

Y.C.C. Parts MFG Co., Ltd.
2025 The First Shareholders' Meeting
Each Report Item and Explanation

Proposals

Proposal 1 <by the Board of Directors>

Summary: 2024 Business Report and Financial Statements

Descriptions:

- I. The Company's 2024 Business Report and Financial Statements were already certified by the CPAs and confirmed to comply with the relevant requirements upon review by the Audit Committee.
- II. Please refer to Pages 10–41 of this Handbook (Attachment I–Attachment III) for the Company's 2024 Business Report, external auditor's report, and financial statements.
- III. Please approve.

Resolutions:

Proposal 2 <by the Board of Directors>

Summary: 2024 earnings distribution proposal

Descriptions: The Company's 2024 income after tax plus items other than the net income stated into the unappropriated earnings for the current year was TWD372,909,057. 10% was set aside as the legal reserve, TWD37,290,906, and a special reserve, TWD13,421,291, was set aside pursuant to laws. The balance was distributed in the following manner:

- I. For the cash dividend to shareholders, TWD3 is allocated per share. The ex-dividend base date and related matters are handled by the Chairman of the Board with full power.
- II. The fractional amount less than TWD1 is truncated to the nearest TWD. The Chairman of the Board is authorized to adjust the amount with specific persons.
- III. If the number of outstanding shares is affected by changes in the ordinary shares (such as the Company's repurchase of its shares, transfer or cancellation of treasury shares, or domestic capital increase in cash), the Chairman of the Board is authorized to adjust the payout ratio.
- IV. Please refer to Page42 of this Handbook (Attachment IV) for the 2024 earnings distribution table.
- V. The proposal is submitted for recognition.

Resolutions:

Discussion

Motion 1

(Proposed by the Board of Directors)

Summary: Amendments to certain provisions of the Company's "Articles of Incorporation"

Descriptions:

- I. The new business line, "Planting of Seed," was approved by the 2024 annual general meeting. Notwithstanding, as no permission has been received from the competent authority, the business line added to the Company's "Articles of Incorporation" was canceled accordingly.
- II. According to Paragraph 6, Article 14 of the Securities and Exchange Act and the Financial Supervisory Commission's Letter No. Jin-Guan-Cheng-Fa-Zi No. 1130385442, "a TWSE/TPEX listed company shall set forth in its articles of incorporation that a certain percentage of its annual earnings shall be set aside for salary adjustment or distribution of remuneration to employees of the company," in order to increase the remuneration to the entry-level employees. Therefore, the Company plans to amend certain provisions of its articles of incorporation.
- III. Please refer to Page 47 of this Handbook (Attachment VI) for the Comparison Table of Amendments to the Articles of Incorporation.
- IV. Please proceed to discuss it.

Resolutions:

Election

Summary: The re-election of the Company's all directors is hereby proposed.

Descriptions:

- I. The nine directors (including four independent directors) of the Company are elected for a term of office from May 27, 2022 to May 26, 2025. The Board of Directors is to be re-elected with nine seats (including four independent directors). The election of directors is based on the candidate nomination system. (Please refer to Appendix 4 for the Name List of Director Candidates.)
- II. The term of office for a new director will start from May 29, 2025 to May 28, 2028, for a total of three years. The term of office for the 13th Board members will be automatically terminated after the election of the 14th Board members.
- III. Please proceed with the election.

Resolutions:

Seven. Other motions

(Proposed by the Board of Directors)

Motion:

Proposal to Release non-competition Restrictions on All of the Company's Newly Appointed Directors

- I. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval."
- II. In response to business needs, the Company's directors (institutional investors) propose to terminate the non-competition restrictions on the Company's directors and release the natural persons acting on behalf of the directors from these restrictions for the business lines of any other enterprises identical to those listed in the Company's "Articles of Incorporation." The proposal will also be submitted to the shareholders' meeting this year (2025) for resolution.
- III. Upon resolution of the Board of Directors, the proposal is submitted to the shareholders' meeting for discussion.
- IV. Please proceed to discuss it.

Director	Status of termination of non-competition restrictions
He Han Investment Co., Ltd.	Director, GORDON AUTO BODY PARTS CO., LTD.
Zi Qun International Co., Ltd.	Director, Weiersi Biotech Ltd.
Kuo-Hua Chang	Independent Director, Shining Victory Motor Electronic Co., Ltd. Independent Director, Cryomax Cooling System Corp.
Lung-Fa Hsieh	Senior Consultant, HITANO ENTERPRISE CORP.

Resolutions:

Extempore Motion

Adjournment of the meeting

Attachment

Attachment I

2024 Business Report

Dear Shareholders:

I would like to express my sincere appreciation to all of you for your continued support and commitment to the Company's 2024 annual general meeting.

The significant growth in AM sales in 2024 and the expansion of AM components claims by the largest insurance company in North America, State Farm, contributed to the overall revenue growth of TWD92 million compared to that in 2023. Looking ahead to 2025, as the insurance companies in North America expand the adoption of AM parts and components, and the number of new cars in the U.S. continues to expand, the average age of cars continues to rise, creating opportunities for the after-sales service industry. All of the above will be momentum for the AM business's performance growth in 2025.

2024 business results

(I) 2024 Business Plan Implementation Results

The Company's net operating revenue for 2024 was TWD1,932,091 thousand, income before tax TWD476,221 thousand for 2024, net income TWD355,035 thousand, and earnings per share after TWD5.01.

(II) Analysis of financial revenue and expenditure and profitability for 2024

Items	Year		
	2024	2023	
Financial structure (%)	Ratio of liabilities to assets	17.99	25.41
	Ratio of long-term capital to fixed assets	155.10	159.00
Profitability (%)	Return on assets	6.92	8.15
	Return on equity	8.62	11.10
Profitability (%)	Ratio of income before tax to paid-in capital	48.92	54.22
	Operating profit	64.25	73.42
	Net income before tax	18.38	21.08
	Net profit rate	5.01	5.88
	Earnings per share (TWD)		

(III) Research and development

The Company researches and develops automated equipment proactively to reduce manpower requirements and improve the stability of product quality for production lines.

We continue to improve our automated processes to reduce labor costs and mitigate the

impacts of low birth rates. Through equipment optimization and the implementation of new processes, the Company increases production capacity and output yield. In the future, the Company will continue to purchase new equipment and upgrade in-plant equipment so that the production line incorporates smart technology elements and automation functions, moving toward Industry 4.0.

R&D Center

R&D is the foundation of the Company's sustainable operation. Continued technological innovation and R&D investment in 2024 will inject strong momentum into the Company's long-term development. The Company's advancements in product development and commercialization have yielded significant results, enhancing its ongoing growth and market competitiveness while also contributing positively to human health.

Chairman of Board of Hui Han Investment Co., Ltd.: Hung-Chen Lin; General Manager: Jui-Tse

Lin; Accounting Officer: Shu-Mei Liu

Attachment II

Audit Committee's Review Report

The Audit Committee has approved the Company's 2024 financial statements, business report and earnings distribution proposal resolved by the Board of Directors. Among other things, the Company's 2024 financial statements were also audited by PwC Taiwan, which issued an unqualified opinion accordingly.

The Audit Committee is responsible for supervising the financial reporting process of the Company.

The external auditors have audited the Company's 2024 financial statements and communicated the following matters with the Audit Committee:

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

The Audit Committee has confirmed that the Company's 2024 financial statements, business report and earnings distribution proposal resolved by the Board of Directors are in compliance with relevant laws and regulations. Said report is made in accordance with Article 219 of the Company Act.

Yours sincerely,

For

2025 Annual General Meeting of Y.C.C. PARTS MFG. CO., LTD

Convenor of Audit Committee:

謝龍發
龍發
張成華
華

February 24, 2025

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, 2024 and 2023, 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, 2024 and 2023, 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 2024 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 2024 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(20). 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, 2024, the balances of inventories and allowance for inventory valuation losses were NT\$ 355,508 thousand and NT\$ 46,714 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, 2024 and 2023.

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

February 24, 2025

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 561,073	11	\$ 550,670	10
1110	Financial assets at fair value through profit or loss - current	136,325	3	135,445	2
1136	Current financial assets at amortised cost	29,167	1	125,890	2
1150	Notes receivable, net	24,909	-	37,971	1
1170	Accounts receivable, net	417,199	8	499,189	9
1200	Other receivables	3,226	-	10,072	-
130X	Inventories	308,794	6	357,322	7
1470	Other current assets	38,221	1	33,194	1
11XX	Current Assets	<u>1,518,914</u>	<u>30</u>	<u>1,749,753</u>	<u>32</u>
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	127,432	2	128,299	2
1535	Non-current financial assets at amortised cost	300	-	300	-
1600	Property, plant and equipment	2,916,174	57	2,873,418	53
1755	Right-of-use assets	145,486	3	150,100	3
1760	Investment property, net	94,006	2	94,441	2
1780	Intangible assets	3,115	-	3,758	-
1840	Deferred income tax assets	94,464	2	109,196	2
1900	Other non-current assets	212,999	4	309,435	6
15XX	Non-current assets	<u>3,593,976</u>	<u>70</u>	<u>3,668,947</u>	<u>68</u>
1XXX	Total assets	<u>\$ 5,112,890</u>	<u>100</u>	<u>\$ 5,418,700</u>	<u>100</u>

(Continued)

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

	Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings		\$ -	-	\$ 35,786	1
2120	Financial liabilities at fair value through profit or loss - current		-	-	2,952	-
2130	Current contract liabilities		8,800	-	22,267	-
2150	Notes payable		116,187	3	178,448	3
2170	Accounts payable		63,949	1	101,114	2
2200	Other payables		165,158	3	182,257	3
2230	Current income tax liabilities		93,206	2	188,160	4
2320	Long-term liabilities, current portion		136,815	3	133,167	2
2399	Other current liabilities, others		5,923	-	5,696	-
21XX	Current Liabilities		590,038	12	849,847	15
Non-current liabilities						
2540	Long-term borrowings		311,489	6	446,846	8
2560	Current tax liabilities-non-current		969	-	56,283	1
2570	Deferred income tax liabilities		1,378	-	-	-
2600	Other non-current liabilities		15,890	-	23,763	1
25XX	Non-current liabilities		329,726	6	526,892	10
2XXX	Total Liabilities		919,764	18	1,376,739	25
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock		741,239	14	741,239	14
Capital surplus						
3200	Capital surplus		1,193,369	24	1,193,349	22
Retained earnings						
3310	Legal reserve		427,883	8	383,999	7
3320	Special reserve		94,043	2	109,142	2
3350	Unappropriated retained earnings		1,733,942	34	1,612,189	30
Other equity interest						
3400	Other equity interest		(80,622)	(2)	(94,043)	(2)
31XX	Equity attributable to owners of the parent		4,109,854	80	3,945,875	73
36XX	Non-controlling interests		83,272	2	96,086	2
3XXX	Total equity		4,193,126	82	4,041,961	75
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		\$ 5,112,890	100	\$ 5,418,700	100

Y.C.C. PARTS MFG. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000	Sales revenue	\$ 1,932,091	100	\$ 2,051,209	100
5000	Operating costs	(1,241,874)	(65)	(1,361,742)	(67)
5900	Net operating margin	690,217	35	689,467	33
6100	Operating expenses				
	Selling expenses	(153,741)	(8)	(146,205)	(7)
6200	General and administrative expenses	(116,430)	(6)	(113,344)	(6)
6300	Research and development expenses	(70,066)	(4)	(69,766)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9				
6000	Total operating expenses	(327,592)	(17)	(287,604)	(14)
6900	Operating profit	362,625	18	401,863	19
7100	Non-operating income and expenses				
	Interest income	23,287	1	34,593	2
7010	Other income	55,898	3	52,075	2
7020	Other gains and losses	46,422	3	72,947	4
7050	Finance costs	(12,011)	(1)	(17,269)	(1)
7000	Total non-operating income and expenses	113,596	6	142,346	7
7900	Profit before income tax	476,221	24	544,209	26
7950	Income tax expense	(121,186)	(6)	(111,745)	(5)
8200	Profit for the year	\$ 355,035	18	\$ 432,464	21
8311	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	\$ 1,622	-	\$ 3,972	-
8316	Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	(867)	-	26,304	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(324)	-	(794)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss	431	-	29,482	2
8361	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Financial statements translation differences of foreign operations	18,051	1	(13,162)	(1)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss	18,051	1	(13,162)	(1)
8300	Total other comprehensive income for the year	\$ 18,482	1	\$ 16,320	1
8500	Total comprehensive income for the year	\$ 373,517	19	\$ 448,784	22
8610	Profit (loss), attributable to:				
8610	Owners of parent	\$ 371,612	19	\$ 435,661	21
8620	Non-controlling interests	(16,577)	(1)	(3,197)	-
8620	Total	\$ 355,035	18	\$ 432,464	21
8710	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ 386,331	20	\$ 453,938	22
8720	Non-controlling interests	(12,814)	(1)	(5,154)	-
8720	Total	\$ 373,517	19	\$ 448,784	22
9750	Basic earnings per share	6(27)			
9750	Basic earnings per share	\$ 5.01		\$ 5.88	
9850	Diluted earnings per share	\$ 5.00		\$ 5.86	

Y.C.C. PARTS MFG. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent									Non-controlling interests	Total equity		
	Retained earnings				Other equity interest								
	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	Total					
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 year	-	-	-	-	435,661	-	-	435,661	(3,197)	432,464			
Other comprehensive income (loss)	-	-	-	-	3,178	(11,205)	26,304	18,277	(1,957)	16,320			
Total comprehensive income (loss)	-	-	-	-	438,839	(11,205)	26,304	453,938	(5,154)	448,784			
Appropriation and distribution of 2022 earnings													
Legal reserve	-	-	40,788	-	(40,788)	-	-	-	-	-			
Special reserve	-	-	-	(10,898)	10,898	-	-	-	-	-			
Cash dividends	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)			
Balance at December 31, 2023	\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875	\$ 96,086	\$ 4,041,961			
Year 2024													
Balance at January 1, 2024	\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875	\$ 96,086	\$ 4,041,961			
Profit (loss) for the year	-	-	-	-	371,612	-	-	371,612	(16,577)	355,035			
Other comprehensive income (loss)	-	-	-	-	1,298	14,288	(867)	14,719	3,763	18,482			
Total comprehensive income (loss)	-	-	-	-	372,910	14,288	(867)	386,331	(12,814)	373,517			
Appropriation and distribution of 2023 earnings													
Legal reserve	-	-	43,884	-	(43,884)	-	-	-	-	-			
Special reserve	-	-	-	(15,099)	15,099	-	-	-	-	-			
Cash dividends	-	-	-	-	(222,372)	-	-	(222,372)	-	(222,372)			
Donated assets	-	20	-	-	-	-	-	20	-	20			
Balance at December 31, 2024	\$ 741,239	\$ 1,193,369	\$ 427,883	\$ 94,043	\$ 1,733,942	(\$ 79,519)	(\$ 1,103)	\$ 4,109,854	\$ 83,272	\$ 4,193,126			

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 476,221	\$ 544,209
Adjustments			
Adjustments to reconcile profit (loss)			
Proceeds from disposal of property, plant and equipment	(	1,977)	4,283)
Net gain on financial assets or liabilities at fair value through profit or loss	(	19,650)	9,110)
Reversal of expected credit losses	(	12,645)	41,711)
Impairment loss		69,701	-
Depreciation expense		373,862	362,651
Depreciation expense - right-of-use assets		9,577	6,714
Investment property expense		956	943
Amortisation expense		9,948	6,291
Interest expense		12,011	17,269
Interest income	(	23,287)	34,593)
Government grant revenues	(	1,431)	1,410)
Dividend income	(	8,088)	7,132)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		5,841 (	10,890)
Accounts receivable, net		94,635	76,803
Other receivables	(	12,977)	14,222)
Inventories		41,277 (	59,329)
Other current assets	(	5,027)	9,903
Changes in operating liabilities			
Contract liabilities - current	(	13,467)	7,415
Notes payable		21,722	14,729
Accounts payable	(	37,165)	40,339)
Other payables	(	3,399)	4,692)
Other current liabilities		1,777	18,109
Net defined benefit liability	(	565)	138)
Cash inflow generated from operations		977,850	837,187
Interest received		24,015	34,863
Interest paid	(	12,212)	17,182)
Dividend received		8,088	7,132)
Income taxes paid	(	236,996)	51,135)
Net cash flows from operating activities		<u>760,745</u>	<u>810,865</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through profit or loss	(\$ 3,609)	(\$ 12,263)
Proceeds from disposal of financial assets at fair value through profit or loss	19,581	17,118
Increase in financial assets at amortised cost	96,723	(125,890)
Acquisition of non-current financial assets at fair value through other comprehensive income	-	(26,748)
Acquisition of property, plant and equipment	(433,278)	(207,107)
Proceeds from disposal of property, plant and equipment	19,533	32,505
Increase in prepayment of equipment and construction	(35,514)	(300,326)
Acquisition of real estate investments	-	(80,887)
Decrease in other non-current assets	(4,795)	1,279
Acquisition of intangible assets	(1,752)	(1,533)
Decrease in refundable deposits	(697)	(3,651)
Net cash flows used in investing activities	<u>(343,808)</u>	<u>(707,503)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings	-	35,883
Decrease in short-term borrowings	(37,280)	(256,369)
Repayments of long-term borrowings	(133,167)	(154,424)
Increase in deposits received	704	381
Repayments of principal portion of lease liabilities	(5,308)	(2,663)
Cash dividends paid	(222,372)	(222,372)
Net cash flows used in financing activities	<u>(397,423)</u>	<u>(599,564)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(9,111)</u>	<u>10,498</u>
Net increase (decrease) in cash and cash equivalents	<u>10,403</u>	<u>(485,704)</u>
Cash and cash equivalents at beginning of year	<u>550,670</u>	<u>1,036,374</u>
Cash and cash equivalents at end of year	<u>\$ 561,073</u>	<u>\$ 550,670</u>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Y.C.C. Parts Mfg. Co., Ltd. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Cut-off of sales revenue recognition

Description

For the accounting policy of revenue recognition, please refer to Note 4(29); and for details of operating revenue, please refer to Note 6(19). The Company is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms. The sales revenue recognition involves the use of several manual judgements and procedures. As a result, the timing of sales revenue recognition may be inappropriate, which also affected the Company's subsidiary accounted for using equity method. Therefore, we included the cut-off of sales revenue recognition as one of the key areas of focus for this year.

How our audit addressed the matter

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

1. Understanding and evaluating the operating procedures and internal controls over sales revenue, and assessing the effectiveness on how the management controls the timing of recognizing sales revenue.
2. Examined the transaction documents to ensure that transactions had been recorded

in the proper period for a certain period around the balance sheet date.

Assessment of allowance for inventory valuation loss

Description

For the accounting policy of inventory assessment, please refer to Note 4(13); for accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5; and for details of allowance for inventory valuation losses, please refer to Note 6(5). The Company is primarily engaged in manufacturing and trading automobile parts. Sale revenue is recognised when the control over the goods was transferred under the transaction terms.

As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses were NT\$ 277,687 thousand and NT\$ 38,161 thousand, respectively.

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

How our audit addressed the matter

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

1. Obtained an understanding of the nature of the Company's business and industry and assessed the reasonableness of provision policies in the determination of allowance for inventory valuation losses.

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

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

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

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

Those charged with governance, including the audit committee, are responsible for

overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2025

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

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

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

Assets	Notes	December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents		\$ 478,167	10	\$ 252,454	5
Financial assets at fair value through profit or loss- current		128,867	3	124,815	3
Current financial assets at amortised cost		29,167	1	125,890	3
Notes receivable, net		11,797	-	16,821	-
Accounts receivable, net		324,782	6	293,989	6
Accounts receivable due from related parties, net		22,114	-	18,108	-
Other receivables		2,276	-	9,503	-
Other receivables due from related parties		439,100	9	633,360	12
Inventories		239,526	5	252,903	5
Other current assets		24,468	-	19,933	-
Total current assets		1,700,264	34	1,747,776	34
Non-current assets					
Non-current financial assets at fair value through other comprehensive income		127,432	3	128,299	2
Non-current financial assets at amortised cost		300	-	300	-
Investments accounted for using equity method		402,960	8	506,021	10
Property, plant and equipment		2,305,036	47	2,240,616	44
Right-of-use assets		17,197	-	22,586	-
Investment property, net		80,887	2	80,887	2
Intangible assets		1,312	-	3,357	-
Deferred tax assets		94,464	2	95,981	2
Other non-current assets		221,507	4	313,750	6
Total non-current assets		3,251,095	66	3,391,797	66
Total assets		\$ 4,951,359	100	\$ 5,139,573	100

(Continued)

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

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Financial liabilities at fair value through profit or loss		\$ -	-	\$ 2,952	-
Current contract liabilities		3,024	-	1,866	-
Notes payable		115,943	2	178,103	3
Accounts payable		22,531	-	20,981	-
Other payables		136,830	3	137,444	3
Current tax liabilities		93,206	2	188,159	4
Long-term liabilities, current portion		136,815	3	133,167	3
Other current liabilities, others		5,279	-	5,310	-
Total current liabilities		<u>513,628</u>	<u>10</u>	<u>667,982</u>	<u>13</u>
Non-current liabilities					
Long-term borrowings		311,489	7	446,846	9
Current tax liabilities-non-current		969	-	56,283	1
Deferred tax liabilities		1,378	-	-	-
Other non-current liabilities		14,041	-	22,587	-
Total non-current liabilities		<u>327,877</u>	<u>7</u>	<u>525,716</u>	<u>10</u>
Total liabilities		<u>841,505</u>	<u>17</u>	<u>1,193,698</u>	<u>23</u>
Equity					
Share capital					
Share capital - common stock		741,239	15	741,239	14
Capital surplus					
Capital surplus		1,193,369	24	1,193,349	24
Retained earnings					
Legal reserve		427,883	9	383,999	8
Special reserve		94,043	2	109,142	2
Unappropriated retained earnings		1,733,942	35	1,612,189	31
Other equity interest					
Other equity interest		(80,622)	(2)	(94,043)	(2)
Total equity		<u>4,109,854</u>	<u>83</u>	<u>3,945,875</u>	<u>77</u>
Significant contingent liabilities and unrecognised contract commitments					
Total liabilities and equity		<u>\$ 4,951,359</u>	<u>100</u>	<u>\$ 5,139,573</u>	<u>100</u>

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
Sales revenue		\$ 1,526,367	100	\$ 1,456,959	100
Operating costs		(819,996)	(54)	(773,514)	(53)
Net operating margin		706,371	46	683,445	47
Operating expenses					
Selling expenses		(113,934)	(8)	(113,412)	(8)
General and administrative expenses		(63,616)	(4)	(64,871)	(4)
Research and development expenses		(63,787)	(4)	(59,655)	(4)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		-	-	(167)	-
Total operating expenses		(241,337)	(16)	(238,105)	(16)
Operating profit		465,034	30	445,340	31
Non-operating income and expenses					
Interest income		38,805	3	49,049	3
Other income		38,994	3	51,591	4
Other gains and losses		111,309	7	68,815	5
Finance costs		(9,629)	(1)	(10,644)	(1)
Share of loss of associates and joint ventures accounted for using equity method		(165,350)	(11)	(56,750)	(4)
Total non-operating income and expenses		14,129	1	102,061	7
Profit before income tax		479,163	31	547,401	38
Income tax expense		(107,551)	(7)	(111,740)	(8)
Profit from continuing operations		371,612	24	435,661	30
Profit for the period		<u>\$ 371,612</u>	<u>24</u>	<u>\$ 435,661</u>	<u>30</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		\$ 1,622	-	\$ 3,972	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(867)	-	26,304	2
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(324)	-	(794)	-
Components of other comprehensive income that will not be reclassified to profit or loss		431	-	29,482	2
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		14,288	1	(11,205)	(1)
Components of other comprehensive income that will be reclassified to profit or loss		14,288	1	(11,205)	(1)
Total other comprehensive income for the year		<u>\$ 14,719</u>	<u>1</u>	<u>\$ 18,277</u>	<u>1</u>
Total comprehensive income for the year		<u>\$ 386,331</u>	<u>25</u>	<u>\$ 453,938</u>	<u>31</u>
Basic earnings per share		\$ 5.01		\$ 5.88	
Basic earnings per share		\$ 5.00		\$ 5.86	
Diluted earnings per share					

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Ordinary share	Retained earnings				Other equity interest		Total equity
			Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
Year 2023									
Balance at January 1, 2023		\$ 741,239	\$ 1,193,349	\$ 343,211	\$ 120,040	\$ 1,425,612	(\$ 82,602)	(\$ 26,540)	\$ 3,714,309
Profit for the year		-	-	-	-	435,661	-	-	435,661
Other comprehensive income (loss) 6(6)		-	-	-	-	3,178	(11,205)	26,304	18,277
Total comprehensive (loss) income		-	-	-	-	438,839	(11,205)	26,304	453,938
Appropriation and distribution of 2022 6(18) earnings									
Legal reserve		-	-	40,788	-	(40,788)	-	-	-
Special reserve		-	-	-	(10,898)	10,898	-	-	-
Cash dividends		-	-	-	-	(222,372)	-	-	(222,372)
Balance at December 31, 2023		\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875
Year 2024									
Balance at January 1, 2024		\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875
Profit for the year		-	-	-	-	371,612	-	-	371,612
Other comprehensive income (loss) 6(6)		-	-	-	-	1,298	14,288	(867)	14,719
Total comprehensive income 6(18)		-	-	-	-	372,910	14,288	(867)	386,331
Appropriation and distribution of 2023 earnings									
Legal reserve		-	-	43,884	-	(43,884)	-	-	-
Special reserve		-	-	-	(15,099)	15,099	-	-	-
Cash dividends		-	-	-	-	(222,372)	-	-	(222,372)
Donated assets		-	20	-	-	-	-	-	20
Balance at December 31, 2024		\$ 741,239	\$ 1,193,369	\$ 427,883	\$ 94,043	\$ 1,733,942	(\$ 79,519)	(\$ 1,103)	\$ 4,109,854

Y.C.C. PARTS MFG. CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 479,163	\$ 547,401
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on disposal of property, plant and equipment	(	2,199)	-
Net loss on financial assets or liabilities at fair value through profit or loss	(	10,112)	(6,415)
Expected credit impairment loss		-	167
Depreciation expense		289,148	278,723
Depreciation expense - right-of-use assets		5,389	2,678
Amortization expense		5,532	6,231
Interest expense		9,629	10,644
Interest income	(	38,805)	(49,049)
Government grant	(	1,431)	(1,410)
Dividend income	(	7,576)	(6,733)
Share of loss (profit) of associates accounted for under equity method		165,350	56,750
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		5,024 (	2,546)
Accounts receivable	(	30,793)	(66,961)
Accounts receivable-related parties	(	4,006)	(9,381)
Other receivables	(	11,480)	(16,239)
Other receivables-related parties		10,474 (	4,016)
Inventories		6,126 (	96,833)
Other current assets	(	4,535)	(6,885)
Changes in operating liabilities			
Contract liabilities - current		1,158 (	945)
Notes payable		19,022	14,972
Accounts payable		1,550	8,027
Other payables		11,854	6,683
Other current liabilities		3 (	3)
Net defined benefit liability	(	565)	(138)
Cash inflow generated from operations		897,920	697,254
Interest received		39,504	49,260
Interest paid	(	9,830)	(10,539)
Dividend received		7,576	6,733
Income tax paid	(236,988)	(51,135)
Net cash flows from operating activities		<u>698,182</u>	<u>691,573</u>

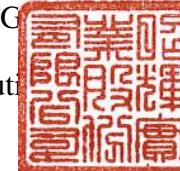
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CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through profit or loss	6(28)	\$	-	(\$ 12,263)
Proceeds from disposal of financial assets at fair value through profit or loss			3,109	13,723
(Increase) decrease in financial assets at amortised cost			96,723	(125,890)
Increase in other receivables due from related parties			183,786	(312,056)
Acquisition of financial assets measured at fair value through other comprehensive profit or loss - non-current			-	(26,748)
Acquisition of investments accounted for under equity method		(	48,000)	-
Acquisition of property, plant and equipment		(	308,248)	(154,665)
Gain on disposal of property, plant and equipment			2,199	2,010
Increase in prepayments for equipment and construction		(	38,909)	(261,248)
Acquisition of real estate investment			-	(80,887)
Acquisition of intangible assets			-	(1,533)
Increase in other non-current assets		(	2,282)	(2,690)
Increase in guarantee deposits paid			-	(2,900)
Net cash flows used in investing activities		(	111,622)	(965,147)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term borrowings		(	133,167)	(154,424)
Repayment of principal portion of lease liabilities		(	5,308)	(2,663)
Cash dividends paid		(	222,372)	(222,372)
Net cash flows used in financing activities		(	360,847)	(379,459)
Net increase (decrease) in cash and cash equivalents			225,713	(653,033)
Cash and cash equivalents at beginning of year			252,454	905,487
Cash and cash equivalents at end of year		\$	478,167	\$ 252,454



Beginning undistributed earnings	1,361,033,268
Add: Current period net profit	371,611,032
Remeasurement of the defined benefit plan recorded in retained earnings	1,298,025
Disposal of equity instrument at FVTOCI, accumulated gain or loss is directly transferred to retained earnings	0
The sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings	372,909,057
Less: Legal reserve (10%)	(37,290,906)
Less: Reversal (appropriation) of special reserve	13,421,491
Current distributable earnings	1,710,072,910
Allocation:	
Cash dividend (TWD3 per share)	(222,371,625)
Ending undistributed earnings	1,487,701,285

Note:

- (1) Distribution of 2024 earnings as the first priority
- (2) The current cash dividends are calculated and truncated to the nearest TWD at the distribution ratio. The Chairman of the Board is authorized to adjust the amount with specific persons.
- (3) The legal reserve shall be appropriated based on “the sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings” in accordance with Jing-Shang-Zi No. 1082432410.

Attachment V

The Company's report on remuneration to directors in 2024 is submitted for review.

Descriptions: I. The remuneration policy, system, standards and structure of the Company's general directors and independent directors, and their linkage to the amount of remuneration based on their responsibilities, risks and time commitment:

- (I) According to Article 19 of the Company's Articles of Incorporation, the Company's Chairman of the Board and directors may be compensated for performing the Company's duties, regardless of the Company's operating profit or loss. The Board of Directors is authorized to determine the compensation based on the usual standards in the same industry. If the Company retains earnings, the compensation shall be allocated in accordance with Article 26.
- (II) According to Article 26 of the Articles of Incorporation, the Company may allocate no more than 3% of said earnings as the remuneration to directors/supervisors per the resolution of the Board of Directors. The remuneration to directors is paid in accordance with the "Regulations Governing the Remuneration to Directors."

The compensation to directors referred to in the Regulations shall include the following:

1. Remuneration to directors for performing their duties in accordance with the Articles of Incorporation.
2. The remuneration to directors allocated from the annual earnings in accordance with the Articles of Incorporation.
3. Expenses related to business execution, including transportation allowance.

Amount of compensation and remuneration paid to directors and the manner in which it was paid

1. The Board of Directors is authorized to determine the remuneration to directors pursuant to the Company's Articles of Incorporation, based on the scope and nature of the business.
2. The remuneration to directors is allocated from the total amount of the remuneration to directors approved by the shareholders' meeting.

The independent directors are paid TWD10,000 per month regardless of the Company's operating profit or loss.

Professional practice expenses: The directors who attend the Board of Directors meetings (excluding video conference) are paid TWD6,000 for each meeting.

II. The remuneration to individual directors is as follows:

Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)	All companies included in the financial statements (Note 7) (%)	
Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)	Employee profit-sharing compensation (G) (Note 6)	Employee profit-sharing compensation (G) (Note 6)
Received as an employee	Companies included in the financial statements (Note 7)	Amount paid in shares
Retirement pay and pensions (F)	All companies included in the financial statements (Note 7)	Amount paid in cash
Salaries, bonuses, and special allowances (E) (Note 5)	All companies included in the financial statements (Note 7)	Amount paid in cash
Sum of A+B+C+D and ratio to net income (Note 10)	All companies included in the financial statements (Note 7) (%)	The Company (%)
Expenses and perquisites (D) (Note 4)	All companies included in the financial statements (Note 7)	The Company
Director profit-sharing remuneration (C) (Note 3)	All companies included in the financial statements (Note 7)	The Company
Remuneration to directors	All companies included in the financial statements (Note 7)	The Company
Retirement pay and pensions (B)	All companies included in the financial statements (Note 7)	The Company
Remuneration (A) (Note 2)	All companies included in the financial statements (Note 7)	The Company
	Name	Title

Chairman of the Board (Note 3)	He Han Investment Co., Ltd. Representative: Hung-Chen Lin	2907	2907	108	108	1393	1393	30	30	4,438 1.19%	4,438 1.19%	-	-	-	-	-	-	-	4,438 1.19%	4,438 1.19%	None	
Director (Note 4)	Zi Qun International Co., Ltd. Representative: Jo-Ning Huang	-	-	-	-	698	698	24	24	722 0.19%	722 0.19%	1317	1317	60	60	164	-	-	-	2,263 0.61%	2,099 0.56%	None
Directors (Note 7)	Hao Qun Investment and Development Co., Ltd. Representative: Shih-Yun Lin	-	-	-	-	698	698	24	24	722 0.19%	722 0.19%	3110	3110	119	119	478	-	-	-	4,429 1.19%	3,951 1.06%	None
Directors (Note 6)	Song Qun Investment and Development Co., Ltd. Representative: Shu-Mei Liu	-	-	-	-	698	698	30	30	728 0.20%	728 0.20%	2054	2054	100	100	426	-	-	-	3,308 0.89%	2,882 0.78%	None

Directors (Note 5)	Daqun Investment and Development Ltd. Representative: Jui-Tse Lin	-	-	-	-	1048	1048	24	24	1,072 0.29%	1,072 0.29%	2558	2558	108	108	458	-	-	4,196 1.13%	3,738 1.01%	None
Independent Director (Note 8)	Hung-Lung Huang	-	-	-	-	345	345	144	144	489 0.13%	489 0.13%	-	-	-	-	-	-	-	489 0.13%	489 0.13%	None
	Chin-Feng Kuo	-	-	-	-	349	349	150	150	499 0.13%	499 0.13%	-	-	-	-	-	-	-	499 0.13%	499 0.13%	None
	Lung-Fa Hsieh	-	-	-	-	349	349	150	150	499 0.13%	499 0.13%	-	-	-	-	-	-	-	499 0.13%	499 0.13%	None
	Kuo-Hua Chang	-	-	-	-	349	349	150	150	499 0.13%	499 0.13%	-	-	-	-	-	-	-	150 0.04%	150 0.04%	None

Attachment VI

Comparison Table of Amendments to the Articles of Incorporation

	Clauses after the amendments	Clauses before the amendments	Explanation
Article 2	<p>The operating businesses are listed as follows:</p> <ol style="list-style-type: none"> 1. CB01010 Mechanical Equipment Manufacturing 2. CB01990 Other Machinery Manufacturing 3. CD01030 Automobiles and Parts Manufacturing 4. F114010 Wholesale of Motor Vehicles 5. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories 6. F214010 Retail Sale of Motor Vehicles 7. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories 8. CD01040 Motorcycles and Parts Manufacturing 9. F114020 Wholesale of Motorcycles 10. F214020 Retail Sale of Motorcycles 11. CD01050 Bicycles and Parts Manufacturing 12. F114040 Wholesale of Bicycle and Component Parts Thereof 13. F214040 Retail Sale of Bicycle and Component Parts Thereof 14. F401010 International Trade 15. H201010 Investment 16. CA04010 Surface Treatments 17. C805050 Industrial Plastic Products Manufacturing 18. C303010 Manufacture of Non-woven Fabrics 19. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories 20. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing 	<p>The operating businesses are listed as follows:</p> <ol style="list-style-type: none"> 1. CB01010 Mechanical Equipment Manufacturing 2. CB01990 Other Machinery Manufacturing 3. CD01030 Automobiles and Parts Manufacturing 4. F114010 Wholesale of Motor Vehicles 5. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories 6. F214010 Retail Sale of Motor Vehicles 7. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories 8. CD01040 Motorcycles and Parts Manufacturing 9. F114020 Wholesale of Motorcycles 10. F214020 Retail Sale of Motorcycles 11. CD01050 Bicycles and Parts Manufacturing 12. F114040 Wholesale of Bicycle and Component Parts Thereof 13. F214040 Retail Sale of Bicycle and Component Parts Thereof 14. F401010 International Trade 15. H201010 Investment 16. CA04010 Surface Treatments 17. C805050 Industrial Plastic Products Manufacturing 18. C303010 Manufacture of Non-woven Fabrics 19. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories 20. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing 	<p>The business lines were reduced, as the new business line, A101011 Seedling, will be subject to special approval (business subject to special approval) on May 30, 2024. As the Company has not yet received the approval documents from the competent authority, it is impossible to apply for the company or business registration.</p> <p>Therefore, the application for registration of the change was withdrawn.</p> <p>Meanwhile, certain provisions of the Company's "Articles of Incorporation" with respect to the new business lines.</p>

	Accessories 21. CF01011 Medical Devices Manufacturing 22. F108031 Wholesale of Medical Devices 23. F208031 Retail Sale of Medical Apparatus 24. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified 25. CP01010 Hand Tools Manufacturing 26. CQ01010 Mold and Die Manufacturing 27. E603050 Automatic Control Equipment Engineering 28. C805020 Manufacture of Plastic Films and Bags 29. F107190 Wholesale of Plastic Films and Bags 30. F207190 Retail Sale of Plastic Films and Bags 31. C805990 Other Plastic Products Manufacturing 32. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food 33. F102170 Wholesale of Foods and Groceries 34. F203010 Retail Sale of Food Products and Groceries 35. C114010 Food Additives Manufacturing 36. F121010 Wholesale of Food Additives 37. F221010 Retail of Food Additives 38. C199990 Manufacture of Other Food Products Not Elsewhere Classified 39. C802100 Cosmetics Manufacturing 40. F108040 Wholesale of Cosmetics 41. F208040 Retail Sale of Cosmetics 42. F107990 Wholesale of Other Chemical Products 43. F207990 Retail Sale of Other Chemical Products 44. C110010 Beverage Manufacturing	Accessories 21. CF01011 Medical Devices Manufacturing 22. F108031 Wholesale of Medical Devices 23. F208031 Retail Sale of Medical Apparatus 24. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified 25. CP01010 Hand Tools Manufacturing 26. CQ01010 Mold and Die Manufacturing 27. E603050 Automatic Control Equipment Engineering 28. C805020 Manufacture of Plastic Films and Bags 29. F107190 Wholesale of Plastic Films and Bags 30. F207190 Retail Sale of Plastic Films and Bags 31. C805990 Other Plastic Products Manufacturing 32. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food 33. F102170 Wholesale of Foods and Groceries 34. F203010 Retail Sale of Food Products and Groceries 35. C114010 Food Additives Manufacturing 36. F121010 Wholesale of Food Additives 37. F221010 Retail of Food Additives 38. C199990 Manufacture of Other Food Products Not Elsewhere Classified 39. C802100 Cosmetics Manufacturing 40. F108040 Wholesale of Cosmetics 41. F208040 Retail Sale of Cosmetics 42. F107990 Wholesale of Other Chemical Products 43. F207990 Retail Sale of Other Chemical Products 44. C110010 Beverage Manufacturing	
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	<p>45. F102040 Wholesale of Nonalcoholic Beverages</p> <p>46. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>45. F102040 Wholesale of Nonalcoholic Beverages</p> <p><u>46. A101011 Planning of Seed</u></p> <p><u>47. F101081 Wholesale of Plant Seeds</u></p> <p><u>48. F201061 Retail sale of Seedling</u></p> <p><u>49. A101050 Flower Gardening</u></p> <p><u>50. F101100 Wholesale of Flowers</u></p> <p><u>51. F201070 Retail Sale of Flowers</u></p> <p><u>52. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	
Article 26	<p>If the Company makes a profit for the year, it shall allocate 1% to 3% of the profit as the remuneration to employees. <u>The entry-level employees defined by the Board of Directors who receive the remuneration to employees shall be no less than 30% of the whole employees.</u> The Board of Directors shall resolve to allocate the remuneration in the form of stock or in cash. The recipients may include employees of subsidiaries who meet certain criteria. The Company may have the Board of Directors resolve to allocate no more than 3% of said profit as the remuneration to directors, <u>provided that the remuneration to directors may be paid in cash only.</u> The employee and director remuneration distribution proposal <u>shall be resolved by the Board of Directors separately and reported to the shareholders' meeting.</u></p> <p>However, if the Company has accumulated losses, the Company shall first make up for the losses, and then appropriate the remuneration to employees and directors/supervisors in accordance with the percentage referred to in the preceding paragraph.</p>	<p>If the Company makes a profit for the year, it shall allocate 1% to 3% of the profit as the remuneration to employees. The Board of Directors shall resolve to allocate the remuneration in the form of stock or in cash. The recipients may include employees of subsidiaries who meet certain criteria. The Company may have the Board of Directors resolve to allocate no more than 3% of said profit as the remuneration to directors/supervisors. The employee and director/supervisor remuneration distribution proposal <u>shall be reported to the shareholders' meeting.</u></p> <p>However, if the Company has accumulated losses, the Company shall first make up for the losses, and then appropriate the remuneration to employees and directors/supervisors in accordance with the percentage referred to in the preceding paragraph.</p>	Amended in accordance with Paragraph 6, Article 14 of the Securities and Exchange Act.

	referred to in the preceding paragraph.		
Article 29	<p>The Articles of Incorporation are adopted on February 19, 1986.</p> <p>The 1st amendment was made on June 1, 1986.</p> <p>The 2nd amendment was made on October 15, 1989.</p> <p>The 3rd amendment was made on October 7, 1994.</p> <p>The 4th amendment was made on August 15, 1996.</p> <p>The 5th amendment was made on November 13, 1998.</p> <p>The 6th amendment was made on November 5, 1999.</p> <p>The 7th amendment was made on December 1, 2000.</p> <p>The 8th amendment was made on December 1, 2000. The 9th amendment was made on June 10, 2002.</p> <p>The 10th amendment was made on June 5, 2003. The 11th amendment was made on December 17, 2003.</p> <p>The 12th amendment was made on June 4, 2004. The 13th amendment was made on June 18, 2004.</p> <p>The 14th amendment was made on November 24, 2004. The 15th amendment was made on October 5, 2005.</p> <p>The 16th amendment was made on June 5, 2007. The 17th amendment was made on July 5, 2007.</p> <p>The 18th amendment was made on September 14, 2007. The 19th amendment was made on December 20, 2007.</p> <p>The 20th amendment was made on June 22, 2010. The 21st amendment was made on May 17, 2011.</p> <p>The 22nd amendment was made on July 15, 2011.</p> <p>The 23rd amendment was made on June 26, 2012.</p> <p>The 24th amendment was made on June 23, 2014.</p>	<p>The Articles of Incorporation are adopted on February 19, 1986.</p> <p>The 1st amendment was made on June 1, 1986.</p> <p>The 2nd amendment was made on October 15, 1989. The 3rd amendment was made on October 7, 1994.</p> <p>The 4th amendment was made on August 15, 1996. The 5th amendment was made on November 13, 1998.</p> <p>The 6th amendment was made on November 5, 1999. The 7th amendment was made on December 1, 2000.</p> <p>The 8th amendment was made on December 1, 2000. The 9th amendment was made on June 10, 2002.</p> <p>The 10th amendment was made on June 5, 2003. The 11th amendment was made on December 17, 2003. The 12th amendment was made on June 4, 2004. The 13th amendment was made on June 18, 2004.</p> <p>The 14th amendment was made on November 24, 2004. The 15th amendment was made on October 5, 2005. The 16th amendment was made on June 5, 2007. The 17th amendment was made on July 5, 2007. The 18th amendment was made on September 14, 2007. The 19th amendment was made on December 20, 2007. The 20th amendment was made on June 22, 2010. The 21st amendment was made on May 17, 2011.</p> <p>The 22nd amendment was made on July 15, 2011.</p> <p>The 23rd amendment was made on June 26, 2012.</p> <p>The 24th amendment was made on June 23, 2014.</p> <p>The 25th amendment was made on December 18, 2014.</p> <p>The 26th amendment was made</p>	Added amendment date

	<p>The 25th amendment was made on December 18, 2014.</p> <p>The 26th amendment was made on June 20, 2016.</p> <p>The 27th amendment was made on June 19, 2017.</p> <p>The 28th amendment was made on October 1, 2018.</p> <p>The 29th amendment was made on May 29, 2019.</p> <p>The 30th amendment was made on May 29, 2020.</p> <p>The 31st amendment was made on November 23, 2020.</p> <p>The 32nd amendment was made on August 30, 2021.</p> <p>The 33rd amendment was made on February 14, 2022.</p> <p>The 34th amendment was made on May 27, 2022.</p> <p>The 35th amendment was made on May 30, 2024.</p> <p>The 36th amendment was made on May 29, 2025.</p>	<p>on June 20, 2016.</p> <p>The 27th amendment was made on June 19, 2017.</p> <p>The 28th amendment was made on October 1, 2018.</p> <p>The 29th amendment was made on May 29, 2019.</p> <p>The 30th amendment was made on May 29, 2020.</p> <p>The 31st amendment was made on November 23, 2020.</p> <p>The 32nd amendment was made on August 30, 2021.</p> <p>The 33rd amendment was made on February 14, 2022.</p> <p>The 34th amendment was made on May 27, 2022.</p> <p>The 35th amendment was made on May 30, 2024</p>	