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

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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	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	Year ended December 31 2023 AMOUNT	%	2022 AMOUNT	%
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

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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)

			Year ended December 31			
			2023		2022	
	Items	Notes	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	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

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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%	

			Ownership(%)		
Name of Investor	Name of Subsidiary	Main Business Activities	December 31, 2023	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) <u>Classification of current and non-current items</u>

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) Investment property

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) Intangible assets

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) Impairment of non-financial assets

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) Borrowings

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 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) 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 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 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:

	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. and subsidiaries

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down (Note 2)	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Other receivables	Y	$ 214,935	$ 107,468	$ 107,468	1.40%	2	$ -	Operating capital	$ -	N	$ -	$ 394,587	$ 1,578,350	Notes 5,8
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	484,245	379,602	379,602	4%~4.35%	2	-	Operating capital	-	N	-	394,587	1,578,350	Notes 6,9
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD.	Other receivables	Y	247,151	121,776	121,776	4.35%~5%	2	-	Operating capital	-	N	-	394,587	1,578,350	Notes 7,10

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1)The Company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Balance at December 31, 2023 and actual amount drawn down were calculated at the RMB to USD and USD to TWD spot buy and selling spot exchange rate of 0.1408 and 30.705 on December 31, 2023.

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

Note 4: The nature of the loan are as follows:
(1) Fill in ‘1’ for business transaction.
(2) Fill in ‘2’ for short-term financing.

Note 5:The maximum outstanding balance of loans granted to RISE BRIGHT HOLDINGS LTD. by Y.C.C. amounted to NT$214,935. This is because the amount of NT$214,935 includes NT$107,467 that was matured on May 26, 2023. The remaining total facility was NT$107,468.

Note 6:The maximum outstanding balance of loans granted to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. by Y.C.C. amounted to NT$484,245. This is because the amount of NT$484,245 includes NT$61,410 that was matured on May 14, 2023.
Another part of the quota, NT$43,233, was repaid on March 9, 2023 and expired on November 11, 2023, the remaining total facility was NT$379,602.

Note 7:The maximum outstanding balance of loans granted to LIAONING HETAI AUTOMOTIVE PARTS CO., LTD. by Y.C.C. amounted to NT$247,151. This is because the amount of NT$247,151 includes NT$125,375 that was matured on July 24, August 8, and November 10, 2023.
The remaining total facility was NT$121,776.

Note 8: Loans granted to RISE BRIGHT HOLDINGS LTD. approved by the Board of Directors amounted to US$7,000 thousand.

Note 9: Loans granted to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. approved by the Board of Directors amounted to US$4,000 thousand and RMB$ 83,600 thousand.

Note 10: Loans granted to LIAONING HETAI AUTOMOTIVE PARTS CO., LTD approved by the Board of Directors amounted to US$1,150 thousand and RMB$ 49,000 thousand.

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

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

December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Current financial assets at fair value through profit or loss	443,000	$ 27,517	0.53%	$ 19,005	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Current financial assets at fair value through profit or loss	2,518,000	25,539	1.52%	84,227	
Y.C.C. PARTS MFG. CO., LTD.	ROUNDTOP MACHINERY INDUSTRIES CO., LTD.	N	Current financial assets at fair value through profit or loss	67,000	1,030	0.08%	1,166	
Y.C.C. PARTS MFG. CO., LTD.	SHUN ON ELECTRONIC CO., LTD.	N	Current financial assets at fair value through profit or loss	73,000	3,342	0.05%	2,066	
Y.C.C. PARTS MFG. CO., LTD.	NUUO INC.	N	Current financial assets at fair value through profit or loss	5,071	278	0.04%	262	
Y.C.C. PARTS MFG. CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	277,869	37,716	0.21%	18,089	
UNITED SKILLS CO., LTD.	ROUNDTOP MACHINERY INDUSTRIES CO., LTD.	N	Current financial assets at fair value through profit or loss	355,000	5,132	0.42%	6,177	
UNITED SKILLS CO., LTD.	WANHWA ENTERPRISE COMPANY	N	Current financial assets at fair value through profit or loss	100,000	1,227	0.02%	1,300	
UNITED SKILLS CO., LTD.	COWEALTH MEDICAL HOLDING CO., LTD.	N	Current financial assets at fair value through profit or loss	68,000	2,038	0.09%	1,754	
UNITED SKILLS CO., LTD.	GLOBAL BRANDS MANUFACTURE LTD.	N	Current financial assets at fair value through profit or loss	20,000	769	0.00%	1,290	
UNITED SKILLS CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	1,667	235	0.00%	109	
			Valuation adjustment		30,622		$ 135,445	
					$ 135,445			
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Non-current financial assets at fair value through other comprehensive income	855,000	$ 81,855	1.02%	$ 36,680	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Non-current financial assets at fair value through other comprehensive income	2,739,000	46,680	1.66%	91,619	
			Valuation adjustment		(236)		$ 128,299	
					$ 128,299			

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

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

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate (Note 5)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 6)	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO., LTD	Subsidiary	$ 126,858	-	$ -	-	$ -	$ -	Note 2
Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Subsidiary	389,268	-	-	-	123,017	-	Note 3
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Subsidiary	115,616	-	-	-	2,917	-	Note 4

Note 1: The transactions were eliminated when preparing the consolidated financial statements.
Note 2: It pertains to principal and interest aggregating to $123,542 from loans to the subsidiary and technical service expense amounting to $3,316 shown as other receivables.
Note 3: It pertains to principal and interest aggregating to $383,741 from loans to the subsidiary and technical service expense amounting to $5,527 shown as other receivables.
Note 4: It pertains to principal and interest aggregating to $108,375 from loans to the subsidiary shown as other receivables and sales of product amounting to $7,241 shown as accounts receivable.
Note 5: Only accounts receivable was used for the calculation of turnover rate.
Note 6: Subsequent collection is the amount collected as of March 1, 2024.

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

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Other receivables	$ 108,375	Based on the contract	2.00%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	1	Other receivables	389,268	Based on the contract	7.18%
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD	1	Other receivables	126,858	Based on the contract	2.34%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANG JIE TECHNOLOGY CO., LTD.	1	Accounts receivable	10,867	Based on the contract	0.20%
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Revenue	12,188	Based on the contract	0.59%
1	CHANG JIE TECHNOLOGY CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	3	Revenue	11,585	Based on the contract	0.56%

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

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

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

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

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

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

Information on investees

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended	Investment income (loss) recognised by the Company for the year ended	
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	December 31, 2023	December 31, 2023	Footnote
Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Taiwan	Manufacturing vehicles and their parts	$ 50,000	$ 50,000	5,000	100.00%	$ 50,918	$ 2,633	$ 2,634	Subsidiary
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Samoa	Holding company	1,235,358	1,235,358	-	100.00%	455,103	(59,384)	(59,384)	Subsidiary (Note)
RISE BRIGHT HOLDINGS LTD.	CHINA FIRST HOLDINGS LTD.	Samoa	Holding company	1,158,673	1,158,673	-	89.44%	407,608	(59,431)	(53,155)	Subsidiary (Note)

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

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

Information on investments in Mainland China

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnte
					Remitted to Mainland China	Remitted back to Taiwan							
CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and electronic plastic parts	$ 423,150	2	$ 827,609	$ -	$ -	$ 827,609	($ 74,321)	89.44%	($ 66,473)	$ 185,201	$ -	Note 3 Note 7
LIAONING HETAI AUTOMOTIVE PARTS CO., LTD.	Injecting and surface coating parts of air bags with inflation system,covers, interior and exterior accessories of air bag and electronic equipment systems	347,588	2	268,009	-	-	268,009	17,762	73.89%	13,124	202,734	-	Note 4
CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD.	Manufacturing and selling parts, interior and exterior accessories and electronic system parts of automobiles and molds, gauges, clamps and jigs for injection	60,450	2	63,055	-	-	63,055	108	89.44%	96	-	-	Note 5 Note 8
CHANG JIE TECHNOLOGY CO., LTD.	Injecting and surface coating air bag covers of automobiles,producing and selling various accessories of automobiles and automatic production equipments for spraying	176,406	2	177,602	-	-	177,602	(5,744)	99.83%	(5,734)	143,615	-	Note 6

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Through investing in existing companies in the third area, RISE BRIGHT HOLDINGS LTD. and CHINA FIRST HOLDINGS LTD. , which then invested in the investee in Mainland China.

(3) Others.

Note 2: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 3: Paid-in capital is US$14,000 thousand and accumulated amount of remittance from Taiwan to Mainland China is US$26,300 thousand.

Note 4: Paid-in capital is US$11,500 thousand and accumulated amount of remittance from Taiwan to Mainland China is US$8,591 thousand.

Note 5: Paid-in capital is US$2,000 thousand and accumulated amount of remittance from Taiwan to Mainland China is US$2,000 thousand.

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

Note 7: Investment income (loss) recognised by the Company for the year ended December 31, 2023 was based on the financial statements that were audited by parent company's CPA.

Note 8: CHANGSHU XINXIANG AUTOMOBILE PARTS CO., LTD. merged with CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. on November 30, 2023.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Y.C.C. PARTS MFG. CO., LTD.	$ 1,336,275	$ 1,518,474	$ 2,425,177

Note 1: The amounts listed in the table denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates at the balance sheet date.

Note 2: Calculation for ceiling on investments in Mainland China (60% of net assets) is based on MOEA "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area".

Note 3: At the end of this period, the investment amount transmitted from Taiwan to mainland China was US$42,961 thousand. The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) was US$48,765 thousand.

Note 4: The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) to CHANG JIE TECHNOLOGY CO., LTD. was RMB$10,000 thousand.

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

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

Major shareholders information

December 31, 2023

Table 7

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

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

(1) The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter.
The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form because of a different calculation basis.

(2) If the aforementioned data contains shares which were kept in trust by the shareholders, the data that was disclosed was the settlor's separate account for the fund set by the trustee.
As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to the Market Observation Post System.