

Y.C.C. Parts MFG Co., Ltd.
2024 The First Shareholders' Meeting
Each Report Item and Explanation

Proposals

- Motion 1 (Proposed by the Board of Directors)
- Motion: To Approve 2023 Business Report and Financial Statements
- Explanation: I. The Company's 2023 business report and financial statements have been reviewed by the CPAs and are submitted to the Auditing Committee for review.
- II. For the 2023 business report, CPAs' Report, and financial statements, please refer to pages 3-32 (Attachments I-III).
- III. Please approve.

Resolutions:

- Motion 2 (Proposed by the Board of Directors)
- Motion: To Approve 2023 Earnings Distribution.
- Explanation: The Company's 2023 net income after tax, plus items other than this period's net income included in the year's undistributed earnings, was NT\$438,838,824. The Company provided 10% of the above balance as a legal reserve of NT\$43,883,882 and reversed a special reserve of NT\$15,098,548 in accordance with the law, plus the undistributed earnings at the beginning of the period of NT\$1,173,351,403. Thus, the 2023 earnings available for distribution totaled NT\$1,583,404,893, and the remaining distributions are as follows:
- I. Cash dividends to shareholders are NT\$222,371,625 at NT\$3 per share. The Board of Directors authorizes the Chair to determine the ex-dividends date and other related matters.
- II. The cash dividends are rounded off to the nearest NTD. The Chair is authorized to adjust the fractional-cent amount to certain shareholders.
- III. The Chair is authorized to adjust the dividends if the number of common stocks is affected by the Company's repurchase, transfer, or retirement of treasury stock or domestic seasoned equity offering.
- IV. For the 2023 Statement of Retained Earnings, please refer to page 33 (Attachment IV)
- V. Please approve.

Resolutions:

Discussion

Motion 1

(Proposed by the Board of Directors)

Motion: Partial amendments to the “Articles of Incorporation”.

Explanations: I. The Company’s “Articles of Incorporation” are proposed to be amended in response to new business activities due to business needs.

II. For the Before and After Revision Comparison Tables, please refer to page 34 (Attachment V).

III. Please discuss.

Resolutions:

Motion 2

(Proposed by the Board of Directors)

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

Explanations: I. As stipulated in Article 209 of the Company Act, “a director who does anything for themselves or on behalf of another person that is within the scope of the company’s business, shall explain to the shareholders’ meeting the essential contents of such an act and secure its approval”.

II. Due to business needs, it is proposed to release the non-compete restriction on the Company’s Directors and representatives acting as a natural person when serving concurrently in other companies within the same business scope listed in the Company’s “Articles of Incorporation”. In accordance with Article 209 of the Company Act. This matter is proposed to be resolved at the (2024) Shareholders’ Meeting.

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

IV. Please discuss.

Director	Status of Release Non-Compete Restrictions
Jo-Ning Huang	Director of Weiersi Biotech Ltd.

Resolutions:

Extempore Motion

Adjournment

Attachment

Attachment I

2023 Business Report

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 compensation 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.

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\$544,209 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

Items		Year	2023	2022
Financial structure (%)	Ratio of liabilities to assets		25.41	31.10
	Ratio of long-term capital to fixed assets		159.00	148.79
Profitability (%)	Return on assets		8.20	7.97
	Return on equity		11.09	10.89
	Ratio of income before tax to paid-in capital	Operating profit	54.22	24.28
		Net income before tax	73.42	71.13
	Net profit rate		21.24	19.84
	Earnings per share (NT\$)		5.88	5.51

(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 plants to equip with automation, IOT, big data collection, and AI, so as to equip our production line with intelligent technology and functions, moving forwards Industry 4.0 in the next 3 years.

Chair: Hao-Chen Lin, President of
Hehan Investment Co., Ltd.

President: Jui-Tse Lin

Chief Accounting Officer: Shu-Mei Liu

Attachment II

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 the 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 have issued the report as presented above in accordance with Article 219 of the Company Act.

Yours sincerely,

For

2024 General Shareholders' Meeting of YCC Manufacturing Co., Ltd.

Convener of the Auditing Committee: Chin-Feng Kuo

Lung-Fa Hsieh

Hung-Lung Huang

Kuo-Hua Chang

March 7, 2024

Attachment III

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		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents		\$	550,670	10	\$	1,036,374	19
1110	Financial assets at fair value through							
	profit or loss - current			135,445	2		129,623	2
1136	Financial assets at amortised cost			125,890	2		-	-
1150	Notes receivable, net			37,971	1		27,081	1
1170	Accounts receivable, net			499,189	9		534,281	10
1200	Other receivables			10,072	-		10,366	-
130X	Inventories			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			128,299	2		75,247	1
1535	Non-current financial assets at							
	amortised cost			300	-		300	-
1600	Property, plant and equipment			2,873,418	53		2,974,815	54
1755	Right-of-use assets			150,100	3		140,906	3
1760	Investment property, net			94,441	2		14,713	-
1780	Intangible assets			3,758	-		5,016	-
1840	Deferred income tax assets			109,196	2		107,967	2
1900	Other non-current assets			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

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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		December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 35,786	1	\$ 261,721	5
2120	Financial liabilities at fair value through profit or loss - current	2,952	-	-	-
2130	Current contract liabilities	22,267	-	14,852	-
2150	Notes payable	178,448	3	179,968	3
2170	Accounts payable	101,114	2	141,453	2
2200	Other payables	182,257	3	197,101	4
2230	Current income tax liabilities	188,160	4	143,864	3
2320	Long-term liabilities, current portion	133,167	2	169,662	3
2399	Other current liabilities, others	5,696	-	2,655	-
21XX	Total current Liabilities	<u>849,847</u>	<u>15</u>	<u>1,111,276</u>	<u>20</u>
Non-current liabilities					
2540	Long-term borrowings	446,846	8	566,370	10
2560	Current tax liabilities-non-current	56,283	1	28,511	1
2570	Deferred income tax liabilities	-	-	513	-
2600	Other non-current liabilities	23,763	1	15,251	-
25XX	Total non-current liabilities	<u>526,892</u>	<u>10</u>	<u>610,645</u>	<u>11</u>
2XXX	Total Liabilities	<u>1,376,739</u>	<u>25</u>	<u>1,721,921</u>	<u>31</u>
Equity attributable to owners of parent					
Share capital					
3110	Share capital - common stock	741,239	14	741,239	13
Capital surplus					
3200	Capital surplus	1,193,349	22	1,193,349	22
Retained earnings					
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	<u>3,945,875</u>	<u>73</u>	<u>3,714,309</u>	<u>67</u>
36XX	Non-controlling interests	<u>96,086</u>	<u>2</u>	<u>101,240</u>	<u>2</u>
3XXX	Total equity	<u>4,041,961</u>	<u>75</u>	<u>3,815,549</u>	<u>69</u>
Significant events after the balance sheet date					
3X2X	Total liabilities and equity	<u>\$ 5,418,700</u>	<u>100</u>	<u>\$ 5,537,470</u>	<u>100</u>

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)

		Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
Items						
4000	Sales revenue		\$ 2,051,209	100	\$ 2,020,758	100
5000	Operating costs		(1,361,742)	(67)	(1,490,296)	(74)
5900	Net operating margin		689,467	33	530,462	26
	Operating expenses					
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		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		52,075	2	33,458	1
7020	Other gains and losses		72,947	4	321,339	16
7050	Finance costs		(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		(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	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans		\$ 3,972	-	(\$ 381)	-
8316 Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income		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		<u>\$ 16,320</u>	<u>1</u>	<u>\$ 12,546</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 448,784</u>	<u>22</u>	<u>\$ 413,539</u>	<u>20</u>
Profit (loss), attributable to:					
8610 Owners of parent		\$ 435,661	21	\$ 408,560	20
8620 Non-controlling interests		(3,197)	-	(7,567)	-
Total		<u>\$ 432,464</u>	<u>21</u>	<u>\$ 400,993</u>	<u>20</u>
Comprehensive income (loss) attributable to:					
8710 Owners of parent		\$ 453,938	22	\$ 419,153	20
8720 Non-controlling interests		(5,154)	-	(5,614)	-
Total		<u>\$ 448,784</u>	<u>22</u>	<u>\$ 413,539</u>	<u>20</u>
Basic earnings per share					
9750 Basic earnings per share		<u>\$ 5.88</u>		<u>\$ 5.51</u>	
9850 Diluted earnings per share		<u>\$ 5.86</u>		<u>\$ 5.50</u>	

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											
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Retained earnings		Other equity interest			Treasury shares	Total	Non-controlling interests	Total equity
			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				
Year 2022											
Balance at January 1, 2022	\$ 741,389	\$1,193,349	\$ 329,574	\$ 105,211	\$1,194,447	(\$ 86,492)	(\$ 33,548)	(\$ 526)	\$3,443,404	\$ 106,854	\$3,550,258
Profit (loss) for the year	-	-	-	-	408,560	-	-	-	408,560	(7,567)	400,993
Other comprehensive income (loss)	-	-	-	-	(305)	3,890	7,008	-	10,593	1,953	12,546
Total comprehensive income (loss)	-	-	-	-	408,255	3,890	7,008	-	419,153	(5,614)	413,539
Appropriation and distribution of 2021 earnings											
Legal reserve	-	-	13,637	-	(13,637)	-	-	-	-	-	-
Special reserve	-	-	-	14,829	(14,829)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(148,248)	-	-	-	(148,248)	-	(148,248)
Retirement of treasury shares	(150)	-	-	-	(376)	-	-	526	-	-	-
Balance at December 31, 2022	\$ 741,239	\$1,193,349	\$ 343,211	\$ 120,040	\$1,425,612	(\$ 82,602)	(\$ 26,540)	\$ -	\$3,714,309	\$ 101,240	\$3,815,549
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)	-	-	-	-	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											
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

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)		363,594	362,608
Depreciation expense - right-of-use assets		6,714	6,383
Amortisation expense		6,291	7,087
Expected credit impairment loss	(	41,711)	17,511
Net gain on financial assets or liabilities at fair value through profit or loss	(	6,522)	(39,275)
Interest expense		17,269	26,327
Interest income	(	34,593)	(18,751)
Government grant revenues	(	1,410)	(1,099)
Dividend income	(	7,132)	(4,958)
Proceeds from disposal of property, plant and equipment	(	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 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
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 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		(209,306)	(365,716)
Proceeds from disposal of property, plant and equipment		32,504	5,040
Payment for capitalized interest		-	(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		(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)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		35,883	289,015
Decrease in short-term borrowings		(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		(154,424)	(105,835)
Increase in refundable deposits		381	132
Repayments of principal portion of lease liabilities		(2,663)	(2,668)
Cash dividends paid		(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		<u>\$ 550,670</u>	<u>\$ 1,036,374</u>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Y.C.C. Parts Mfg. Co., Ltd. (the “Company”) as at December 31, 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		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents		\$ 252,454	5	\$ 905,487	18
Financial assets at fair value through profit or loss		124,815	3	118,291	2
Financial assets at amortised cost		125,890	3	-	-
Notes receivable, net		16,821	-	14,275	-
Accounts receivable, net		293,989	6	227,195	5
Accounts receivable due from related parties, net		18,108	-	27,489	1
Other receivables		9,503	-	3,712	-
Other receivables due from related parties		633,360	12	317,288	6
Inventories		252,903	5	158,269	3
Other current assets		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		128,299	2	75,247	1
Non-current financial assets at amortised cost		300	-	300	-
Investments accounted for using equity method		506,021	10	573,977	12
Property, plant and equipment		2,240,616	44	2,281,091	46
Right-of-use assets		22,586	-	6,630	-
Investment property, net		80,887	2	-	-
Deferred tax assets		95,981	2	94,477	2
Other non-current assets		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		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Financial liabilities at fair value through profit or loss		\$ 2,952	-	\$ -	-
Current contract liabilities		1,866	-	2,811	-
Notes payable		178,103	3	179,943	4
Accounts payable		20,981	-	12,954	-
Other payables		137,444	3	132,118	3
Current tax liabilities		188,159	4	143,864	3
Long-term liabilities, current portion		133,167	3	169,662	3
Other current liabilities, others		5,310	-	2,233	-
Total current liabilities		<u>667,982</u>	<u>13</u>	<u>643,585</u>	<u>13</u>
Non-current liabilities					
Long-term borrowings		446,846	9	566,370	11
Income tax liabilities - non-current		56,283	1	28,511	1
Deferred tax liabilities		-	-	513	-
Other non-current liabilities		22,587	-	14,072	-
Total non-current liabilities		<u>525,716</u>	<u>10</u>	<u>609,466</u>	<u>12</u>
Total liabilities		<u>1,193,698</u>	<u>23</u>	<u>1,253,051</u>	<u>25</u>
Equity					
Share capital					
Ordinary share		741,239	14	741,239	15
Capital surplus					
Capital surplus		1,193,349	24	1,193,349	24
Retained earnings					
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		-	-	-	-
Total equity		<u>3,945,875</u>	<u>77</u>	<u>3,714,309</u>	<u>75</u>
Significant contingent liabilities and unrecognised contract commitments					
Total liabilities and equity		<u>\$ 5,139,573</u>	<u>100</u>	<u>\$ 4,967,360</u>	<u>100</u>

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	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Operating revenue		\$ 1,456,959	100	\$ 1,259,707	100
Operating costs		(773,514)	(53)	(786,838)	(63)
Gross profit from operations		683,445	47	472,869	37
Operating expenses					
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		(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		49,049	3	21,893	2
Other income		51,591	4	41,769	3
Other gains and losses		68,815	5	331,936	26
Finance costs		(10,644)	(1)	(9,941)	(1)
Share of loss of associates and joint ventures accounted for using equity method		(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		(111,740)	(8)	(126,194)	(10)
Profit from continuing operations		435,661	30	408,560	32
Profit		<u>\$ 435,661</u>	<u>30</u>	<u>\$ 408,560</u>	<u>32</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		\$ 3,972	-	(\$ 381)	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		26,304	2	7,008	1
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(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		<u>\$ 18,277</u>	<u>1</u>	<u>\$ 10,593</u>	<u>1</u>
Total comprehensive income		<u>\$ 453,938</u>	<u>31</u>	<u>\$ 419,153</u>	<u>33</u>
Basic earnings per share					
Basic earnings per share		\$ 5.88		\$ 5.51	
Diluted earnings per share		\$ 5.86		\$ 5.50	

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				
		Capital surplus, additional paid- in capital			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	
	Notes	Ordinary share	Legal reserve	Special reserve						
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		-	-	-	-	(305)	3,890	7,008	-	10,593
Total comprehensive income		-	-	-	-	408,255	3,890	7,008	-	419,153
Appropriation and distribution of 2021 earnings										
Legal reserve		-	-	13,637	-	(13,637)	-	-	-	-
(Reversal of) Special reserve		-	-	-	14,829	(14,829)	-	-	-	-
Cash dividends		-	-	-	-	(148,248)	-	-	-	(148,248)
Decrease in treasury shares		(150)	-	-	-	(376)	-	-	526	-
Balance at December 31, 2022		\$ 741,239	\$ 1,193,349	\$ 343,211	\$ 120,040	\$1,425,612	(\$ 82,602)	(\$ 26,540)	\$ -	\$3,714,309
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		-	-	-	-	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										
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

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
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 547,401	\$ 534,754
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense		278,723	276,987
Depreciation expense - right-of-use assets		2,678	2,268
Amortization expense		6,231	9,779
Expected credit impairment loss		167	3,895
Net loss on financial assets or liabilities at fair value through profit or loss		(4,953)	(38,008)
Interest expense		10,644	9,941
Interest income		(49,049)	(21,893)
Government grant		(1,410)	(1,099)
Dividend income		(6,733)	(4,958)
Share of loss (profit) of associates accounted for under equity method		56,750	91,701
Gain on disposal of property, plant and equipment		-	(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
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss	(\$	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	(	156,864)	(238,237)
Payment for capitalized interests		-	(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	(	80,887)	-
Increase in prepaid equipment and project payments	(	261,248)	(129,289)
Net cash flows used in investing activities	(	968,808)	(294,865)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		-	15,000
Decrease in short-term borrowings		-	(15,000)
Decrease in short-term notes and bills payable		-	(50,000)
Proceeds from long-term borrowings		-	192,540
Repayments of long-term borrowings	(	154,424)	(105,835)
Repayment of principal portion of lease liabilities	(	2,663)	(2,668)
Cash dividends paid	(	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

Attachment IV

Y.C.C. Parts MFG Co., Ltd. Statement of Retained Earnings 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	
Disposal of equity instrument at FVTOCI, accumulated gain or loss is directly transferred to retained earnings	0	
The sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings		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) 2023 earnings are distributed first.
- (2) The distributable cash dividends are rounded off to the nearest NTD. The Chair is authorized to have dedicated personnel adjust the fractional-cent amount.
- (3) The legal reserve shall be appropriated based on “the sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings” in accordance with Jing-Shang-Zi Letter No. 1082432410.

Y.C.C. Parts MFG Co., Ltd.**Before and After Revision Comparison Tables of Articles of Incorporation**

	Clauses after the amendments	Clauses before the amendments	Explanation
Article 2	<p>The operating businesses are listed as follows:</p> <ol style="list-style-type: none"> 1. CB01010 Mechanical Equipment Manufacturing 2. CB01990 Other Machinery Manufacturing 3. CD01030 Automobiles and Parts Manufacturing 4. F114010 Wholesale of Motor Vehicles 5. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories 6. F214010 Retail Sale of Motor Vehicles 7. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories 8. CD01040 Motorcycles and Parts Manufacturing 9. F114020 Wholesale of Motorcycles 10. F214020 Retail Sale of Motorcycles 11. CD01050 Bicycles and Parts Manufacturing 12. F114040 Wholesale of Bicycle and Component Parts Thereof 13. F214040 Retail Sale of Bicycle and Component Parts Thereof 14. F401010 International Trade 15. H201010 Investment 16. CA04010 Surface Treatments 17. C805050 Industrial Plastic Products Manufacturing 18. C303010 Manufacture of Non-woven Fabrics 19. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories 20. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories 	<p>The operating businesses are listed as follows:</p> <ol style="list-style-type: none"> 1. CB01010 Mechanical Equipment Manufacturing 2. CB01990 Other Machinery Manufacturing 3. CD01030 Automobiles and Parts Manufacturing 4. F114010 Wholesale of Motor Vehicles 5. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories 6. F214010 Retail Sale of Motor Vehicles 7. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories 8. CD01040 Motorcycles and Parts Manufacturing 9. F114020 Wholesale of Motorcycles 10. F214020 Retail Sale of Motorcycles 11. CD01050 Bicycles and Parts Manufacturing 12. F114040 Wholesale of Bicycle and Component Parts Thereof 13. F214040 Retail Sale of Bicycle and Component Parts Thereof 14. F401010 International Trade 15. H201010 Investment 16. CA04010 Surface Treatments 17. C805050 Industrial Plastic Products Manufacturing 18. C303010 Manufacture of Non-woven Fabrics 19. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories 20. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories 	New business items

21. CF01011 Medical Devices Manufacturing	21. CF01011 Medical Devices Manufacturing
22. F108031 Wholesale of Medical Devices	22. F108031 Wholesale of Medical Devices
23. F208031 Retail Sale of Medical Apparatus	23. F208031 Retail Sale of Medical Apparatus
24. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified	24. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified
25. CP01010 Hand Tools Manufacturing	25. CP01010 Hand Tools Manufacturing
26. CQ01010 Mold and Die Manufacturing	26. CQ01010 Mold and Die Manufacturing
27. E603050 Automatic Control Equipment Engineering	27. E603050 Automatic Control Equipment Engineering
28. C805020 Manufacture of Plastic Films and Bags	28. C805020 Manufacture of Plastic Films and Bags
29. F107190 Wholesale of Plastic Films and Bags	29. F107190 Wholesale of Plastic Films and Bags
30. F207190 Retail Sale of Plastic Films and Bags	30. F207190 Retail Sale of Plastic Films and Bags
31. C805990 Other Plastic Products Manufacturing	31. C805990 Other Plastic Products Manufacturing
32. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food	32. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
33. F102170 Wholesale of Foods and Groceries	33. F102170 Wholesale of Foods and Groceries
34. F203010 Retail Sale of Food, Grocery and Beverage	34. F203010 Retail Sale of Food, Grocery and Beverage
35. C114010 Food Additives Manufacturing	35. C114010 Food Additives Manufacturing
36. F121010 Wholesale of Food Additives	36. F121010 Wholesale of Food Additives
37. F221010 Retail of Food Additives	37. F221010 Retail of Food Additives
38. C199990 Manufacture of Other Food Products Not Elsewhere Classified	38. C199990 Manufacture of Other Food Products Not Elsewhere Classified
39. C802100 Cosmetics Manufacturing	39. C802100 Cosmetics Manufacturing
40. F108040 Wholesale of Cosmetics	40. F108040 Wholesale of Cosmetics
41. F208040 Retail Sale of Cosmetics	41. F208040 Retail Sale of Cosmetics
42. F107990 Wholesale of Other Chemical Products	42. F107990 Wholesale of Other Chemical Products
43. F207990 Retail Sale of Other Chemical Products	43. F207990 Retail Sale of Other Chemical Products
44. C110010 Beverage Manufacturing	44. C110010 Beverage Manufacturing
45. F102040 Wholesale of	45. F102040 Wholesale of

	<p>Non-alcoholic Beverages</p> <p><u>46. A101011 Seedling</u></p> <p><u>47. F101081 Wholesale of Plant Seeds</u></p> <p><u>48. F201061 Retail Sale of Seedling</u></p> <p><u>49. A101050 Growing of Flowers</u></p> <p><u>50. F101100 Wholesale of Flowers</u></p> <p><u>51. F201070 Retail Sale of Flowers</u></p> <p>52. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Non-alcoholic Beverages</p> <p>46. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
Article 29	<p>The Articles of Incorporation are adopted on February 19, 1986.</p> <p>The 1st amendment on June 1, 1986.</p> <p>The 2nd amendment on October 15, 1989.</p> <p>The 3rd amendment on October 7, 1994.</p> <p>The 4th amendment on August 15, 1996.</p> <p>The 5th amendment on November 13, 1998.</p> <p>The 6th amendment on November 5, 1999.</p> <p>The 7th amendment on December 1, 2000.</p> <p>The 8th amendment on December 1, 2000.</p> <p>The 9th amendment on June 10, 2002.</p> <p>The 10th amendment on June 5, 2003.</p> <p>The 11th amendment on December 17, 2003.</p> <p>The 12th amendment on June 4, 2004.</p> <p>The 13th amendment on June 18, 2004.</p> <p>The 14th amendment on November 24, 2004.</p> <p>The 15th amendment on October 5, 2005.</p> <p>The 16th amendment on June 5, 2007.</p> <p>The 17th amendment on July 5, 2007.</p> <p>The 18th amendment on September 14, 2007.</p>	<p>The Articles of Incorporation are adopted on February 19, 1986.</p> <p>The 1st amendment on June 1, 1986.</p> <p>The 2nd amendment on October 15, 1989.</p> <p>The 3rd amendment on October 7, 1994.</p> <p>The 4th amendment on August 15, 1996.</p> <p>The 5th amendment on November 13, 1998.</p> <p>The 6th amendment on November 5, 1999.</p> <p>The 7th amendment on December 1, 2000.</p> <p>The 8th amendment on December 1, 2000.</p> <p>The 9th amendment on June 10, 2002.</p> <p>The 10th amendment on June 5, 2003.</p> <p>The 11th amendment on December 17, 2003.</p> <p>The 12th amendment on June 4, 2004.</p> <p>The 13th amendment on June 18, 2004.</p> <p>The 14th amendment on November 24, 2004.</p> <p>The 15th amendment on October 5, 2005.</p> <p>The 16th amendment on June 5, 2007.</p> <p>The 17th amendment on July 5, 2007.</p> <p>The 18th amendment on September 14, 2007.</p>	Added amendment date

<p>The 19th amendment on December 20, 2007.</p> <p>The 20th amendment on June 22, 2010.</p> <p>The 21st amendment on May 17, 2011.</p> <p>The 22nd amendment on July 15, 2011.</p> <p>The 23rd amendment on June 26, 2012.</p> <p>The 24th amendment on June 23, 2014.</p> <p>The 25th amendment on December 18, 2014.</p> <p>The 26th amendment on June 20, 2016.</p> <p>The 27th amendment on June 19, 2017.</p> <p>The 28th amendment on October 1, 2018.</p> <p>The 29th amendment on May 29, 2019.</p> <p>The 30th amendment on May 29, 2020.</p> <p>The 31st amendment on November 23, 2020.</p> <p>The 32nd amendment on August 30, 2021.</p> <p>The 33rd amendment on February 14, 2022.</p> <p>The 34th amendment on May 27, 2022.</p> <p>The 35th amendment on May 30, 2024.</p>	<p>The 19th amendment on December 20, 2007.</p> <p>The 20th amendment on June 22, 2010.</p> <p>The 21st amendment on May 17, 2011.</p> <p>The 22nd amendment on July 15, 2011.</p> <p>The 23rd amendment on June 26, 2012.</p> <p>The 24th amendment on June 23, 2014.</p> <p>The 25th amendment on December 18, 2014.</p> <p>The 26th amendment on June 20, 2016.</p> <p>The 27th amendment on June 19, 2017.</p> <p>The 28th amendment on October 1, 2018.</p> <p>The 29th amendment on May 29, 2019.</p> <p>The 30th amendment on May 29, 2020.</p> <p>The 31st amendment on November 23, 2020.</p> <p>The 32nd amendment on August 30, 2021.</p> <p>The 33rd amendment on February 14, 2022.</p> <p>The 34th amendment on May 27, 2022.</p>	
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