MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of MACAUTO INDUSTRIAL 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, 2023 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 MACAUTO INDUSTRIAL CO., LTD. and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, MACAUTO INDUSTRIAL CO., LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

MACAUTO INDUSTRIAL CO., LTD.

Chou, Yu-Shan, Chairman

March 8, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Macauto Industrial Co., Ltd.:

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Valuation of inventories

Description

Refer to Note 4(8) for the accounting policy on inventory valuation, Note 5(2) for uncertainty in accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for disclosures of inventory and allowance for inventory market price decline.

The Group's main business is the manufacture and sale of various Automobile Sun Shade and other related products. These inventories will be affected by factors such as market demand and styles of different vehicle types. Therefore, there is a certain risk of inventory impairment. The Group measures its inventories at the lower of cost and net realizable value. For inventory aged over a certain period, individual identification of net realizable value is adopted, and related losses are recognized.

The allowance for valuation loss mainly arises from identifying inventory aged over a certain period and its valuation based on net realizable value. The procedures of such identification involves subjective judgment, which might result in a high degree of estimation uncertainty. Considering that the Group's inventory and the allowance for inventory valuation losses are material to the financial statements, we considered the evaluation of inventories a key audit matters.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Assessed the reasonableness of policies and procedures in relation to the provision of allowance for inventory valuation losses based on the accounting principles and our understanding of the nature of the business and the industry.
2. Obtained an understanding of the the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. We selected samples from inventory items by each sequence number to verify its net realizable value and to evaluate the reasonableness of allowance for inventory valuation loss.
4. Sampled the calculation of net realizable value of individual inventories and compared with the recorded amounts.

Existence of sales revenue from auto sun shades for export

Description

Refer to Note 4(25) for the accounting policy on revenue recognition and Note 6(17) for accounting items in revenue.

The Group's main source of revenue is the manufacturing and sales of related products such as auto sun shades, and is primarily focused on exports. Due to the diverse and dispersed nature of its customer base, which includes global Tier 1 automotive suppliers and international car manufacturers, and the large volume of transactions involved in its sales revenue, verifying the authenticity of these transactions also requires a considerable amount of time. Thus, we considered the existence of sales revenue from auto sun shades for export as one of the key audit matters for this year's audit.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Evaluate the internal control system designed and implemented by the management for customer credit checks, review the documents related to transaction partners and credit assessments, and ensure that they have been properly approved.
2. Verify the basic information of significant sales partners and analyze the sales amounts and trends of two periods to assess the reasonableness of their sales amounts and nature.
3. Performed a series verification sample test for the sales revenue transactions of the year, including vouching customers' orders, shipping orders, export declaration documents, customer receipt records and sales invoices or subsequent receipts, to confirm whether the sales revenue transactions really occurred.

Other matter – Parent company only financial reports

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

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

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

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

Those charged with governance, including 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the 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.

Lin, Yung-Chih

Independent Accountants

Yeh,Fang-Ting

PricewaterhouseCoopers, Taiwan
Republic of China

March 8, 2024

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

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,464,385	25	$ 1,430,531	25
1136	Financial assets measured at amortized cost - current	6(1)(2)	206,494	3	154,280	3
1150	Notes receivable, net	6(3) and 8	53,766	1	76,665	1
1170	Accounts receivable, net	6(3) and 12	960,541	16	1,044,534	19
1200	Other receivables		33,445	1	35,530	1
130X	Inventory	5(2) and 6(4)	1,040,713	18	1,073,733	19
1410	Prepayments	6(5)	172,823	3	120,646	2
11XX	**Total current assets**		3,932,167	67	3,935,919	70
	Non-current assets					
1535	Financial assets measured at amortized cost - non-current	6(1)(2)	281,255	5	44,080	1
1600	Property, plant and equipment	6(6) and 8	1,322,472	23	1,342,931	24
1755	Right-of-use assets	6(7)	65,292	1	67,386	1
1760	Investment property, net	6(8) and 8	81,482	1	81,482	1
1780	Intangible assets	6(9)	12,271	-	14,208	-
1840	Deferred income tax assets	6(25)	96,645	2	109,410	2
1915	Prepayments for equipment	6(6)	28,473	1	41,695	1
1920	Guarantee deposits paid	6(1) and 8	9,811	-	8,857	-
1990	Other non-current assets		14,918	-	15,409	-
15XX	**Total non-current assets**		1,912,619	33	1,725,458	30
1XXX	**Total assets**		$ 5,844,786	100	$ 5,661,377	100

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MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 190,000	3	$ 200,000	3
2130	Current contract liabilities	6(18)	65,517	1	45,061	1
2150	Notes payable		24,296	-	19,262	-
2170	Accounts payable		880,293	15	767,777	14
2200	Other payables	6(11)	435,504	8	442,775	8
2230	Current income tax liabilities	6(25)	107,914	2	120,812	2
2250	Provisions - current	6(12)	131,477	2	155,255	3
2280	Lease liabilities - current	6(7)	18,204	-	16,378	-
2320	Long-term liabilities, current portion	6(13) and 8	87,357	2	87,341	1
2365	Refund liabilities - current		110,862	2	145,149	3
21XX	**Total current liabilities**		2,051,424	35	1,999,810	35
	Non-current liabilities					
2540	Long-term borrowings	6(13) and 8	26,822	-	114,139	2
2570	Deferred income tax liabilities	6(25)	6,091	-	7,969	-
2580	Lease liabilities - non-current	6(7)	38,963	1	47,999	1
2640	Net defined benefit liabilities - non-current	6(14)	111,571	2	114,250	2
2645	Guarantee deposits received		4,120	-	2,875	-
25XX	**Total non-current liabilities**		187,567	3	287,232	5
2XXX	**Total liabilities**		2,238,991	38	2,287,042	40
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(15)	749,000	13	749,000	13
3200	Capital surplus	6(16)	3,082	-	3,082	-
	Retained earnings	6(17)				
3310	Legal reserve		648,243	11	607,420	11
3320	Special reserve		79,644	1	184,213	3
3350	Unappropriated retained earnings		2,156,359	37	1,910,264	34
3400	Other equity interest		(30,533)	-	(79,644)	(1)
3XXX	**Total equity**		3,605,795	62	3,374,335	60
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 5,844,786	100	$ 5,661,377	100

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18)	$ 5,208,082	100	$ 4,850,034	100
5000	Operating costs	6(4)(9)(14)(23)(24)	(3,858,703)	(74)	(3,606,645)	(74)
5900	Net operating margin		1,349,379	26	1,243,389	26
	Operating expenses	6(9)(14)(23)(24) and 7				
6100	Selling expenses		(415,785)	(8)	(405,021)	(8)
6200	General and administrative expenses		(280,702)	(5)	(247,455)	(5)
6300	Research and development expenses		(189,022)	(4)	(178,064)	(4)
6450	Expected credit gains (losses)	12(2)	279	-	(297)	-
6000	Total operating expenses		(885,230)	(17)	(830,837)	(17)
6900	Operating income		464,149	9	412,552	9
	Non-operating income and expenses					
7100	Interest income	6(2)(19)	26,633	-	12,755	-
7010	Other income	6(20)	18,172	-	9,259	-
7020	Other gains and losses	6(21) and 12	34,876	1	66,456	1
7050	Finance costs	6(7)(22)	(10,312)	-	(5,926)	-
7000	Total non-operating income and expenses		69,369	1	82,544	1
7900	**Profit before income tax**		533,518	10	495,096	10
7950	Income tax expense	6(25)	(101,270)	(2)	(83,124)	(1)
8200	**Net profit for the year**		$ 432,248	8	$ 411,972	9
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans	6(14)	($ 3,412)	-	($ 4,681)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	683	-	936	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		49,111	1	104,569	2
8300	**Other comprehensive income for the year**		$ 46,382	1	$ 100,824	2
8500	**Total comprehensive income for the year**		$ 478,630	9	$ 512,796	11
	Net profit attributable to:					
8610	Owners of the parent		$ 432,248	8	$ 411,972	9
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 478,630	9	$ 512,796	11
	Earnings per share (in dollars)	6(26)				
9750	Basic		$	5.77	$	5.50
9850	Diluted		$	5.74	$	5.47

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent						
				Retained Earnings			Other Equity Interest	
		Share capital - common stock	Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total equity
For the year ended December 31, 2022								
Balance at January 1, 2022		$ 749,000	$ 3,082	$ 566,874	$ 139,134	$ 1,834,832	($ 184,213)	$ 3,108,709
Net income for the year ended December 31, 2022		-	-	-	-	411,972	-	411,972
Other comprehensive income (loss) for the year ended December 31, 2022		-	-	-	-	(3,745)	104,569	100,824
Total comprehensive income		-	-	-	-	408,227	104,569	512,796
Distribution of 2021 net income:								
Legal reserve		-	-	40,546	-	(40,546)	-	-
Special reserve		-	-	-	45,079	(45,079)	-	-
Cash dividends	6(17)	-	-	-	-	(247,170)	-	(247,170)
Balance at December 31, 2022		$ 749,000	$ 3,082	$ 607,420	$ 184,213	$ 1,910,264	($ 79,644)	$ 3,374,335
For the year ended December 31, 2023								
Balance at January 1, 2023		$ 749,000	$ 3,082	$ 607,420	$ 184,213	$ 1,910,264	($ 79,644)	$ 3,374,335
Net income for the year ended December 31, 2023		-	-	-	-	432,248	-	432,248
Other comprehensive income (loss) for the year ended December 31, 2023		-	-	-	-	(2,729)	49,111	46,382
Total comprehensive income		-	-	-	-	429,519	49,111	478,630
Distribution of 2022 net income:								
Legal reserve		-	-	40,823	-	(40,823)	-	-
Cash dividends	6(17)	-	-	-	-	(247,170)	-	(247,170)
Reversal of special reserve		-	-	-	(104,569)	104,569	-	-
Balance at December 31, 2023		$ 749,000	$ 3,082	$ 648,243	$ 79,644	$ 2,156,359	($ 30,533)	$ 3,605,795

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 533,518	$ 495,096
Adjustments			
Income and expenses having no effect on cash flows			
Expected credit (gains) losses	12(2)	(279)	297
Provision (reversal of allowance) for inventory market price decline	6(4)	3,531	(112)
Depreciation	6(6)(7)(23)	128,325	131,939
Net losses (gains) on disposal of property, plant and equipment	6(21)	3,193	(179)
Gains on lease modifications	6(7)(21)	-	(32)
Property, plant and equipment transferred to expenses	6(6)	40	10
Amortization expenses	6(9)(23)	2,660	4,267
Loss on disposal of intangible assets (included in "Research and development expenses")	6(9)	3,594	1,697
Prepayments for equipment transferred to expenses		206	-
Provision for liabilities	6(12)	41,994	47,080
Interest income	6(19)	(26,633)	(12,755)
Interest expenses	6(22)	10,312	5,926
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Notes receivable		22,899	(3,415)
Accounts receivable		84,284	(229,337)
Other receivables		9,317	(5,358)
Inventory		27,845	114,307
Prepayments		(33,553)	1,544
Net changes in liabilities relating to operating activities			
Contract liabilities - current		20,456	17,972
Notes payable		5,034	(34,822)
Accounts payable		112,516	131,422
Other payables		(6,695)	(26,541)
Current provision for liabilities	6(12)	(66,640)	(22,531)
Refund liabilities - current		(34,287)	23,747
Non-current net defined benefit liabilities		(6,091)	(6,877)
Cash inflow generated from operations		835,546	633,345
Interest received		19,401	12,221
Interest paid		(8,772)	(4,382)
Income tax paid		(102,598)	(93,453)
Net cash flows from operating activities		743,577	547,731

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MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets measured at amortized cost - current		($ 52,214)	($ 2,240)
Increase in financial assets measured at amortized cost - non-current		(237,175)	(640)
Cash paid for the purchase of property, plant and equipment	6(27)	(33,313)	(18,669)
Proceeds from disposal of property, plant and equipment		310	179
Cash paid for the purchase of intangible assets	6(27)	(1,925)	(129)
Increase in prepayments for equipment		(21,266)	(32,320)
(Increase) decrease in guarantee deposits paid		(954)	429
Decrease (increase) in other non-current assets		491	(1,765)
Net cash flows used in investing activities		(346,046)	(55,155)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short-term borrowings	6(28)	(830,000)	(445,375)
Increase in short-term borrowings	6(28)	820,000	425,999
Principal and interest payments under lease liabilities	6(28)	(21,866)	(20,441)
Repayment of long-term borrowings	6(28)	(90,362)	(82,703)
Increase in guarantee deposits received	6(28)	1,298	2,875
Cash dividends paid	6(17)	(247,170)	(247,170)
Net cash flows used in financing activities		(368,100)	(366,815)
Effect of exchange rate changes on cash and cash equivalents		4,423	67,079
Net increase in cash and cash equivalents		33,854	192,840
Cash and cash equivalents at beginning of year	6(1)	1,430,531	1,237,691
Cash and cash equivalents at end of year	6(1)	$ 1,464,385	$ 1,430,531

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

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Macauto Industrial Co., Ltd. ("the Company") was established on July 25, 1983 in accordance with the provisions of the Company Act of the Republic of China. The main business items of the Company and its subsidiaries ("the Group") are the manufacture and processing of various Automobile Sun Shade, auto parts, lawn mowers, etc., as well as the manufacture of molds and hand tools.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since December 2003.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 8, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

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

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

A. The consolidated financial statements have been prepared on the historical cost basis except for net defined benefit assets or liabilities which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

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 (including structured 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 unrealized 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 noncontrolling 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 recognized 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 recognized in profit or loss. All amounts previously recognized 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 recognized 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 investors	Name of Subsidiaries	Business activities	Percentage owned by the Group December 31, 2023	Percentage owned by the Group December 31, 2022	Note
MACAUTO INDUSTRIAL CO., LTD.	CRACK MYTHOLOGY INTERNATIONAL LTD.	Professional investment	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO USA, INC.	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO HOLDINGS LLC	Professional investment	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO GROUP GmbH	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO MEXICO, S.A. DE C.V.	Automobile Sun Shade	100	100	—
MACAUTO INDUSTRIAL CO., LTD.	MACAUTO KOREA YOOHANHEOSA	Automobile Sun Shade	100	—	(Note)
CRACK MYTHOLOGY INTERNATIONAL LTD.	KUNSHAN MACAUTO AUTOMOBILE PARTS INDUSTRY CO., LTD.	Automobile Sun Shade	100	100	—
KUNSHAN MACAUTO AUTOMOBILE PARTS INDUSTRY CO., LTD.	KUNSHAN MACAUTO AUTOMOBILE PARTS SALES CO., LTD.	Automobile Sun Shade and related parts sales, etc.	100	100	—

(Note) Established in November 2023.

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 with 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 re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized 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 retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized 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 recognized 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 recognized 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 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 recognized in other comprehensive income.

(b) Foreign exchange gains and losses resulting from net investments in foreign operations, long-term loans for investments and other monetary instruments designated as investment hedges are recognized in other comprehensive income.

(c) 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, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification criteria for distinguishing assets and liabilities into current and non-current

A. Assets that meet one of the following criteria are classified as 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.

The Group classifies all assets that do not meet the above criteria as non-current.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

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

The Group classifies all liabilities that do not meet the above criteria as non-current.

(6) Cash equivalents

A. Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits and notes issued under repurchase agreement that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets measured at amortized cost

A. Financial assets at amortized 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. The Group holds 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. In addition, the Group's cash and cash equivalents pledged to others are consistent with the definition of financial assets at amortized cost, and expressed in "Guarantee deposits paid".

(8) Accounts and notes receivable

A. Accounts and notes receivable entitled the Group a legal right to receive consideration in exchange for transferred goods.

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.

(9) Inventories

Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and production-related overheads (allocated based on normal operating capacity). It excludes borrowing costs. Inventories are stated at the lower of cost and net realisable value. The item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. When the cost of inventories exceeds the net realizable value, the amount of any write-down of inventories is recognized as cost of sales during the period; and the amount of any reversal of inventory write-down is recognized as a reduction in cost of sales during the period.

(10) Investments accounted for using equity method – associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes all changes in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(11) Impairment of financial assets

For financial assets at amortized cost, at each balance sheet date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

(13) 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 recognized 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 derecognized. 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:

Assets	Useful lives
Buildings	3 ～ 46 years
Machinery and equipment	2 ～ 11 years
Utilities equipment	7 ～ 11 years
Transportation equipment	4 ～ 6 years
Office equipment	3 ～ 6 years
Other equipment	2 ～ 10 years

(14) Investment property

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

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

A. Leases are recognized 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 recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities are recognized as 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 amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized 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; and

(c) Any initial direct costs incurred.

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 recognized 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 and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(16) Intangible assets

A. Trademarks and patents

Separately acquired corporate identification system trademark rights and product patent rights are stated at historical cost. Trademarks and patents have a finite useful life and are amortized on a straight-line basis over their estimated useful lives of 5 to 23 years.

B. Computer software

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

(17) 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. When the recoverable amount is lower than its carrying amount, impairment losses are recognized. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. 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 amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

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

(19) Accounts and notes 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.

(20) Derecognition of financial liabilities

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

(21) <u>Provisions</u>

Provisions for product warranties are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(22) <u>Employee welfare</u>

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 recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in 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 recognized 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 recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisor's remuneration are recognized 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 employees' compensation is distributed by shares, the Group calculates the number of shares based on the closing market price at the previous day of the board meeting resolution.

(23) <u>Income taxes</u>

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax charge 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 income tax is recognized, 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 financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, 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 income 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 income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(24) Share capital

Ordinary shares are classified as equity incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividend distribution

Dividend are recorded as liabilities in the Company’s financial statements in the period in which they are approved by the Company’s board of directors. Stock dividends are recorded as stock dividends to be distributed by shareholder’s meeting and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells Automobile Sun Shade and other related products. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler 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) Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. The Group estimates sales discounts based on historical experience. Revenue is only recognized 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. A refund liability is recognized for expected sales discounts payable to customers in relation to sales made until the end of the reporting period.

(c) The Group provides a standard warranty for the products sold with an obligation to repair product defects; provision for liabilities is recognized when goods are sold.

(d) A receivable is recognized 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.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(27) 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, who 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 uncertainties in material accounting judgments, estimates and assumptions is addressed below:

(1) Important judgments for adoption of accounting policies

None.

(2) Important accounting estimates and assumptions

Inventory evaluation

A. As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Because of the change in market demand and the sales strategy, the Group evaluates the amounts of price fluctuations of inventories, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value.

Such an evaluation is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2023, the carrying amount of inventories was $1,040,713.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand	$ 1,059	$ 1,918
Checking deposits and demand deposits	1,123,810	990,753
	1,124,869	992,671
Cash equivalents:		
Time deposits	289,516	437,860
Repurchase agreement	50,000	-
	339,516	437,860
	$ 1,464,385	$ 1,430,531

A. The Group associates 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 Group's time deposits with original deposit maturity of more than three months and less than one year and term deposits with maturity over one year are classified as financial assets measured at amortized cost – current and financial assets measured at amortized cost – non-current.

C. Details of the Group's cash and cash equivalents pledged to others as collateral (listed as "Guarantee deposits paid") as of December 31, 2023 and 2022 are described in Note 8, 'PLEDGED ASSETS'

(2) Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time deposits of over 3 months	$ 206,494	$ 154,280
Non-current items:		
Time deposits of over one year	$ 281,255	$ 44,080

A. In 2023 and 2022, the Group's interest income recognized in current profit and loss due to financial assets measured at amortized cost was $10,062 and $3,663 (listed under interest income), respectively.

B. Financial assets measured at amortized cost that can best represent the Group, irrespective of the collateral or other credit enhancement held, is the book value of financial assets with the maximum credit risk as of December 31, 2023 and 2022.

C. As of December 31, 2023 and 2022, the Group did not provide financial assets measured at amortized cost as collateral.

D. The trading objects of the Group's investment certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(3) Notes receivable and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 53,766	$ 76,665
Accounts receivable	$ 964,396	$ 1,048,680
Less: Allowance for uncollectible accounts	(3,855)	(4,146)
	$ 960,541	$ 1,044,534

A. Aging analysis of notes receivable and accounts receivable is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Under 30 days	$ 32,562	$ 423,380	$ 14,465	$ 480,447
31–90 days	14,992	484,568	54,160	492,786
91–180 days	6,212	45,191	8,040	42,393
181 days or more	-	11,257	-	33,054
	$ 53,766	$ 964,396	$ 76,665	$ 1,048,680

The above is an aging analysis based on the record date.

B. Notes receivable as of December 31, 2023 and 2022 were all generated by customer contracts. In addition, the receivable balance of customer contracts as of January 1, 2022 was $892,593.

C. The Group held no collateral as a guarantee for accounts receivable as of December 31, 2023 and 2022.

D. Financial assets measured at amortized cost that can best represent the Group’s notes receivable and accounts receivable, irrespective of the collateral or other credit enhancement held, is the carrying amounts of financial assets with the maximum credit risk as of December 31, 2023 and 2022.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

F. For the circumstances in which the Group pledged notes as collateral as of December 31, 2023 and 2022, please refer to Note 8 for details and description of pledged assets.

(4) Inventories

	December 31, 2023		
	Cost	Allowance for impairment	Carrying value
Merchandise	$ 111,988	($ 3,827)	$ 108,161
Raw materials	168,506	(15,839)	152,667
Supplies	102,206	(5,835)	96,371
Work in progress	356,892	(21,835)	335,057
Finished goods	366,308	(17,851)	348,457
	$ 1,105,900	($ 65,187)	$ 1,040,713

	December 31, 2022		
	Cost	Allowance for impairment	Carrying value
Merchandise	$ 112,253	($ 4,323)	$ 107,930
Raw materials	193,066	(12,970)	180,096
Supplies	118,131	(7,648)	110,483
Work in progress	324,281	(20,988)	303,293
Finished goods	387,133	(15,202)	371,931
	$ 1,134,864	($ 61,131)	$ 1,073,733

Inventory cost recognized as expense and loss by the Group in the current year:

	For the years ended December 31,	
	2023	2022
Cost of inventory sold	3,846,579	3,591,774
Inventory impairment loss (profit) (Note)	3,531	(112)
Inventory obsolescence loss	10,718	15,925
Inventory profit	(1,579)	(283)
Revenue from the sale of scraps	(546)	(659)
Total cost of goods sold	$ 3,858,703	$ 3,606,645

(Note) In 2022, the reversal of net realizable value and the decrease in operating costs were recognized due to disposal of certain inventories which were previously provided with allowance for price decline.

(5) Prepayments

	December 31, 2023	December 31, 2022
Prepaid expenses	$ 78,644	$ 52,991
Prepaid purchases	51,937	33,653
Prepaid patent rights	2,013	3,261
Other prepayments	40,229	30,741
	$ 172,823	$ 120,646

(6) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under inspection	Total
January 1, 2023									
Cost	$ 558,323	$ 877,626	$ 426,592	$ 162,843	$ 36,242	$ 76,327	$ 267,268	$ -	$ 2,405,221
Accumulated depreciation	-	(292,646)	(299,939)	(136,884)	(34,224)	(71,630)	(226,967)	-	(1,062,290)
	$ 558,323	$ 584,980	$ 126,653	$ 25,959	$ 2,018	$ 4,697	$ 40,301	$ -	$ 1,342,931
2023									
At January 1	$ 558,323	$ 584,980	$ 126,653	$ 25,959	$ 2,018	$ 4,697	$ 40,301	$ -	$ 1,342,931
Additions	-	3,282	5,884	243	2,428	4,749	15,442	40	32,068
Transfers (Note)	-	-	6,572	-	-	-	12,063	(40)	18,595
Depreciation	-	(31,902)	(33,954)	(16,357)	(988)	(2,120)	(22,391)	-	(107,712)
Disposal – cost	-	-	(10,552)	-	(152)	(10)	(174)	-	(10,888)
– Accumulated depreciation	-	-	7,054	-	152	5	174	-	7,385
Net exchange differences	34,305	858	3,975	393	(10)	102	470	-	40,093
At December 31	$ 592,628	$ 557,218	$ 105,632	$ 10,238	$ 3,448	$ 7,423	$ 45,885	$ -	$ 1,322,472
December 31, 2023									
Cost	$ 592,628	$ 880,532	$ 438,131	$ 163,953	$ 38,825	$ 81,500	$ 295,031	$ -	$ 2,490,600
Accumulated depreciation	-	(323,314)	(332,499)	(153,715)	(35,377)	(74,077)	(249,146)	-	(1,168,128)
	$ 592,628	$ 557,218	$ 105,632	$ 10,238	$ 3,448	$ 7,423	$ 45,885	$ -	$ 1,322,472

(Note) Please refer to Note 6(27) for an explanation of supplementary information of cash flows, and the amount of real estate, plant and equipment transferred to expenses in the current period is $40.

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under inspection	Total
January 1, 2022									
Cost	$ 522,590	$ 863,578	$ 404,859	$ 161,394	$ 33,842	$ 74,495	$ 255,186	$ 10	$ 2,315,954
Accumulated depreciation	-	(258,663)	(256,539)	(120,343)	(32,201)	(68,896)	(200,240)	-	(936,882)
	$ 522,590	$ 604,915	$ 148,320	$ 41,051	$ 1,641	$ 5,599	$ 54,946	$ 10	$ 1,379,072
2022									
At January 1	$ 522,590	$ 604,915	$ 148,320	$ 41,051	$ 1,641	$ 5,599	$ 54,946	$ 10	$ 1,379,072
Additions	-	1,256	6,465	609	2,111	1,325	7,547	-	19,313
Transfers (Note)	-	4,228	2,777	60	-	-	1,894	(10)	8,949
Depreciation	-	(31,432)	(37,424)	(16,157)	(1,739)	(2,380)	(25,368)	-	(114,500)
Disposal – cost	-	-	(414)	-	(100)	-	(1,290)	-	(1,804)
– Accumulated depreciation	-	-	414	-	100	-	1,290	-	1,804
Net exchange differences	35,733	6,013	6,515	396	5	153	1,282	-	50,097
At December 31	$ 558,323	$ 584,980	$ 126,653	$ 25,959	$ 2,018	$ 4,697	$ 40,301	$ -	$ 1,342,931
December 31, 2022									
Cost	$ 558,323	$ 877,626	$ 426,592	$ 162,843	$ 36,242	$ 76,327	$ 267,268	$ -	$ 2,405,221
Accumulated depreciation	-	(292,646)	(299,939)	(136,884)	(34,224)	(71,630)	(226,967)	-	(1,062,290)
	$ 558,323	$ 584,980	$ 126,653	$ 25,959	$ 2,018	$ 4,697	$ 40,301	$ -	$ 1,342,931

(Note) Please refer to Note 6(27) for an explanation of supplementary information of cash flows, and the amount of real estate, plant and equipment transferred to expenses in the current period is $10.

A. Property, plant and equipment of the Group as of December 31, 2023 and 2022 constituted assets for self-use.

B. The Group did not capitalize interest on property, plant and equipment in 2023 and 2022.

C. For more information regarding the Group's property, plant and equipment pledged to others as of December 31, 2023 and 2022, please refer to Note 8, 'PLEDGED ASSETS'.

(7) Leasing Arrangements– Lessee

A. The Group leases various assets including land, buildings and other equipment. Rental contracts are typically made for periods of 2 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.

B. The book values of right-of-use assets and the recognized depreciation expenses are as follows:

	December 31, 2023		December 31, 2022	
	Carrying amount		Carrying amount	
Land		11,332		7,182
Buildings		46,702		53,710
Transportation equipment		7,258		6,494
	$	65,292	$	67,386

	December 31, 2023		December 31, 2022	
	Depreciation charge		Depreciation charge	
Land	$	1,683	$	1,666
Buildings		14,710		12,698
Transportation equipment		4,220		3,075
	$	20,613	$	17,439

C. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,			
	2023		2022	
Items affecting current profit and loss				
Interest expense on lease liabilities	$	1,291	$	1,505
Expenses for short-term rental contracts		3,751		2,003
Gain from lease modification		-		32

D. Additions to the Group's right-of-use assets in 2023 and 2022 were $10,627 and $4,275, respectively.

E. The Group's total lease cash outflows in 2023 and 2022 were $25,617 and $22,444, respectively.

(8) Net investment properties

January 1, 2023 and December 31, 2023	Land
Cost	$ 81,482

January 1, 2022 and December 31, 2022	Land
Cost	$ 81,482

A. The fair value of the investment real estate held by the Group on December 31, 2023 and 2022 was $152,873 and $144,710 respectively, which were evaluated based on the transaction price information of real estate agent and the announced market price inquiry information. The evaluation results of the valuation report belonged to level 3 fair value.

B. For more information regarding the Group's investment properties pledged to others as of December 31, 2023, please refer to Note 8, 'PLEDGED ASSETS'. As of December 31, 2022, the Group did not provide mortgages on investment real estate.

(9) Intangible assets

	For the year ended December 31, 2023			
	Trademarks	Patent rights	Computer software	Total
January 1, 2023				
Cost	$ 2,085	$ 30,551	$ 109,117	$ 141,753
Accumulated amortisation	(1,799)	(17,934)	(107,812)	(127,545)
	$ 286	$ 12,617	$ 1,305	$ 14,208
2023				
At January 1	$ 286	$ 12,617	$ 1,305	$ 14,208
Increase	-	183	2,162	2,345
Current transfer (Note)	-	1,914	-	1,914
Amortization expense	(112)	(1,357)	(1,191)	(2,660)
Disposal – cost	-	(4,728)	-	(4,728)
– Accumulated amortisation	-	1,134	-	1,134
Net exchange differences	-	(3)	61	58
At December 31	$ 174	$ 9,760	$ 2,337	$ 12,271
December 31, 2023				
Cost	$ 2,085	$ 27,863	$ 111,410	$ 141,358
Accumulated amortisation	(1,911)	(18,103)	(109,073)	(129,087)
	$ 174	$ 9,760	$ 2,337	$ 12,271

	For the year ended December 31, 2022			
	Trademarks	Patent rights	Computer software	Total
January 1, 2022				
Cost	$ 2,085	$ 31,903	$ 107,808	$ 141,796
Accumulated amortisation	(1,683)	(16,956)	(104,325)	(122,964)
	$ 402	$ 14,947	$ 3,483	$ 18,832
2022				
At January 1	$ 402	$ 14,947	$ 3,483	$ 18,832
Increase	-	83	46	129
Current transfer (Note)	-	782	320	1,102
Amortization expense	(116)	(1,501)	(2,650)	(4,267)
Disposal – cost	-	(2,262)	-	(2,262)
– Accumulated amortisation	-	565	-	565
Net exchange differences	-	3	106	109
At December 31	$ 286	$ 12,617	$ 1,305	$ 14,208
December 31, 2022				
Cost	$ 2,085	$ 30,551	$ 109,117	$ 141,753
Accumulated amortisation	(1,799)	(17,934)	(107,812)	(127,545)
	$ 286	$ 12,617	$ 1,305	$ 14,208

(Note) Please refer to Note 6(27) for an explanation of supplementary information of cash flows.

A. No interest was capitalized as part of the Group's intangible assets in 2023 and 2022.

B. The details of the Group's intangible asset amortization expenses in 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	2022
Operating costs	$ 283	$ 800
Promotional expenses	422	425
Management expenses	533	1,179
R&D expenses	1,422	1,863
	$ 2,660	$ 4,267

(10) Short-term borrowings

	December 31, 2023	Interest rate range	Collateral
Unsecured bank borrowings	$ 190,000	1.54%～1.653%	None

	December 31, 2022	Interest rate range	Collateral
Unsecured bank borrowings	$ 200,000	1.0642%～1.4071%	None

For details of interest expenses recognized in profit or loss for the Group in 2023 and 2022, please refer to Note 6(22) for explanation of financial costs.

(11) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	$ 167,733	$ 159,801
Employees' compensation and remuneration for directors and supervisors payable	32,577	30,654
Processing expense payable	25,400	9,993
Equipment payable	3,778	4,603
Others	206,016	237,724
	$ 435,504	$ 442,775

(12) Provisions – Current

A. Changes in warranty liability provisions for 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	2022
At January 1	$ 155,255	$ 129,172
Provisions for liabilities in the current period	41,994	47,080
Provisions for liabilities used in the current period	(66,640)	(22,531)
Net exchange differences	868	1,534
At December 31	$ 131,477	$ 155,255

B. The Group’s warranty liability reserve is mainly related to the sales of Automobile Sun Shade and other products. The provision for warranty liabilities is estimated based on the historical warranty data of the product.

(13) Long-term borrowings

Nature of loans	Expiration date range	Interest rate range (Note)	Collateral	December 31, 2023
Long-term bank loans				
Secured bank borrowings	November 15, 2024	0.72%	Land, houses, and buildings	$ 68,965
Unsecured bank borrowings	November 26, 2025 –September 22, 2026	6.4291%~ 6.5891%	None	45,214
				114,179
Less: Long-term loans due within one year or one business cycle				(87,357)
				$ 26,822

Nature of loans	Expiration date range	Interest rate range (Note)	Collateral	December 31, 2022
Long-term bank loans				
Secured bank borrowings	November 15, 2024	0.595%	Land, houses, and buildings	$ 137,931
Unsecured bank borrowings	November 26, 2025 –September 22, 2026	5.5239% ~ 5.5339%	None	63,549
				201,480
Less: Long-term loans due within one year or one business cycle				(87,341)
				$ 114,139

Note: The Group applied for loan items of medium-term operating working capital from financial institutions based on the Loans for the Project to Strengthen Promotion of Investment in Taiwan by Overseas Taiwanese Businesses (2nd Round) Main Points of the National Development Fund of the Executive Yuan. The loan interest rate is the listed postal deposit interest rate minus 0.875% annual interest rate for postal savings deposits.

For details of interest expenses recognized in profit or loss for the Group in 2023 and 2022, please refer to Note 6(22) for explanation of financial costs.

(14) Pensions

A. The Group has a defined benefit pension plan in accordance with the Labor Standards Law, 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 Group contributes monthly an amount equal to 15% 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 Group would assess the balance in the aforementioned labor pension reserve account by December 31 every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contribution for the deficit by end of March next year. Relevant information about the retirement method of the above defined benefits is disclosed as follows:

(a) Amounts recognized in the balance sheets are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 168,971)	($ 161,324)
Fair value of plan assets	57,400	47,074
Net defined benefit liability	($ 111,571)	($ 114,250)

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

2023	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance on January 1	($ 161,324)	$ 47,074	($ 114,250)
Current service cost	(2,740)	-	(2,740)
Past service cost	(25)	-	(25)
Interest (expense) income	(1,801)	486	(1,315)
	(165,890)	47,560	(118,330)
Remeasurements:			
Return on plan assets	-	528	528
Change in demographic assumptions	(8)	-	(8)
Experience adjustments	(3,932)	-	(3,932)
	(3,940)	528	(3,412)
Pension fund contribution	-	10,146	10,146
Paid pension	859	(834)	25
Balance on December 31	($ 168,971)	$ 57,400	($ 111,571)

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance on January 1	($ 152,343)	$ 35,897	($ 116,446)
Current service cost	(2,298)	-	(2,298)
Interest (expense) income	(860)	141	(719)
	(155,501)	36,038	(119,463)
Remeasurements:			
Return on plan assets	-	2,692	2,692
Change in demographic assumptions	(23)	-	(23)
Change in financial assumptions	5,651	-	5,651
Experience adjustments	(13,001)	-	(13,001)
	(7,373)	2,692	(4,681)
Pension fund contribution	-	9,894	9,894
Paid pension	1,550	(1,550)	-
Balance on December 31	($ 161,324)	$ 47,074	($ 114,250)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company’s defined benefit pension plan in accordance with the Fund’s annual investment and utilization plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization 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 securitization products, etc.). With regard to the utilization 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 authorized by the Regulator. The company has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	For the years ended December 31,	
	2023	2022
Discount rate	1.20%	1.20%
Future salary increases	2.00%	2.00%

The assumptions for future mortality in 2023 and 2022 are estimated according to the 6th and empirical life tables of Taiwan's life insurance industry.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 2,417)	$ 2,492	$ 2,466	($ 2,404)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 2,442)	$ 2,521	$ 2,494	($ 2,429)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Company in 2024 amounted to $10,227.

(f) As of December 31, 2023, the weighted average duration of the retirement plan was 6 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 23,435
2-5 years	87,387
Over 6 years	70,008
	$ 180,830

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labour Pension 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 Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group's overseas subsidiaries voluntarily withdraw pension reserves and pension insurance systems in accordance with the regulations of the local government of the employee, and allocates pension reserves and pension insurance funds according to 2%–20% of the total salary of local employees every month. The pension of each employee is managed and arranged by the government. In addition to the monthly appropriation and payment of the subsidiary, there are no further obligations. The pension costs recognized by the Group in accordance with the above pension methods in 2023 and 2022 were $32,947 and $28,473 respectively.

(15) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (unit: thousand shares):

	For the years ended December 31,	
	2023	2022
Balance as at January 1 and December 3	74,900	74,900

B. As of December 31, 2023, the Company's authorized capital was $1,000,000 and paid-up capital amount was $749,000, consisting of 74,900 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(16) Capital surplus

Pursuant to the R.O.C. Company Law, capital reserves 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 Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

A. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.

B. In accordance with provisions of the Company's Articles of Incorporation, the Company's dividends are based on the principle of dividend stability in line with the current year's earnings. The Company is in a period of business growth and there is a need for funds to promote global operations in the next few years. Therefore, in addition to the distribution of surplus in accordance with the provisions of Article 28 of the Company's Articles of Incorporation, the amount of distribution shall in principle not be less than 30% of the distributable surplus of the current year. If necessary, dividends may be paid in conjunction with capital reserve. Cash dividends shall not be less than 30% of the total dividends. If there is a surplus in the Company's annual final accounts, income tax should first be paid to make up for losses of previous years. If there is a surplus, 10% shall be set aside as legal reserve in accordance with the law, and a special reserve shall be allocated or transferred in accordance with the provisions of Article 41 of Securities and Exchange Act of the Republic of China to constitute the distributable surplus for the current year. Furthermore, the accumulated undistributed surplus of the prior year is to be added to the cumulative distributable surplus, and the aforementioned distributable surplus shall be proposed by the Board of Directors to be distributed by resolution. If the Company distributes in cash its dividends and bonuses or all or part of its legal reserve and capital reserve, this shall be authorized by resolution of Board of Directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders' meeting. The provisions of the preceding paragraph that must be resolved by the shareholders' meeting are not applicable.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings

D. When IFRSs were first adopted, the special reserve of $26,594 was set out in Letter Jinguanzhengfazi No. 1090150022 dated March 31, 2021, and this was reversed by the Company when subsequently disposing of the relevant assets.

E. The cash dividends recognized by the Company for distribution to owners in 2023 and 2022 amounted to $247,170 (NT$3.3 per share) for both years. On March 8, 2024, the Board of Directors proposed for the distribution of cash dividends from 2023 earnings in the amount of $254,660 (NT$3.4 per share).

(18) Operating revenue

A. The Group's revenue arise from customer contracts for product sales, which are recognized after a certain point in time, and the revenue can be subdivided into the following major product categories:

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from Automobile Sun Shade	$ 5,186,002	$ 4,827,783
Revenue from garden tools	22,080	22,251
	$ 5,208,082	$ 4,850,034

B. The Group recognizes contract liabilities related to customer contract revenue as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities – Automobile Sun Shade	$ 65,397	$ 44,992	$ 27,078
Contract liabilities – garden tools	120	69	11
	$ 65,517	$ 45,061	$ 27,089

The Group's contractual liabilities as of January 1, 2023 and 2022 were amounts recognized as revenue in 2023 and 2022 of $38,279 and $11,180, respectively.

(19) Interest income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income from bank deposits	$ 15,636	$ 9,092
Interest income from financial assets measured at amortised cost	10,062	3,663
Other interest income	935	-
	$ 26,633	$ 12,755

(20) Other income

	Year ended December 31, 2023	Year ended December 31, 2022
Tax refund income, etc	$ 18,172	$ 9,259

(21) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Net currency exchange gain	$ 39,215	$ 66,688
Net (loss) gain on disposal of property, plant and equipment	(3,193)	179
Net loss on financial assets and liabilities at fair value through profit or loss	(266)	-
Gain from lease modification	-	32
Other losses	(880)	(443)
	$ 34,876	$ 66,456

(22) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense	$ 9,021	$ 4,421
Interest expense on lease liabilities	1,291	1,505
	$ 10,312	$ 5,926

(23) Expenses by nature

	Year ended December 31, 2023		
	Under operating costs	Under operating expenses	Total
Employee benefit expense	$ 540,938	$ 446,525	$ 987,463
Depreciation expense	102,926	25,399	128,325
Amortization expense	283	2,377	2,660
	$ 644,147	$ 474,301	$ 1,118,448

	Year ended December 31, 2022		
	Under operating costs	Under operating expenses	Total
Employee benefit expense	$ 443,197	$ 406,376	$ 849,573
Depreciation expense	106,402	25,537	131,939
Amortization expense	800	3,467	4,267
	$ 550,399	$ 435,380	$ 985,779

(24) Employee benefit expense

	Year ended December 31, 2023		
	Under operating costs	Under operating expenses	Total
Wages and salaries	$ 443,710	$ 382,642	$ 826,352
Labor and health insurance expense	40,091	29,730	69,821
Pension costs	21,800	15,227	37,027
Other personnel expenses	35,337	18,926	54,263
	$ 540,938	$ 446,525	$ 987,463

	Year ended December 31, 2022		
	Under operating costs	Under operating expenses	Total
Wages and salaries	$ 360,477	$ 347,889	$ 708,366
Labor and health insurance expense	32,859	27,883	60,742
Pension costs	18,043	13,447	31,490
Other personnel expenses	31,818	17,157	48,975
	$ 443,197	$ 406,376	$ 849,573

A. In accordance with the Company’s Articles of Incorporation, if the Company makes a profit for the current year, 3% to 8% should be allocated for employee remuneration and no more than 3.5% should be allocated for director and supervisor remuneration. However, when the Company still has accumulated losses, it should reserve the compensation amount in advance. Employee remuneration is made in stock or cash; in addition, the recipients of stock or cash distributions may include employees of affiliated companies who meet certain conditions.

B. The estimated amounts of employees’ compensation of the Company for 2023 and 2022 were $23,269 and $21,759, and directors’ and supervisors’ remuneration were $9,308 and $8,704, respectively, and the aforementioned amounts were included in the salary expense items. The 2022 employees' compensation of $21,759 and directors' and supervisors' remuneration of $8,704 as approved by the Board of Directors were consistent with the amounts accrued in the 2022 financial statements. On March 8, 2024, the Board of Directors resolved to distribute employees' compensation and directors' and supervisors' remuneration of $23,269 and $9,308, respectively, and the employees' compensation will to be paid in cash.

Information about the employees' compensation and directors' and supervisors' remuneration approved by the Company’s Board of Directors can be inquired on the Market Observation Post System.

(25) Income taxes

A. Income tax expense:

(a) Components of income tax expense:

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 93,023	$ 98,092
Tax on undistributed surplus earnings	10,750	3,633
Over provision of prior year's income tax payable	(14,073)	(8,635)
Total current tax	89,700	93,090
Deferred tax:		
Origination and reversal of temporary differences	11,570	(9,966)
Total deferred tax	11,570	(9,966)
Income tax expense	$ 101,270	$ 83,124

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

	For the years ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	($ 683)	($ 936)

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (note)	$ 119,943	$ 109,921
Expenses disallowed by tax regulation	(12,212)	(21,795)
Effect from investment tax credits	(3,138)	-
Tax on undistributed earnings	10,750	3,633
Prior year income tax overestimation	(14,073)	(8,635)
Income tax expense	$ 101,270	$ 83,124

C. Amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	For the year ended December 31, 2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealized inventory impairment	$ 9,437	$ 1,024	$ -	$ 10,461
Unrealized after-sales service expenses	24,290	(2,321)	-	21,969
Unrealized gains among affiliated companies	17,540	(5,264)	-	12,276
Employee welfare	4,975	(161)	-	4,814
Pensions	21,584	(1,519)	683	20,748
Estimation of unrealized sales allowance	26,227	(5,299)	-	20,928
Unrealized payroll expenses	1,346	187	-	1,533
Others	4,011	(95)	-	3,916
	$ 109,410	($ 13,448)	$ 683	96,645
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	($ 2,490)	$ 2,435	$ -	($ 55)
Fixed assets financial and tax differences	(5,479)	(557)	-	(6,036)
	(7,969)	1,878	-	(6,091)
	$ 101,441	($ 11,570)	$ 683	$ 90,554

	For the year ended December 31, 2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealized inventory impairment	$ 9,133	$ 304	$ -	$ 9,437
Unrealized after-sales service expenses	21,366	2,924	-	24,290
Unrealized gains among affiliated companies	12,421	5,119	-	17,540
Employee welfare	4,861	114	-	4,975
Pensions	22,023	(1,375)	936	21,584
Estimation of unrealized sales allowance	24,779	1,448	-	26,227
Unrealized payroll expenses	567	779	-	1,346
Others	2,772	1,239	-	4,011
	$ 97,922	$ 10,552	$ 936	109,410
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	($ 1,050)	($ 1,440)	$ -	($ 2,490)
Fixed assets financial and tax differences	(6,333)	854	-	(5,479)
	(7,383)	(586)	-	(7,969)
	$ 90,539	$ 9,966	$ 936	$ 101,441

D. The Company's income tax returns through 2021 had been approved by the tax collection authority. As of March 8, 2024, there is no instance of administrative relief.

(26) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 432,248	74,900	$ 5.77
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 432,248	74,900	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	388	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 432,248	75,288	$ 5.74

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 411,972	74,900	$ 5.50
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	411,972	74,900	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	400	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 411,972	75,300	$ 5.47

(27) Supplemental cash flow information

A. Investment activities with partial cash payments:

	2023	2022
(a) Purchase of property, plant and	$ 32,068	$ 19,313
Add: Opening balance of payable on equipment (shown as 'Other non-current liabilities')	4,603	3,959
Less: Ending balance of payable on equipment (shown as 'Other non-current liabilities')	(3,358)	(4,603)
Cash paid during the year	$ 33,313	$ 18,669
(b) Purchase of Intangible assets	$ 2,345	$ 129
Less: Ending balance of payable (shown as'Other non-current liabilities')	(420)	-
Cash paid during the year	$ 1,925	$ 129

B. Operating and investing activities with no cash flow effect:

	For the years ended December 31,	
	2023	2022
(a) Inventory transferred to property, plant and equipment	$ 1,867	$ 2,001
(b) Transfer of prepayments to intangible assets	$ 1,914	$ 782
(c) Prepaid equipment payments transferred to intangible assets.	$ -	$ 320
(d) Property, plant and equipment transferred to inventory	$ 309	$ 829
(e) Prepaid equipment transferred to inventory	$ 439	$ 593
(f) Prepaid equipment transferred to property, plant and equipment	$ 17,077	$ 7,787
(g) Prepaid equipment transferred to prepaid purchases	$ 20,538	$ -

(28) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Deposit of guarantee	Liabilities from financing activities-gross
At January 1, 2023	$ 200,000	$64,377	$ 201,480	$ 2,875	$ 468,732
Changes in cash flow from financing activities	(10,000)	(21,866)	(90,362)	1,298	(120,930)
Changes in other non-cash items	-	14,656	3,061	(53)	17,664
December 31, 2023	$ 190,000	$57,167	$ 114,179	$ 4,120	$ 365,466

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Deposit of guarantee	Liabilities from financing activities-gross
At January 1, 2022	$ 219,376	$61,682	$ 281,161	$ -	$ 562,219
Changes in cash flow from financing activities	(19,376)	(20,441)	(82,703)	2,875	(119,645)
Changes in other non-cash items	-	23,136	3,022	-	26,158
December 31, 2022	$ 200,000	$64,377	$ 201,480	$ 2,875	$ 468,732

7. Related party transactions

Key management compensation

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 53,980	$ 50,771
Retirement benefits	1,584	1,156
	$ 55,564	$ 51,927

8. Pledged assets

Details of guarantees provided for the Group's assets are as follows:

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Notes receivable	$ 12,603	$ 59,080	Materials purchase guarantees
Land (Note 1)	303,335	303,335	Long-term borrowings guarantees
Land (Note 2)	81,482	-	Guarantee for land cooperation case
Buildings – net (Note 1)	376,518	391,493	Long-term loan guarantees
Pledged time deposits (Note 3)	2,500	2,500	Materials purchase guarantees
	$ 776,438	$ 756,408	

(Note 1) Shown as ‘property, plant and equipment’.

(Note 2) Shown as ‘investment properties’.

(Note 3) Shown as ‘guarantee deposits paid’.

9. Significant contingent liabilities and unrecognized contract commitments

(1) The details of endorsement and guarantees provided to others are described in Note 13(1)-B.

(2) As of December 31, 2023 and 2022, the unused letters of credit for property, plant, and equipment was $43,873 and $5,206, respectively.

10. Significant Disaster Loss

None.

11. Significant Events After The Balance Sheet Date

None.

12. Others

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders, maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Group are described in Note 6, 'Financial assets'.

B. Financial risk management policy

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is therefore subject to the exchange rate risk arising from transactions that are different from the functional currency of the Company and its subsidiaries; these are mainly USD and CNY. The associated exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Group's management has established a policy that requires each company within the Group to manage exchange rate risk relative to its functional currency. Each company should hedge its overall exchange rate risk through the Group's Finance Department. Currency risk is measured through highly probable USD and CNY revenue forecast transactions, using forward foreign exchange contracts to reduce the impact of exchange rate fluctuations on the expected collection of receivables.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR, CNY, KRW and MXN. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
RMB:NTD	$ 51,957	4.327	$ 224,818
USD:NTD	10,129	30.705	311,011
EUR:NTD	7,963	33.98	270,583
JPY:NTD	367,048	0.2172	79,723
USD:MXN	5,393	16.922	165,592
USD:RMB	3,166	7.096	97,210
EUR:CNY	874	7.853	29,698
Financial liabilities			
Monetary items			
USD:NTD	$ 636	30.705	$ 19,528
RMB:NTD	4,774	4.327	20,657
USD:MXN	2,141	16.922	65,739

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
RMB:NTD	$ 77,364	4.408	$ 341,021
USD:NTD	10,441	30.710	320,643
EUR:NTD	3,395	32.72	111,084
JPY:NTD	63,269	0.2320	14,678
USD:MXN	6,244	19.415	191,757
EUR:MXN	548	20.685	11,336
USD:RMB	1,436	6.967	44,100
EUR:CNY	352	7.423	11,518
Financial liabilities			
Monetary items			
USD:NTD	$ 1,366	30.710	$ 41,950
EUR:NTD	502	32.720	16,425
RMB:NTD	3,502	4.408	15,437
USD:MXN	2,831	19.415	86,942

v. Total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to $39,215 and $66,688, respectively.

vi. For the Group in 2023 and 2022, if the NTD appreciated or depreciated by 1% against each currency while all other factors remained unchanged, the net profit after tax for the Group for 2023 and 2022 would decrease or increase by $8,583 and $7,084, respectively.

Price risk

The Group’s equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group has set stop loss points. Therefore, no significant price risk is expected to arise.

Cash flow and fair value interest rate risks

i. Funds borrowed by the Group are in the form of financial instruments with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of debt financial products to change accordingly, resulting in volatility of future cash flows. However, this risk is partially offset by holding cash and cash equivalents at floating rates.

ii. In conducting a sensitivity analysis on interest rate risk, if borrowing rates increased or decreased by 1% and with all other factors held constant, the Group's net profit after tax in 2023 and 2022 would decrease or increase by $2,433 and $3,457, respectively mainly due to the increase or decrease in interest expenses due to 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.

ii. The Group establishes credit risk management from a group perspective. 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 IFRS 9 to provide prerequisite assumptions. When a contract payment is overdue for more than 30 days according to the agreed payment terms, the credit risk of deemed financial assets has increased significantly since the original recognition.

iv. The Group adopts IFRS 9 to provide prerequisite assumptions, and impairment assessment begins when the contract payment is overdue for more than a certain number of days according to the agreed payment terms.

v. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss. The Group uses the forecast ability of conditions to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable is as follows:

	For the years ended December 31,	
	2023	2022
January 1	$ 4,146	$ 3,819
Expected credit (gain) loss	(279)	297
Effect of foreign exchange	(12)	30
December 31	$ 3,855	$ 4,146

(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.

ii. When surplus cash held by each operating entity exceeds the management needs of working capital, the Group's Finance Department will plan to invest the remaining funds in interest-bearing demand deposits and time deposits. The instrument it chooses has an appropriate maturity date or sufficient liquidity to respond to the above forecasts and provide sufficient dispatch levels.

iii. The details of the Group's unused loan amounts are as follows:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 1,374,606	$ 1,345,680
Expiring beyond one year	839,675	300,000
	$ 2,214,281	$ 1,645,680

Note: The quota due within one year is an annual quota. It will be discussed separately in 2024. The balance is required for the Group to prepare for operating and capital expenditures.

iv. The following table is the Group's non-derivative financial liabilities and derivative financial liabilities settled in gross amount, grouped by the relevant due date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 190,881	$ -	$ -	$ -
Notes payable	24,296	-	-	-
Accounts payable	880,293	-	-	-
Other payables	435,504	-	-	-
Lease liabilities (including current and non-current)	18,264	19,805	19,619	-
Long-term borrowings (including current portion)	90,080	19,669	8,678	-
Refund liabilities	110,862	-	-	-
Deposit of guarantee	-	4,120	-	-

December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 200,782	$ -	$ -	$ -
Notes payable	19,262	-	-	-
Accounts payable	767,777	-	-	-
Other payables	442,775	-	-	-
Lease liabilities (including current and non-current)	18,028	16,151	31,828	-
Long-term borrowings (including current portion)	91,112	89,691	28,142	-
Refund liabilities	145,149	-	-	-
Deposit of guarantee	-	2,875	-	-

v. The Group does not expect the maturity date to end early nor the actual cash flow to be materially different.

(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.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. All derivative instruments invested by the Group are included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

Financial assets and financial liabilities not measured at fair value including the carrying amounts of cash and cash equivalents, financial assets at amortized cost (including current and non-current portion), notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

C. The Group has no financial assets and liabilities measured at fair value as of December 31, 2023 and 2022.

13. Supplementary disclosures

(According to the current regulatory requirements, the Group is only required to disclose the information for the year ended December 31, 2023.)

(1) Significant transactions information

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

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

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 $300 million or 20% of paid-in capital or more: None.

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

G. The amount of purchases or sales with related parties exceeds NT$100 million or 20% of the paid-in capital: Please refer to table 3.

H. Accounts receivable from related parties amount to NT$100 million or 20% of the paid-in capital: Please refer to table 4.

I. Trading in derivative instruments: None.

J. Business relationship and significant transaction details and amounts between the parent company, subsidiary companies, and each subsidiary company: Please refer to table 5.

(2) Information on investees

Name of the invested company, location, and other related information (excluding Mainland China invested companies): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment information

(1) General information

The Group's management has identified reportable segments based on reported information used by operational decision makers in making decisions. The corporate composition of the Group, the basis for dividing into segments, and the basis for measuring segment information have not changed significantly during the current period.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on operating profit. This measure excludes the impact of non-recurring income and expenses in the operating segments. The accounting policies of the operating segments are the same as the summary of the significant accounting policies described in Note 4 to the consolidated financial statements.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2023				
	Macauto Industrial	Kunshan Macauto	Mexico Macauto	Others	Total
Segment revenue	$ 3,355,759	$1,556,828	$ 993,360	$619,334	$ 6,525,281
Inter-segment revenue	698,230	225,849	267,664	125,456	1,317,199
Revenue from external customers, net	2,657,529	1,330,979	725,696	493,878	5,208,082
Interest income	14,234	12,032	222	145	26,633
Depreciation and amortization	58,148	34,625	32,426	5,786	130,985
Interest expense	4,023	-	5,967	322	10,312
Segment income before tax	458,589	74,929	(16,889)	16,889	533,518
Segment assets	3,167,894	1,818,711	1,048,457	460,519	6,495,581
Non-current asset capital expenditures	11,317	30,482	11,074	2,806	55,679
Segment liabilities	1,605,250	563,657	507,585	165,268	2,841,760

	Year ended December 31, 2022				
	Macauto Industrial	Kunshan Macauto	Mexico Macauto	Others	Total
Segment revenue	$3,093,637	$1,468,626	$ 927,067	$494,492	$5,983,822
Inter-segment revenue	648,158	222,724	121,667	141,239	1,133,788
Revenue from external customers, net	2,445,479	1,245,902	805,400	353,253	4,850,034
Interest income	3,822	8,839	53	41	12,755
Depreciation and amortization	66,814	37,534	26,414	5,444	136,206
Interest expense	2,007	-	3,616	303	5,926
Segment income before tax	404,017	59,724	9,149	22,206	495,096
Segment assets	3,163,058	1,671,418	1,018,987	419,506	6,272,969
Non-current asset capital expenditures	3,854	23,709	23,018	1,181	51,762
Segment liabilities	1,693,338	461,438	532,274	141,244	2,828,294

(4) Reconciliation for segment income (loss) and segment assets

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income, and segment gains and losses provided to chief operating decision-maker is measured in a manner consistent with the Group's consolidated financial statements and therefore do not need to be adjusted.

B. The amount of total assets provided to the chief operating decision-maker adopts the same measurement for assets in the Group's financial statements. The reconciliations between reportable segments' assets and total assets is provided as follows:

	December 31, 2023	December 31, 2022
Assets of reportable segments	$ 6,035,062	$ 5,853,463
Assets of other operating segments	460,519	419,506
Less: Inter-segment transactions	(650,795)	(611,592)
Total assets	$ 5,844,786	$ 5,661,377

C. The amount of total liabilities provided to the chief operating decision-maker adopts the same measurement for liabilities in the Group's financial statements. The reconciliations between reportable segments' liabilities and total liabilities is provided as follows:

	December 31, 2023	December 31, 2022
Liabilities of reportable segments	$ 2,676,492	$ 2,687,050
Liabilities of other operating segments	165,268	141,244
Less: Inter-segment transactions	(602,769)	(541,252)
Total liabilities	$ 2,238,991	$ 2,287,042

(5) Information on product and service

Product information for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,	
	2023	2022
Automobile Sun Shade	$ 5,186,002	$ 4,827,783
Garden tools	22,080	22,251
	$ 5,208,082	$ 4,850,034

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,			
	2023		2022	
	Revenue (Note)	Non-current assets	Revenue (Note)	Non-current assets
China	$ 1,711,418	$ 198,847	$ 1,953,056	$ 210,323
United States	1,262,387	29,467	1,105,473	29,499
Mexico	463,069	374,606	472,524	363,238
Germany	317,032	63,986	341,777	61,630
Taiwan	627,355	857,038	321,650	898,421
Other countries	826,821	964	655,554	-
	$ 5,208,082	$ 1,524,908	$ 4,850,034	$ 1,563,111

(Note) Revenue is classified based on the country where the customer is located.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,			
	2023		2022	
	Revenue	Segment	Revenue	Segment
Company A	$ 516,033	Macauto Industrial	$ 206,929	Macauto Industrial
Company C	325,525	〃	303,954	〃
Company B	250,493	〃	302,755	〃

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Loans to others

For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance (Note 2)	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
1	Macauto Industrial Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	Other receivables-related parties	Y	$ 139,961	$ 127,891	$ 127,891	6.69%	1	$ 312,532	—	$ -	—	$ -	$ 312,532	$ 1,442,318	—
2	Macauto Industrial Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	Other receivables-related parties	Y	61,410	-	-	-	2	-	Operating capital	-	—	-	721,159	1,442,318	—

Note 1: Explanation of the nature codes for fund lending:

(1) Trading partner.

(2) Short-term financing.

Note 2: Limit on loans granted to a single party:

(1) Ceiling on total loans granted to a single party: Shall not exceed 40% of the net worth based on the most recent audited financial statements of the Company

(2) For enterprises in which the Company holds a controlling interest of 20% or more, and for subsidiary companies in which the Company holds 100% equity, the fund lending to each individual enterprise shall not exceed 20% of the Company's net worth.

Note 3: In accordance with the operating procedures for fund lending to others, it shall be implemented upon approval by the Board of Directors and reported to the shareholders' meeting for reference.

Note 4: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD:TWD 1:30.705.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
		Company name	Relationship with the endorser/guarantor											
0	Macauto Industrial Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	2	$ 1,081,739	$ 521,985	$ 521,985	$ 45,290	$ -	14.48%	$ 1,442,318	Y	N	N	—
0	Macauto Industrial Co., Ltd.	Macauto International Development Co., Ltd.	1	1,081,739	81,910	81,910	80,056	81,910	2.27%	1,442,318	N	N	N	—

Note 1: Explanation of Relationship Codes with the Company:

(1) Trading partner.

(2) Companies in which the Company directly or indirectly holds voting rights exceeding 50%.

Note 2: The total endorsement guarantee amount by the Company to external parties is limited to 30% of the most recent audited or certified financial statements' net worth.The endorsement guarantee amount to a single enterprise shall not exceed 30% of the Company's net worth. The overall endorsement guarantee amount by the Company and its subsidiaries shall not exceed 40% of the Company's net worth, and the endorsement guarantee amount to a single enterprise shall not exceed 40% of the Company's net worth. However, if approved by the Board of Directors, for subsidiaries in which the Company holds 100% of the voting rights directly or indirectly, the endorsement guarantee limit may exceed the aforementioned limits related to net worth for a single enterprise and the endorsed company.

Note 3: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD:TWD 1:30.705.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Purchase or sales transactions with related parties amounting to $100,000 or 20 percent of the contributed capital

For the year ended December 31, 2023

Table 3

Expressed in thousands of NTD

			Description of transaction				Desceiption and reasons for difference in transaction terms compared to non-related party		Notes or accounts receivable / (Payable)		
Purchases / Sales company	Name of the counterparty	Relationship	Purchases / (Sales)	Amount	Percentage of net purchases/(sales)	Credit period	Unit Price	Credit Period	Amount	Percentage of notes or accounts receivable/(payable)	Note
Macauto Industrial Co., Ltd	Kunshan Macauto Automobile Parts Industry Co., Ltd.	Subsidiary	(Sales)	($ 245,713)	7%	O/A 90days	$ -	(Note 2)	$ 79,046	10%	—
Macauto Industrial Co., Ltd	Kunshan Macauto Automobile Parts Industry Co., Ltd.	Subsidiary	Purchases	138,457	8%	O/A 90days	-	(Note 3)	(28,903)	5%	
Macauto Industrial Co., Ltd	MACAUTO MEXICO, S.A. DE C.V.	Subsidiary	(Sales)	(312,532)	9%	O/A 90days	-	(Note 2)	183,804	24%	
Macauto Industrial Co., Ltd	MACAUTO USA,INC.	Subsidiary	(Sales)	(102,653)	3%	O/A 90days	-	(Note 2)	27,327	4%	
MACAUTO MEXICO, S.A. DE C.V.	MACAUTO USA,INC.	An investee company accounted for under the equity method	(Sales)	(267,664)	27%	O/A 90days	-	(Note 2)	65,724	39%	

Note 1: The transactional relationships with related parties are not separately disclosed as they only differ in the direction of the transactions.

Note 2: Payment terms for regular customers are net 1 to 3 months, based on the company's credit management policy.

Note 3: Payment terms for regular suppliers are net 1 to 3 months

Note 4:Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD:TWD 1:30.705, MXN:TWD 1:1.8145, CNY:TWD 1:4.327.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching $100 million or 20% of the Company's paid-in capital or more

For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD

Purchases / Sales company	Name of the counterparty	Relationship	Accounts receivable from related parties amount	Turnover rate	Overdue receivable		Subsequent collections	Allowance for doubtful accounts
					Amount	Action taken for overdue accounts		
Macauto Industrial Co., Ltd	MACAUTO MEXICO, S.A. DE C.V.	Subsidiary	$ 313,122	1.05	$ 127,891	(Note)	$ 44,111	$ -

Note: Transfer to other receivables and regular follow-up to strengthen collection.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the year ended December 31, 2023

Table 5

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction: General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Macauto Industrial Co., Ltd.	Kunshan Macauto Automobile Parts Industry Co., Ltd.	1	Sales	$ 245,713	price negotiation, O/A 90 days	5%
			1	Purchases	138,457	price negotiation, O/A 90 days	3%
			1	Accounts receivable	79,046	—	1%
			1	Accounts payable	28,903	—	—
		MACAUTO USA,INC.	1	Sales	102,653	price negotiation, O/A 90 days	2%
			1	Accounts receivable	27,327	—	—
			1	Other payable	13,573	—	—
			1	Export fees	56,382	—	1%
		MACAUTO GROUP GmbH	1	Service fees	39,803	—	1%
		MACAUTO MEXICO, S.A. DE C.V.	1	Endorsement guarantee	521,985	—	9%
			1	Sales	312,532	price negotiation, O/A 90 days	6%
			1	Accounts receivable	183,804	—	3%
			1	Other receivables	129,318	—	2%
		Kunshan Macauto Automobile Parts Industry Co., Ltd.	1	Sales	37,332	price negotiation, O/A 90 days	1%
			1	Accounts receivable	5,494	—	—
1	Kunshan Macauto Automobile Parts Industry Co., Ltd.	Kunshan Macauto Automobile Parts Sales Co.,Ltd	3	Sales	32,262	price negotiation, O/A 90 days	1%
			3	Accounts receivable	9,650	—	—
		MACAUTO USA,INC.	3	Sales	55,130	price negotiation, O/A 90 days	1%
			3	Accounts receivable	15,054	—	—
2	Kunshan Macauto Automobile Parts Sales Co.,Ltd	MACAUTO MEXICO, S.A. DE C.V.	3	Sales	64,133	price negotiation, O/A 90 days	1%
			3	Accounts receivable	18,213	—	—
3	SYN-TECH CHEM. & PHARM. CO., LTD.	MACAUTO USA, INC.	2	Sales	267,664	price negotiation, O/A 90 days	5%
			3	Accounts receivable	65,724	—	1%

Note 1: As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required. Only transactions amounting to more than $5,000 are disclosed.

Note 2: 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 3: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount at the end of the period to consolidated total operating revenues for statement of comprehensive income accounts.

Note 5: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD:TWD 1:30.705, MXN:TWD 1:1.8145 and RMB: NTD 1:4.327.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Information on investees

For the year ended December 31, 2023

Table 6

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized for the year ended December 31, 2023	Note
Macauto Industrial Co., Ltd.	CRACK MYTHOLOGY INTERNATIONAL LTD.	Mauritius	General investment	$ 98,256	$ 98,256	3,200,000	100%	$ 1,318,440	$ 73,071	$ 73,071	Subsidiary
	MACAUTO USA, INC.	USA	Automobile Sun Shade	36,846	36,846	4,000,000	100%	130,639	6,983	6,983	Subsidiary
	MACAUTO HOLDINGS LLC	USA	General investment	7,077	7,077	230,477	100%	-	-	-	Subsidiary
	MACAUTO GROUP GmbH	Germany	Automobile Sun Shade	79,853	79,853	-	100%	82,028	1,360	1,360	Subsidiary
	MACAUTO MEXICO, S.A. DE C.V.	Mexico	Automobile Sun Shade	615,635	615,635	-	100%	509,520	(16,889)	(16,889)	Subsidiary
	MACAUTO KOREA YOOHANHEOSA	Korea	Automobile Sun Shade	2,390	-	100,000	100%	2,524	135	135	Subsidiary

Note: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD:TWD 1:30.705 、 EUR:TWD 1:33.98 and KRW:TWD 1:0.0239.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Note
Kunshan Macauto Automobile Parts Industry Co., Ltd.	Automobile Sun Shade	$ 119,750	(Note 1) (Note 2)	$ 98,256	$ -	$ -	$ 98,256	$ 73,071	100%	$ 73,071	$ 1,333,630	$ 304,807	(Note 4)
Kunshan Macauto Automobile Parts Industry Co., Ltd.	Sales of Automobile Sun Shade and the components, etc.	43,270	(Note 3)	-	-	-	-	4,699	100%	4,699	78,577	-	(Note 4)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)
Standard Chem & Pharm. Co., Ltd.	$ 98,256	$ 119,750	$ 2,163,477

Note 1: Establishment of a company in a third territory (CRACK MYTHOLOGY INTERNATIONAL LTD.) for the purpose of investing in mainland China.
Note 2: Among which $21,494 (USD 0.7 million) is invested indirectly in the mainland company through the increase in capital from the earnings of CRACK MYTHOLOGY INTERNATIONAL LTD. in the third territory.
Note 3: Investment in mainland China through the mainland company (Kunshan Macauto Automobile Parts Industry Co., Ltd.).
Note 4: The valuation and recognition of the investment amount is based on the financial statements of the invested company audited by the certified public accountant for the same period.
Note 5: The investment limit is calculated based on 60% of the net worth or consolidated net worth, whichever is higher.
Note 6: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD: NTD 1:30.705 and RMB: NTD 1:4.327.

MACAUTO INDUSTRIAL CO., LTD. AND SUBSIDIARIES
Major Shareholders Information
December 31, 2023

Table 8

Major Shareholder's Name	Shares		Note
	Number of shares	Percentage	
Tayih Kenmos Auto Parts Co., Ltd.	9,450,000	12.61%	–
Lin, Yung-Ching	4,635,350	6.18%	–

Note:The major shareholders information was derived 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 and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.