively, and there has been no risk of significant inflation. The Company has not sustained any major impact due to inflation, and the Company's quotations to customers and suppliers are mostly adjusted with the market movements, hence no major impact is expected.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions. The main reasons for the profits/losses generated thereby, and response measures to be taken in the future.

1. Based on prudent principles and pragmatic business philosophy, the Company does not engage in high-risk, high-leverage investments except for the development of its own business.

2. As of the most recent year and the printing date of the annual Representativeort, every endorsement/guarantee, and loaning of funds have been announced and Representativeorted pursuant to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies. In addition, the Company has the “Operational Procedures for Loaning Funds to Others, and Endorsements/Guarantees” as the basis of related operations.

3. The main purpose of the Company's derivative trading is to avoid the risk generated by exchange rate changes, to which the foreign currency deposits are exposed, and it is handled pursuant to the Company's “Operational Procedures for Acquisition or Disposal of Assets”.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work.

1. Future R&D plans

(1) Mold development for main products.
(2) Design and development of various appearance parts and other products.
(3) Integrate all production processes of soft and hard capsule products.
(4) Establish a laboratory and obtain TAF certification.

2. Estimated R&D Expenditures

The amounts of the Company's estimated R&D expenditures will be allocated sequentially based on the development progress of new products and technologies. In the future, as turnover increases, annual research and development expenditures will gradually rise to support future research and development plans and increase the Company's market competitiveness. R&D expenditures are estimated to total NT$ 68 thousand in 2024.

(IV) Impacts of Important Domestic and International Policies and Legal Changes on the Company's Finance Businesses and Coping Measures

Apart from adhering to pertinent domestic and international laws and regulations, the company also keeps an eye on how these policies are developing both domestically and internationally, as well as any changes to them. By consulting with relevant experts, the company can quickly take appropriate action to mitigate the effects of policy changes on its operations.

(V) Impacts of Technological and Industrial Changes on the Company’s Finance Businesses and Coping Measures

The company is a professional auto parts manufacturer. Changes in technology have no effect on production materials or processes. In addition to continuing to develop various molds to meet market demands, the Company maintains stable but flexible financial management to meet the challenges of changing technologies and industries while maintaining a competitive advantage. Thus, changes in technology and industry have had no significant impact on the Company.

(VI) Impacts of Changes in Corporate Image on Corporate Crisis Management and Coping Measures

The Company has adhered by the principle of ethical and professional operations, valuing market and product development, strengthening internal management, and prioritizing product quality and customer satisfaction. So far, no incidents that could jeopardize the corporate image have occurred.

(VII) Expected Benefits of Mergers and Acquisitions, Possible Risks, and Coping Measures: None.

(VIII) Expected Benefits of Factory Expansion, Possible Risks, and Coping Measures

The Company has built warehouses for semi-finished products and finished products in order to accommodate the improvement of efficiency and production capacity, as well as enhance the overall planning and storage location, to address the issue of insufficient storage space for finished products.

To meet the company's needs for the best overall planning, new molds are developed along with an increase in molding and spraying equipment that corresponds to the processes of new products.

To meet customer demand, the Company has expanded its production lines and output, added storage space, and increased production capacity. This has resulted in a more seamless production process, bringing overall productivity and management efficiency to the forefront.

(IX) Risks Associated with Purchases or Concentration of Sales and Coping Measures

1. Purchases

Formosa Chemicals & Fibre Corporation is currently the company's largest raw material supplier. Its purchase ratio exceeds 10%, making it a long-term partner with strong ties to the Company who supplies products of consistent quality. Taiwan currently has a large number of plastic pellet suppliers, including YMC and Formosa Plastics Corporation. The company reserves the right to change suppliers at any time, so the risk of an excessive concentration of goods causing supply issues is not a concern.

2. Sales

The company's product sales are primarily in the aftermarket (AfterMarket). Over the last two years, one customer, A Group, had a sales ratio that exceeded 10%. The Company has had a long-standing relationship with A Group and has solidified an existing customer base. Sales from remaining customers are dispersed, and there is no significant risk.

(X) Impacts of a Major Equity Transfer or Representativelacement by Directors, Supervisors, or Top 10 Shareholders with Shareholding Exceeding 10% on the Company, Risks, and Coping Measures: None.

(XI) Impacts of Changes in Governance on the Company, Risks, and Coping Measures: As of the most recent year and the printing date of the annual Representativeort: N.A. (no changes in governance).

(XII) For litigation or non-litigation incidents, specify major litigation, non-litigation, or administrative disruption incidents involving the Company, its directors, supervisors, general managers, in-charges, and top ten shareholders with holding ratios greater than 10% or their companies, whose outcomes may have material impacts on shareholders' equity or security prices. The disputed facts, target amounts, litigation start dates, main parties involved in the litigation, and handling situation as of the printing date of the annual Representativeort should be disclosed. None.

(XIII) Other material risks and countermeasures: None.

VII. Other important matters: None.

Eight. Special Disclosure

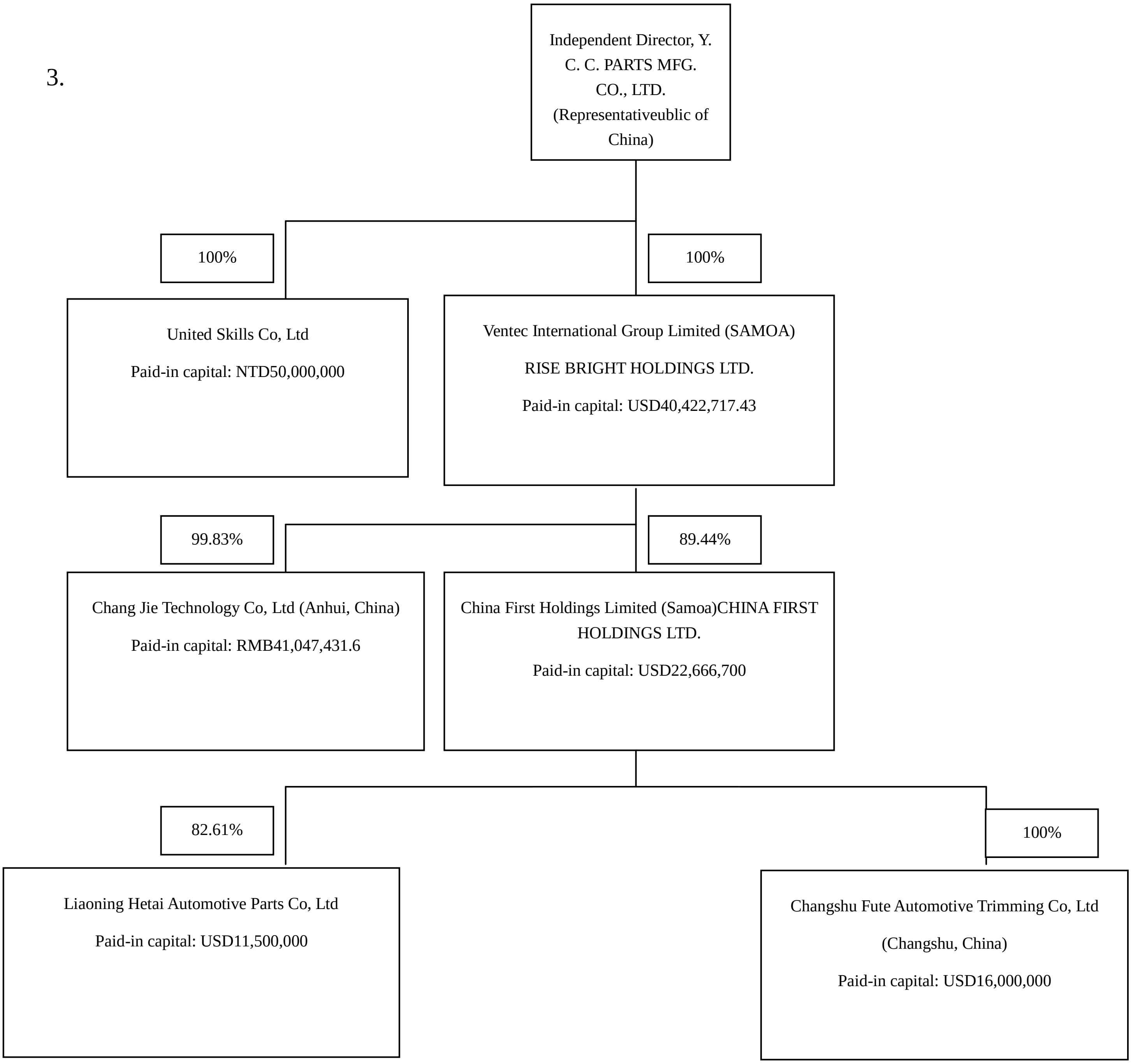
I. Information related to the company's affiliates

(I) Consolidated business Representativeort of affiliates

1. Organizational chart of affiliates

Y. C. C. PARTS MFG. CO., LTD.
Organizational chart of affiliates

3.



Basic information of affiliates

December 31, 2023 Unit: NT$ thousand

Company name	Date of incorporation	Address	Paid-in capital	Main business activities or products
Ventec International Group Limited (SAMOA)	April 28, 2015	Offshore office, PO Box 1225, Apia, Samoa	USD40,423	Holding company
United Skills Co, Ltd	August 17, 2015	No.8, Xingye Rd, Neighborhood 25, Lukang Township, ChangHua County	NTD50,000	Manufacturing automobiles and parts.
China First Holdings Limited (Samoa)	October 16, 2003	Offshore office, PO Box 217, Apia, Samoa	USD22,667	Holding company
Changshu Fute Automotive Trimming Co, Ltd	November 15, 2004	No. 8, Nanxin Road, Changkun Industrial Park, Southeast Development Zone, Changshu City, Jiangsu Province	USD14,000	Injection molding and surface spraying of automotive airbag caps, production and sales of various automotive decorative parts, electronic and plastic components, among other business items.
Liaoning Hetai Automotive Parts Co, Ltd	July 29, 2015	No. 1289, Yuanyi Road, Taiwan Industrial Parking, Tieling City Liaoning Province	USD11,500	Airbag parts (including the air-filling system), injection molding and surface coating of airbag caps, interior and exterior decorative parts, and electronic equipment systems.
Changshu Xinxiang Automobile Parts & Components Co, Ltd	March 7, 2019	Bld 4, No. 8, Nanxin Road, Changkun Industrial Park, Southeast Development Zone, Changshu City, Jiangsu Province	USD2,000	Manufacturing and selling auto parts, interior and exterior decorative parts, electronic system accessories, injection molds, gauges, and fixtures.
Chang Jie Technology Co, Ltd	November 19, 2019	No. 19, Shipai Avenue, Huaining County, Anqing City, Anhui Province	RMB41,047	Injection molding and surface spraying of automotive airbag caps, production and sales of various automotive decorative parts, and automated production equipment for spraying.

3. Information of the same shareholders presumed to have control or affiliating relationship: None.
4. Transactions and processing among the affiliates: None.
5. Information of the directors, supervisors and general managers of the affiliates

December 31, 2023 unit: shares

Company name	Title	Name or name of a legal Representativeresentative	Shareholding	
			Shares	Shareholding ratio (%)
RISE BRIGHT HOLDINGS LTD. (SAMOA)	Director	Shih-Yun Lin	–	–
United Skills Co, Ltd	Chair Director Director Supervisor	Shih-Yun Lin Yi-Hung Lin Hao-Chen Lin Shu-Mei Liu	–	–
China First Holdings Limited (Samoa)	Director Director Director	Shih-Yun Lin Yi-Hung Lin Jui-Tse Lin	–	–
Changshu Fute Automotive Trimming Co, Ltd	Chair Director Director Director Director Supervisor	Shu-Mei Liu Shih-Yun Lin Yi-Hung Lin Hao-Chen Lin Jui-Tse Lin Jing-Quan Yen	–	–
Liaoning Hetai Automotive Parts Co, Ltd	Chair Director Director Director Supervisor	Shu-Mei Liu Yi-Hung Lin Shih-Yun Lin Jui-Tse Lin Hao-Chen Lin	–	–
Changshu Xinxiang Automobile Parts & Components Co, Ltd	Chair Director	Shu-Mei Liu Yi-Hung Lin	–	–

Company name	Title	Name or name of a legal Representativeresentative	Shareholding	
			Shares	Shareholding ratio (%)
	Director Directo Supervisor	Shih-Yun Lin Jui-Tse Lin Hao-Chen Lin		
Chang Jie Technology Co, Ltd	Chair Director Director Director Director Supervisor Supervisor Supervisor	Shih-Yun Lin Yi-Hung Lin Jui-Tse Lin Hao-Chen Lin Wei-Yang Shen Jing-Quan Yen Yi-Hua Tsai Wei-Chuan Wang	—	—

6. Operation overview of affiliates

Financial status and operating performance of each affiliate:

December 31, 2023 Unit: NT$ thousand

Company name	Paid-up capital	Total assets	Total liabilities	Net worth	Operating revenue	Net operating profit	Current profit and loss (after tax)
RISE BRIGHT HOLDINGS LTD. (SAMOA)	US40,423	US18,658	US3,836	US14,822	US456	US34	(US1,906)
United Skills Co, Ltd	NT50,000	NT51,386	NT468	NT50,918	NT-	(NT812)	NT2,633
China First Holdings Limited (Samoa)	US22,667	US14,906	US64	US14,842	US126	(US6)	(US1,908)
Changshu Fute Automotive Trimming Co, Ltd	US16,000	RMB163,918	RMB116,022	RMB47,896	RMB52,582	(RMB16,415)	(RMB16,895)
Liaoning Hetai Automotive Parts Co, Ltd.	US11,500	RMB106,180	RMB42,712	RMB63,467	RMB82,050	RMB5,570	RMB4,038
Chang Jie Technology Co, Ltd	RMB41,047	RMB44,645	RMB11,369	RMB33,276	RMB5,853	(RMB2,366)	(RMB1,306)

(II) Consolidated financial statements of affiliates: please refer to P. 98 to P. 175

(III) Affiliation Representativeeort: None

II. Private placements of securities in the most recent year and as of the printing date of the annual Representativeeort: None.

III. Shares of the Company that are held or disposed of by a subsidiary in the recent year and as of the printing date of the annual Representativeeort: None.

IV. Other supplementary information: None.

Nine. Any event which has a material impact on shareholders' equity or securities prices, as specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, in the most recent year and as of the printing date of the annual Representativeeort: None.

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Y.C.C. Parts Mfg. Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Cut-off of sales revenue recognition

Description

For the accounting policy of revenue recognition, please refer to Note 4(29); and for details of operating revenue, please refer to Note 6(19). The Group is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms.

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

How our audit addressed the matter

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

1. Understanding and evaluating the operating procedures and internal controls over sales revenue, and assessing the effectiveness on how the management controls the timing of recognizing sales revenue.

2. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Assessment of allowance for inventory valuation loss

Description

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

As of December 31, 2023, the balances of inventories and allowance for inventory valuation losses were NT$ 411,843 thousand and NT$ 54,522 thousand, respectively.

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

How our audit addressed the matter

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

1. Obtained an understanding of the nature of the Group's business and industry and assessed the reasonableness of provision policies in the determination of allowance

for inventory valuation losses.

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

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Y.C.C. Parts Mfg. Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Wang, Yu-Chuan	Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 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' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 550,670	10	$ 1,036,374	19
1110	Financial assets at fair value through profit or loss - current	6(2)	135,445	2	129,623	2
1136	Financial assets at amortised cost	6(3)	125,890	2	-	-
1150	Notes receivable, net	6(4)	37,971	1	27,081	1
1170	Accounts receivable, net	6(4)	499,189	9	534,281	10
1200	Other receivables		10,072	-	10,366	-
130X	Inventories	6(5)	357,322	7	300,192	5
1470	Other current assets		33,194	1	43,097	1
11XX	**Total current Assets**		1,749,753	32	2,081,014	38
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	128,299	2	75,247	1
1535	Non-current financial assets at amortised cost	6(3) and 8	300	-	300	-
1600	Property, plant and equipment	6(7) and 8	2,873,418	53	2,974,815	54
1755	Right-of-use assets	6(8) and 8	150,100	3	140,906	3
1760	Investment property, net	6(9) and 8	94,441	2	14,713	-
1780	Intangible assets		3,758	-	5,016	-
1840	Deferred income tax assets	6(25)	109,196	2	107,967	2
1900	Other non-current assets	6(10)	309,435	6	137,492	2
15XX	**Total non-current assets**		3,668,947	68	3,456,456	62
1XXX	**Total assets**		$ 5,418,700	100	$ 5,537,470	100

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 35,786	1	$ 261,721	5
2120	Financial liabilities at fair value through profit or loss - current	6(2)	2,952	-	-	-
2130	Current contract liabilities	6(19)	22,267	-	14,852	-
2150	Notes payable	6(27)	178,448	3	179,968	3
2170	Accounts payable		101,114	2	141,453	2
2200	Other payables	6(12)	182,257	3	197,101	4
2230	Current income tax liabilities	6(25)	188,160	4	143,864	3
2320	Long-term liabilities, current portion	6(13)	133,167	2	169,662	3
2399	Other current liabilities, others	6(8)	5,696	-	2,655	-
21XX	**Total current Liabilities**		849,847	15	1,111,276	20
	Non-current liabilities					
2540	Long-term borrowings	6(13)	446,846	8	566,370	10
2560	Current tax liabilities-non-current		56,283	1	28,511	1
2570	Deferred income tax liabilities	6(25)	-	-	513	-
2600	Other non-current liabilities	6(8)(14)	23,763	1	15,251	-
25XX	**Total non-current liabilities**		526,892	10	610,645	11
2XXX	**Total Liabilities**		1,376,739	25	1,721,921	31
	Equity attributable to owners of parent					
	Share capital	6(16)				
3110	Share capital - common stock		741,239	14	741,239	13
	Capital surplus	6(17)				
3200	Capital surplus		1,193,349	22	1,193,349	22
	Retained earnings	6(18)				
3310	Legal reserve		383,999	7	343,211	6
3320	Special reserve		109,142	2	120,040	2
3350	Unappropriated retained earnings		1,612,189	30	1,425,612	26
	Other equity interest					
3400	Other equity interest		(94,043)	(2)	(109,142)	(2)
31XX	**Equity attributable to owners of the parent**		3,945,875	73	3,714,309	67
36XX	**Non-controlling interests**		96,086	2	101,240	2
3XXX	**Total equity**		4,041,961	75	3,815,549	69
	Significant events after the balance sheet date	9				
3X2X	**Total liabilities and equity**		$ 5,418,700	100	$ 5,537,470	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
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Sales revenue	6(19)	$ 2,051,209	100	$ 2,020,758	100
5000	Operating costs	6(5)(23)(24)	(1,361,742)	(67)	(1,490,296)	(74)
5900	Net operating margin		689,467	33	530,462	26
	Operating expenses	6(23)(24)				
6100	Selling expenses		(146,205)	(7)	(126,108)	(6)
6200	General and administrative expenses		(113,344)	(6)	(136,240)	(7)
6300	Research and development expenses		(69,766)	(3)	(70,601)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	41,711	2	(17,511)	(1)
6000	Total operating expenses		(287,604)	(14)	(350,460)	(17)
6900	Operating profit		401,863	19	180,002	9
	Non-operating income and expenses					
7100	Interest income		34,593	2	18,751	1
7010	Other income	6(20)	52,075	2	33,458	1
7020	Other gains and losses	6(21)	72,947	4	321,339	16
7050	Finance costs	6(22)	(17,269)	(1)	(26,327)	(1)
7000	Total non-operating income and expenses		142,346	7	347,221	17
7900	**Profit before income tax**		544,209	26	527,223	26
7950	Income tax expense	6(25)	(111,745)	(5)	(126,230)	(6)
8200	**Profit for the year**		$ 432,464	21	$ 400,993	20

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(16)	$ 3,972	-	($ 381)	-
8316	Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	6(6)	26,304	2	7,008	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(794)	-	76	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		29,482	2	6,703	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(13,162)	(1)	5,843	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(13,162)	(1)	5,843	-
8300	**Total other comprehensive income for the year**		$ 16,320	1	$ 12,546	-
8500	**Total comprehensive income for the year**		$ 448,784	22	$ 413,539	20
	Profit (loss), attributable to:					
8610	Owners of parent		$ 435,661	21	$ 408,560	20
8620	Non-controlling interests		(3,197)	-	(7,567)	-
	Total		$ 432,464	21	$ 400,993	20
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 453,938	22	$ 419,153	20
8720	Non-controlling interests		(5,154)	-	(5,614)	-
	Total		$ 448,784	22	$ 413,539	20
	Basic earnings per share	6(26)				
9750	Basic earnings per share		$ 5.88		$ 5.51	
9850	Diluted earnings per share		$ 5.86		$ 5.50	

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
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
				Retained earnings			Other equity interest					
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
Year 2022												
Balance at January 1, 2022		$ 741,389	$1,193,349	$ 329,574	$ 105,211	$1,194,447	($ 86,492)	($ 33,548)	($ 526)	$3,443,404	$ 106,854	$3,550,258
Profit (loss) for the year		-	-	-	-	408,560	-	-	-	408,560	(7,567)	400,993
Other comprehensive income (loss)	6(6)	-	-	-	-	(305)	3,890	7,008	-	10,593	1,953	12,546
Total comprehensive income (loss)		-	-	-	-	408,255	3,890	7,008	-	419,153	(5,614)	413,539
Appropriation and distribution of 2021 earnings	6(18)											
Legal reserve		-	-	13,637	-	(13,637)	-	-	-	-	-	-
Special reserve		-	-	-	14,829	(14,829)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(148,248)	-	-	-	(148,248)	-	(148,248)
Retirement of treasury shares		(150)	-	-	-	(376)	-	-	526	-	-	-
Balance at December 31, 2022		$ 741,239	$1,193,349	$ 343,211	$ 120,040	$1,425,612	($ 82,602)	($ 26,540)	$ -	$3,714,309	$ 101,240	$3,815,549
Year 2023												
Balance at January 1, 2023		$ 741,239	$1,193,349	$ 343,211	$ 120,040	$1,425,612	($ 82,602)	($ 26,540)	$ -	$3,714,309	$ 101,240	$3,815,549
Profit (loss) for the period		-	-	-	-	435,661	-	-	-	435,661	(3,197)	432,464
Other comprehensive income (loss)	6(6)	-	-	-	-	3,178	(11,205)	26,304	-	18,277	(1,957)	16,320
Total comprehensive income (loss)		-	-	-	-	438,839	(11,205)	26,304	-	453,938	(5,154)	448,784
Appropriation and distribution of 2022 earnings	6(18)											
Legal reserve		-	-	40,788	-	(40,788)	-	-	-	-	-	-
Special reserve		-	-	-	(10,898)	10,898	-	-	-	-	-	-
Cash dividends		-	-	-	-	(222,372)	-	-	-	(222,372)	-	(222,372)
Balance at December 31, 2023		$ 741,239	$1,193,349	$ 383,999	$ 109,142	$1,612,189	($ 93,807)	($ 236)	$ -	$3,945,875	$ 96,086	$4,041,961

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
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 544,209	$ 527,223
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property)	6(9)(23)	363,594	362,608
Depreciation expense - right-of-use assets	6(8)(23)	6,714	6,383
Amortisation expense	6(23)	6,291	7,087
Expected credit impairment loss	12(2)	(41,711)	17,511
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(21)	(6,522)	(39,275)
Interest expense	6(22)	17,269	26,327
Interest income		(34,593)	(18,751)
Government grant revenues	6(14)	(1,410)	(1,099)
Dividend income	6(20)	(7,132)	(4,958)
Proceeds from disposal of property, plant and equipment	6(21)	(4,283)	(3,798)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(10,890)	27,974
Accounts receivable, net		76,803	(109,799)
Other receivables		(14,222)	2,445
Inventories		(57,130)	13,498
Other current assets		9,903	7,000
Changes in operating liabilities			
Contract liabilities - current		7,415	(3,060)
Notes payable		17,202	(15,488)
Accounts payable		(40,339)	(16,149)
Other payables		(4,692)	(1,620)
Other current liabilities		5,603	(677)
Net defined benefit liability		(138)	409
Cash inflow generated from operations		831,941	783,791
Interest received		34,863	16,732
Interest paid		(17,182)	(26,212)
Dividend received		7,132	4,958
Income taxes paid		(51,135)	(31,677)
Net cash flows from operating activities		805,619	747,592

(Continued)

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss	6(27)	($ 12,263)	($ 102,240)
Proceeds from disposal of financial assets at fair value through profit or loss		14,532	95,485
(Increase) decrease in financial assets at amortised cost		(125,890)	199,416
Acquisition of property, plant and equipment	6(27)	(209,306)	(365,716)
Proceeds from disposal of property, plant and equipment		32,504	5,040
Payment for capitalized interest	6(7)	-	(1,193)
Acquisition of intangible assets		(1,533)	(937)
Decrease in other financial assets		-	2,002
Increase in refundable deposits		(3,651)	(1,797)
Acquisition of non-current financial assets at fair value through other comprehensive income		(26,748)	(19,932)
Acquisition of real estate investment	6(9)	(80,887)	-
Decrease in other non-current assets		1,279	39,339
Increase in prepayment of equipment and construction		(269,191)	(137,939)
Net cash flows used in investing activities		(681,154)	(288,472)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(28)	35,883	289,015
Decrease in short-term borrowings	6(28)	(256,369)	(298,582)
Decrease in short-term notes and bills payable		-	(50,000)
Proceeds from long-term borrowings		-	192,540
Repayments of long-term borrowings	6(28)	(154,424)	(105,835)
Increase in refundable deposits	6(28)	381	132
Repayments of principal portion of lease liabilities	6(28)	(2,663)	(2,668)
Cash dividends paid	6(27)	(222,372)	(148,248)
Net cash flows used in financing activities		(599,564)	(123,646)
Effect of exchange rate changes on cash and cash equivalents		(10,605)	65,508
Net (decrease) increase in cash and cash equivalents		(485,704)	400,982
Cash and cash equivalents at beginning of year		1,036,374	635,392
Cash and cash equivalents at end of year		$ 550,670	$ 1,036,374

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
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 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 March 7, 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 the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax relating to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

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 and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 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
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.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(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:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)		
Name of Investor	Name of Subsidiary	Main Business Activities	December 31, 2023	December 31, 2022	Description
The Company	RISE BRIGHT HOLDINGS LTD. (RISE BRIGHT)	Holding company and selling interior and exterior accessories of automobiles	100.00%	100.00%	
The Company	UNITED SKILLS CO., LTD. (UNITED SKILLS)	Manufacturing automobiles and their parts	100.00%	100.00%	
RISE BRIGHT	CHINA FIRST HOLDINGS LTD. (CHINA FIRST)	Holding company and selling interior and exterior accessories of automobiles	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%	
CHINA FIRST	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. (CHANGSHU FUTE)	Producing and selling interior and exterior accessories of automobiles	100.00%	100.00%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%) December 31, 2023	Ownership(%) December 31, 2022	Description
CHINA FIRST	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD. (LIAONING HETAI)	Producing and selling interior and exterior accessories of automobiles	82.61%	82.61%	
CHINA FIRST	CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD. (CHANGSHU XINXIANG)	Producing and selling interior and exterior accessories of automobiles	NA	100.00%	(Note)

Note：In order to simplify the organizational structure, CHANSHU FUTE AUTOMOTIVE TRIM CO., LTD. used November 30, 2023 as the merger base date to absorb and merge with CHANSHU XINXIANG AUTOMOBILE PARTS CO., LTD.

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) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange

rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operations.

(c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) 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) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group’s business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. Except for the same types of inventory, the item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 20 years
Machinery and equipment	1 ~ 15 years
Molding equipment	2 ~ 12 years
Transportation equipment	5 ~ 10 years
Furniture equipment	2 ~ 5 years
Other equipment	2 ~ 20 years

(16) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

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

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) <u>Investment property</u>

An investment property is stated initially at its cost and measured subsequently using the cost model.

Land use right is depreciated on a straight-line basis over its contract of 50 years signed with the government of Changshu City, Jiangsu Province, People's Republic of China; buildings and structures are depreciated on a straight-line basis over its estimated useful life of 20 years.

(18) <u>Intangible assets</u>

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Acquisition prices in the business combination are calculated based on the acquisition price. The excess of the acquisition price over the fair value of the identifiable assets acquired is recorded as goodwill.

(19) <u>Impairment of non-financial assets</u>

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the eqtity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) <u>Borrowings</u>

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) <u>Notes and accounts payable</u>

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) <u>Financial liabilities at fair value through profit or loss</u>

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of held for trading. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) <u>Derecognition of financial liabilities</u>

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) <u>Offsetting financial instruments</u>

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Income tax

A . The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(27) Share capital

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

B. Where the Company repurchases the Company’s equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

(28) Dividends

Cash dividends distributed to shareholders are recognized as liabilities in the financial report when the Board of Directors of the Company decides to distribute, and stock dividends distributed 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.

(29) Revenue recognition

Sales of goods

A. The Group manufactures and sells automobiles parts products. Sales are recognised when control of the products has transferred. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Sales revenue was recognized based on the contract price net of sales discount. Goods are often sold with sales discounts and allowances based on future estimated sales volume. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made with a credit term of 30 to 120 days after the delivery date. which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(31) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity’s net assets in the event of liquidation at the present ownership instruments’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group’s chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. As net realisable value of inventories is estimated at the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated selling expenses, the estimates are based on current market conditions and historical sales experience of similar products and the result of the estimates might be significantly influence by changes in market conditions.

As of December 31, 2023, the carrying amount of inventories was $357,322.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 231	$ 331
Checking accounts and demand deposits	312,716	126,158
Time deposits	237,723	755,859
Short-term notes and bills - Re-Purchase	-	154,026
	$ 550,670	$ 1,036,374

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

Items	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 104,823	$ 108,476
Valuation adjustment	30,622	18,582
Total	$ 135,445	$ 127,058
Financial (liabilities) assets held for trading		
Foreign exchange swap contracts	($ 2,952)	$ 2,565
Total financial assets at fair value through profit or loss	$ 135,445	$ 129,623
Total financial liabilities at fair value through profit or loss	($ 2,952)	$ -

A. The Group recognized financial assets and liabilities at fair value through profit or loss of $9,110 and $39,275 for the years ended December 31, 2023 and 2022, 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:

	December 31, 2023	
Derivative financial assets (liabilities)	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD 7,086 thousand	2023.12.07 ~ 2024.01.29

	December 31, 2022	
Derivative financial assets (liabilities)	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD 26,100 thousand	2022.12.05 ~ 2023.01.30

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

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits maturing over three months	$ 125,890	$ -
Non-current items		
Restricted time deposits	$ 300	$ 300

A. As at December 31, 2023 and 2022, 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 $126,190 and $300, 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

	December 31, 2023	December 31, 2022
Notes receivable	$ 38,179	$ 27,225
Less: Allowance for uncollectible accounts	(208)	(144)
	$ 37,971	$ 27,081

	December 31, 2023	December 31, 2022
Accounts receivable	$ 521,330	$ 598,967
Less: Allowance for uncollectible accounts	(22,141)	(64,686)
	$ 499,189	$ 534,281

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

	December 31, 2023	
	Notes receivable	Accounts receivable
Not past due	$ 38,179	$ 337,528
1~60 days	-	118,126
61~120 days	-	42,614
121~180 days	-	10,464
181-240 days	-	3,380
Over 241 days	-	9,218
	$ 38,179	$ 521,330

	December 31, 2022	
	Notes receivable	Accounts receivable
Not past due	$ 27,225	$ 481,130
1~60 days	-	52,368
61~120 days	-	10,909
121~180 days	-	4,968
181-240 days	-	3,226
Over 241 days	-	46,366
	$ 27,225	$ 598,967

As of December 31, 2023 and 2022, the ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, the balances of accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balances of accounts receivable and notes receivable from contracts with customers amounted to $489,954 and $55,217, respectively.

C. As at December 31, 2023 and 2022, 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 and accounts receivable were $37,971 and $27,081 as well as $499,189 and $534,281, respectively.

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

(5) Inventories

	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	$ 411,844	($ 54,522)	$ 357,322

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	$ 107,144	($ 33,281)	$ 73,863
Work in progress	50,090	(4,319)	45,771
Semi-finished goods	11,167	(2,400)	8,767
Finished goods	204,095	(42,981)	161,114
Merchandise	12,612	(1,935)	10,677
Total	$ 385,108	($ 84,916)	$ 300,192

The cost of inventories recognised as expense for the period :

	Years ended December 31,	
	2023	2022
Cost of goods sold	$ 1,387,024	$ 1,472,571
Unallocated fixed overheads	1,129	325
Loss on scrapping inventory	8,496	5,983
(Gain on reversal of) loss on market value decline and obsolete and slow-moving inventories	(29,713)	13,872
Loss (gain) on physical inventory	(5,194)	(2,455)
	$ 1,361,742	$ 1,490,296

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 year ended December 31, 2023.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Listed stocks	$ 128,535	$ 101,787
Valuation adjustment	(236)	(26,540)
Total	$ 128,299	$ 75,247

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 $128,299 and $75,247, as at December 31, 2023 and 2022, 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:

	Year ended December 31,	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 26,304	$ 7,008
Dividend income recognised in profit or loss held at end of period	$ 3,262	$ 2,534

C. As at December 31, 2023 and 2022, 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 $128,299 and $75,247, respectively.

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

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(7) Property, plant and equipment

	Year ended December 31, 2023					
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	$ 956,365	$ -	$ -	$ -	$ -	$ 956,365
Buildings and structures	1,617,747	3,230	-	2,154	(8,163)	1,614,968
Machinery and equipment	1,345,856	39,317	(105,828)	86,282	(9,934)	1,355,693
Molding equipment	2,136,767	74,029	(25,336)	123,905	(685)	2,308,680
Transportation equipment	35,281	-	(538)	403	(45)	35,101
Furniture equipment	3,485	126	(572)	-	(17)	3,022
Other equipment	189,283	34,217	(7,773)	8,243	(762)	223,208
Unfinished construction and equipment under acceptance	328,357	52,005	(493)	(90,232)	(1,251)	288,386
	$ 6,613,141	$ 202,924	($ 140,540)	$ 130,755	($ 20,857)	$ 6,785,423
Accumulated Depreciation						
Buildings and structures	($ 896,986)	($ 72,561)	$ -	($ 1,094)	$ 2,462	($ 968,179)
Machinery and equipment	(860,554)	(101,062)	82,879	(29,868)	4,498	(904,107)
Molding equipment	(1,706,235)	(163,248)	20,201	(173)	394	(1,849,061)
Transportation equipment	(26,864)	(2,605)	538	-	33	(28,898)
Furniture equipment	(2,825)	(374)	571	-	12	(2,616)
Other equipment	(144,862)	(22,801)	8,131	-	388	(159,144)
	(3,638,326)	($ 362,651)	$ 112,320	($ 31,135)	$ 7,787	(3,912,005)
Total	$ 2,974,815					$ 2,873,418

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 prepayments for business facilities.

	Year ended December 31, 2022					
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	$ 956,365	$ -	$ -	$ -	$ -	$ 956,365
Buildings and structures	1,551,839	7,136	(6,343)	59,079	6,036	1,617,747
Machinery and equipment	1,247,878	93,130	(45,400)	43,475	6,773	1,345,856
Molding equipment	1,950,026	153,167	(12,639)	45,554	659	2,136,767
Transportation equipment	32,421	6,051	(3,220)	-	29	35,281
Furniture equipment	3,153	373	(57)	-	16	3,485
Other equipment	181,171	8,436	(9,065)	7,637	1,104	189,283
Unfinished construction and equipment under acceptance	255,075	153,559	-	(81,699)	1,422	328,357
	$ 6,177,928	$ 421,852	($ 76,724)	$ 74,046	$ 16,039	$ 6,613,141
Accumulated Depreciation						
Buildings and structures	($ 831,855)	($ 69,602)	$ 6,343	$ -	($ 1,872)	($ 896,986)
Machinery and equipment	(803,344)	(99,635)	44,877	-	(2,452)	(860,554)
Molding equipment	(1,547,657)	(170,953)	12,639	-	(264)	(1,706,235)
Transportation equipment	(27,784)	(2,282)	3,220	-	(18)	(26,864)
Furniture equipment	(2,564)	(309)	57	-	(9)	(2,825)
Other equipment	(133,958)	(18,711)	8,346	-	(539)	(144,862)
	(3,347,162)	($ 361,492)	$ 75,482	$ -	($ 5,154)	(3,638,326)
Total	$ 2,830,766					$ 2,974,815

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 prepayments for business facilities.

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:

Year ended December 31, 2023：None.

	Year ended December 31, 2022	
Amount capitalised	$	1,193
Range of the interest rates for capitalisation	0.95%	

(8) Lease transactions – lessee

A. The Group leases various assets including land, structures 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. Low-value assets comprise transportation equipment.

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

	December 31, 2023		December 31, 2022	
	Carrying amount		Carrying amount	
Land	$	127,514	$	134,276
Transportation equipment (Business vehicles)		22,586		6,630
	$	150,100	$	140,906

	Year ended December 31,			
	2023		2022	
	Depreciation charge		Depreciation charge	
Land	$	4,036	$	4,115
Transportation equipment (Business vehicles)		2,678		2,268
	$	6,714	$	6,383

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $18,925 and $4,956, respectively.

E. Information on profit or loss in relation to lease contracts are as follows:

	Year ended December 31,			
	2023		2022	
Items affecting profit or loss				
Interest expense on lease liabilities	$	101	$	98
Expense on short-term lease contracts	$	368	$	622
Expense on leases of low-value assets	$	1,048	$	760

F. As of December 31, 2023 and 2022, 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):

	December 31, 2023	December 31, 2022
Lease liabilities - current	$ 5,308	$ 2,228
Lease liabilities - non-current	$ 17,355	$ 4,465

For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $4,180 and $4,149, respectively.

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

(9) Investment property

	Year ended December 31, 2023					
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
Cost						
Land	$ -	$ 80,887	$ -	$ -	$ -	$ 80,887
Land use right	4,240	-	-	(22)	(67)	4,151
Buildings and structures	17,411	-	-	(3,265)	1,902	16,048
	$ 21,651	$ 80,887	$ -	($ 3,287)	$ 1,835	$ 101,086
Accumulated Depreciation						
Land use right	($ 449)	($ 126)	$ -	$ 4	$ 11	($ 560)
Buildings and structures	(6,489)	(817)	-	1,094	127	(6,085)
	(6,938)	($ 943)	$ -	$ 1,098	$ 138	(6,645)
Total	$ 14,713					$ 94,441

	Year ended December 31, 2022				
	Beginning balance	Additions	Decreases	Net exchange differences	Ending balance
Cost					
Land use right	$ 4,553	$ -	$ -	($ 313)	$ 4,240
Buildings and structures	16,122	-	-	1,289	17,411
	$ 20,675	$ -	$ -	$ 976	$ 21,651
Accumulated Depreciation					
Land use right	($ 697)	($ 132)	$ -	$ 380	($ 449)
Buildings and structures	(4,501)	(984)	-	(1,004)	(6,489)
	(5,198)	($ 1,116)	$ -	($ 624)	(6,938)
Total	$ 15,477				$ 14,713

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

	Year ended December 31,			
	2023		2022	
Rental income from investment property	$	3,667	$	3,513
Direct operating expenses arising from the investment property that generated rental income during the period	$	943	$	1,116

B. The fair value of the investment property held by the Group, which is the land , as at December 31, 2023 was $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 December 31, 2023 and 2022 were $19,752 and $21,002, 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 non-cancellable operating lease agreements. The lease term is 3 years, and rental is adjusted to reflect market rental rates when the lessee exercises extension options. The lessee is not granted the right of priority to buy the investment property when the lease expires.

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:

	December 31, 2023		December 31, 2022	
Not later than one year	$	3,784	$	3,689
Later than one year but not later than five years		-		3,873
	$	3,784	$	7,562

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

(10) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for business facilities and construction	$ 298,832	$ 129,261
Guarantee deposits paid	7,743	4,092
Others	2,860	4,139
	$ 309,435	$ 137,492

(11) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Secured borrowings	$ 35,786	$ 261,721
Interest rate range	4.35%	4.35%

(12) Other payables

	December 31, 2023	December 31, 2022
Machinery and equipment payable	$ 56,453	$ 65,309
Salaries and bonus payable	53,647	45,061
Employees' compensation payable	8,425	7,360
Transportation fee payable	5,745	7,011
Directors' remuneration payable	5,841	5,661
Securities expense payable	-	1,383
Others	52,146	65,316
	$ 182,257	$ 197,101

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(13) Long-term borrowings

Type of borrowings	Borrowing period	Repayment term	December 31, 2023
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 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			1.25%~1.78%

Type of borrowings	Borrowing period	Repayment term		December 31, 2022
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	$	13,833
Unsecured borrowings	From August 31, 2016 to February 15, 2023	Starting from August 15, 2019, principal is repayable quarterly; interest is repayable monthly		6,662
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		48,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period		235,764
Secured borrowings	From December 26, 2019 to December 15, 2026	Interest is repayable monthly; principal is repayable monthly in 48 installments with 3-year grace period on principal only		368,000
Secured borrowings	From December 26, 2019 to December 15, 2029	The loan is disbursed within three years after contract signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only		64,000
			$	736,259
Less: Current portion			(	169,662)
Less: Discount on government grants			(	227)
			$	566,370
Interest rate range				1.13%~1.66%

(14) Government grants

As of December 31, 2023, 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 $1,410 and $1,099, respectively, for the years ended December 31, 2023 and 2022.

(15) 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 a mount 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) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 16,431	$ 20,037
Fair value of plan assets	(14,658)	(14,153)
Net defined benefit liability	$ 1,773	$ 5,884

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 20,037	($ 14,153)	$ 5,884
Interest expense (income)	225	(161)	64
	20,262	(14,314)	5,948
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(141)	(141)
Change in financial assumptions	-	-	-
Experience adjustments	(3,831)	-	(3,831)
	(3,831)	(141)	(3,972)
Pension fund contribution	-	(203)	(203)
Balance at December 31	$ 16,431	($ 14,658)	$ 1,773

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 18,546	($ 12,865)	$ 5,681
Interest expense (income)	93	(65)	28
	18,639	(12,930)	5,709
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,017)	(1,017)
Change in financial assumptions	(331)	-	(331)
Experience adjustments	1,729	-	1,729
	1,398	(1,017)	381
Pension fund contribution	-	(206)	(206)
Balance at December 31	$ 20,037	($ 14,153)	$ 5,884

(d) The Bank of Taiwan was commissioned to manage the fund of the Company's defined benefit pension plan assets in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that Fund and therefore, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.13%	1.13%
Future salary increases	2.50%	2.50%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022, respectively.

Sensitivity analysis of the effect on present value of defined benefit obligation due from the changes of main actuarial assumptions was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 151)	$ 156	$ 151	($ 147)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 209)	$ 215	$ 208	($ 204)

The sensitivity analysis above is based on other condition that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method utilised in sensitivity analysis is the same as the method utilised in calculating net pension liability on the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $ 213.

(g) As of December 31, 2023, the weighted average duration of that retirement plan is 3.7 years.

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 for the years ended December 31, 2023 and 2022 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 $14,063 and $15,652 for the years ended December 31, 2023 and 2022, respectively.

(16) Share capital

A. As of December 31, 2023, 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. The Company reacquired treasury shares in 2018. After a comprehensive consideration of the stock price and as the treasury shares were not reissued to the employees within three years from the reacquisition date, the treasury shares reacquired to be reissued to employees were retired and registered pursuant to the Article 28-2 of Securities and Exchange Act. The capital reduction amounted to $150 consisting of 15 thousand shares retired. The paid-in capital before and after the capital reduction was $741,389 and $741,239, respectively.

C. Movements in the number of the Company’s ordinary shares outstanding are as follows:

	2023	2022
	Number of thousand shares	Number of thousand shares
At January 1 and December 31	$ 74,124	$ 74,124

(17) 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.

	December 31, 2023	December 31, 2022
Used to offset deficits, distributed as cash dividends or transferred to share capital (Note 1)		
Additional paid-in capital in excess of par-ordinary share	$ 1,163,298	$ 1,163,298
Difference between consideration and carrying amount of subsidiaries acquired	$ 2,125	$ 2,125
Used to offset accumulated deficits only (Note 2)		
Changes in ownership interests in subsidiaries	$ 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.

(18) 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 2022 earnings had been resolved at the Board of Directors’ meeting on May 31, 2023. The appropriations of 2021 earnings had been resolved at the shareholders’ meeting on May 27, 2022. Details are summarized below:

	Year ended December 31			
	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve appropriated	$ 40,788		$ 13,637	
Special reserve (reversed) appropriated	(10,899)		14,829	
Cash dividend	222,372	$ 3.00	148,248	$ 2.00

G. The appropriations of 2023 earnings have been approved by the Board of Directors during their meetings on March 7, 2024. Details are summarised below:

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

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

(19) 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:

	Year ended December 31, 2023		
	Domestic operating entities	Overseas operating entities	Total
Auto parts	$ 1,432,619	$ 606,071	$ 2,038,690
Others	12,153	366	12,519
	$ 1,444,772	$ 606,437	$ 2,051,209

	Year ended December 31, 2022		
	Domestic operating entities	Overseas operating entities	Total
Auto parts	$ 1,238,624	$ 762,272	$ 2,000,896
Others	7,732	12,130	19,862
	$ 1,246,356	$ 774,402	$ 2,020,758

B. Contract liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:			
Contract liabilities - advance sales receipts	$ 22,267	$ 14,852	$ 17,912

For the years ended December 31, 2023 and 2022, revenue recognized that were included in the contract liability balance at the beginning of the period amounted to $11,920 and $6,503, respectively.

(20) Other income

	Year ended December 31,	
	2023	2022
Rent income	$ 8,665	$ 8,139
Dividend income	7,132	4,958
Revenue for Government Grants (Note)	3,968	-
Other income	32,310	20,361
	$ 52,075	$ 33,458

Note: It pertains to government grants for obtaining the policy of accelerating industrial development from the Financial Services Bureau in Anqing.

(21) Other gains and losses

	Year ended December 31,	
	2023	2022
Gains on disposal of property, plant and equipment	$ 4,283	$ 3,798
Foreign exchange gains	60,398	306,502
Gains on financial assets and liabilities at fair value through profit or loss	9,110	39,275
Other losses	(844)	(28,236)
	$ 72,947	$ 321,339

(22) Finance costs

	Year ended December 31,	
	2023	2022
Interest expense	$ 17,269	$ 27,520
Less: Capitalisation of qualifying assets	-	(1,193)
	$ 17,269	$ 26,327

(23) Expenses by nature

	Year ended December 31,	
	2023	2022
Employee benefit expense	$ 313,858	$ 305,402
Depreciation charges on property, plant and equipment	362,651	361,492
Depreciation charges on right-of-use assets	6,714	6,383
Depreciation charges on investment property	943	1,116
Amortisation	6,291	7,087
	$ 690,457	$ 681,480

(24) Employee benefit expense

	Year ended December 31,	
	2023	2022
Wages and salaries	$ 263,003	$ 252,108
Labour and health insurance fees	20,871	19,029
Pension costs	14,276	15,858
Other personnel expenses	15,708	18,407
	$ 313,858	$ 305,402

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 years ended December 31, 2023 and 2022, the accrued employees' compensation and directors' remuneration were as follows:

	Year ended December 31,	
	2023	2022
Employees' compensation	$ 8,425	$ 7,360
Directors' remuneration	5,841	5,661
	$ 14,266	$ 13,021

For the years ended December 31, 2023 and 2022, the employees' compensation and directors' remuneration were estimated and accrued based on 1.5% and 1.04% as well as 1.0% and 1.02%, respectively, of distributable profit of current year as of the end of reporting period.

C. Employees' compensation and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 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

(a)Components of income tax expense

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the period	$ 127,582	$ 125,431
Prior year income tax (over) under estimation	(13,026)	6
Total income tax for the current period	114,556	125,437
Deferred income tax balance：		
Origination and reversal of temporary differences	(2,811)	793
Total deferred income tax	(2,811)	793
Income tax expense	$ 111,745	$ 126,230

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Remeasurement of defined benefit obligations	($ 794)	$ 76

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2023	Years ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 74,300	$ 79,244
Expenses disallowed by tax regulation	94	4,431
Tax exempt income by tax regulation	(4,325)	(2,097)
Temporary differences not recognized as deferred tax assets	(5,256)	18,073
Taxable loss not recognised as deferred tax assets	52,821	26,573
Change in assessment of realisation of deferred tax assets	7,137	-
Prior year income tax overestimation	(13,026)	6
Income tax expense	$ 111,745	$ 126,230

C. Details of the Group’s applicable tax rate are as follows:

Entity	Tax application and applicable tax rate
Taiwan parent company and Taiwan subsidiaries	Applicable tax rate:20%
Other China subsidiaries	Applicable tax rate:25%

D. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	December 31
Deferred tax assets:					
Allowance for inventory valuation and obsolescence losses	$ 12,410	($ 1,119)	$ -	($ 132)	$ 11,159
Allowance for bad debts	7,213	(3,592)	-	(72)	3,549
Unrealised exchange loss	3,696	1,778	-	-	5,474
Losses on valuation of financial instruments at fair value through profit or loss	-	590	-	-	590
Defined benefit plan	1,551	(28)	(794)	-	729
Share of profit (loss) of subsidiaries accounted for under the equity method	80,563	-	-	-	80,563
Others	2,534	4,653	-	(55)	7,132
	$ 107,967	$ 2,282	($ 794)	($ 259)	$ 109,196
Deferred tax liabilities:					
Gains on valuation of financial instruments at fair value through profit or loss	($ 513)	$ 513	$ -	$ -	$ -
	$ 107,454	$ 2,795	($ 794)	($ 259)	$ 109,196

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Net exchange differences	December 31
Deferred tax assets:					
Allowance for inventory valuation and obsolescence losses	$ 9,876	$ 2,336	$ -	$ 198	12,410
Allowance for bad debts	6,484	560	-	169	7,213
Unrealised exchange loss	4,284	(588)	-	-	3,696
Losses on valuation of financial instruments at fair value through profit or loss	2,422	(2,422)	-	-	-
Defined benefit plan	1,325	150	76	-	1,551
Share of profit (loss) of subsidiaries accounted for under the equity method	80,563	-	-	-	80,563
Others	3,217	(530)	-	(153)	2,534
	$ 108,171	($ 494)	$ 76	$ 214	$ 107,967
Deferred tax liabilities:					
Gains on valuation of financial instruments at fair value through profit or loss	$ -	($ 513)	$ -	$ -	($ 513)
	$ 108,171	($ 1,007)	$ 76	$ 214	$ 107,454

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023						
Year incurred	Amount filed/assessed		Unused amount		Unrecognised deferred tax assets	Expiry year
2018	Assessed	$	70,910	$	70,910	2028
2019	Assessed		35,075		35,075	2029
2020	Assessed		21,699		21,699	2030
2021	Assessed		59,507		59,507	2031
2022	Assessed		106,559		106,559	2032
2023	Amount estimated to file		211,356		211,356	2033
		$	505,106	$	505,106	

December 31, 2022						
Year incurred	Amount filed/assessed		Unused amount		Unrecognised deferred tax assets	Expiry year
2018	Assessed	$	70,910	$	70,910	2028
2019	Assessed		35,075		35,075	2029
2020	Assessed		21,699		21,699	2030
2021	Assessed		59,507		59,507	2031
2022	Amount estimated to file		106,559		106,559	2032
		$	293,750	$	293,750	

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

		December 31, 2023		December 31, 2022
Deductible temporary differences	$	390,013	$	330,629

G. The Company’s and domestic subsidiaries’ income tax returns through 2021 have been assessed and approved by the Tax Authority.

H. As of December 31, 2023, relevant information of current income tax liabilities and non-current income tax liabilities is as follows:

	December 31, 2023		December 31, 2022	
	Income tax payable		Income tax payable	
	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)
2020	$ -	$ -	$ 21,025	$ 10,513
2021	11,999	3,789	11,999	17,998
2022	37,055	52,494	110,840	-
2023	139,106	-	-	-
	$ 188,160	$ 56,283	$ 143,864	$ 28,511

(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.

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(26) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 435,661	74,124	$ 5.88
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	435,661	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	162	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 435,661	74,286	$ 5.86

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 408,560	74,124	$ 5.51
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	408,560	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	212	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 408,560	74,336	$ 5.50

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:

	Year ended December 31, 2023	
Purchase of property, plant and equipment	$	202,924
Add:Opening balance of notes payable		102,954
Opening balance of payable on equipment and construction		65,309
Less:Ending balance of notes payable	(	105,428)
Ending balance of payable on equipment and construction	(	56,453)
Cash paid during the period	$	209,306

	Year ended December 31, 2022	
Purchase of property, plant and equipment	$	421,852
Add:Opening balance of notes payable		-
Opening balance of payable on equipment and construction		48,234
Less:Ending balance of notes payable	(	102,954)
Ending balance of payable on equipment and construction	(	65,309)
Cash paid during the period	$	365,716

B. Investing activities with partial cash payments :

	Year ended December 31, 2023	
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	$	12,263

	Year ended December 31, 2022	
Purchase of financial assets at fair value through profit or loss	$	100,050
Add: Opening balance of securities payables (shown as other payables)		3,573
Less: Ending balance of securities payables (shown as other payables)	(	1,383)
Cash paid during the period	$	102,240

(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, 2023	$ 261,721	$ 736,032	$ 821	$ 6,693	$ -	$ 1,005,267
Changes in cash flow from financing activities	(220,486)	(154,424)	381	(2,663)	(222,372)	(599,564)
Changes in other non-cash items	-	-	-	18,633	222,372	241,005
Impact of changes in foreign exchange rate	(5,449)	(1,596)	(26)	-	-	(7,071)
At December 31, 2023	$ 35,786	$ 580,012	$ 1,176	$ 22,663	$ -	$ 639,637

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non-current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2022	$ 264,320	$ 50,000	$ 646,025	$ 929	$ 2,337	$ -	$ 963,611
Changes in cash flow from financing activities	(9,567)	(50,000)	86,705	(132)	(2,668)	(148,248)	(123,910)
Changes in other non-cash items	2,647	-	3,302	-	7,024	148,248	161,221
Impact of changes in foreign exchange rate	4,321	-	-	24	-	-	4,345
At December 31, 2022	$ 261,721	$ -	$ 736,032	$ 821	$ 6,693	$ -	$ 1,005,267

7. Related Party Transactions

Key management compensation

	Year ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 25,730	$ 28,614
Post-employment benefits	56	24
	$ 25,786	$ 28,638

8. Pledged Assets

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment	$ 1,151,385	$ 1,237,237	Short-term borrowings and long-term borrowings
Right-of-use assets	73,839	77,852	Short-term borrowings
Investment property	13,554	14,713	Short-term borrowings
Financial assets at amortised cost - non-current	300	300	Natural gas for manufacturing
Total	$ 1,239,078	$ 1,330,102	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

As of December 31, 2023 and 2022, the Group's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were $286,885 and $517,281, 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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 135,445	$ 129,623
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	$ 128,299	$ 75,247
Financial assets at amortised cost		
Cash and cash equivalents	$ 550,670	$ 1,036,374
Financial assets at amortised cost	126,190	300
Notes receivable	37,971	27,081
Accounts receivable	499,189	534,281
Other receivables	10,072	10,366
Guarantee deposits paid	7,743	4,092
	$ 1,231,835	$ 1,612,494

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 35,786	$ 261,721
Notes payable	178,448	179,968
Accounts payable	101,114	141,453
Other payables	182,257	197,101
Long-term borrowings (including current portion)	580,013	736,032
Guarantee deposits received	1,176	821
	$ 1,078,794	$ 1,517,096
Lease liabilities (including current portion)	$ 22,663	$ 6,693

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

<u>Foreign exchange risk</u>

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:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
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
Financial liabilities			
Monetary items			
RMB : USD	$ 3,496	0.14	$ 15,114

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 36,581	30.71	$ 1,123,403
USD : RMB	287	6.96	8,807
Financial liabilities			
Monetary items			
USD : NTD	$ 156	30.71	$ 4,791
RMB : USD	3,589	0.14	15,519

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 years ended December 31, 2023 and 2022, amounted to $60,398 and $306,502, respectively.

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

	Year ended December 31, 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%	$ 8,757	$ -
EUR : NTD	1%	42	-
USD : RMB	1%	22	-
RMB : NTD	1%	4,251	-
RMB : USD	1%	58	-
Financial liabilities			
Monetary items			
RMB : USD	1%	$ 151	$ -

	Year ended December 31, 2022		
	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%	$ 11,234	$ -
USD : RMB	1%	88	-
Financial liabilities			
Monetary items			
USD : NTD	1%	$ 48	$ -
RMB : USD	1%	155	-

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 years ended December 31, 2023 and 2022 would have increased/decreased by $1,354 and $1,271, 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 $1,283 and $752 respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

<u>Cash flow and fair value interest rate risk</u>

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 years ended December 31, 2023 and 2022, 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 years ended December 31, 2023 and 2022 would have increased/decreased by $617 and $998, 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 December 31, 2023 and 2022, accumulated loss allowance provided for individually assessed receivables amounted to $5,406 and $29,383, 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 December 31, 2023 and 2022, 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
December 31, 2023							
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)
	$ 371,231	$ 117,103	$ 42,305	$ 6,522	$ -	$ -	$ 537,161

	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
December 31, 2022							
Expected loss rate	0%~1%	1%~10%	30%~50%	30%~50%	100%	100%	
Total book value	$ 508,355	$ 52,368	$ 10,777	$ 4,804	$ 1,414	$ 19,091	$ 596,809
Loss allowance	(2,044)	(4,291)	(5,735)	(2,872)	(1,414)	(19,091)	(35,447)
	$ 506,311	$ 48,077	$ 5,042	$ 1,932	$ -	$ -	$ 561,362

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

	2023		
	Notes receivable	Accounts receivable	Total
At January 1	$ 144	$ 64,686	$ 64,830
Provision for (reversal of) impairment loss	64	(41,775)	(41,711)
Write-offs	-	(326)	(326)
Effect of foreign exchange	-	(444)	(444)
At December 31	$ 208	$ 22,141	$ 22,349

	2022		
	Notes receivable	Accounts receivable	Total
At January 1	$ 162	$ 47,961	$ 48,123
Provision for (reversal of) impairment loss	(18)	17,529	17,511
Written-Off	-	(424)	(424)
Effect of foreign exchange	-	(380)	(380)
At December 31	$ 144	$ 64,686	$ 64,830

(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:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 523,513	$ 303,089

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:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
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:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
Short-term borrowings	$ 266,464	$ -	$ -	$ -	$ -	$ 266,464
Notes payable	179,968	-	-	-	-	179,968
Accounts payable	141,453	-	-	-	-	141,453
Other payables	197,101	-	-	-	-	197,101
Lease liability	2,299	1,739	1,630	1,177	-	6,845
Long-term borrowings (including current portion)	176,790	155,796	153,963	183,047	92,287	761,883

(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 December 31, 2023 and 2022, are as follows:

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

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ 135,445	$ -	$ -	$ 135,445
Financial assets at fair value through other comprehensive income - Equity securities	$ 128,299	$ -	$ -	$ 128,299
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss	$ -	$ 2,952	$ -	$ 2,952

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ 127,058	$ 2,565	$ -	$ 129,623
Financial assets at fair value through other comprehensive income - Equity securities	$ 75,247	$ -	$ -	$ 75,247

(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 years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2023 and 2022, 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.

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(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)	
	Year ended December 31,2023	Year ended December 31,2022	Year ended December 31,2023	Year ended December 31,2022
Domestic operation entities	$ 1,444,806	$ 1,251,975	$ 442,050	$ 229,043
Foreign operation entities	609,585	785,354	(54,601)	(76,067)
Others	38,694	19,862	(6,470)	(414)
Inter-segment eliminations	(41,876)	(36,433)	20,884	27,440
Total amount from continuing operations	$ 2,051,209	$ 2,020,758	$ 401,863	$ 180,002
Interest income			34,593	18,751
Rent income			8,665	8,139
Dividend income			7,132	4,958
Other income - others			36,278	20,361
Foreign exchange (loss) gain			60,398	306,502
Gain on financial assets and liabilities at fair value through profit or loss			9,110	39,275
Gain on disposal of property, plant and equipment			4,283	3,798
Other losses			(844)	(28,236)
Finance costs			(17,269)	(26,327)
Profit before income tax			$ 544,209	$ 527,223

(4) Information on products

Please refer to Note 6 (22) for the related information.

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 1,444,772	$ 2,654,442	$ 1,246,356	$ 2,421,925
China	588,311	768,967	755,770	846,932
Others	18,126	-	18,632	-
	$ 2,051,209	$ 3,423,409	$ 2,020,758	$ 3,268,857

Revenue was calculated based on geographic location of segments. Non-current assets were classified based on geographic location of assets, including property, plant and equipment, intangible assets and other non-current assets but excluding financial instruments, guarantee deposits paid and deferred income tax. Geographical information for the years ended December 31, 2023 and 2022 is stated as above.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,					
	2023			2022		
	Revenue		Segment	Revenue		Segment
A Group	$	387,148	Domestic operations	$	464,885	Domestic operations
B customer		198,283	Foreign operations		110,706	Foreign operations
	$	585,431		$	575,591	

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

FINANCIAL STATEMENTS AND INDEPENDENT

AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Y.C.C. Parts Mfg. Co., Ltd. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Cut-off of sales revenue recognition

Description

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

How our audit addressed the matter

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

1. Understanding and evaluating the operating procedures and internal controls over sales revenue, and assessing the effectiveness on how the management controls the timing of recognizing sales revenue.

2. Examined the transaction documents to ensure that transactions had been recorded in the proper period for a certain period around the balance sheet date.

Assessment of allowance for inventory valuation loss

Description

For the accounting policy of inventory assessment, please refer to Note 4(13); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5; and for details of allowance for inventory valuation losses, please refer to Note 6(6). The Company is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms.

As of December 31, 2023, the balances of inventories and allowance for inventory valuation losses were NT$ 278,340 thousand and NT$ 25,437 thousand, respectively.

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

How our audit addressed the matter

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

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

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

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

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

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

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

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

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

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

the override of internal control.

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

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

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

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

Wang, Yu-Chuan   Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

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

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

Y.C.C. PARTS MFG. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	$ 252,454	5	$ 905,487	18
Financial assets at fair value through profit or loss	6(2)	124,815	3	118,291	2
Financial assets at amortised cost	6(4)	125,890	3	-	-
Notes receivable, net	6(5)	16,821	-	14,275	-
Accounts receivable, net	6(5)	293,989	6	227,195	5
Accounts receivable due from related parties, net	7(2)	18,108	-	27,489	1
Other receivables		9,503	-	3,712	-
Other receivables due from related parties	7(2)	633,360	12	317,288	6
Inventories	6(6)	252,903	5	158,269	3
Other current assets	7(2)	19,933	-	26,819	1
Total current assets		1,747,776	34	1,798,825	36
Non-current assets					
Non-current financial assets at fair value through other comprehensive income	6(3)	128,299	2	75,247	1
Non-current financial assets at amortised cost	6(4) and 8	300	-	300	-
Investments accounted for using equity method	6(7)	506,021	10	573,977	12
Property, plant and equipment	6(8) and 8	2,240,616	44	2,281,091	46
Right-of-use assets	6(9)	22,586	-	6,630	-
Investment property, net	6(10)	80,887	2	-	-
Deferred tax assets	6(26)	95,981	2	94,477	2
Other non-current assets	6(11)	317,107	6	136,813	3
Total non-current assets		3,391,797	66	3,168,535	64
Total assets		$ 5,139,573	100	$ 4,967,360	100

(Continued)

Y.C.C. PARTS MFG. CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
Current liabilities					
Financial liabilities at fair value through profit or loss	6(2)	$ 2,952	-	$ -	-
Current contract liabilities	6(19)	1,866	-	2,811	-
Notes payable		178,103	3	179,943	4
Accounts payable		20,981	-	12,954	-
Other payables	6(12)	137,444	3	132,118	3
Current tax liabilities	6(26)	188,159	4	143,864	3
Long-term liabilities, current portion	6(13)	133,167	3	169,662	3
Other current liabilities, others	6(9)	5,310	-	2,233	-
Total current liabilities		667,982	13	643,585	13
Non-current liabilities					
Long-term borrowings	6(13)	446,846	9	566,370	11
Income tax liabilities - non-current	6(26)	56,283	1	28,511	1
Deferred tax liabilities	6(26)	-	-	513	-
Other non-current liabilities	6(9)(14)(15)	22,587	-	14,072	-
Total non-current liabilities		525,716	10	609,466	12
Total liabilities		1,193,698	23	1,253,051	25
Equity					
Share capital	6(16)				
Ordinary share		741,239	14	741,239	15
Capital surplus	6(17)				
Capital surplus		1,193,349	24	1,193,349	24
Retained earnings	6(18)				
Legal reserve		383,999	8	343,211	7
Special reserve		109,142	2	120,040	2
Unappropriated retained earnings		1,612,189	31	1,425,612	29
Other equity interest					
Other equity interest		(94,043)	(2)	(109,142)	(2)
Treasury shares	6(16)	-	-	-	-
Total equity		3,945,875	77	3,714,309	75
Significant contingent liabilities and unrecognised contract commitments	9				
Total liabilities and equity		$ 5,139,573	100	$ 4,967,360	100

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

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
Operating revenue	6(19) and 7(2)	$ 1,456,959	100	$ 1,259,707	100
Operating costs	6(6)(24)(25) and 7(2)	(773,514)	(53)	(786,838)	(63)
Gross profit from operations		683,445	47	472,869	37
Operating expenses	6(24)(25)				
Selling expenses		(113,412)	(8)	(91,298)	(7)
Administrative expenses		(64,871)	(4)	(83,849)	(7)
Research and development expenses		(59,655)	(4)	(53,029)	(4)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(167)	-	(3,895)	-
Total operating expenses		(238,105)	(16)	(232,071)	(18)
Net operating income		445,340	31	240,798	19
Non-operating income and expenses					
Interest income	6(20) and 7(2)	49,049	3	21,893	2
Other income	6(21) and 7(2)	51,591	4	41,769	3
Other gains and losses	6(22)	68,815	5	331,936	26
Finance costs	6(23)	(10,644)	(1)	(9,941)	(1)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	(56,750)	(4)	(91,701)	(7)
Total non-operating income and expenses		102,061	7	293,956	23
Profit before income tax		547,401	38	534,754	42
Income tax expense	6(26)	(111,740)	(8)	(126,194)	(10)
Profit from continuing operations		435,661	30	408,560	32
Profit		$ 435,661	30	$ 408,560	32
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	6(15)	$ 3,972	-	($ 381)	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	26,304	2	7,008	1
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	(794)	-	76	-
Total components of other comprehensive income that will not be reclassified to profit or loss		29,482	2	6,703	1
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation		(11,205)	(1)	3,890	-
Total components of other comprehensive (loss) income that will be reclassified to profit or loss		(11,205)	(1)	3,890	-
Other comprehensive income		$ 18,277	1	$ 10,593	1
Total comprehensive income		$ 453,938	31	$ 419,153	33
Basic earnings per share	6(27)				
Basic earnings per share			$ 5.88		$ 5.51
Diluted earnings per share			$ 5.86		$ 5.50

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

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

				Retained earnings			Other equity interest			
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Year 2022										
Balance at January 1, 2022		$ 741,389	$1,193,349	$ 329,574	$ 105,211	$1,194,447	($ 86,492)	($ 33,548)	($ 526)	$3,443,404
Profit for the year		-	-	-	-	408,560	-	-	-	408,560
Other comprehensive income (loss) for the year	6(3)	-	-	-	-	(305)	3,890	7,008	-	10,593
Total comprehensive income		-	-	-	-	408,255	3,890	7,008	-	419,153
Appropriation and distribution of 2021 earnings	6(18)									
Legal reserve		-	-	13,637	-	(13,637)	-	-	-	-
(Reversal of) Special reserve		-	-	-	14,829	(14,829)	-	-	-	-
Cash dividends	6(7)	-	-	-	-	(148,248)	-	-	-	(148,248)
Decrease in treasury shares		(150)	-	-	-	(376)	-	-	526	-
Balance at December 31, 2022		$ 741,239	$1,193,349	$ 343,211	$ 120,040	$1,425,612	($ 82,602)	($ 26,540)	$ -	$3,714,309
Year 2023										
Balance at January 1, 2023		$ 741,239	$1,193,349	$ 343,211	$ 120,040	$1,425,612	($ 82,602)	($ 26,540)	$ -	$3,714,309
Profit for the year		-	-	-	-	435,661	-	-	-	435,661
Other comprehensive (loss) income	6(3)	-	-	-	-	3,178	(11,205)	26,304	-	18,277
Total comprehensive (loss) income		-	-	-	-	438,839	(11,205)	26,304	-	453,938
Appropriation and distribution of 2022 earnings	6(18)									
Legal reserve		-	-	40,788	-	(40,788)	-	-	-	-
(Reversal of) Special reserve		-	-	-	(10,898)	10,898	-	-	-	-
Cash dividends		-	-	-	-	(222,372)	-	-	-	(222,372)
Balance at December 31, 2023		$ 741,239	$1,193,349	$ 383,999	$ 109,142	$1,612,189	($ 93,807)	($ 236)	$ -	$3,945,875

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

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 547,401	$ 534,754
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(24)	278,723	276,987
Depreciation expense - right-of-use assets	6(9)(24)	2,678	2,268
Amortization expense		6,231	9,779
Expected credit impairment loss	12(2)	167	3,895
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(22)	(4,953)	(38,008)
Interest expense	6(23)	10,644	9,941
Interest income	6(20)	(49,049)	(21,893)
Government grant	6(14)	(1,410)	(1,099)
Dividend income	6(21)	(6,733)	(4,958)
Share of loss (profit) of associates accounted for under equity method	6(7)	56,750	91,701
Gain on disposal of property, plant and equipment	6(22)	-	(3,550)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(2,546)	1,791
Accounts receivable		(66,961)	(63,919)
Accounts receivable-related parties		9,381	(5,522)
Other receivables		(16,239)	6,471
Other receivables-related parties		(4,016)	(84)
Inventories		(94,634)	18,856
Other current assets		6,885	2,938
Changes in operating liabilities			
Contract liabilities - current		(945)	326
Notes payable		14,972	(15,513)
Accounts payable		8,027	(11,634)
Other payables		6,683	(13,598)
Other current liabilities		(3)	2
Net defined benefit liability		(138)	202
Cash inflow generated from operations		700,915	780,133
Interest received		49,260	19,874
Interest paid		(10,539)	(9,809)
Dividend received		6,733	4,958
Income tax paid		(51,135)	(31,622)
Net cash flows from operating activities		695,234	763,534

(Continued)

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss	6(28)	($ 12,263)	($ 78,280)
Proceeds from disposal of financial assets at fair value through profit or loss		12,261	77,419
(Increase) decrease in financial assets at amortised cost		(125,890)	180,449
Increase in other receivables due from related parties		(312,056)	(83,709)
Acquisition of property, plant and equipment	6(28)	(156,864)	(238,237)
Payment for capitalized interests	6(8)	-	(1,193)
Gain on disposal of property, plant and equipment		2,010	4,073
Acquisition of intangible assets		(1,533)	(861)
Increase in other non-current assets		(2,690)	(3,496)
Increase in guarantee deposits		(2,900)	(1,809)
Acquisition of financial assets measured at fair value through other comprehensive profit or loss - non-current		(26,748)	(19,932)
Acquisition of real estate investment	6(10)	(80,887)	-
Increase in prepaid equipment and project payments		(261,248)	(129,289)
Net cash flows used in investing activities		(968,808)	(294,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		-	15,000
Decrease in short-term borrowings		-	(15,000)
Decrease in short-term notes and bills payable	6(29)	-	(50,000)
Proceeds from long-term borrowings	6(29)	-	192,540
Repayments of long-term borrowings	6(29)	(154,424)	(105,835)
Repayment of principal portion of lease liabilities	6(29)	(2,663)	(2,668)
Cash dividends paid	6(29)	(222,372)	(148,248)
Net cash flows used in financing activities		(379,459)	(114,211)
Effect of exchange rate changes on cash and cash equivalents		-	42,272
Net (decrease) increase in cash and cash equivalents		(653,033)	396,730
Cash and cash equivalents at beginning of year		905,487	508,757
Cash and cash equivalents at end of year		$ 252,454	$ 905,487

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(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 is primarily engaged in manufacturing and trading automobiles parts, import and export as well as operating and reinvesting related businesses.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on March 7, 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 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’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 Company

None.

(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 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 Company’s financial condition and financial performance based on the Company’s assessment.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange

rate at the date of that balance sheet;

ii.Income and expenses for each statement of comprehensive income are translated at average

exchange rates of that period; and

iii.All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(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) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. Except for the same types of inventory, the item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method-subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. If the Company loses significant influence over the subsidiary, the amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 20 years
Machinery and equipment	1~ 15 years
Molding equipment	2 ~ 5 years
Transportation equipment	2 ~ 8 years
Furniture equipment	2 ~ 5 years
Other equipment	2 ~ 10 years

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

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

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) <u>Investment real estate</u>

Investment real estate is recognized at acquisition cost, and subsequent measurement adopts the cost model.

(18) <u>Intangible assets</u>

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(19) <u>Impairment of non-financial assets</u>

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) <u>Borrowings</u>

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of held for trading. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i.Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii.Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii.Past service costs are recognised immediately in profit or loss.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(27) Share capital

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

B. Where the Company repurchases the Company’s equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

(28) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders. Cash dividends are recorded as liabilities.

(29) Revenue recognition

Sales of goods

A. The Company manufactures and sells automobiles parts products. Sales are recognised when control of the products has transferred. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Sales revenue was recognized based on the contract price net of sales discount. Goods are often sold with sales discounts and allowances based on future estimated sales volume. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made with a credit term of 60 to 120 days after the delivery date. which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year ; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. As net realisable value of inventories is estimated at the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated selling expenses, the estimates are based on current market conditions and historical sales experience of similar products and the result of the estimates might be significantly influence by changes in market conditions.

As of December 31, 2023, the carrying amount of inventories was $252,903.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 103	$ 198
Checking accounts and demand deposits	46,627	27,404
Time deposits	205,724	723,859
Short-term notes and bills - Re-Purchase	-	154,026
	$ 252,454	$ 905,487
Interest rate range		
Time deposits	5.64%~5.72%	0.95%~4.35%

A. The Company 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(4) for details.

C. Information about the financial assets at amortised cost that were pledged to others as collaterals is provided in Note 8.

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

Items	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 95,422	$ 96,804
Valuation adjustment	29,393	18,922
Total	$ 124,815	$ 115,726
Financial (liabilities) assets held for trading		
Foreign exchange swap contracts	($ 2,952)	$ 2,565
Total amount of fiancial assets at fair value through profit or loss	$ 124,815	$ 118,291
Total amount of fiancial liabilities at fair value through profit or loss	($ 2,952)	$ -

A. The Company recognised financial assets and liabilities at fair value through profit of $6,415 and $38,008 for the years ended December 31, 2023 and 2022, respectively.

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

	December 31, 2023	
Derivative financial assets (liabilities)	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD 7,086 thousand	2023.12.07 ~ 2024.01.29

	December 31, 2022	
Derivative financial assets (liabilities)	Contract amount (Notional principal)	Maturity period
Foreign exchange swap contracts	USD 26,100 thousand	2022.12.05 ~ 2023.01.30

The Company entered into cross currency swap contracts to hedge risk arising from the changes in currency rates of assets and liabilities denominated in foreign currencies. However, the forward exchange contracts did not meet the criteria for hedge accounting.

C. The Company 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 and liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income-non-current

Items	December 31, 2023		December 31, 2022	
Non-current items:				
Equity instruments				
Listed stocks	$	128,535	$	101,787
Valuation adjustment	(	236)	(	26,540)
	$	128,299	$	75,247

A. The Company 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 $128,299 and $75,247 as at December 31, 2023 and 2022, 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:

	Years ended December 31,			
	2023		2022	
Equity instruments at fair value through other comprehensive income				
Fair value change recognised in other comprehensive loss	$	26,304	$	7,008
Dividend income recognised in profit or loss held at end of period	$	3,262	$	2,534

C. As at December 31, 2023 and 2022, 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 Company were $128,299 and $75,247, respectively.

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

(4) Financial assets at amortised cost

Items	December 31, 2023		December 31, 2022	
Current items:				
Time deposits maturing over three months	$	125,890	$	-
Non-current items				
Restricted time deposits	$	300	$	300

A. As at December 31, 2023 and 2022, 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 Company were $126,190 and $300, 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).

(5) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes receivable	$ 17,028	$ 14,419
Less: Allowance for uncollectible accounts	(207)	(144)
	$ 16,821	$ 14,275

	December 31, 2023	December 31, 2022
Accounts receivable	$ 301,204	$ 234,306
Less: Allowance for uncollectible accounts	(7,215)	(7,111)
	$ 293,989	$ 227,195

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

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 17,028	$ 249,844	$ 14,419	$ 182,842
1~60 days	-	47,809	-	41,634
61~120 days	-	843	-	8,926
121~180 days	-	-	-	-
Over 241 days	-	2,708	-	904
	$ 17,028	$ 301,204	$ 14,419	$ 234,306

As of December 31, 2023 and 2022, the ageing analysis was based on past due date and invoice date.

B. As of December 31, 2023 and 2022, the balances of accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balances of accounts receivable and notes receivable from contracts with customers amounted to $170,793 and $16,228, respectively.

C. As at December 31, 2023 and 2022, 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 Company’s notes receivable and accounts receivable were $16,821 and $14,275 as well as $293,989 and $227,195, respectively.

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

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	$ 113,928	($ 11,552)	$ 102,376
Work in progress	8,851	(473)	8,378
Semi-finished goods	3,142	(799)	2,343
Finished goods	152,047	(12,613)	139,434
Merchandise	372	-	372
Total	$ 278,340	($ 25,437)	$ 252,903

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	$ 39,303	($ 9,385)	$ 29,918
Work in progress	6,801	(1,187)	5,614
Semi-finished goods	3,727	(1,563)	2,164
Finished goods	138,650	(18,463)	120,187
Merchandise	386	-	386
Total	$ 188,867	($ 30,598)	$ 158,269

The cost of inventories recognised as expense for the period:

	Year ended December 31, 2023	Year ended December 31, 2022
Cost of goods sold	$ 782,117	$ 777,199
Unallocated fixed overheads	1,129	-
Loss on (gain on reversal of) market value decline and slow-moving inventories	(5,161)	11,678
Gain on physical inventory	(4,798)	(2,436)
Loss on scrapping inventory	227	397
	$ 773,514	$ 786,838

The Company reversed a previous inventory write-down because inventories with decline in market value were partially sold and scrapped by the Group for the year ended December 31, 2023.

(7) Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Subsidiaries		
RISE BRIGHT HOLDINGS LTD. (RISE BRIGHT)	$ 455,103	$ 525,692
UNITED SKILLS CO., LTD. (UNITED SKILLS)	50,918	48,285
	$ 506,021	$ 573,977

A. Share of profit or loss of subsidiaries accounted for using equity method is evaluated based on each investee's audited financial statements for the corresponding period. For the years ended

December 31, 2023 and 2022, the Company recognised loss in the amount of $56,750 thousand and $91,701 thousand, respectively.

B. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

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(8) Property, plant and equipment

	Year ended December 31, 2023				
	Beginning balance	Additions	Decreases	Transfers	Ending balance
Cost					
Land	$ 956,365	$ -	$ -	$ -	$ 956,365
Buildings and structures	1,217,374	2,615	-	-	1,219,989
Machinery and equipment	808,629	22,953	(22,943)	33,329	841,968
Molding equipment	2,099,665	68,671	(14,810)	122,867	2,276,393
Transportation equipment	32,760	-	(538)	-	32,222
Furniture equipment	2,441	-	(171)	-	2,270
Other equipment	154,839	22,435	(288)	8,243	185,229
Unfinished construction and equipment under acceptance	268,679	41,738	-	(82,593)	227,824
	$ 5,540,752	$ 158,412	($ 38,750)	$ 81,846	$ 5,742,260
Accumulated Depreciation					
Buildings and structures	($ 792,484)	($ 52,867)	$ -	$ -	($ 845,351)
Machinery and equipment	(624,021)	(54,595)	20,932	-	(657,684)
Molding equipment	(1,690,885)	(153,850)	14,810	-	(1,829,925)
Transportation equipment	(24,912)	(2,231)	538	-	(26,605)
Furniture equipment	(2,056)	(177)	172	-	(2,061)
Other equipment	(125,303)	(15,003)	288	-	(140,018)
	($ 3,259,661)	($ 278,723)	$ 36,740	$ -	($ 3,501,644)
Total	$ 2,281,091				$ 2,240,616

	Year ended December 31, 2022				
	Beginning balance	Additions	Decreases	Transfers	Ending balance
Cost					
Land	$ 956,365	$ -	$ -	$ -	$ 956,365
Buildings and structures	1,174,953	-	-	42,421	1,217,374
Machinery and equipment	767,115	68,559	(30,433)	3,388	808,629
Molding equipment	1,909,813	144,299	-	45,553	2,099,665
Transportation equipment	29,929	6,051	(3,220)	-	32,760
Furniture equipment	2,119	322	-	-	2,441
Other equipment	144,789	3,429	(289)	6,910	154,839
Unfinished construction and equipment under acceptance	171,389	137,687	-	(40,397)	268,679
	$ 5,156,472	$ 360,347	($ 33,942)	$ 57,875	$ 5,540,752
Accumulated Depreciation					
Buildings and structures	($ 742,283)	($ 50,201)	$ -	$ -	($ 792,484)
Machinery and equipment	(598,423)	(55,509)	29,911	-	(624,021)
Molding equipment	(1,531,873)	(159,012)	-	-	(1,690,885)
Transportation equipment	(26,216)	(1,916)	3,220	-	(24,912)
Furniture equipment	(1,954)	(102)	-	-	(2,056)
Other equipment	(115,344)	(10,247)	288	-	(125,303)
	($ 3,016,093)	($ 276,987)	$ 33,419	$ -	($ 3,259,661)
Total	$ 2,140,379				$ 2,281,091

A. Transfers for the period were from inventories and prepayments for business facilities.

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

C. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

December 31, 2023: None.

	December 31, 2022
Amount capitalised	$ 1,193
Range of the interest rates for capitalisation	0.95%

(9) Lease transactions – lessee

A. The Company leases various assets including business vehicles. Rental contracts are typically made for periods of 5 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. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Transportation equipment (Business vehicles)	$ 22,586	$ 6,630

	Years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Transportation equipment (Business vehicles)	$ 2,678	$ 2,268

C. For the years ended December 31, 2023 and 2022, the costs of additions to right-of-use assets were $18,925 and $4,956, respectively.

D. Information on profit or loss in relation to lease contracts are as follows:

	Years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 101	$ 98
Expense on leases of low-value assets	$ 75	$ 33

E. As of December 31, 2023 and 2022, the balances of lease liabilities -current and lease liabilities -non-current are as follows :

	December 31, 2023	December 31, 2022
Lease liabilities - current	$ 5,308	$ 2,228
Lease liabilities - non-current	$ 17,355	$ 4,465

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $2,839 and $2,799, respectively.

(10) Investment property

	Year ended December 31, 2023			
	Beginning balance	Additions	Decreases	Ending balance
Cost				
Land	$ -	$ 80,887	$ -	$ 80,887

A. The fair value of the investment property held by the Company, which is the land , as at December

31, 2023 was $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.

B. The Company 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.

(11) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for business facilities	$ 304,136	$ 124,734
Guarantee deposits paid	6,754	3,854
Other non-current assets-others	6,217	8,225
	$ 317,107	$ 136,813

(12) Other payables

	December 31, 2023	December 31, 2022
Salaries and bonus payable	$ 47,267	$ 38,944
Machinery and equipment payable	43,263	44,189
Employees' compensation payable	8,426	7,360
Directors' remuneration payable	5,841	5,661
Utilities expense payable	4,795	4,188
Payables on insurance premiums	1,358	1,266
Securities expense payable	-	1,383
Others	26,494	29,127
	$ 137,444	$ 132,118

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(13) Long-term borrowings

Type of borrowings	Borrowing period	Repayment term	December 31, 2023
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 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	$ 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 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			1.25%~1.78%

Type of borrowings	Borrowing period	Repayment term	December 31, 2022
Long-term bank borrowings			
Unsecured borrowings	From November 26, 2018 to November 26, 2023	The loan is fully disbursed once the contract signed; interest is repayable monthly; principal is repayable monthly in 48 installments with a year grace period on principal only	$ 13,833
Unsecured borrowings	From August 31, 2016 to February 15, 2023	Starting from August 15, 2019, principal is repayable quarterly; interest is repayable monthly	6,662
Unsecured borrowings	From December 26, 2019 to December 15, 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	48,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	235,764
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	368,000
Secured borrowings	From December 26, 2019 to December 15, 2029	The loan is disbursed within three years after contract signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	64,000
			$ 736,259
Less: Current portion			(169,662)
Less: Discount on government grants			(227)
			$ 566,370
Interest rate range			1.13%~1.66%

(14) Government grants

As of December 31, 2023, the Company acquired government concessional loans under the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" from 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 $47,277, respectively which were calculated at a market rate of 1.25% and 1.375%. The differences between the acquired amount and the fair value were $7,065 and $723, respectively, which were deemed as a low interest loan subsidy from government and recognised 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 realised deferred government grants revenue were $1,410 and $1,099, respectively, for the years ended December 31, 2023 and 2022.

(15) Pensions

A. (a) The Company has 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 contributes 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) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 16,431	$ 20,037
Fair value of plan assets	(14,658)	(14,153)
Net defined benefit liability	$ 1,773	$ 5,884

(c) Movements in net defined benefit liabilities are as follows:

	Year ended December 31, 2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 20,037	($ 14,153)	$ 5,884
Interest expense (income)	225	(161)	64
	20,262	(14,314)	5,948
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(141)	(141)
Experience adjustments	(3,831)	-	(3,831)
	(3,831)	(141)	(3,972)
Pension fund contribution	-	(203)	(203)
Balance at December 31	$ 16,431	($ 14,658)	$ 1,773

	Year ended December 31, 2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 18,546	($ 12,865)	$ 5,681
Interest expense (income)	93	(65)	28
	18,639	(12,930)	5,709
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(1,017)	(1,017)
Change in financial assumptions	(331)	-	(331)
Experience adjustments	1,729	-	1,729
	1,398	(1,017)	381
Pension fund contribution	-	(206)	(206)
Balance at December 31	$ 20,037	($ 14,153)	$ 5,884

(d) The Bank of Taiwan was commissioned to manage the fund of the Company's defined benefit pension plan assets in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that Fund and therefore, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.13%	1.13%
Future salary increases	2.50%	2.50%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022, respectively.

Sensitivity analysis of the effect on present value of defined benefit obligation due from the changes of main actuarial assumptions was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 151)	$ 156	$ 151	($ 147)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 209)	$ 215	$ 208	($ 204)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method utilised in sensitivity analysis is the same as the method utilised in calculating net pension liability on the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to $213.

(g) As of December 31, 2023, the weighted average duration of that retirement plan is 3.7 years.

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 pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $6,273 and $5,966, respectively.

(16) Share capital

A. As of December 31, 2023, the Company's authorised 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. The Company reacquired treasury shares in 2018. After a comprehensive consideration of the stock price and as the treasury shares were not reissued to the employees within three years from the reacquisition date, the treasury shares reacquired to be reissued to employees were retired and registered pursuant to the Article 28-2 of Securities and Exchange Act. The capital reduction amounted to $150 consisting of 15 thousand shares retired. The paid-in capital before and after the capital reduction was $741,389 and $741,239, respectively.

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

	2023	2022
	Number of thousand shares	Number of thousand shares
At January 1 and December 31	74,124	74,124

(17) 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 capitalised 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.

	December 31, 2023		December 31, 2022	
Used to offset deficits, distributed as cash dividends or transferred to share capital (Note 1)				
Additional paid-in capital in excess of par-ordinary share	$	1,163,298	$	1,163,298
Difference between consideration and carrying amount of associates accounted for using equity method	$	2,125	$	2,125
Used to offset accumulated deficits only (Note 2)				
Changes in ownership interests in associates accounted for using equity method	$	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 accounted for using equity method.

(18) 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 by the shareholders' meeting.

B. The Company retains some earnings after taking into account the environment, growth stage and long-term financial plan of the Company, and the reminder along with the accumulated unappropriated earnings of prior years can be distributed as shareholders' bonus, of which the cash bonus shall exceed 20% of total shareholders' bonus, by the Board of Directors depending on the current capital position and the economic development.

C. 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.

D. (a)In accordance with the regulations, 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.

E. The appropriation of 2022 and 2021 earnings have been approved by the stockholders during their meeting on May 31, 2023 and May 27, 2022, respectively. Details are summarised below:

	Years ended December 31,			
	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve appropriated	$ 40,788		$ 13,637	
Provision for (reversal of) special reserve	(10,898)		14,829	
Cash dividend	222,372	$ 3.00	148,248	$ 2.00

F. The appropriation of 2023 earnings proposed by the Board of Directors on March 7, 2024 is as follows:

	Year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve	$ 43,884	
special reserve	(15,099)	
Cash dividends	222,372	$ 3.00

G. Refer to Note 6 (25) for further information relating to employees' compensation and directors' and supervisors' remuneration.

(19) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

	Years ended December 31,	
	2023	2022
Auto parts	$ 1,444,806	$ 1,251,975
Others	12,153	7,732
	$ 1,456,959	$ 1,259,707

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:			
Contract liabilities - advance sales receipts	$ 1,866	$ 2,811	$ 2,485

For the years ended December 31, 2023 and 2022, revenue recognised that were included in the contract liability balance at the beginning of the period amounted to $2,314 and $2,125, respectively.

(20) Interest income

	Years ended December 31, 2023	Years ended December 31, 2022
Interest income from bank deposits	$ 33,636	$ 11,338
Interest income from loans to related parties	15,413	10,555
	$ 49,049	$ 21,893

(21) Other income

	Years ended December 31, 2023	Years ended December 31, 2022
Dividend income	$ 6,733	$ 3,958
Rent income	4,856	4,958
Other income - others	40,002	32,853
	$ 51,591	$ 41,769

(22) Other gains and losses

	Years ended December 31, 2023	Years ended December 31, 2022
Foreign exchange losses	$ 62,464	$ 309,933
Losses on financial assets and liabilities at fair value through profit or loss	6,415	38,008
Gains on disposal of property, plant and equipment	-	3,550
Other losses	(64)	(19,555)
	$ 68,815	$ 331,936

(23) Finance costs

	Years ended December 31, 2023	Years ended December 31, 2022
Interest expense	$ 10,644	$ 11,134
Less: Capitalisation of qualifying assets	-	(1,193)
	$ 10,644	$ 9,941

(24) Expenses by nature

	Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense	$ 133,713	$ 88,217	$ 221,930
Depreciation charges on property, plant and equipment	257,491	21,232	278,723
Depreciation charges on right-of-use assets	-	2,678	2,678
Amortisation	2,916	3,315	6,231
	$ 394,120	$ 115,442	$ 509,562

	Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense	$ 124,989	$ 86,167	$ 211,156
Depreciation charges on property, plant and equipment	264,824	12,163	276,987
Depreciation charges on right-of-use assets	-	2,268	2,268
Amortisation	2,863	6,916	9,779
	$ 392,676	$ 107,514	$ 500,190

(25) Employee benefit expense

	Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total
Wages and salaries	$ 110,770	$ 72,656	$ 183,426
Labour and health insurance fees	12,169	4,748	16,917
Pension costs	3,766	2,572	6,338
Directors’ remuneration	-	6,427	6,427
Other personnel expenses	7,008	1,814	8,822
	$ 133,713	$ 88,217	$ 221,930

	Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total
Wages and salaries	$ 102,907	$ 73,104	$ 176,011
Labour and health insurance fees	10,686	3,648	14,334
Pension costs	3,754	2,418	6,172
Directors’ remuneration	-	5,121	5,121
Other personnel expenses	7,642	1,876	9,518
	$ 124,989	$ 86,167	$ 211,156

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 years ended December 31, 2023 and 2022, the accrued employees’ compensation and directors’ remuneration were as follows:

	Years ended December 31,	
	2023	2022
Employees’ compensation	$ 8,425	$ 7,360
Directors’ remuneration	5,841	5,661
	$ 14,266	$ 13,021

For the years ended December 31, 2023 and 2022, the employees’ compensation and directors’ remuneration were estimated and accrued based on 1.5% and 1.04% as well as 1% and 1.02%, respectively, of distributable profit of current year as of the end of reporting period.

C.Employees’ compensation and directors’ remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 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.

E.As at December 31, 2023 and 2022, the Company had 281 and 271 employees, including 4 non-employee directors.

F.Average employee benefit expenses in current and previous years were $801 and $791, respectively.

G.Average employees salaries in current and previous years were $662 and $659, respectively.

H.Adjustments of average employees salaries were 0.48%.

I.The Company has no supervisors as it has set up the audit committee.

J.The directors’ emolument includes directors’ salaries, transportation allowances and remuneration from earnings. Directors’ salaries are determined based on the pay levels in the same industry. Transportation allowances are paid based on their attendance to the board meetings. Directors’ remuneration from earnings are appropriated in accordance with the Articles of Incorporation of the Company, which shall be reviewed by the Remuneration Committee, resolved by the Board of Directors and approved at the shareholders’ meeting. The salary to an individual director is determined based on each director’s performance results assessed according to ‘Regulations Governing the Board Performance Evaluation’ and then calculated in accordance with the ‘Rules for Distribution of Remuneration to Directors’. The salary payments shall be submitted to be reviewed by the Remuneration Committee and resolved by Board of Directors. Managers’ and employees’ emoluments include salaries, bonuses, employee compensations, pensions, etc. Salaries are determined based on the positions and responsibilities assumed by each manager or employee by reference to the pay levels for the same position in the same industry and the individual's performance results assessed according to 'Regulations Governing Performance Evaluation'. The managers' emolument shall be reviewed by the Remuneration Committee and resolved by the Board of Directors.

(26) Income tax

A.Income tax expense

(a) Components of income tax expense

	Years ended December 31, 2023		Years ended December 31, 2022	
Current tax:				
Current tax on profits for the year	$	127,577	$	125,181
Prior year income tax (over) underestimation	(	13,026)		6
Total current tax		114,551		125,187
Deferred tax:				
Origination and reversal of temporary differences	(	2,811)		1,007
Total deferred tax	(	2,811)		1,007
Income tax expense	$	111,740	$	126,194

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31, 2023		Years ended December 31, 2022	
Remeasurement of defined benefit obligations	($	794)	$	76

B.Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2023		Years ended December 31, 2022	
Tax calculated based on profit before tax and statutory tax rate	$	109,480	$	106,951
Expenses disallowed by tax regulation		-		3,261
Tax exempt income by tax regulation	(	3,728)	(	2,097)
Temporary differences not recognised as deferred tax assets		11,877		18,073
Change in assessment of realisation of deferred tax assets		7,137		-
Prior year income tax overestimation	(	13,026)		6
Income tax expense	$	111,740	$	126,194

C.Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Unrealised exchange loss	$ 3,696	1,778	-	$ 5,474
Inventory valuation loss	6,120	(1,032)	-	5,088
Losses on valuation of financial instruments at fair value through profit or loss	-	590	-	590
Defined benefit plan	1,551	(28)	(794)	729
Share of profit (loss) of subsidiaries accounted for under the equity method	80,563	-	-	80,563
Others	2,547	990	-	3,537
	$ 94,477	$ 2,298	($ 794)	$ 95,981
Deferred tax liabilities:				
Gains on valuation of financial instruments at fair value through profit or loss	($ 513)	513	-	$ -
	$ 93,964	$ 2,811	($ 794)	$ 95,981

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Unrealised exchange loss	$ 4,284	($ 588)	$ -	$ 3,696
Inventory valuation loss	3,784	2,336	-	6,120
Losses on valuation of financial instruments at fair value through profit or loss	2,422	(2,422)	-	-
Defined benefit plan	1,325	150	76	1,551
Share of profit (loss) of subsidiaries accounted for under the equity method	80,563	-	-	80,563
Others	2,517	30	-	2,547
	$ 94,895	($ 494)	$ 76	$ 94,477
Deferred tax liabilities:				
Gains on valuation of financial instruments at fair value through profit or loss	$ -	(513)	-	($ 513)
	$ 94,895	($ 1,007)	$ 76	$ 93,964

D.The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 310,196	$ 250,821

E.The Company’s and domestic subsidiaries’ income tax returns through 2021 have been assessed and approved by the Tax Authority.

F.As of December 31, 2023, relevant information of current income tax liabilities and non-current income tax liabilities is as follows:

	December 31, 2023		December 31, 2022	
	Income tax payable		Income tax payable	
	Current (Within an year)	Non-current (Over 1 year)	Current (Within an year)	Non-current (Over 1 year)
2020	$ -	$ -	$ 21,025	$ 10,513
2021	11,999	3,789	11,999	17,998
2022	37,055	52,494	110,840	-
2023	139,105	-	-	-
	$ 188,159	$ 56,283	$ 143,864	$ 28,511

(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.10904533690 issued by the Ministry of Finance, R.O.C. on June 3, 2020.

(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.

(27) Earnings per share

Earnings per share of ordinary shares:

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 435,661	74,124	$ 5.88
Diluted earnings per share			
Profit for the year	435,661	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	162	
Profit for the year plus assumed conversion of all dilutive potential ordinary shares	435,661	74,286	$ 5.86

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 408,560	74,124	$ 5.51
Diluted earnings per share			
Profit for the year	408,560	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	212	
Profit for the year plus assumed conversion of all dilutive potential ordinary shares	$ 408,560	74,336	$ 5.50

(28) Supplemental cash flow information

A. Investing activities with partial cash payments in property, plant and equipment:

	December 31, 2023	December 31, 2022
Purchase of property, plant and equipment	$ 158,412	$ 360,347
Add: Opening balance of payable on equipment and construction	44,189	25,033
Opening balance of notes payable	102,954	-
Less: Ending balance of payable on equipment and construction	(43,263)	(44,189)
Ending balance of notes payable	(105,428)	(102,954)
Cash paid during the year	$ 156,864	$ 238,237

B. Investing activities with partial cash payments in:

	December 31, 2023	December 31, 2022
Purchase of financial assets at fair value through profit or loss	$ 10,880	$ 76,090
Add: Opening balance of securities payables	1,383	3,573
Less: Ending balance of securities payables	-	(1,383)
Cash paid during the year	$ 12,263	$ 78,280

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(29) Changes in liabilities from financing activities

	Short-term notes and bills payable	Long-term borrowings (including current portion)	Dividends payable	Lease liabilities (including non-current)	Liabilities from financing activities-gross
At January 1, 2023	$ -	$ 736,032	$ -	$ 6,693	$ 742,725
Changes in cash flow from financing activities	-	(154,424)	(222,372)	(2,663)	(379,459)
Changes in other non-cash items	-	(1,596)	222,372	18,633	239,409
At December 31, 2023	$ -	$ 580,012	$ -	$ 22,663	$ 602,675

	Short-term notes and bills payable	Long-term borrowings (including current portion)	Dividends payable	Lease liabilities (including non-current)	Liabilities from financing activities-gross
At January 1, 2022	$ 50,000	$ 646,025	$ -	$ 2,337	$ 698,362
Changes in cash flow from financing activities	(50,000)	86,705	(148,248)	(2,668)	(114,211)
Changes in other non-cash items	-	3,302	148,248	7,024	158,574
At December 31, 2022	$ -	$ 736,032	$ -	$ 6,693	$ 742,725

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
RISE BRIGHT HOLDINGS LTD. (RISE BRIGHT)	The Company’s subsidiary
UNITED SKILLS CO., LTD. (UNITED SKILLS)	The Company’s subsidiary
CHANG JIE TECHNOLOGY CO., LTD. (CHANG JIE)	The Company’s subsidiary
CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. (CHANGSHU FUTE)	The Company’s subsidiary
CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD. (CHANGSHU XINXIANG)	The Company’s subsidiary (Note)
LIAONING HETAI AUTOMOTIVE PARTS CO., LTD. (LIAONING HETAI)	The Company’s subsidiary

Note：In order to simplify the organizational structure, CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. used November 30, 2023 as the merger base date to absorb and merge with CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2023	2022
Sales of goods:		
Subsidiaries	$ 12,188	$ 13,756

Goods are sold based on the price that would be available to general customers. The credit terms to related parties and general customer are 30~90 days and 60~120 days after the monthly billings, respectively.

B. Purchases

	Years ended December 31,	
	2023	2022
Purchases of goods:		
Subsidiaries	$ 9,044	$ 5,848

Goods are purchased based on the price that would be available to general customers. The transaction price and payment terms are not significantly different from those of general suppliers. The payment terms of general manufacturers are prepayments.

C. Receivables from related parties

		December 31, 2023		December 31, 2022
Accounts receivable:				
RISE BRIGHT	$	7,241	$	9,603
LIAONING HETAI		-		6,806
CHANG JIE		10,867		11,080
	$	18,108	$	27,489
Other receivables:				
Subsidiaries	$	17,702	$	17,720

The receivables from related parties arise mainly from sales of automatic equipment and goods. Other receivables arise mainly from technical service revenue. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Prepayments (shown as other current assets)

		December 31, 2023		December 31, 2022
CHANG JIE	$	8,353	$	11,758

The prepayments mainly represent the purchase of steel products from CHANG JIE.

E. Technical service revenue (shown as other income)

	Years ended December 31,			
		2023		2022
CHANGSHU FUTE	$	7,477	$	7,370
Subsidiaries		6,729		11,056
	$	14,206	$	18,426

Technical service revenue refers to the supervision services rendered by the Company to CHANGSHU FUTE、LIAONING HETAI and CHANG JIE, including wages and salaries, meal expenses, insurance expenses and other expenses.

F. Loans to/from related parties

(a) Loans to related parties

i. Outstanding balance

		December 31, 2023		December 31, 2022
CHANGSHU FUTE	$	379,602	$	61,420
LIAONING HETAI		121,776		127,885
RISE BRIGHT		107,468		107,485
	$	608,846	$	296,790

ii. Interest receivable

		December 31, 2023		December 31, 2022
Subsidiaries	$	6,812	$	2,778

iii. Interest income

	Years ended December 31,	
	2023	2022
CHANGSHU FUTE	$ 8,105	$ 3,389
LIAONING HETAI	5,777	$ 5,692
RISE BRIGHT	1,531	1,474
	$ 15,413	$ 10,555

The loans carry interest at 1.4%~5% and 1.4%~4.35% per annum for both the years ended December 31, 2023 and 2022, respectively.

G. Endorsements and guarantees provided to related parties

Information on provision of endorsements and guarantees to others is provided in Note 13(1)B.

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 21,668	$ 23,862
Post-employment benefits	56	24
	$ 21,724	$ 23,886

8. Pledged Assets

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment	$ 1,023,108	$ 1,096,571	Short-term borrowings and long-term borrowings
Financial assets at amortised cost - non-current (shown as other non-current assets)	300	300	Natural gas for manufacturing
	$ 1,023,408	$ 1,096,871	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

As at December 31, 2023 and 2022, the Company's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were $168,542 and $355,775, respectively.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

A. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maximise returns for shareholders and to optimise the balance of liabilities and equity.

B. The Company'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 Company has no obligation to comply with any external capital requirements.

D. The key management of the Company monitors the capital structure every year, including capital costs and related risks, and the Company 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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 124,815	$ 118,291
Financial assets at fair value through other comprehensive income		
Designation of equity instrument instrument	$ 128,299	$ 75,247
Financial assets at amortised cost		
Cash and cash equivalents	$ 252,454	$ 905,487
Financial assets at amortised cost	126,190	300
Notes receivable	16,821	14,275
Accounts receivable (including related parties)	312,097	254,684
Other receivables (including related parties)	642,863	321,000
Guarantee deposits paid	6,754	3,854
	$ 1,357,179	$ 1,499,600

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 2,952	$ -
Financial liabilities at amortised cost		
Notes payable	$ 178,103	$ 179,943
Accounts payable	20,981	12,954
Other payables	137,444	132,118
Long-term borrowings (including current portion)	580,013	736,032
	$ 916,541	$ 1,061,047
Lease liabilities (including current portion)	$ 22,663	$ 6,693

B. Financial risk management policies

(a) The Company'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 Company, 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 Company'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 Company 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 Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the United States Dollar and Chinese Ren Min Bi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Company is required to hedge their entire foreign exchange risk exposure with the treasury. Exchange rate risk is measured through a forecast of highly probable United States Dollar and Chinese Ren Min Bi expenditures. Company uses natural hedge to decrease the risk exposure in the foreign currency through the treasury.

iii. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: New Taiwan Dollars. 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:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 28,521	30.71	$ 875,737
RMB : NTD	98,232	4.33	425,050
Non-monetary items			
Investments accounted for using equity method			
USD : NTD	$ 14,822	30.71	$ 455,103

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 36,581	30.71	$ 1,123,403
RMB : NTD	1,191	4.41	5,252
Non-monetary items			
Investments accounted for using equity method			
USD : NTD	$ 17,118	30.71	$ 525,694

v. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to $62,464 and $309,933, respectively.

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

	Year ended December 31, 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%	$ 8,757	$ -
RMB : NTD	1%	4,251	-
Non-monetary items			
Investments accounted for using equity method			
USD : NTD	1%	$ 4,551	Not applicable

	Year ended December 31, 2022		
	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%	$ 11,234	$ -
RMB : NTD	1%	53	
Non-monetary items			
Investments accounted for using equity method			
USD : NTD	1%	$ 5,257	Not applicable

Price risk

i. The Company'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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company’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 years ended December 31, 2023 and 2022 would have decreased/increased by $1,248 and $1,185, 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 increased/decreased by $1,283 and $752, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company’s main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During years ended December 31, 2023 and 2022, the Company’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 years ended December 31, 2023 and 2022 would have increased/decreased by $582 and $736, 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 Company 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 amortised 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 Company’s credit policy, the Company is responsible for managing and analysing 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 utilisation of credit limits is regularly monitored.

iii. The Company 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. The Company used the forecastability to adjust historical and timely information to assess the default possibility of receivables (including notes receivables). On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	1 to 61 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
December 31, 2023							
Expected loss rate	0%~1%	1%~10%	1%~10%	100%	100%	100%	
Total book value	$ 266,872	$ 47,809	$ 843	$ -	$ -	$ 2,708	$ 318,232
Loss allowance	-	(4,683)	(31)	-	-	(2,708)	($ 7,422)
	$ 266,872	$ 43,126	$ 812	$ -	$ -	$ -	$ 310,810

	Not past due	1 to 61 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
December 31, 2022							
Expected loss rate	0%~1%	1%~5%	30%~50%	70%~99%	100%	100%	
Total book value	$ 197,261	$ 41,634	$ 8,926	$ -	$ -	$ 904	$ 248,725
Loss allowance	-	(1,493)	(4,858)	-	-	(904)	($ 7,255)
	$ 197,261	$ 40,141	$ 4,068	$ -	$ -	$ -	$ 241,470

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

	December 31, 2023		
	Accounts receivable	Notes receivable	Total
At January 1	$ 7,111	$ 144	$ 7,255
Provision for impairment	704	85	789
Reversal of an impairment loss	(600)	(22)	(622)
At December 31	$ 7,215	$ 207	$ 7,422

	December 31, 2022		
	Accounts receivable	Notes receivable	Total
At January 1	$ 3,622	$ 162	3,784
Provision for impairment	3,913	-	3,913
Reversal of an impairment loss	-	(18)	(18)
Written-off	(424)	-	(424)
At December 31	$ 7,111	$ 144	$ 7,255

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the v and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

ii.The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Expiring within one year	$ 300,000	$ 300,000

iii. The table below analyses the Company'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: December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
Notes payable	$ 178,103	$ -	$ -	$ -	$ -	$ 178,103
Accounts payable	20,981	-	-	-	-	20,981
Other payables	137,444	-	-	-	-	137,444
Lease liabilities	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: December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
Notes payable	$ 179,943	$ -	$ -	$ -	$ -	$ 179,943
Accounts payable	12,954	-	-	-	-	12,954
Other payables	132,118	-	-	-	-	132,118
Lease liabilities	2,299	1,739	1,630	1,177	-	6,845
Long-term borrowings (including current portion)	176,790	155,796	153,963	183,047	92,287	761,883

(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 Company'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 Company's investment in foreign exchange swap contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. For information on the fair value of investment real estate measured at cost, please refer to Note 6. (10).

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 (including related parties), other receivables(including related parties), financial assets at amortised cost, guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables, long-term borrowings (including current portion) and guarantee deposits received.

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 at December 31, 2023 and 2022 are as follows:

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

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ 124,815	$ -	$ -	$ 124,815
Financial assets at fair value through other comprehensive income - Equity securities	$ 128,299	$ -	$ -	$ 128,299
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss	$ -	$ 2,952	$ -	$ 2,952

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ 115,727	$ 2,564	$ -	$ 118,291
Financial assets at fair value through other comprehensive income - Equity securities	$ 75,247	$ -	$ -	$ 75,247

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

i. The instruments the Company 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 years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2023 and 2022, 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: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

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 4.

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 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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 8.

14. Segment Information

Not applicable.

Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Amount
Cash on hand and petty cash		$ 103
Cash in banks:		
Checking accounts and NTD demand deposits		18,492
Foreign currency demand deposits	USD 911,571.58 at exchange rate approximately 1：30.705	27,990
Time deposits	EUR 2.89 at exchange rate approximately 1：33.98	-
	RMB 33,619.81 at exchange rate approximately 1：4.327	145
Short-term notes and bills - Re-Purchase	USD 6,700,000 at exchange rate approximately 1：30.705	205,724
		$ 252,454

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Item	Description	Amount	Note
Related parties:		$ 18,108	
Non-related parties:			
A client		$ 80,044	
B client		34,920	
C client		34,354	
D client		24,905	
E client		19,654	
Others		107,327	None of the balance of each remaining client is greater than 5% of this account balance
		$ 301,204	
Less: Allowance for uncollectible accounts		(7,215)	
		$ 293,989	

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Description	Amount		Note
		Cost	Market Value	
Materials:		$ 113,928	$ 111,497	Replacement cost method
Work in progress		8,851	20,880	Net Realisable Value
Semi-finished goods		3,142	6,839	Net Realisable Value
Finished goods		152,047	252,087	Net Realisable Value
Merchandises		372	438	Net Realisable Value
		278,340	$ 391,741	
Less: Allowance for inventory valuation losses and loss for obsolete and slow-moving inventories		(25,437)		
		$ 252,903		

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Financial Instrument	Description	Shares	Face Value	Total Amount	Interest Rate	Cost	Accumulated Impairment	Fair Value		Note
								Unit Price	Total Amount	

Information on Financial Assets Measured at Fair Value through profit or loss for the year is provided in 6(2) and table2.

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net			
Nane	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral	Note
RISE BRIGH	-	$525,692	-	$ -	-	($ 70,589)	-	100%	$ 455,103	-	$ 455,103	None	Note 1
UNITED SKILLS CO., LTD.	5,000	48,285	-	2,633	-	-	5,000	100%	50,918	10	50,918	None	Note 2
		$573,977		$ 2,633		($ 70,589)			$ 506,021		$ 506,021		

Note 1: The investee is a limited company without shares. The shareholding ratio is calculated proportionately to the contributed amount.

Note 2: The amounts of shares are expressed in thousands of New Taiwan dollars.

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<u>Y.C.C. PARTS MFG. CO., LTD.</u>

<u>STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT</u>

<u>FOR THE YEAR ENDED DECEMBER 31, 2023</u>

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

Statement 6

Item	Beginning Balance	Addition	Decrease	Ending Balance	Collateral	Note

Information on change in property, plant and equipment for the year is provided in Note 6(8).

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Beginning Balance	Addition	Decrease	Ending Balance	Collateral	Note

Information on change in property, plant and equipment for the year is provided in Note 6(8).

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
Bank of Taiwan	Medium- and long-term borrowings	$ 36,000	2019.12.26-2026.12.15	1.25%	None	
Bank of Taiwan	Medium- and long-term borrowings	206,597	2016.01.06-2031.01.06	1.78%	Land	
Bank of Taiwan	Medium- and long-term borrowings	276,000	2019.12.26-2026.12.15	1.25%	Machinery and equipment	
Bank of Taiwan	Medium- and long-term borrowings	63,238	2019.09.19-2029.12.15	1.25%	Building	
		581,835				
Less: Long-term borrowings, current portion		(133,167)				
Less: Government grant discounts		(1,822)				
		$ 446,846				

Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Volume	Amount	Note
Auto parts	1,524	$ 1,453,627	
Others		12,153	None of the balance of each remaining item is greater than 5% of this account balance
		1,465,780	
Less: Sales discounts and allowances as well as sales returns		(8,821)	
		$ 1,456,959	

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF COST OF GOOD SOLD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Amount
Beginning inventories	$ 386
Add: Purchase for the year	9,660
Less: Ending inventories	(372)
Cost of goods purchased and sold	9,674
Beginning raw materials	39,303
Add: Purchase for the year	363,396
Gain on physical inventory for raw materials	5,567
Transferred from work in progress	297
Less: Ending inventories	(113,928)
Transfer to various expenses	(1,714)
Loss on disposals	(143)
Gain on material sold	(23)
Raw materials used	292,755
Add: Direct labor	95,585
Manufacturing expense	406,509
Less: Unallocated fixed overhead	(1,129)
Manufacturing cost	793,720
Add: Beginning work in progress	10,528
Transfer of finished goods	340,631
Less: Ending work in progress	(11,993)
Loss on physical inventory for work in progress	(3)
Loss on disposals	(39)
Transfer raw materials	(297)
Transferred to various expenses	(182)
Cost of finished goods	1,132,365
Add: Beginning finished goods	138,650
Less: Ending finished goods	(152,047)
Transfer to work in progress	(340,631)
Transfer various expenses	(2,910)
Transferred to property, plant and equipment	(2,199)
Loss on physical inventory for finished goods	(766)
Loss on disposals	(45)
Cost of goods manufactured and sold	772,417
Cost of goods purchased and sold	9,674
Loss on slow-moving inventories and valuation loss	(5,161)
Gain on physical inventories	(4,798)
Loss on scrapping of inventories	227
Gain on material sold	23
Unallocated fixed manufacturing overhead	1,129
Cost adjustments	3
Operating costs	$ 773,514

Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Item	Description	Amount	Note
Depreciation		$ 257,491	
Utilities expense		57,667	
Wages and salaries		25,433	
Other expenses		65,918	None of the balance of each remaining client is greater than 5% of this account balance
		$ 406,509	

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

Item	Selling expenses	Administrative expenses	Research and development expenses	Note
Import/export (customs) expense	$ 42,798	$ -	$ -	
Wages and salaries	32,303	31,585	11,168	
Freight	19,309	-	762	
Charity	751	4,478		
Depreciation	2,348	8,206	13,355	
Inspection fee	-	-	5,898	
Other expenses	15,903	20,602	28,472	None of the balance of each remaining client is greater than 5% of this account balance
	$ 113,412	$ 64,871	$ 59,655	

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF OTHER INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

Item	Beginning Balance	Addition	Decrease	Ending Balance	Collateral	Note

Information on other income for the year is provided in Note 6(21).

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF OTHER INCOME AND EXPENSES, NET
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 14

Item	Description	Amount	Note

Information on other income and expenses for the year is provided in Note 6(22).

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Y.C.C. PARTS MFG. CO., LTD.
STATEMENT OF FINANCE COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 15

Item	Description	Amount	Note

Information on finance cost for the year is provided in Note 6(23).

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

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Statement 16

Function / Nature	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Information on employee benefits, depreciation and amortisation expenses for the year is provided in Notes 6(24) and (25).						