

**Y.C.C. PARTS MFG. CO. LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2024 AND 2023**

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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.

## Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Y.C.C. PARTS MFG. CO. LTD. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2024 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Y.C.C. PARTS MFG. CO. LTD. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Y.C.C. PARTS MFG. CO. LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

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

By

(Name of Chairman), Chairman

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.

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Wang, Yu-Chuan

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Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2025

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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	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 561,073	11	\$ 550,670	10
1110	Financial assets at fair value through profit or loss - current	6(2)	136,325	3	135,445	2
1136	Current financial assets at amortised cost	6(3)	29,167	1	125,890	2
1150	Notes receivable, net	6(4)	24,909	-	37,971	1
1170	Accounts receivable, net	6(4)	417,199	8	499,189	9
1200	Other receivables		3,226	-	10,072	-
130X	Inventories	6(5)	308,794	6	357,322	7
1470	Other current assets		38,221	1	33,194	1
11XX	<b>Current Assets</b>		<u>1,518,914</u>	<u>30</u>	<u>1,749,753</u>	<u>32</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	127,432	2	128,299	2
1535	Non-current financial assets at amortised cost	6(3) and 8	300	-	300	-
1600	Property, plant and equipment	6(7) and 8	2,916,174	57	2,873,418	53
1755	Right-of-use assets	6(8) and 8	145,486	3	150,100	3
1760	Investment property, net	6(9) and 8	94,006	2	94,441	2
1780	Intangible assets		3,115	-	3,758	-
1840	Deferred income tax assets	6(26)	94,464	2	109,196	2
1900	Other non-current assets	6(10)	212,999	4	309,435	6
15XX	<b>Non-current assets</b>		<u>3,593,976</u>	<u>70</u>	<u>3,668,947</u>	<u>68</u>
1XXX	<b>Total assets</b>		<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	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ -	-	\$ 35,786	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	2,952	-
2130	Current contract liabilities	6(20)	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	6(13)	165,158	3	182,257	3
2230	Current income tax liabilities	6(26)	93,206	2	188,160	4
2320	Long-term liabilities, current portion	6(14)	136,815	3	133,167	2
2399	Other current liabilities, others	6(8)	5,923	-	5,696	-
21XX	<b>Current Liabilities</b>		<u>590,038</u>	<u>12</u>	<u>849,847</u>	<u>15</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(14)	311,489	6	446,846	8
2560	Current tax liabilities-non-current	6(26)	969	-	56,283	1
2570	Deferred income tax liabilities	6(26)	1,378	-	-	-
2600	Other non-current liabilities	6(8)(15)	15,890	-	23,763	1
25XX	<b>Non-current liabilities</b>		<u>329,726</u>	<u>6</u>	<u>526,892</u>	<u>10</u>
2XXX	<b>Total Liabilities</b>		<u>919,764</u>	<u>18</u>	<u>1,376,739</u>	<u>25</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Share capital - common stock	6(17)	741,239	14	741,239	14
Capital surplus						
3200	Capital surplus	6(18)	1,193,369	24	1,193,349	22
Retained earnings						
3310	Legal reserve	6(19)	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	<b>Equity attributable to owners of the parent</b>		<u>4,109,854</u>	<u>80</u>	<u>3,945,875</u>	<u>73</u>
36XX	<b>Non-controlling interests</b>		<u>83,272</u>	<u>2</u>	<u>96,086</u>	<u>2</u>
3XXX	<b>Total equity</b>		<u>4,193,126</u>	<u>82</u>	<u>4,041,961</u>	<u>75</u>
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 5,112,890</u>	<u>100</u>	<u>\$ 5,418,700</u>	<u>100</u>

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

Y.C.C. PARTS MFG. CO. LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF 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	6(20)	\$ 1,932,091	100	\$ 2,051,209	100
5000	Operating costs	6(5)(24)(25)	( 1,241,874)	( 65)	( 1,361,742)	( 67)
5900	Net operating margin		690,217	35	689,467	33
	Operating expenses	6(24)(25)				
6100	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	12(2)	12,645	1	41,711	2
6000	Total operating expenses		( 327,592)	( 17)	( 287,604)	( 14)
6900	Operating profit		362,625	18	401,863	19
	Non-operating income and expenses					
7100	Interest income		23,287	1	34,593	2
7010	Other income	6(21)	55,898	3	52,075	2
7020	Other gains and losses	6(22)	46,422	3	72,947	4
7050	Finance costs	6(23)	( 12,011)	( 1)	( 17,269)	( 1)
7000	Total non-operating income and expenses		113,596	6	142,346	7
7900	<b>Profit before income tax</b>		476,221	24	544,209	26
7950	Income tax expense	6(26)	( 121,186)	( 6)	( 111,745)	( 5)
8200	<b>Profit for the year</b>		\$ 355,035	18	\$ 432,464	21
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(17)	\$ 1,622	-	\$ 3,972	-
8316	Unrealized gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	6(6)	( 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
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
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	<b>Total other comprehensive income for the year</b>		\$ 18,482	1	\$ 16,320	1
8500	<b>Total comprehensive income for the year</b>		\$ 373,517	19	\$ 448,784	22
	Profit (loss), attributable to:					
8610	Owners of parent		\$ 371,612	19	\$ 435,661	21
8620	Non-controlling interests		( 16,577)	( 1)	( 3,197)	-
	Total		\$ 355,035	18	\$ 432,464	21
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		\$ 386,331	20	\$ 453,938	22
8720	Non-controlling interests		( 12,814)	( 1)	( 5,154)	-
	Total		\$ 373,517	19	\$ 448,784	22
	Basic earnings per share	6(27)				
9750	Basic earnings per share		\$ 5.01		\$ 5.88	
9850	Diluted earnings per share		\$ 5.00		\$ 5.86	

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

Notes	Equity attributable to owners of the parent										
	Share capital - common stock	Capital surplus, additional paid- in capital	Retained earnings			Other equity interest			Total	Non-controlling interests	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
<u>Year 2023</u>											
	\$ 741,239	\$ 1,193,349	\$ 343,211	\$ 120,040	\$ 1,425,612	(\$ 82,602)	(\$ 26,540)	\$ 3,714,309	\$ 101,240	\$ 3,815,549	
	-	-	-	-	435,661	-	-	435,661	( 3,197)	432,464	
6(6)	-	-	-	-	3,178	( 11,205)	26,304	18,277	( 1,957)	16,320	
	-	-	-	-	438,839	( 11,205)	26,304	453,938	( 5,154)	448,784	
Appropriation and distribution of 2022 earnings											
	-	-	40,788	-	( 40,788)	-	-	-	-	-	
	-	-	-	( 10,898)	10,898	-	-	-	-	-	
6(19)	-	-	-	-	( 222,372)	-	-	( 222,372)	-	( 222,372)	
	\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875	\$ 96,086	\$ 4,041,961	
<u>Year 2024</u>											
	\$ 741,239	\$ 1,193,349	\$ 383,999	\$ 109,142	\$ 1,612,189	(\$ 93,807)	(\$ 236)	\$ 3,945,875	\$ 96,086	\$ 4,041,961	
	-	-	-	-	371,612	-	-	371,612	( 16,577)	355,035	
6(6)	-	-	-	-	1,298	14,288	( 867)	14,719	3,763	18,482	
	-	-	-	-	372,910	14,288	( 867)	386,331	( 12,814)	373,517	
Appropriation and distribution of 2023 earnings											
	-	-	43,884	-	( 43,884)	-	-	-	-	-	
	-	-	-	( 15,099)	15,099	-	-	-	-	-	
6(19)	-	-	-	-	( 222,372)	-	-	( 222,372)	-	( 222,372)	
6(18)	-	20	-	-	-	-	-	20	-	20	
	\$ 741,239	\$ 1,193,369	\$ 427,883	\$ 94,043	\$ 1,733,942	(\$ 79,519)	(\$ 1,103)	\$ 4,109,854	\$ 83,272	\$ 4,193,126	

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

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 476,221	\$ 544,209
Adjustments			
Adjustments to reconcile profit (loss)			
Proceeds from disposal of property, plant and equipment	6(22)	( 1,977 )	( 4,283 )
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(22)	( 19,650 )	( 9,110 )
Reversal of expected credit losses	12(2)	( 12,645 )	( 41,711 )
Impairment loss	6(7)(11)(22)	69,701	-
Depreciation expense	6(7)(24)	373,862	362,651
Depreciation expense - right-of-use assets	6(8)(24)	9,577	6,714
Investment property expense	6(9)(24)	956	943
Amortisation expense	6(24)	9,948	6,291
Interest expense	6(23)	12,011	17,269
Interest income		( 23,287 )	( 34,593 )
Government grant revenues	6(15)	( 1,431 )	( 1,410 )
Dividend income	6(21)	( 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)

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
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss	6(28)	(\$ 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	6(28)	( 433,278 )	( 207,107 )
Proceeds from disposal of property, plant and equipment		19,533	32,505
Increase in prepayment of equipment and construction	6(28)	( 35,514 )	( 300,326 )
Acquisition of real estate investments	6(9)	-	( 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		( 343,808 )	( 707,503 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(28)	-	35,883
Decrease in short-term borrowings	6(28)	( 37,280 )	( 256,369 )
Repayments of long-term borrowings	6(28)	( 133,167 )	( 154,424 )
Increase in deposits received	6(28)	704	381
Repayments of principal portion of lease liabilities	6(28)	( 5,308 )	( 2,663 )
Cash dividends paid	6(28)	( 222,372 )	( 222,372 )
Net cash flows used in financing activities		( 397,423 )	( 599,564 )
Effect of exchange rate changes on cash and cash equivalents		( 9,111 )	10,498
Net increase (decrease) in cash and cash equivalents		10,403	( 485,704 )
Cash and cash equivalents at beginning of year		550,670	1,036,374
Cash and cash equivalents at end of year		\$ 561,073	\$ 550,670

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, 2024 AND 2023

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

1. History and Organisation

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on February 24, 2025.

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<sup>®</sup>”) 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 2024 are as follows:

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

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

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

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

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

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

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

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

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

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

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

4. Summary of Material Accounting Policies

The principal accounting policies 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:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)		Description
			December 31, 2024	December 31, 2023	
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)	Wholesale and retail of health supplements, online shopping and mail order	100.00%	100.00%	(Note 1)
RISE BRIGHT	CHINA FIRST HOLDINGS LTD. (CHINA FIRST)	Holding company and selling interior and exterior accessories of automobiles	89.44%	89.44%	
RISE BRIGHT	CHANG JIE TECHNOLOGY CO., LTD. (CHANG JIE)	Producing and selling interior and exterior accessories of automobiles	99.83%	99.83%	
CHINA FIRST	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. (CHANGSHU FUTE)	Producing and selling interior and exterior accessories of automobiles	100.00%	100.00%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership(%)		Description
			December 31, 2024	December 31, 2023	
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	NA	(Note 2)

Note 1 : The Company passed a resolution by the Board of Directors to invest NT\$100,000 thousand in its subsidiary UNITED SKILLS in installments on March 7, 2024. As of December 31, 2024, the Company increased its capital NT\$48,000 thousand and the change in registration was completed. However, on November 6, 2024, the Board of Directors resolved to cancel the remaining investment plan for the capital increase as the subsidiary, United Skills Co., Ltd. has no capital needs in the short-term.

Note 2 : In order to simplify the organizational structure, CHANSHU FUTE used November 30, 2023 as the merger base date to absorb and merge with CHANSHU XINXIANG.

C. Subsidiaries not included in the consolidated financial statements

None.

D. Adjustments for subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

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

None.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

#### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operations.
- (c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

#### (5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;

- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(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	2 ~ 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

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

(19) Impairment of non-financial assets

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.

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

(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 influenced by changes in market conditions.

As of December 31, 2024, the carrying amount of inventories was \$308,794.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand	\$ 243	\$ 231
Checking accounts and demand deposits	232,202	312,716
Time deposits	<u>328,628</u>	<u>237,723</u>
	<u>\$ 561,073</u>	<u>\$ 550,670</u>
Interest rate range		
Time deposits	<u>0.55%~5.00%</u>	<u>5.64%~5.72%</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The time deposits maturing over three months and time deposits that are restricted and are not held for the purpose of meeting short-term cash commitments were presented as 'financial assets at amortised cost'. Refer to Note 6(3) for details.
- C. Information about the financial assets at amortised cost that were pledged to others as collaterals is provided in Notes 6(3) and 8.

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

Items	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 102,273	\$ 104,823
Valuation adjustment	33,660	30,622
Total	\$ 135,933	\$ 135,445
Financial assets (liabilities) held for trading		
Foreign exchange swap contracts	\$ 392	(\$ 2,952)
Total financial assets at fair value through profit or loss	\$ 136,325	\$ 135,445
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 \$19,650 and \$9,110 for the years ended December 31, 2024 and 2023, respectively.
- B. Explanations of the transactions and contract information in respect of derivative financial assets and liabilities that the Group does not adopt hedge accounting are as follows:

	December 31, 2024	
<u>Derivative financial assets (liabilities)</u>	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD 900 thousand	2024.12.06 ~ 2025.01.06
	December 31, 2023	
<u>Derivative financial assets (liabilities)</u>	Contract amount (Notional principal)	Contract period
Foreign exchange swap contracts	USD 7,086 thousand	2023.12.07 ~ 2024.01.29

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 and liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Time deposits maturing over three months	\$ 29,167	\$ 125,890
Non-current items:		
Restricted time deposits	\$ 300	\$ 300

- A. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$29,467 and \$126,190, respectively.
- B. Information about the financial assets at amortised cost that were pledged to others as collateral is provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable, net

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 25,117	\$ 38,179
Less: Allowance for uncollectible accounts	( 208)	( 208)
	<u>\$ 24,909</u>	<u>\$ 37,971</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	\$ 427,188	\$ 521,330
Less: Allowance for uncollectible accounts	( 9,989)	( 22,141)
	<u>\$ 417,199</u>	<u>\$ 499,189</u>

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

	<u>December 31, 2024</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 25,117	\$ 349,057
1 to 60 days	-	69,032
61 to 120 days	-	4,566
121 to 180 days	-	253
181 to 240 days	-	538
Over 241 days	-	3,742
	<u>\$ 25,117</u>	<u>\$ 427,188</u>
	<u>December 31, 2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 38,179	\$ 337,528
1 to 60 days	-	118,126
61 to 120 days	-	42,614
121 to 180 days	-	10,464
181 to 240 days	-	3,380
Over 241 days	-	9,218
	<u>\$ 38,179</u>	<u>\$ 521,330</u>

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

- B. As at December 31, 2024 and 2023, the balances of accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2024, the balances of accounts receivable and notes receivable from contracts with customers amounted to \$598,967 and \$27,225, respectively.
- C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$24,909 and \$37,971 as well as \$417,199 and \$499,189, respectively.
- D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 109,018	(\$ 22,147)	\$ 86,871
Work in progress	50,643	( 3,155)	47,488
Semi-finished goods	9,987	( 4,205)	5,782
Finished goods	184,291	( 17,207)	167,084
Merchandise	1,569	-	1,569
Total	<u>\$ 355,508</u>	<u>(\$ 46,714)</u>	<u>\$ 308,794</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Materials and supplies	\$ 154,153	(\$ 30,736)	\$ 123,417
Work in progress	51,953	( 1,700)	50,253
Semi-finished goods	7,142	( 1,761)	5,381
Finished goods	188,772	( 20,325)	168,447
Merchandise	9,824	-	9,824
Total	<u>\$ 411,844</u>	<u>(\$ 54,522)</u>	<u>\$ 357,322</u>

The cost of inventories recognised as expense for the period :

	Years ended December 31,	
	2024	2023
Cost of goods sold	\$ 1,212,319	\$ 1,368,454
Unallocated fixed overheads	38,226	19,699
Loss on scrapping inventory	253	8,496
Loss on (gain on reversal of) market value decline and obsolete and slow-moving inventories	( 8,791)	( 29,713)
Loss (gain) on physical inventory	( 133)	( 5,194)
	<u>\$ 1,241,874</u>	<u>\$ 1,361,742</u>

The Group reversed a previous inventory write-down because inventories with decline in market value were partially sold and scrapped by the Group for the years ended December 31, 2024 and 2023.

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

Items	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Listed stocks	\$ 128,535	\$ 128,535
Valuation adjustment	( 1,103)	( 236)
Total	<u>\$ 127,432</u>	<u>\$ 128,299</u>

- A. The Group has elected to classify investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$127,432 and \$128,299, as at December 31, 2024 and 2023, respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 867)	\$ 26,304
Dividend income recognised in profit or loss held at end of period	<u>\$ 3,988</u>	<u>\$ 3,262</u>

- C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$127,432 and \$128,299, 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, 2024					
	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Net exchange differences</u>	<u>Ending balance</u>
Cost						
Land	\$ 956,365	\$ 77,700	\$ -	\$ -	\$ -	\$ 1,034,065
Buildings and structures	1,614,968	67,615	( 1,338)	22,436	15,363	1,719,044
Machinery and equipment	1,355,693	30,392	( 128,930)	69,314	18,488	1,344,957
Molding equipment	2,308,680	77,433	( 18,567)	53,962	1,132	2,422,640
Transportation equipment	35,101	-	( 1,996)	-	87	33,192
Furniture equipment	3,022	51	( 151)	-	29	2,951
Other equipment	223,208	17,426	( 16,208)	12,096	1,376	237,898
Unfinished construction and equipment under acceptance	288,386	79,908	-	( 27,759)	1,920	342,455
	<u>\$ 6,785,423</u>	<u>\$ 350,525</u>	<u>(\$ 167,190)</u>	<u>\$ 130,049</u>	<u>\$ 38,395</u>	<u>\$ 7,137,202</u>
Accumulated Depreciation						
Buildings and structures	(\$ 968,179)	(\$ 77,239)	\$ 1,338	\$ -	(\$ 4,876)	(\$ 1,048,956)
Machinery and equipment	( 904,107)	( 102,234)	119,330	-	( 8,324)	( 895,335)
Molding equipment	( 1,849,061)	( 167,957)	11,290	-	( 700)	( 2,006,428)
Transportation equipment	( 28,898)	( 2,287)	1,996	-	( 66)	( 29,255)
Furniture equipment	( 2,616)	( 304)	146	-	( 22)	( 2,796)
Other equipment	( 159,144)	( 23,841)	15,532	-	( 688)	( 168,141)
	<u>(\$ 3,912,005)</u>	<u>(\$ 373,862)</u>	<u>\$ 149,632</u>	<u>\$ -</u>	<u>(\$ 14,676)</u>	<u>( 4,150,911)</u>
Accumulated Impairment						
Machinery and equipment	\$ -	(\$ 64,422)	\$ -	\$ -	(\$ 396)	(\$ 64,818)
Other equipment	-	( 5,279)	-	-	( 20)	( 5,299)
	<u>\$ -</u>	<u>(\$ 69,701)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 416)</u>	<u>(\$ 70,117)</u>
Total	<u>\$ 2,873,418</u>					<u>\$ 2,916,174</u>

	Year ended December 31, 2023					
	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Net exchange differences</u>	<u>Ending balance</u>
Cost						
Land	\$ 956,365	\$ -	\$ -	\$ -	\$ -	\$ 956,365
Buildings and structures	1,617,747	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	<u>328,357</u>	<u>52,005</u>	<u>( 493)</u>	<u>( 90,232)</u>	<u>( 1,251)</u>	<u>288,386</u>
	<u>\$ 6,613,141</u>	<u>\$ 202,924</u>	<u>(\$ 140,540)</u>	<u>\$ 130,755</u>	<u>(\$ 20,857)</u>	<u>\$ 6,785,423</u>
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)
	<u>( 3,638,326)</u>	<u>(\$ 362,651)</u>	<u>\$ 112,320</u>	<u>(\$ 31,135)</u>	<u>\$ 7,787</u>	<u>( 3,912,005)</u>
Total	<u>\$ 2,974,815</u>					<u>\$ 2,873,418</u>

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

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

C. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

Years ended December 31, 2024 and 2023 : None.

(8) Lease transactions – lessee

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 128,289	\$ 127,514
Transportation equipment (Business vehicles)	17,197	22,586
	<u>\$ 145,486</u>	<u>\$ 150,100</u>

  

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 4,188	\$ 4,036
Transportation equipment (Business vehicles)	5,389	2,678
	<u>\$ 9,577</u>	<u>\$ 6,714</u>

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$0 and \$18,925, respectively.
- E. Information on profit or loss in relation to lease contracts are as follows:

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 257	\$ 101
Expense on short-term lease contracts	\$ 194	\$ 368
Expense on leases of low-value assets	\$ 785	\$ 1,048

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities - current	\$ 5,272	\$ 5,308
Lease liabilities - non-current	\$ 12,083	\$ 17,355

- G. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were \$6,544 and \$4,180, respectively.

H. 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, 2024				
	Beginning balance	Additions	Decreases	Net exchange differences	Ending balance
<b>Cost</b>					
Land	\$ 80,887	\$ -	\$ -	\$ -	\$ 80,887
Land use right	4,151	-	-	161	4,312
Buildings and structures	16,048	-	-	625	16,673
	<u>\$ 101,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 786</u>	<u>\$ 101,872</u>
<b>Accumulated Depreciation</b>					
Land use right	(\$ 560)	(\$ 128)	\$ -	(\$ 22)	(\$ 710)
Buildings and structures	( 6,085)	( 828)	-	( 243)	( 7,156)
	<u>( 6,645)</u>	<u>(\$ 956)</u>	<u>\$ -</u>	<u>(\$ 265)</u>	<u>( 7,866)</u>
<b>Total</b>	<u>\$ 94,441</u>				<u>\$ 94,006</u>

	Year ended December 31, 2023					
	Beginning balance	Additions	Decreases	Transfers	Net exchange differences	Ending balance
<b>Cost</b>						
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
	<u>\$ 21,651</u>	<u>\$ 80,887</u>	<u>\$ -</u>	<u>(\$ 3,287)</u>	<u>\$ 1,835</u>	<u>\$ 101,086</u>
<b>Accumulated Depreciation</b>						
Land use right	(\$ 449)	(\$ 126)	\$ -	\$ 4	\$ 11	(\$ 560)
Buildings and structures	( 6,489)	( 817)	-	1,094	127	( 6,085)
	<u>( 6,938)</u>	<u>(\$ 943)</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 138</u>	<u>( 6,645)</u>
<b>Total</b>	<u>\$ 14,713</u>					<u>\$ 94,441</u>

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

	Years ended December 31,	
	2024	2023
Rental income from investment property	<u>\$ 4,073</u>	<u>\$ 3,667</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 956</u>	<u>\$ 943</u>

- B. The fair value of the investment property held by the Group, which is the land, as at December 31, 2024 and 2023 was both \$92,468. The land price is obtained from the actual value of real estate transactions of the Ministry of Interior, the fair value is classified as a level 2 fair value. The fair values of the investment properties held by the Group, which is the land use right and buildings and structures, as at December 31, 2024 and 2023 were \$27,630 and \$10,187, 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 4.2~4.35% and 4.35%, after taking into consideration of future economic growth and results of inflation. The fair value is classified as a level 3 fair value.
- C. CHANGSHU FUTE subleases its 36.5-year land use right in Changshu City, Jiangsu Province, China to DAQIAOJIXIE JIANGSU YOUXIANGONGSI (DAQIAOJIXIE) under operating lease agreements. The lease term is 2.5 years. As CHANGSHU FUTE pledged the buildings and structures as collateral to the Shanghai Pudong Development Bank for its loans, it will terminate the agreement early with DAQIAOJIXIE and JIANGSU JIASHENGYU and pay the relevant compensation if the bank exercises its rights to the pledged collateral and disposes it. In January 2024, due to the expiration of the lease and the cancellation of the pledge by CHANGSHU FUTE and the bank, the lease contract was re-signed. The lease period was for one year. If the lease expired and there was no notice of non-renewal from both parties, the lease would be considered as renewed.
- D. The Group acquired land located in the Yutengping section of Sanyi Township, Miaoli County in September 2023, and it is expected to be used for sustainable development.
- E. The future aggregate minimum lease payments receivable are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not later than one year	\$ 8,921	\$ 3,784
Later than one year but not later than five years	8,921	-
	<u>\$ 17,842</u>	<u>\$ 3,784</u>

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

(10) Other non-current assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepayments for business facilities and construction	\$ 204,297	\$ 298,832
Guarantee deposits paid	7,046	7,743
Others	1,656	2,860
	<u>\$ 212,999</u>	<u>\$ 309,435</u>

(11) Impairment of non-financial assets

- A. Due to strategic operational adjustments, the subsidiary of the Group in Changshu fully ceased production starting June 2024, leading to the recoverable amount of property, plant, and equipment being lower than their book value. The Group has adjusted their book value to the recoverable amount and recognized an impairment loss of 69,701 thousand yuan. The aforementioned recoverable amount was measured based on the fair value of individual assets. For details of impairment loss recognition, please refer to Note 6 (7).
- B. The aforementioned impairment loss was recognized in the current period's profit and loss under other operating segments.

(12) Short-term borrowings

December 31, 2024: None.

Type of borrowings	December 31, 2023
Secured borrowings	\$ 35,786
Interest rate range	4.35%

(13) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonus payable	\$ 56,672	\$ 53,647
Machinery and equipment payable	43,211	56,453
Transportation fee payable	9,182	5,745
Employees' compensation payable	8,892	8,425
Directors' remuneration payable	5,928	5,841
Others	41,273	52,146
	\$ 165,158	\$ 182,257

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(14) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period</u>	<u>Repayment term</u>	<u>December 31, 2024</u>
Long-term bank borrowings			
Unsecured borrowings	From December 26, 2019 to December 15, 2026	Principal and interest are repayable monthly after a 3-year grace period; interest is repayable monthly; principal is repayable monthly in 48 installments	\$ 24,000
Secured borrowings	From January 6, 2016 to January 6, 2031	Principal and interest are repayable monthly after a 3-year grace period	177,430
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	184,000
Secured borrowings	From September 19, 2019 to December 15, 2029	The loan is disbursed within three years after contract is signed; interest is repayable monthly; principal is repayable monthly in 51 installments with a 3-year grace period on principal only	63,238
			<u>\$ 448,668</u>
Less: Current portion			( 136,815)
Less: Discount on government grants			( 364)
			<u>\$ 311,489</u>
Interest rate range			<u>1.38%~1.91%</u>

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

(15) Government grants

As of December 31, 2024, the Group obtained government concessional loans under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” from the Bank of Taiwan in the amounts of \$432,000 and \$48,000, respectively, for supporting capital expenditure and working capital. Such loans will mature in December 2029 and December 2026, respectively. The fair values for the loans were \$424,935 and \$47,217, respectively which were calculated at a market rate of 1.25% and 1.375%. The differences between the acquired amount obtained and the fair value were \$7,065 and \$723, respectively, which were deemed as a low interest loan subsidy from government and recognized in deferred revenue (shown as other non-current liabilities). The deferred revenue is reclassified to other income on a straight-line basis over their estimated useful life during the period of paying interest. The realized deferred government grants revenue were \$1,431 and \$1,410, respectively, for the years ended December 31, 2024 and 2023.

(16) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 16,308	\$ 16,431
Fair value of plan assets	( 16,342)	( 14,658)
Net defined benefit liability	(\$ 34)	\$ 1,773

(c) Movements in net defined benefit liabilities are as follows:

	<u>2024</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Balance at January 1	\$ 16,431	(\$ 14,658)	\$ 1,773
Interest expense (income)	185	( 166)	19
	<u>16,616</u>	<u>( 14,824)</u>	<u>1,792</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	( 1,314)	( 1,314)
Change in financial assumptions	( 183)	-	( 183)
Experience adjustments	( 125)	-	( 125)
	<u>( 308)</u>	<u>( 1,314)</u>	<u>( 1,622)</u>
Pension fund contribution	-	( 204)	( 204)
Balance at December 31	<u>\$ 16,308</u>	<u>( \$ 16,342)</u>	<u>( \$ 34)</u>

	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
	<u>20,262</u>	<u>( 14,314)</u>	<u>5,948</u>
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)
	<u>( 3,831)</u>	<u>( 141)</u>	<u>( 3,972)</u>
Pension fund contribution	-	( 203)	( 203)
Balance at December 31	<u>\$ 16,431</u>	<u>(\$ 14,658)</u>	<u>\$ 1,773</u>

(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, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.38%	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, 2024 and 2023, 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, 2024				
Effect on present value of defined benefit obligation	(\$ <u>178</u> )	<u>\$ 183</u>	<u>\$ 179</u>	(\$ <u>175</u> )
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ <u>151</u> )	<u>\$ 156</u>	<u>\$ 151</u>	(\$ <u>147</u> )

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, 2025 amount to \$212.
- (g) As of December 31, 2024, the weighted average duration of that retirement plan is 4.5 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, 2024 and 2023 were both 16%. Other than the monthly contributions, the Group has no further obligations.
- (c) For the aforementioned pension plan, the Group recognised pension costs of \$11,798 and \$14,063 for the years ended December 31, 2024 and 2023, respectively.

(17) Share capital

A. As of December 31, 2024, the Company's authorized capital was \$1,000,000, constituting 100,000 thousand shares and the paid-in capital was \$741,239 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	<u>2024</u>	<u>2023</u>
	<u>Number of thousand shares</u>	<u>Number of thousand shares</u>
At January 1 and December 31	\$ 74,124	\$ 74,124

(18) Capital surplus

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Used to offset deficits,</u>		
<u>distributed as cash</u>		
<u>dividends or transferred to</u>		
<u>share capital (Note 1)</u>		
Additional paid-in capital in excess of par-ordinary share	\$ 1,163,298	\$ 1,163,298
Difference between consideration and carrying amount of subsidiaries acquired	\$ 2,125	\$ 2,125
Assets received as donations	\$ 20	\$ -
<u>Used to offset accumulated</u>		
<u>deficits only (Note 2)</u>		
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.

(19) Retained earnings

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

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

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

G. The appropriations of 2024 earnings have been approved by the Board of Directors during their meeting on February 24, 2025. Details are summarised below:

	Year ended December 31	
	2024	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	\$ 37,291	
Special reserve (reversed) appropriated	( 13,421)	
Cash dividend	222,372	\$ 3.00

H. Refer to Note 6 (25) for further information relating to employees' compensation and directors' remuneration.

(20) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

	Year ended December 31, 2024			
	Y.C.C.	LIAONING HETAI	Other	Total
Auto parts	\$ 1,478,186	\$ 334,084	\$ 100,039	\$ 1,912,309
Others	13,055	-	6,727	19,782
	<u>\$ 1,491,241</u>	<u>\$ 334,084</u>	<u>\$ 106,766</u>	<u>\$ 1,932,091</u>

	Year ended December 31, 2023			
	Y.C.C.	LIAONING HETAI	Other	Total
Auto parts	\$ 1,395,149	\$ 368,724	\$ 275,183	\$ 2,039,056
Others	12,153	-	-	12,153
	<u>\$ 1,407,302</u>	<u>\$ 368,724</u>	<u>\$ 275,183</u>	<u>\$ 2,051,209</u>

#### B. Contract liabilities

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities - advance sales receipts	\$ <u>8,800</u>	\$ <u>22,267</u>	\$ <u>14,852</u>

For the years ended December 31, 2024 and 2023, revenue recognized that were included in the contract liability balance at the beginning of the period amounted to \$22,252 and \$11,920, respectively.

#### (21) Other income

	Years ended December 31,	
	<u>2024</u>	<u>2023</u>
Rent income	\$ 8,225	\$ 7,132
Dividend income	8,088	8,665
Revenue for government grants (Note)	2,885	3,968
Other income	36,700	32,310
	<u>\$ 55,898</u>	<u>\$ 52,075</u>

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

#### (22) Other gains and losses

	Years ended December 31,	
	<u>2024</u>	<u>2023</u>
Gains on disposal of property, plant and equipment	\$ 1,977	\$ 4,283
Foreign exchange gains	97,317	60,398
Gains on financial assets and liabilities at fair value through profit or loss	19,650	9,110
Impairment loss	( 69,701)	-
Other losses	( 2,821)	( 844)
	<u>\$ 46,422</u>	<u>\$ 72,947</u>

(23) Finance costs

	Years ended December 31,	
	2024	2023
Interest expense	\$ 12,011	\$ 17,269

(24) Expenses by nature

	Years ended December 31,	
	2024	2023
Employee benefit expense	\$ 300,674	\$ 320,285
Depreciation charges on property, plant and equipment	373,862	362,651
Depreciation charges on right-of-use assets	9,577	6,714
Depreciation charges on investment property	956	943
Amortisation	9,948	6,291
	<u>\$ 695,017</u>	<u>\$ 696,884</u>

(25) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 246,044	\$ 263,003
Labour and health insurance fees	19,881	20,871
Pension costs	11,817	14,276
Other personnel expenses	22,932	22,135
	<u>\$ 300,674</u>	<u>\$ 320,285</u>

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall appropriate 1%~3% for employees' compensation and no higher than 3% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated as employees' compensation and directors' remuneration based on the abovementioned ratios.
- B. For the years ended December 31, 2024 and 2023, the accrued employees' compensation and directors' remuneration were as follows:

	Years ended December 31,	
	2024	2023
Employees' compensation	\$ 8,892	\$ 8,425
Directors' remuneration	5,928	5,841
	<u>\$ 14,820</u>	<u>\$ 14,266</u>

For the years ended December 31, 2024 and 2023, the employees' compensation and directors' remuneration were estimated and accrued based on 1.8% and 1.5% as well as 1.20% and 1.0%, respectively, of distributable profit of current year as of the end of reporting period.

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

(26) Income tax

A. Income tax expense

(a) Components of income tax expense

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 108,598	\$ 127,582
Prior year income tax over estimation	( 3,714)	( 13,026)
Total income tax for the current period	<u>104,884</u>	<u>114,556</u>
Deferred income tax balance :		
Origination and reversal of temporary differences	<u>16,302</u>	( 2,811)
Total deferred income tax	<u>16,302</u>	( 2,811)
Income tax expense	<u>\$ 121,186</u>	<u>\$ 111,745</u>

- (b) The income tax credit/(charge) relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2024	2023
Remeasurement of defined benefit obligations	(\$ <u>324</u> )	(\$ <u>794</u> )

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B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 64,966	\$ 74,300
Expenses disallowed by tax regulation	561	94
Tax exempt income by tax regulation	( 5,865)	( 4,325)
Temporary differences not recognized as deferred tax assets	32,109	( 5,256)
Taxable loss not recognised as deferred tax assets	33,216	52,821
Change in assessment of realisation of deferred tax assets	( 87)	7,137
Prior year income tax overestimation	( 3,714)	( 13,026)
Income tax expense	<u>\$ 121,186</u>	<u>\$ 111,745</u>

D. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2024				
	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	\$ 11,159	(\$ 3,763)	\$ -	\$ 237	\$ 7,633
Allowance for bad debts	3,549	( 2,756)	-	106	899
Unrealised exchange loss	5,474	( 5,474)	-	-	-
Defined benefit plan	729	( 37)	( 324)	-	368
Share of profit (loss) of subsidiaries accounted for under the equity method	80,563	-	-	-	80,563
Others	<u>7,722</u>	<u>( 2,894)</u>	<u>-</u>	<u>173</u>	<u>5,001</u>
	<u>\$ 109,196</u>	<u>(\$ 14,924)</u>	<u>(\$ 324)</u>	<u>\$ 516</u>	<u>\$ 94,464</u>
Deferred tax liabilities:					
Unrealised exchange profit	\$ -	(\$ 1,378)	\$ -	\$ -	(\$ 1,378)
	<u>\$ 109,196</u>	<u>(\$ 16,302)</u>	<u>(\$ 324)</u>	<u>\$ 516</u>	<u>\$ 93,086</u>

	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
	<u>\$ 107,967</u>	<u>\$ 2,282</u>	<u>(\$ 794)</u>	<u>(\$ 259)</u>	<u>\$ 109,196</u>
Deferred tax liabilities:					
Gains on valuation of financial instruments at fair value through profit or loss	(\$ 513)	\$ 513	\$ -	\$ -	\$ -
	<u>\$ 107,454</u>	<u>\$ 2,795</u>	<u>(\$ 794)</u>	<u>(\$ 259)</u>	<u>\$ 109,196</u>

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E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
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	Assessed	139,551	139,551	2033
2024	Amount estimated to file	154,827	154,827	2034
		<u>\$ 588,128</u>	<u>\$ 588,128</u>	
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
		<u>\$ 505,106</u>	<u>\$ 505,106</u>	

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	<u>\$ 491,551</u>	<u>\$ 310,196</u>

G. The Company's and domestic subsidiaries' income tax returns through 2022 have been assessed and approved by the Tax Authority.

H. As of December 31, 2024, relevant information of current income tax liabilities and non-current income tax liabilities is as follows:

	December 31, 2024		December 31, 2023	
	Income tax payable		Income tax payable	
	Current (within one year)	Non-current (over one year)	Current (within one year)	Non-current (over one year)
2021	\$ -	\$ -	\$ 11,999	\$ 3,789
2022	37,055	969	37,055	52,494
2023	-	-	139,106	-
2024	56,151	-	-	-
	<u>\$ 93,206</u>	<u>\$ 969</u>	<u>\$ 188,160</u>	<u>\$ 56,283</u>

(27) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 371,612</u>	<u>74,124</u>	<u>\$ 5.01</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 371,612	74,124	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	183	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 371,612</u>	<u>74,307</u>	<u>\$ 5.00</u>

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 435,661	74,124	\$ 5.88
<u>Diluted earnings per share</u>			
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

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.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31, 2024	
Purchase of property, plant and equipment	\$	350,525
Add: Opening balance of notes payable		105,428
Opening balance of payable on equipment and construction		56,453
Less: Ending balance of notes payable	(	21,445)
Ending balance of payable on equipment and construction	(	43,211)
Transfer of inventory to property, plant and equipment	(	7,251)
Other (Note)	(	7,221)
Cash paid during the period	\$	433,278

	<u>Year ended December 31, 2024</u>	
Transfer of property, plant and equipment	\$	130,049
Add: Ending balance of prepayment for equipment		204,297
Less: Opening balance of prepayment for equipment	(	<u>298,832)</u>
Cash paid during the period	\$	<u><u>35,514</u></u>

	<u>Year ended December 31, 2023</u>	
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)
Transfer of inventory to property, plant and equipment	(	2,199)
Other (Note)		-
Cash paid during the period	\$	<u><u>207,107</u></u>

	<u>Year ended December 31, 2023</u>	
Transfer of property, plant and equipment	\$	130,755
Add: Ending balance of prepayment for equipment		298,832
Less: Opening balance of prepayment for equipment	(	<u>129,261)</u>
Cash paid during the period	\$	<u><u>300,326</u></u>

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

B. Investing activities with partial cash payments :

	<u>Year ended December 31, 2024</u>	
Purchase of financial assets at fair value through profit or loss	\$	-
Add: Opening balance of securities payables (shown as other payables)		-
Cash paid during the period	\$	<u><u>-</u></u>

	<u>Year ended December 31, 2023</u>	
Purchase of financial assets at fair value through profit or loss	\$	10,880
Add: Opening balance of securities payables (shown as other payables)		1,383
Cash paid during the period	\$	<u><u>12,263</u></u>

(29) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non-current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2024	\$ 35,786	\$ 580,013	\$ 1,176	\$ 22,663	\$ -	\$ 639,638
Changes in cash flow from financing activities	( 37,280)	( 133,167)	704	( 5,308)	( 222,372)	( 397,423)
Changes in other non-cash items	-	-	-	-	222,372	222,372
Impact of changes in foreign exchange rate	1,494	1,458	( 30)	-	-	2,922
At December 31, 2024	<u>\$ -</u>	<u>\$ 448,304</u>	<u>\$ 1,850</u>	<u>\$ 17,355</u>	<u>\$ -</u>	<u>\$ 467,509</u>
	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (including non-current)	Dividends payable	Liabilities from financing activities gross
At January 1, 2023	\$ 261,721	\$ 736,032	\$ 821	\$ 6,693	\$ -	\$ 1,005,267
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)	( 1,595)	( 26)	-	-	( 7,070)
At December 31, 2023	<u>\$ 35,786</u>	<u>\$ 580,013</u>	<u>\$ 1,176</u>	<u>\$ 22,663</u>	<u>\$ -</u>	<u>\$ 639,638</u>

## 7. Related Party Transactions

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
HAO QUN INVESTMENT & DEVELOPMENT CO.,LTD	The corporate representative of the company's director is its chairman.
SONG QUN INVESTMENT & DEVELOPMENT CO.,LTD	The corporate representative of the company's director is its director.
HE HAN INVESTMENT CO.,LTD	The corporate representative of the company's director is its director.

### (2) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 26,347	\$ 25,730
Post-employment benefits	15	56
Total	<u>\$ 26,362</u>	<u>\$ 25,786</u>

## 8. Pledged Assets

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Property, plant and equipment	\$ 960,582	\$ 1,151,385	Short-term borrowings and long-term borrowings
Right-of-use assets	-	73,839	Short-term borrowings
Investment property	-	13,554	Short-term borrowings
Financial assets at amortised cost - non-current	300	300	Natural gas for manufacturing
	<u>\$ 960,882</u>	<u>\$ 1,239,078</u>	

## 9. Significant Contingent Liabilities and Unrecognized Contract Commitments

### (1) Contingencies

None.

### (2) Commitments

As of December 31, 2024 and 2023, the Group's capital expenditure contracted but not yet incurred in respect of machinery and equipment as well as construction of plants were \$223,231 and \$286,885, respectively.

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

None.

## 12. Others

### (1) Capital management

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

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 136,325	\$ 135,445
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	\$ 127,432	\$ 128,299
Financial assets at amortised cost		
Cash and cash equivalents	\$ 561,073	\$ 550,670
Financial assets at amortised cost	29,467	126,190
Notes receivable	24,909	37,971
Accounts receivable	417,199	499,189
Other receivables	3,226	10,072
Guarantee deposits paid (shown as other non-current asset)	7,046	7,743
	<u>\$ 1,042,920</u>	<u>\$ 1,231,835</u>

<u>Financial liabilities</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial liabilities held for trading	\$ -	\$ 2,952
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 35,786
Notes payable	116,187	178,448
Accounts payable	63,949	101,114
Other payables	165,158	182,257
Long-term borrowings (including current portion)	448,304	580,012
Guarantee deposits received (shown as other non-current liability)	1,850	1,176
	<u>\$ 795,448</u>	<u>\$ 1,078,793</u>
Lease liabilities (including current portion)	<u>\$ 17,355</u>	<u>\$ 22,663</u>

#### B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used for hedging exchange rate risk arising from export proceeds by using forward foreign exchange contracts.

(b) The Company treasury performs the financial risk management for each business unit. The treasury operates in domestic and international financial markets through planning and coordination, as well as monitors and manages the financial risks related to the Group's operation based on internal risk reports about exposure to risk with the analysis of the extent and width of risk.

The Board of Directors of the Group supervises the compliance by the management with financial risk policy and procedure, and reviews the appropriateness of structure of financial risk related to the Company. The internal auditors act as supervisors to assist the Board of Directors of the Company by conducting regular and irregular reviews, and report the results to the Board of Directors.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the United States Dollar and Chinese Renminbi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

		December 31, 2024			
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	
<b>(Foreign currency: functional currency)</b>					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$	22,994	32.79	\$	753,853
USD : RMB		103	7.30		3,369
RMB : NTD		81,152	4.48		363,401
RMB : USD		1,931	0.14		8,864
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : RMB	\$	113	7.30	\$	3,696
RMB : NTD		719	4.48		3,221

December 31, 2023

	Foreign currency amount		Exchange rate	Book value	
	(In thousands)			(NTD)	
<b>(Foreign currency: functional currency)</b>					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$	28,521	30.71	\$	875,737
EUR : NTD		123	33.98		4,180
USD : RMB		72	7.10		2,213
RMB : NTD		98,232	4.33		425,050
RMB : USD		1,335	0.14		5,772
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : RMB	\$	346	7.10	\$	2,457

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, 2024 and 2023, amounted to \$97,317 and \$60,398, respectively.

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

	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 7,539	\$ -
USD : RMB	1%	34	-
RMB : NTD	1%	3,634	-
RMB : USD	1%	89	-
<u>Financial liability</u>			
<u>Monetary items</u>			
USD : RMB	1%	\$ 37	\$ -
RMB : NTD	1%	32	-

Year ended December 31, 2023

Sensitivity analysis

	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	1%	\$	8,757	\$	-
EUR : NTD	1%		42		-
USD : RMB	1%		22		-
RMB : NTD	1%		4,251		-
RMB : USD	1%		58		-
<u>Financial liability</u>					
<u>Monetary items</u>					
USD : RMB	1%		25		-

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, 2024 and 2023 would have increased/decreased by \$1,363 and \$1,354, 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 \$1,274 and \$1,283 respectively, as a result of other comprehensive income on classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan Dollars and Chinese Renminbi.

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, 2024 and 2023 would have increased/decreased by \$449 and \$617, 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, 2024 and 2023, accumulated loss allowance provided for individually assessed receivables amounted to \$0 and \$5,406, respectively. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of remaining receivables (including notes receivable). On December 31, 2024 and 2023, the provision matrix is as follows:

	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>December 31, 2024</u>							
Expected loss rate	0%~0.05%	0.05%~1.07%	1.14%~13.93%	0.67%~69.54%	8.08%~100%	100%	
Total book value	\$ 374,174	\$ 69,032	\$ 4,566	\$ 253	\$ 538	\$ 3,742	\$ 452,305
Loss allowance	( 3,671)	( 1,196)	( 903)	( 147)	( 538)	( 3,742)	( 10,197)
	<u>\$ 370,503</u>	<u>\$ 67,836</u>	<u>\$ 3,663</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 442,108</u>

	Not past due	1 to 60 days	61 to 120 days	121 to 180 days	181 to 240 days	Over 241 days	Total
<u>December 31, 2023</u>							
Expected loss rate	0%~0.05%	0.03%~2.48%	1.13%~12.08%	0.58%~74.97%	9.76%~100%	100%	
Total book value	\$ 375,708	\$ 118,126	\$ 42,599	\$ 9,245	\$ 3,355	\$ 5,071	\$ 554,104
Loss allowance	( 4,477)	( 1,023)	( 294)	( 2,723)	( 3,355)	( 5,071)	( 16,943)
	<u>\$ 371,231</u>	<u>\$ 117,103</u>	<u>\$ 42,305</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,161</u>

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

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 208	\$ 22,141	\$ 22,349
Reversal of impairment loss	-	( 12,645)	( 12,645)
Effect of foreign exchange	-	493	493
At December 31	<u>\$ 208</u>	<u>\$ 9,989</u>	<u>\$ 10,197</u>
	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	<u>\$ 208</u>	<u>\$ 22,141</u>	<u>\$ 22,349</u>

(c) Liquidity risk

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

ii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Floating rate:		
Expiring within one year	<u>\$ 300,000</u>	<u>\$ 523,513</u>

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

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
Notes payable	\$ 116,187	\$ -	\$ -	\$ -	\$ -	\$ 116,187
Accounts payable	63,949	-	-	-	-	63,949
Other payables	165,158	-	-	-	-	165,158
Lease liability	5,461	4,943	3,995	3,361	-	17,760
Long-term borrowings (including current portion)	141,343	146,185	40,812	79,619	57,232	465,191

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

(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, 2024 and 2023, are as follows:

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2024				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 135,933</u>	<u>\$ 392</u>	<u>\$ -</u>	<u>\$ 136,325</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 127,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,432</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2023				
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	<u>\$ 135,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,445</u>
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 128,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,299</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>\$ 2,952</u>	<u>\$ -</u>	<u>\$ 2,952</u>

(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:

	<u>Listed shares</u>
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, 2024 and 2023, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

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

### 14. Segment Information

#### (1) General information

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

Domestic operation area - domestic consolidated entities.

Foreign operation area - foreign consolidated entities.

(2) Measurement of segment information

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

(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:

	Y.C.C.	December 31, 2024 LIAONING HETAI	Total
Operating revenue			
External Customer Revenue	\$ 1,491,241	\$ 334,084	\$ 1,825,325
Internal Customer Revenue	35,126	1,224	36,350
Total	<u>\$ 1,526,367</u>	<u>\$ 335,308</u>	<u>\$ 1,861,675</u>
Departmental Pre-Tax Profit and Loss	<u>\$ 644,513</u>	<u>(\$ 1,733)</u>	<u>\$ 642,780</u>
The departmental profit and loss includes :			
Interest Income	<u>\$ 38,805</u>	<u>\$ 67</u>	<u>\$ 38,872</u>
Interest Expense	<u>\$ 9,629</u>	<u>\$ 4,945</u>	<u>\$ 14,574</u>
Depreciation and Amortization	<u>\$ 300,069</u>	<u>\$ 30,189</u>	<u>\$ 330,258</u>
Impairment loss	<u>\$ 69,701</u>	<u>\$ -</u>	<u>\$ 69,701</u>
Income Tax Expense	<u>\$ 107,551</u>	<u>\$ -</u>	<u>\$ 107,551</u>
	Y.C.C.	December 31, 2023 LIAONING HETAI	Total
Operating revenue			
External Customer Revenue	\$ 1,407,302	\$ 368,724	\$ 1,776,026
Internal Customer Revenue	49,658	1,208	50,866
Total	<u>\$ 1,456,960</u>	<u>\$ 369,932</u>	<u>\$ 1,826,892</u>
Departmental Pre-Tax Profit and Loss	<u>\$ 604,151</u>	<u>\$ 4,038</u>	<u>\$ 608,189</u>
The departmental profit and loss includes :			
Interest Income	<u>\$ 49,049</u>	<u>\$ 37</u>	<u>\$ 49,086</u>
Interest Expense	<u>\$ 10,644</u>	<u>\$ 5,669</u>	<u>\$ 16,313</u>
Depreciation and Amortization	<u>\$ 287,632</u>	<u>\$ 26,372</u>	<u>\$ 314,004</u>
Income Tax Expense	<u>\$ 111,740</u>	<u>\$ -</u>	<u>\$ 111,740</u>

(4) Reconciliation for segment income (loss)

i. The reconciliation of current period continuing operations departmental revenue is as follows:

	December 31, 2024	December 31, 2023
The Reportable Operating Segments Revenue	\$ 1,861,675	\$ 1,826,892
The Revenue from Other Departments	109,311	275,182
The Total of Operating Departments	1,970,986	2,102,074
Elimination of Interdepartmental Revenue	( 38,895)	( 50,865)
The Total Consolidated Operating Revenue	<u>\$ 1,932,091</u>	<u>\$ 2,051,209</u>

ii. The reconciliation of current period reportable operating segments pre-tax net income is as follows:

	December 31, 2024	December 31, 2023
The Reportable Operating Segments		
Pre-Tax Net Income	\$ 636,836	\$ 621,913
The Pre-Tax Net Loss from Other Departments	( 160,615)	( 77,702)
The Total of Operating Departments	476,221	544,211
Elimination of Interdepartmental Profit and Loss	-	-
The Total Consolidated Operating		
Pre-Tax Net Income	<u>\$ 476,221</u>	<u>\$ 544,211</u>

(5) Information on products

Please refer to Note 6 (20) for the related information.

(6) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 1,513,312	\$ 2,620,498	\$ 1,444,772	\$ 2,654,442
China	388,744	744,236	588,311	768,967
Others	30,035	-	18,126	-
	<u>\$ 1,932,091</u>	<u>\$ 3,364,734</u>	<u>\$ 2,051,209</u>	<u>\$ 3,423,409</u>

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, 2024 and 2023 is stated as above.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,	
	2024	2023
	Revenue	Revenue
A Group	\$ 384,777	\$ 387,148
B customer	182,987	198,283
	<u>\$ 567,764</u>	<u>\$ 585,431</u>

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

Loans to others

Year ended December 31, 2024

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	Balance at December	Actual amount		Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
					31, 2024	31, 2024	drawn down	Interest rate					Item	Value	party (Note 3)	granted (Note 3)	
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Other receivables	Y	\$ 229,495	\$ 114,748	\$ 114,748	1.4%	2	\$ -	Operating capital	\$ -	N	\$ -	\$ 410,985	\$ 1,643,942	
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Other receivables	Y	25,000	25,000	25,000	0.77%	2	-	Operating capital	-	N	-	410,985	1,643,942	
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	579,489	273,172	208,947	4.00%	2	-	Operating capital	-	N	-	410,985	1,643,942	Note 5
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD.	Other receivables	Y	217,365	89,831	76,356	4.35%	2	-	Operating capital	-	N	-	410,985	1,643,942	
1	CHINA FIRST HOLDINGS LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Other receivables	Y	16,393	16,393	-	-	2	-	Operating capital	-	N	-	31,780	127,120	

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, 2024 and actual amount drawn down were calculated at the RMB to USD and USD to TWD spot buy and selling spot exchange rate of 0.14 and 32.79 on December 31, 2024.

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

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

(1) Fill in '1' for business transaction.

(2) Fill in '2' for short-term financing.

Note 5: The maximum outstanding balance of loans granted to CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD. by Y.C.C. amounted to NT\$579,489, which exceeds the capital loan limit single parties. However, after a board meeting, capital loan limit was increased, and the company actually did not exceed the limit. The maximum amount includes NT\$89,831, NT\$65,570, NT\$90,550 and NT\$60,366, which are used to repay the capital loans due in January 2024, March 2024, August 2024 and November 2024. The total loan limit after borrowing new funds and repaying old ones is NT\$273,172.

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, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Y.C.C. PARTS MFG. CO., LTD.	HIROCA HOLDINGS LTD.	N	Current financial assets at fair value through profit or loss	443,000	\$ 27,518	0.53%	\$ 12,027	
Y.C.C. PARTS MFG. CO., LTD.	GORDON AUTO BODY PARTS CO., LTD.	N	Current financial assets at fair value through profit or loss	2,518,000	25,540	1.52%	95,810	
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%	1,993	
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%	527	
Y.C.C. PARTS MFG. CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	277,869	37,717	0.17%	18,118	
UNITED SKILLS CO., LTD.	WANHWA ENTERPRISE COMPANY	N	Current financial assets at fair value through profit or loss	100,000	1,227	0.02%	1,235	
UNITED SKILLS CO., LTD.	LASTER TECH CO., LTD.	N	Current financial assets at fair value through profit or loss	103,000	3,609	0.09%	3,574	
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%	1,391	
UNITED SKILLS CO., LTD.	GLOBAL BRANDS MANUFACTURE LTD.	N	Current financial assets at fair value through profit or loss	20,000	769	0.00%	1,150	
UNITED SKILLS CO., LTD.	TANVEX BIOLOGICS CORPORATION	N	Current financial assets at fair value through profit or loss	1,667	235	0.00%	108	
			Valuation adjustment		33,660		\$ 135,933	
					\$ 135,933			
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%	\$ 23,213	
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%	104,219	
			Valuation adjustment		( 1,103)		\$ 127,432	
					\$ 127,432			

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, 2024

Table 3

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024 (Note 1)	Turnover rate (Note 4)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note5)	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	Subsidiary	208,947	-	-	-	-	-	Note 2
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Subsidiary	123,905	-	-	-	-	-	Note 3

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

Note 2: It pertains to principal and interest aggregating to \$208,947 from loans to the subsidiary shown as other receivables.

Note 3: It pertains to principal and interest aggregating to \$115,725 from loans to the subsidiary shown as other receivables and sales of product amounting to \$8,180 shown as accounts receivable.

Note 4: Only accounts receivable was used for the calculation of turnover rate.

Note 5: Subsequent collection is the amount collected as of February 7, 2025.

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries  
Significant inter-company transactions during the reporting periods  
Year ended December 31, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Other receivables	\$ 123,905	Based on the contract	2.42%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANGSHU FUTE AUTOMOTIVE TRIM CO., LTD.	1	Other receivables	208,947	Based on the contract	4.09%
0	Y.C.C. PARTS MFG. CO., LTD.	LIAONING HETAI AUTOMOTIVE PARTS CO.,LTD	1	Other receivables	79,897	Based on the contract	1.56%
0	Y.C.C. PARTS MFG. CO., LTD.	CHANG JIE TECHNOLOGY CO., LTD.	1	Accounts receivable	11,290	Based on the contract	0.49%
0	Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD	1	Other receivables	25,085	Based on the contract	0.22%
0	Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	1	Revenue	12,755	Based on the contract	0.66%
1	CHANG JIE TECHNOLOGY CO., LTD.	Y.C.C. PARTS MFG. CO., LTD.	2	Contract liabilities	14,496	Based on the contract	0.28%

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, 2024

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Y.C.C. PARTS MFG. CO., LTD.	UNITED SKILLS CO., LTD.	Taiwan	Wholesale and retail of health supplements, online shopping and mail order	\$ 98,000	\$ 50,000	9,800	100.00%	\$ 104,966	\$ 5,486	\$ 5,486	Subsidiary (Note 1)
Y.C.C. PARTS MFG. CO., LTD.	RISE BRIGHT HOLDINGS LTD.	Samoa	Holding company	1,235,358	1,235,358	-	100.00%	298,556 (	170,835) (	170,835)	Subsidiary (Note 2)
RISE BRIGHT HOLDINGS LTD.	CHINA FIRST HOLDINGS LTD.	Samoa	Holding company	1,158,673	1,158,673	-	89.44%	284,201 (	154,815) (	138,868)	Subsidiary (Note 2)

Note 1: The Company passed a resolution by the Board of Directors to invest NT\$100,000 thousand in its subsidiary UNITED SKILLS in installments on March 7, 2024. As of December 31, 2024, the Company increased its capital NT\$48,000 thousand and the change in registration was completed. However, on November 6, 2024, the Board of Directors resolved to cancel the remaining investment plan for the capital increase as the subsidiary, United Skills Co., Ltd. has no capital needs in the short-term.

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

Y.C.C. PARTS MFG. CO., LTD. and subsidiaries  
Information on investments in Mainland China  
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 5)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	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	\$ 483,600	2	\$ 890,664	\$ -	\$ -	\$ 890,664	(\$ 148,737)	89.44%	(\$ 133,030)	\$ 58,449	\$ -	Note 2
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	( 7,732)	73.89%	( 5,713)	204,872	-	Note 3
CHANG JIE TECHNOLOGY CO., LTD.	Injecting and surface coating air bag covers of automobiles, producing and selling various accessories of automobiles and automatic production equipments for spraying	176,406	2	177,602	-	-	177,602	( 30,073)	99.83%	( 30,022)	118,973	-	Note 4

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in existing companies in the third area, RISE BRIGHT HOLDINGS LTD. and CHINA FIRST HOLDINGS LTD., which then invested in the investee in Mainland China.
- (3) Others.

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

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

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

Note 5: Investment income (loss) recognised by the Company for the year ended December 31, 2024 was based on the financial statements that were audited by parent company's CPA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	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	\$ 1,432,154	\$ 2,465,912

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

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

Note 3: The investment amount permitted by the Investment Commission of Ministry of Economic Affairs(MOEA) to CHANG JIE TECHNOLOGY CO., LTD. was RMBS10,000 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, 2024

Table 7

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

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

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

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

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

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