

Stock Code: 9951

Macauto Industrial Co., Ltd.

2023 Annual Report

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Published on May 30, 2024

Annual Report Website:

Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <https://www.macauto-group.com>

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V. Name of Overseas Securities Exchange and Method for Accessing Information on Overseas Negotiable Securities: None.

VI. Company Website: <https://www.macauto-group.com>

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I. Letter to Shareholders

A. Financial Results for the Year 2023

(1) Implementation of Business Plan

The Company's consolidated net operating revenue was NTD 5.208 billion in 2023, an increase of 7.38% from NTD 4.850 billion in the previous year; consolidated gross profit was NTD 1.349 billion, an increase of 8.53% from NTD 1.243 billion in the previous year, due to the effect of the combination of product sales. The consolidated net operating income was NTD 464 million, an increase of 12.35% from NTD 413 million in the previous year, due to the increase in operating gross profit. In addition, the consolidated net income for the period was NTD 432 million for the current period, an increase of 4.85% from NTD 412 million in the previous year, due to the increase in net operating income.

(2) Budget Execution

The Company implements monthly budget management for costs and expenses to ensure reasonable profit control and enhance operational efficiency.

(3) Financial Income and Profitability

Unit: NT\$ Thousand

Consolidated Financial Statements					
Year		2023	%	2022	%
Financial Income and Expenses	Operating revenue	5,208,082	100	4,850,034	100
	Operating costs	(3,858,703)	(74)	(3,606,645)	(74)
	Operating margin	1,349,379	26	1,243,389	26
	Operating expenses	(885,230)	(17)	(830,837)	(17)
	Operating income	464,149	9	412,552	9
	Net profit for the period	432,248	8	411,972	9
Profitability	ROE (Return on Equity)	12.39%		12.71%	
	EPS (Earnings Per Share) after tax	5.77		5.50	

(4) Research and Development Status:

Macauto Industrial Co., Ltd. has a competitive advantage in the international market in terms of the technology, quality, and cost of products such as Rollo Assy, Door Shade, Rear Shade - Power, Luggage Compartment Cover, Wind Deflectors, Barrier Net, Map Pocket, Front Trunk Net, and Sun Visor Roller. The Company continues to invest resources and manpower in innovative technologies with international competitiveness, such as power adjustment rear door shade, luggage compartment cover - power, track-type (wire-pulling) rear door shade- power with triangle shade, rear door shade with magnet hook, armrest, console, and new fabric, such as recycle fabric and lightweight fabric, and actively expands automotive interior parts. In addition, the Company will continue to grasp industry trends and pay attention to important customer strategy development to enhance product uniqueness and meet customer needs.

B. Summary of 2024 Business Plan:

(1) Business Guideline

1. Continuously expand the market and acquire new customers.
2. Stay informed about industry trends and the strategic development of key customers, and develop new products and technologies to meet customer needs.
3. Continuously invest in research and development resources to enhance the company's R&D capabilities.
4. Integrate group operations to enhance competitiveness.
5. Optimize product quality and increase customer satisfaction.

(2) Expected Sales Quantity for 2024 and its Basis :

Unit : Thousand of pieces

Product	Macauto Industrial Co., Ltd. Projected sales quantity (Finished goods)	Macauto Group Projected sales quantity (Finished goods)
Automobile Sun Shade	3,131	9,548

Note: The projected sales quantity is aggregated based on the indicated volume from customers.

(3) Important Sales and Marketing Policies

1. In response to changes in the automotive industry, rapidly grasp customer order demands, visualize inventory management, and reduce inventory levels.
2. Optimize the manufacturing cost of molds and enhance the competitiveness of mold quotations.

3. Increase high-quality suppliers, centralize procurement, and enhance local procurement to reduce costs related to raw material packaging and transportation.
4. Encourage cross-learning and standardization among different manufacturing sites to optimize their manufacturing capabilities.

C. Future Company Development Strategy

1. Paying attention to ESG carbon emission issues, we will calculate carbon emissions and footprints at necessary intervals in accordance with international trends and perform product verification with environmentally friendly recycled materials .
2. Strengthening the centralization of functional organizations, we will enhance the integration of group research and development, procurement, and operational management systems. Enhancing the localization of subsidiary companies, we will adjust our organizational structure to respond to potential market growth in China and business development in Japan. We will allocate more resources to research and development and business operations.
3. Globalization to stay close to markets and clients, and cultivating talents to enhance job competencies and improve client satisfaction.
4. Continuously enhance management capabilities, improve communication and coordination, and effectively utilize and integrate resources.
5. Developing new customers and new products to expand the product line of the group.

D. Impact from External Competitive Environment, Regulatory Environment, and Overall Business Environment

(1) Impact from External Competitive Environment

To cope with market competition, the company will improve the speed of product design and development, reduce product development cycles and costs through shared components or VA/VE approaches, and meet customer needs.

(2) Impact from Regulatory Environment

The company has introduced advanced software and testing equipment to adapt to increasingly stringent environmental regulations and enhance product design capabilities. The company also aims to increase its mastery of materials to minimize the impact in this aspect. Additionally, it is crucial to continuously monitor changes in regulatory environments and strategically plan patents during the research and development phase to mitigate potential risks.

(3) Impact from Overall Business Environment

The impact of global economic fluctuations in the year 2023 is expected to vary in different regions. The company will continue to focus on increasing market share, expanding product range, reducing costs and expenses, and enhancing product quality to counter possible effects of changes in the overall business environment.

II. Company Profile

A. Date Established

July 25, 1983

B. Company history

Year	Milestones
1983	The Company was founded in Yongkang District, Tainan City, established with capital of NT\$4,000,000.
1987	Capital increased by cash of NT\$8,000,000, increasing capital amount to NT\$12,000,000.
1992	Capital increased by cash of NT\$17,500,000, increasing capital amount to NT\$29,500,000.
1994	Began development and manufacturing of electric lawn mowers and trimmers.
1998	1. Cash capital increase of NT\$15,750,000 and capitalization of retained earnings of NT\$13,570,000, increasing capital amount to NT\$58,820,000. 2. Began R&D and manufacturing of activated carbon.
1999	1. Cash capital increase of NT\$76,468,520, capitalization of retained earnings of NT\$16,116,680, and capitalization of capital company of NT\$28,594,800, increasing capital amount to NT\$180,000,000. 2. The Company's electric automotive sunshade was successfully sold to the German auto manufacturer BMW for installation in 5 Series cars, standing out as the first domestic company to successfully sell to BMW.
2001	1. Cash capital increase of NT\$30,000,000 and capitalization of retained earnings of NT\$27,000,000, capital amount to NT\$237,000,000. 2. Entered mainland China to establish Kunshan Macauto Automobile Parts Industry Co., Ltd. and supply the local mainland China automotive sunshade market.
2002	Capitalization of retained earnings of NT\$23,700,000, increasing capital amount to NT\$260,700,000.
2003	1. Capitalization of retained earnings of NT\$39,300,000, increasing capital amount to NT\$300,000,000. 2. Trading of TPEx listed stock.
2004	Capitalization of retained earnings of NT\$60,000,000, increasing capital amount to NT\$360,000,000.
2005	1. Capitalization of retained earnings of NT\$54,000,000 and subscription of employee stock option certificates of NT\$5,080,000, increasing capital amount to NT\$419,080,000. 2. The Company won in the 2005 SPE Automotive Division Innovation Awards Program – Interior Category together with Delphi and Saint-Gobain.
2006	Capitalization of retained earnings of 41,908,000 and employee stock option certificates of NT\$4,890,000, increasing capital amount to NT\$465,878,000.
2007	Established Macauto Group GmbH in Germany to develop the European market.
2008	Capitalization of retained earnings of NT\$69,982,000 and capitalization of employee bonuses of NT\$8,000,000, increasing capital amount to NT\$549,000,000.
2009	Cash capital increase via private placement of 20,000,000 shares with share capital from common shares to be converted into NT\$749,000,000 after the capital increase.
2011	1. Recognized as exhibiting an outstanding performance at the 12th National

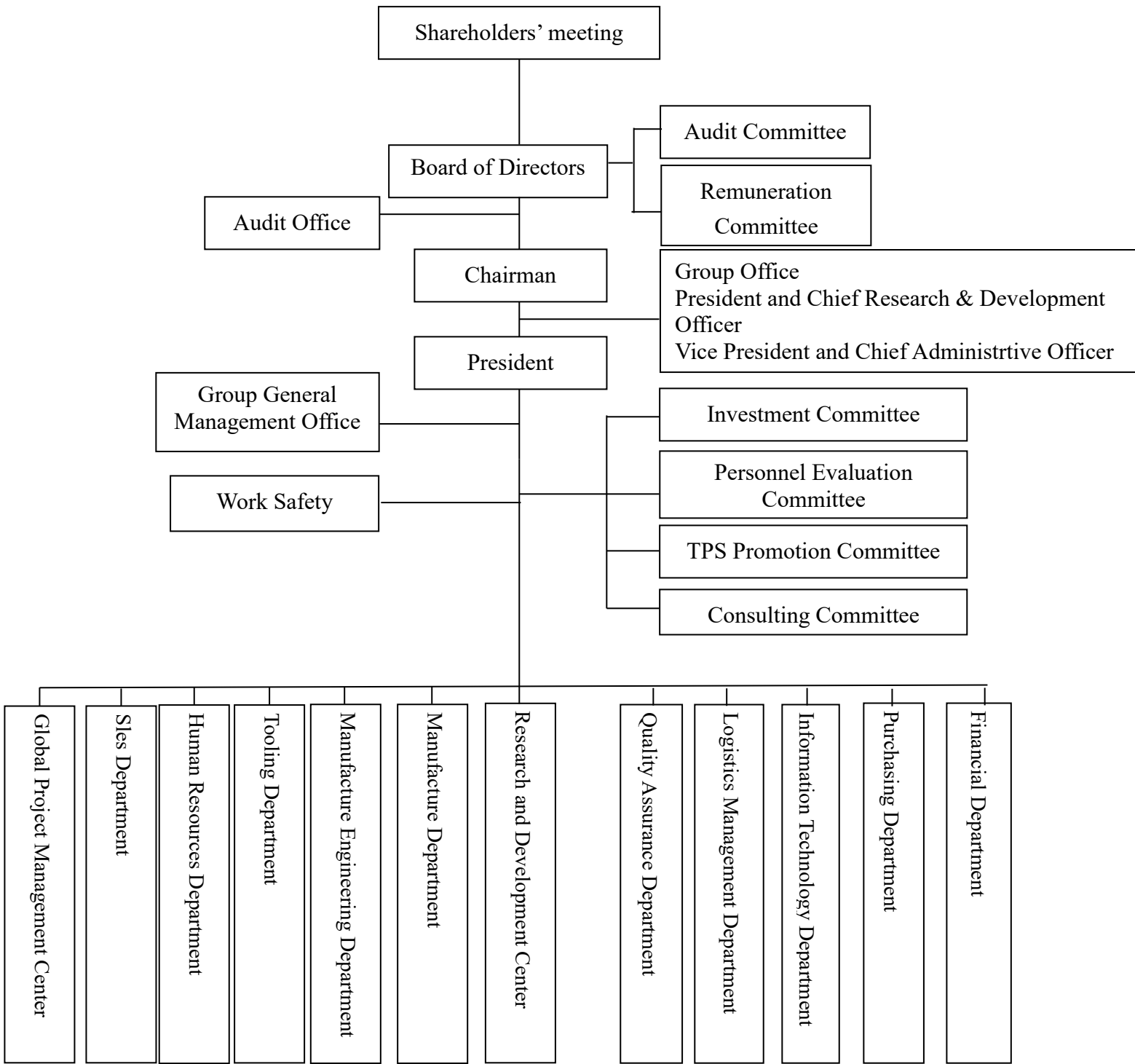
Year	Milestones
	Standardization Award, receiving a Certificate of Merit from the Ministry of Economic Affairs. 2. Won WCI evaluation as a Gold Supplier for 2011.
2012	Subsidiary Kunshan Macauto Automobile Parts Industry Co., Ltd. won a 2012 Ford World Excellence Gold Award.
2013	Established Jinmao Industrial Co., Ltd. to oversee business related to activated carbon filters.
2014	1. The Company moved to the new factory in Yongkang and sold the filter media business to Jinmao Industrial Co., Ltd. 2. The Company adjusted its Group deployment by selling 90% of the equity of Jinmao Industrial Co., Ltd. 3. Won the GM 2014 Supplier Quality Merit Award. 4. Won the JCI 2014 European Supplier Performance Excellence Award. 5. Won the JCI Global Supplier Performance Excellence Award. 6. Won the AGCO 0 ppm Bronze Medal.
2015	1. The Company adjusted its Group deployment by selling the remaining 10% of equity of Jinmao Industrial Co., Ltd. 2. Entered Leon, Mexico to set up Macauto Mexico subsidiary. 3. The Group invested in Kunshan Macauto Automobile Parts Sales Co., Ltd. 4. Won the Yenfeng 2015 European Supplier Quality Excellence Award.
2016	1. Invested in Macauto International Development Co., Ltd. in response to land development around the high-speed rail. 2. The Mexican subsidiary bought land to address future development needs.
2017	1. Obtained IATF 16949:2016 certification. 2. Obtained ISO 14001:2015 certification.
2018	1. R.O.C. Macauto won the 2018 General Motors Supplier Quality Excellence Award. 2. In December 2018, Macauto Group GmbH moved to Heiligenhaus, Germany.
2019	Mexico factory moved to Industrial Park Stiva Leon, Guanajuato.
2021	The Company adjusted its Group deployment by selling Macauto International Development Co., Ltd.
2022	The Company adjusted its Group deployment by liquidating MARTINGALE TRANSNATIONAL CO.,LTD. and HEDGE TRADING LIMITED.
2023	Established Macauto Korea Yoohanheosa in Korea for business expansion and sales service.

III. Corporate Governance Report

A. Organization system

(1) Organizational Structure

Tabulation date: April 24, 2024



(2) Business operations of major departments

Department designations	Business operations
Audit Office	Responsible for the Company's internal audit operations and audit matters assigned by the Board of Directors or by supervisors.
Industrial Safety Office	Responsible for labor safety and environmental protection business and management.
Remuneration Committee	Responsible for developing and reviewing the policies, systems, standards, and structures of performance appraisal of and salary remuneration for directors and managers, and regularly evaluating the remuneration of directors, supervisors, and managers.
Audit Committee	Responsible for supervising the fair presentation of financial statements, the effective implementation of internal control and the effective execution of the Company's functions and powers in compliance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations.
Investment Management Committee	Responsible for foreign investment and establishment of factories and operation and management of subsidiaries.
Personnel Review Committee	Responsible for Company matters related to personnel evaluation management.
TPS Promotion Committee	Responsible for Company matters related to TPS promotion.
Advisory Committee	Responsible for providing consultation on the planning and implementation of Company policies and the coordination of each department.
Group General Management Office	Responsible for Group strategic planning, Group resource integration, Group management.
Global Project Management Center	Responsible for the management of the Group's new product development projects, cross-departmental communication and coordination, and integration of relevant resources of each unit in order to facilitate each project to meet customer needs.
Sales Department	Responsible for product planning, sales, and promotion.
Human Resources Department	Responsible for formulating the Group's human resources development strategy, cultivating and integrating key talent of the Group.
Tooling Department	Responsible for the Group's mold design, mold manufacturing and mold management, and other related businesses
Manufacture Engineering Department	Responsible for the Group's production technology improvement.
Manufacture Department	Responsible for the Group's production and manufacturing.
Research and Development Center	Responsible for advanced product strategy and research and development. Responsible for the Group's product R&D design, mold design, and manufacturing management.
Quality Assurance Department	Responsible for the quality inspection of purchasing, production, shipment, and customer complaints as well as the continuous promotion of the TS 16949 and VDA systems.
Logistics Management Department	Responsible for production and sales logistics management.
Information Technology Department	Responsible for network, system development and design, hardware maintenance, and other operations.
Purchasing Department	Responsible for materials procurement management.
Financial Department	Responsible for collections and payments, fund scheduling, accounting and account processing, cost settlement, investment planning control, budget preparation and execution, and stock affairs.

B. (1) Information of Directors, General Manager, Vice Presidents, Assistant General Managers, and Directors of Departments and Branches

Date: April 20, 2024

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure	Date of first Appointment	Shareholding at the time of appointment		Shareholding at current		Spouse and minor children currently holding shares		Holding shares under the name of others		Education and working experience	Current concurrent positions in this company and other companies	Other executives, directors, or supervisors with a spouse or within second-degree kinship relationship			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C	Lycom Investment Co., Ltd.	—	2021.08.26	3 years	2012.06.06	896,400	1.2	1,063,400	1.42	0	0	0	0	None	None	None	None	None	NA
	R.O.C	Representative: Lin Chou, Yu-Shan	Female 70~80 years old	2021.08.26	3 years	1983.06.18	3,396,920 (Note 3)	4.54	3,071,920 (Note 3)	4.10	5,635,350 (Note 3)	7.52	2,332,000	3.11	Department of Oriental Languages and Literatures, Tamkang University TA YIH INDUSTRIAL CO., LTD.	Chairman and CEO of the company Chairman of Kunshan Macauto Automobile Parts Industry Co., Ltd. Chairman of Lycom Investment Co., Ltd. Director of Tconn Investment Co., Ltd. Chairman of MACAUTO USA, INC. Chairman of MACAUTO GROUP GmbH Chairman of MACAUTO MEXICO S.A. DE C.V. Chairman of Macauto Korea Yooheos Chairman of MACAUTO Slovakia s.r.o.	Group President and Chief R&D Officer; Vice President	Lin, Yung-Ching Lin, MengYu	Spouse Son/Daughter	(Note2)

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure	Date of first Appointment	Shareholding at the time of appointment		Shareholding at current		Spouse and minor children currently holding shares		Holding shares under the name of others		Education and working experience	Current concurrent positions in this company and other companies	Other executives, directors, or supervisors with a spouse or within second-degree kinship relationship			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	R.O.C.	Lycom Investment Co., Ltd.	—	2021.08.26	3 years	2012.06.06	896,400	1.2	1,063,400	1.42	0	0	0	0	None	None	None	None	None	NA
	R.O.C.	Representative: Lin, Yung-Ching	Male 60~70 years old	2021.08.26	3 years	1983.06.18	6,135,350 (Note 3)	8.19	5,635,350 (Note 3)	7.52	3,071,920 (Note 3)	4.10	2,332,000	3.11	Department of Mechanical Engineering, South Asia Institute of Technology and Medicine TA YIH INDUSTRIAL CO., LTD.	Group President and Chief R&D Officer Chairman of Tconn Investment Co., Ltd. Director of Macauto International Development Co., Ltd. Director of Kunshan Macauto Automobile Parts Industry Co., Ltd.	Chairman and CEO, Vice President	Lin Chou, Yu-Shan Lin, MengYu	Spouse Son/Daughter	NA
Director	R.O.C.	Liu, Tien-Chang	Male 70~80 years old	2021.08.26	3 years	1983.06.18	799,379	1.07	626,379	0.84	0	0	0	0	Shin Rong Business and Industrial School Machinery Department	Group Vice President and Chief Administrative Officer Chairman of Zirui Investment Co., Ltd. Director of Zizai Investment Co., Ltd.	None	None	None	NA

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure	Date of first Appointment	Shareholding at the time of appointment		Shareholding at current		Spouse and minor children currently holding shares		Holding shares under the name of others		Education and working experience	Current concurrent positions in this company and other companies	Other executives, directors, or supervisors with a spouse or within second-degree kinship relationship			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	R.O.C.	TAYIH KENMOS AUTO PARTS CO., LTD.	—	2021.08.26	3 years	2009.06.19	9,450,000	12.62	9,450,000	12.62	0	0	0	0	None	Director of Guangyu Electronics Co., Ltd.	None	None	None	NA
	R.O.C.	Representative: Wu. Chun-I	Male 80~90 years old	—	3 years	—	0	0	28,000	0.04	47,000	0.06	0	0	National Pei-men Senior Agricultural and Industrial Vocational School	Chairman of Tayih Kenmos Auto Parts Co., Ltd. Director of Tayih Industrial Co., Ltd. Director of T.Y.C. Brother Industrial Co., Ltd. Vice Chairman of Fuzhou Koito Tayih Automotive Lamp Co., Ltd.	None	None	None	NA
Director	R.O.C.	Li, Yin-Te	Male 60~70 years old	2021.08.26	3 years	2021.08.26	0	0	0	0	30,000	0.04	0	0	National Taipei University of Business, Department of Business Administration; Director and Assistant General Manager of Toyota Tsusho (Taiwan) Co., Ltd.; Chairman of FENG SHENG LOGISTICS CO., LTD	Supervisor of Toyota Tsusho (Taiwan) Co., Ltd.	None	None	None	NA

T i t l e	Natio nality or Place of Regis tratio n	Name	Gender Age	Date of Appoint ment	Tenur e	Date of first Appointment	Shareholding at the time of appointment		Shareholding at current		Spouse and minor children currently holding shares		Holding shares under the name of others		Education and working experience	Current concurrent positions in this company and other companies	Other executives, directors, or supervisors with a spouse or within second-degree kinship relationship			N o t e (N o t e 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Ti tl e	N a m e	R el at io ns hi p	
Independent Director	R.O. C.	Wu, Ya- Chuan	Female 60~70 years old	2021.08. 26	3 years	2006.06.09	0	0	0	0	0	0	0	0	Business Administration, National Taiwan University; National Cheng Kung University, Master's degree in Business Administration; Certified Public Accountant (CPA); Branches, Brokerage Dept of Master Link Securities Corp.; CFO of Merry Life Biomedical Company, Ltd.; CFO ChongDah Health Co. Ltd.; Professional expert lecturer of Tainan University of Technology	Chief of the Accounting Firm at Wu Ya-Chuan Accounting Firm Supervisor of Advanced Flexible Circuits Co., Ltd. Independent Director of T-Flex Techvest PCB CO., LTD.	None	None	None	NA

T i t l e	Natio nality or Place of Regis tratio n	Name	Gender Age	Date of Appoint ment	Tenur e	Date of first Appointment	Shareholding at the time of appointment		Shareholding at current		Spouse and minor children currently holding shares		Holding shares under the name of others		Education and working experience	Current concurrent positions in this company and other companies	Other executives, directors, or supervisors with a spouse or within second-degree kinship relationship			N o t e (N o t e 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Ti tl e	N a m e	R el at io ns hi p	
Independent Director	R.O. C.	Chiu, Fang- Tsai	Male 50~60 years old	2021.08. 26	3 years	2021.08.26	0	0	0	0	0	0	0	0	Master's degree in Finance and Financial Management from National Cheng Kung University Certified Public Accountant (CPA) Chief of the Audit Department at AMIT Wireless Inc	Chief of the Accounting Firm of Qingxin CPA Firm Independent Director of Ying Han Technology Co., Ltd. Independent Director of GeneFerm Biotechnology Co., Ltd. Supervisor of Yung Fu Co., Ltd. Independent Director of SPEC Products Corp.	None	None	None	NA

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure	Date of first Appointment	Shareholding at the time of appointment		Shareholding at current		Spouse and minor children currently holding shares		Holding shares under the name of others		Education and working experience	Current concurrent positions in this company and other companies	Other executives, directors, or supervisors with a spouse or within second-degree kinship relationship			Note (Note 1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	Lai, Wei-Hsiang	Male 60~70 years old	2021.08.26	3 years	2021.08.26	0	0	0	0	58	0	0	0	Ph.D. in Aerospace Engineering from National Cheng Kung University Director and Chairman of the Aerospace Engineering Department/Civil Aviation Research Institute/Energy International Degree Program at National Cheng Kung University.	Vice Director of Building Performance Evaluation Center, National Cheng Kung University Research and Development Foundation	None	None	None	NA
Independent Director	R.O.C.	Chen, Fa-Chiang	Male 60~70 years old	2021.08.26	3 years	2021.08.26	0	0	0	0	0	0	0	0	Industrial Management Department at R.O.C. Institute of Industrial Technology Manager at KGI Securities Co., Ltd.	Director of LI-XIANG ELECTRONICS CO., LTD.	None	None	None	NA

Note 1: When the Chairman of the Board also holds the position of General Manager or an equivalent role (the highest executive position) or when they are spouses or first-degree relatives, the reasons, rationale, necessity, and corresponding measures should be explained.

Note 2: The current situation of the Chairman also serving as the General Manager is necessary for the company's operations. The company has increased the number of independent directors, and more than half of the directors do not hold executive positions, in order to strengthen the independence and transparency of corporate governance.

Note 3: This includes the number of shares held in trust accounts for the purpose of exercising decision-making rights.

1. The Major Shareholders Among The Corporate Shareholders

Shareholders	The major shareholders among the corporate shareholders	
	Name	Shareholding percentage
LYCOM INVESTMENT CO., LTD.	LIN CHOU, YU-SHAN	75.00
	LIN, SHIN-YU	25.00
TAYIH KENMOS AUTO PARTS CO., LTD.	TA WEI INVESTMENT CO., LTD	22.48
	DING WAN INVESTMENT CO., LTD.	9.85
	YUN HSIEN ENTERPRISE CO., LTD.	3.00
	CHEN WANG INDUSTRIAL CO., LTD.	2.94
	KUO CHI MIN INVESTMENT CO.,LTD	2.92
	TAYIH INTERNATIONAL HOTEL CO., LTD.	2.35
	YIH JIAN INVESTMENT CO., LTD.	2.09
	YUAN HUNG INVESTMENT CO., LTD	1.47
	YANG ZHENGYANG	1.10
	WU MAI, HUI-O	1.01
	Other Shareholders	50.80

2. The Major Shareholders Of Corporate Shareholders

Shareholders	The major shareholders among the corporate shareholders	
	Name	Shareholding percentage
TA WEI INVESTMENT CO., LTD.	WU, CHUN-I (Note)	42.50
	WU MAI, HUI-O (Note)	30.11
	DING WAN INVESTMENT CO.,LTD.	21.89
	WU, CHEN-YI (Note)	3.18
	CHEN WANG INDUSTRIAL CO., LTD.	2.32
DING WAN INVESTMENT CO., LTD.	CHEN WANG INDUSTRIAL CO., LTD.	37.16
	WU MAI, HUI-O (Note)	28.01
	WU, CHEN-YI (Note)	19.09
	WU, CHUN-I (Note)	15.74
(Note) Entrusted Trust Property Account		

Shareholders	The major shareholders among the corporate shareholders	
	Name	Shareholding percentage
YUN HSIEN ENTERPRISE CO., LTD.	WU, YU-HSIEN	99.94
	CHANG, FEI-CHUN	0.06
CHEN WANG INDUSTRIAL CO., LTD.	WU, CHEN-YI	100
KUO CHI MIN INVESTMENT CO.,LTD.	WU, CHUN-CHI	53.76
	WANG, LI-HSIA	31.53
	WU, KUO-CHEN	6.91
	WU, YIN-CHEN	3.08
	WU, CHI-CHEN	2.36
	WU, MIN-CHEN	2.36
TAYIH INTERNATIONAL HOTEL CO., LTD.	TA WEI INVESTMENT CO., LTD.	96.40
	WU, CHUN-I	3.20
	WU, CHEN-YI	0.40
YIH JIAN INVESTMENT CO., LTD.	WU, YU-HSIEN	59.50
	WU, CHUN-I	30.00
	WU MAI, HUI-O	10.00
	WU, CHEN-YI	0.50
YUAN HUNG INVESTMENT CO., LTD	WU, CHENG-YUAN	40.00
	WU, CHENG-HUNG	40.00
	WU, TIEN-LING	20.00

3. Director's Professional Qualifications and Disclosure of Independent Director's Independence

Condition Name	Professional Qualifications and Experience (Note 1)	Independence Status	The number of independent directors concurrently serving in other publicly listed companies.
Representative of Lycom Investment Co., Ltd.: LIN CHOU, YU-SHAN	Please refer to the annual report "Section B, (1) Director Information" on pages 9-14 for the directors' professional qualifications and experiences.	Not applicable for non-independent directors.	0
Representative of Lycom Investment Co., Ltd.: LIN, YUNG-CHING			0
LIU, TIEN-CHANG			0
Representative of TAYIH KENMOS AUTO PARTS CO., LTD.: Wu, Chun-I			0
LI, YIN-TE			0
WU, YA-CHUAN		All independent directors comply with the provisions of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" Please refer to Note 2 for details.	1
CHIU, FANG-TSAI			3
LAI, WEI-HSIANG			0
CHEN, FA-CHIANG			0

Note 1: No director exhibits any of the circumstances specified under Article 30 of the Company Act.

Note 2: Provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

- (1) Self, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or affiliated companies.
- (2) Not holding an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings as a natural person shareholder under one's own name or that of one's spouse, minor children, or shares held in the name of others.
- (3) Not having a spousal relationship, a second-degree kinship or closer, or an immediate lineal relative within three degrees of kinship of natural person shareholders holding more than 1% of the total issued shares of the Company or in the top 10 shareholders.
- (4) Not serving as a director, supervisor, or employee of a company that has a specified relationship with the Company.
- (5) In the past two years, the director himself/herself or a company of which he or she is a director has not provided exclusive or professional services to the Company.

4. Diversity and Independence of the Board of Directors:

(1) Board of Directors diversity:

Please refer to page 33-34: “C. Corporate Governance Status,” “(3). Status of corporate governance, and difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons,” “III. Composition and Duties of the Board of Directors”

(2) Independence of the Board of Directors:

In accordance with the provisions of the Securities and Exchange Act, the number of independent directors shall not be less than two and not less than one-fifth of the number of directors, and the Audit Committee is to be composed of all independent directors. There are nine members of the Company’s Board of Directors, four of whom are independent directors and accounting for 44.4% of all directors, thus complying with the requirements for the number of independent directors and the proportion of all directors.

The Board of Directors of the Company directs the Company’s operating strategy, supervises and evaluates the performance of the management team, and is accountable to the Company and its shareholders. In all operations of the corporate governance system, the Board of Directors exercises its functions and powers in accordance with laws and regulations, the Company’s Articles of Incorporation, or resolutions of the shareholders’ meeting. The Board of Directors of the Company emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their functions and powers independently. For the statement of directors’ independence, please refer to page 17 and the Disclosure of Information on the Professional Qualifications of Directors and the Independence of Independent Directors.

(2) Information of General Manager, Vice Presidents, Assistant General Managers, and Directors of Departments and Branches

Date: April 20, 2024

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure		Date of first Appointment		Shareholding at the time of appointment		Shareholding at current	Spouse and minor children currently holding shares	Other managers with a spouse or within second-degree kinship relationship			Note (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman and CEO	R.O.C.	LIN CHOU, YU-SHAN	Female	2015.06.10	3,071,920 (Note 3)	4.10	5,635,350 (Note 3)	7.52	2,332,000	3.11	Department of Oriental Languages and Literatures, Tamkang University TA YIH INDUSTRIAL CO., LTD.	Chairman and CEO of the company Chairman of Kunshan Macauto Automobile Parts Industry Co., Ltd. Chairman of Lycom Investment Co., Ltd. Director of Tconn Investment Co., Ltd. Chairman of MACAUTO USA, INC. Chairman of MACAUTO GROUP GmbH Chairman of MACAUTO MEXICO S.A. DE C.V. Chairman of Macauto Korea Yoohanheosa Chairman of MACAUTO Slovakia s.r.o.	Group President and Chief R&D Officer, Vice President	LIN, YUNG-CHING LIN, MENG-YU	Spouse, Mother and Daughter	(Note2)
Group President And Chief R&D Officer	R.O.C.	LIN, YUNG-CHING	Male	2011.10.01	5,635,350 (Note 3)	7.52	3,071,920 (Note 3)	4.10	2,332,000	3.11	Department of Mechanical Engineering, South Asia Institute of Technology and Medicine TA YIH INDUSTRIAL CO., LTD.	Group President and Chief R&D Officer Chairman of Tconn Investment Co., Ltd. Director of Macauto International Development Co., Ltd. Director of Kunshan Macauto Automobile Parts Industry Co., Ltd.	Chairman and CEO; Vice President	LIN CHOU, YU-SHAN LIN, MENG-YU	Spouse, Father and Daughter	NA

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure		Date of first Appointment		Shareholding at the time of appointment		Shareholding at current	Spouse and minor children currently holding shares	Other managers with a spouse or within second-degree kinship relationship			Note (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Group Vice President and Chief Administrative Officer	R.O.C.	LIU, TIEN-CHANG	Male	2011.10.01	626,379	0.84	0	0	0	0	Shin Rong Business and Industrial School Machinery Department	Vice President and Chief Administrative Officer Chairman of Ziru Investment Co., Ltd. Director of Zizai Investment Co., Ltd.	None	None	None	NA
Senior Vice President	R.O.C.	YANG, KENG-MIN	Male	2015.05.01	0	0	0	0	0	0	National Hsinying Industrial Vocational School, Mechanical Engineering Department General Manager of Kunshan Macauto Automobile Parts Industry Co., Ltd.	None	None	None	None	NA
Vice President	R.O.C.	YANG, KUO-CHENG	Male	2017.01.01	4,062	0.01	0	0	0	0	Department of Mechany of Kun Shan University, Research and Development Department Manager of Macauto Industrial Co., Ltd.	Director and General Manager of Kunshan Macauto Automobile Parts Industry Co., Ltd.	None	None	None	NA

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure		Date of first Appointment		Shareholding at the time of appointment		Shareholding at current	Spouse and minor children currently holding shares	Other managers with a spouse or within second-degree kinship relationship			Note (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice President	R.O.C.	LIN, MENG-YU	Female	2017.01.01	792,802	1.06	107,000	0.14	2,332,000	3.11	Master of Marketing at Queensland University of Technology Special Assistant to the General Manager of Macauto Industrial Co., Ltd.	Supervisor of Tconn Investment Co., Ltd. Director of Sunder Investment Co., Ltd. Supervisor of Kaihia INVESTMENT CO., LTD.	Chairman and CEO Group President and Chief R&D Officer	LIN CHOU, YU-SHAN LIN, YUNG-CHING	Mother-daughter / Father-daughter	NA
Assistant General Manager of Research and Development Center	R.O.C.	YEN, HUNG-MING	Male	2008.02.01	25,722	0.03	0	0	0	0	Department of Mechanical Engineering, Kun Shan University Manager of Research Department of Macauto Industrial Co., Ltd.	None	None	None	None	NA
Assistant General Manager of Global Project Management Center	Japan	KENICHIRO KAKINUMA	Male	2016.09.01	22,802	0.03	840,876	1.12	2,332,000	3.11	Graduated from the Master's program in Engineering Management at Royal Melbourne Institute of Technology (RMIT) Sales Department Manager at Macauto Industrial Co., Ltd.	Director of Sunder Investment Co., Ltd.	None	None	None	NA

Title	Nationality or Place of Registration	Name	Gender Age	Date of Appointment	Tenure		Date of first Appointment		Shareholding at the time of appointment		Shareholding at current	Spouse and minor children currently holding shares	Other managers with a spouse or within second-degree kinship relationship			Note (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Assistant General Manager of Sales Department	R.O.C.	CHEN, CHIA-PIN	Male	2019.03.01	1,857	0	5,250	0.01	0	0	Master's degree in Information and Knowledge Management from the University of Loughborough, UK. Product Manager at SAPIDO TECHNOLOGY INC.	None	None	None	None	NA
Assistant General Manager	R.O.C.	WEI, NAN-HUA	Male	2024.03.26	0	0	0	0	0	0	Bachelor's degree in Automatic Control Engineering from Feng Chia University. Factory Chief of MACAUTO MEXICO S.A. DE C.V. Assistant General Manager of LUCIDITY ENTERPRISE CO., LTD.	None	None	None	None	NA
Manager of Financial Department	R.O.C.	HSU, CHU-JU	Female	2020.05.30	0	0	0	0	0	0	Bachelor's degree in Accounting from Donghua University. Assistant Manager at KPMG.	None	None	None	None	NA

Note 1: If the Chairman of the company also holds the position of General Manager or an equivalent executive role, is married to, or is a close relative of the highest-ranking executive, the reasons, rationale, necessity, and corresponding measures should be explained.

Note 2: The Chairman of the company also serves as the General Manager to meet the operational needs of the company. The company has increased the number of independent directors and more than half of the directors do not hold executive positions to strengthen the independence and information transparency of corporate governance.

Note 3: Includes shares held in trust accounts with retained decision-making rights.

(3) Recent Annual Remuneration for Directors, Supervisors, General Manager, and Deputy General Manager.

1. "Remuneration for Directors and Independent Directors (individual disclosure of names and remuneration methods)."

Unit: NT\$ Thousand

Title	Name	Remuneration for Directors								The total amounts and the ratios to net profit after tax for items A, B, C, and D		Remuneration received for holding multiple positions as an employee								The total amount and the ratio to net profit after tax for A, B, C, D, E, F, and G		Compensation received from subsidiaries other than equity method investees or the parent company
		Remuneration (A)		Retirement pension (B)		Director remuneration (C)		Business execution expenses (D)				The total amount and ratio of salaries, bonuses, and special allowances (E)		Retirement pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash amount	Stock amounts	Cash amount	Stock amounts	The Company	All companies in the financial statements	
Chairman	LIN CHOU, YU-SHAN	4,910	4,910	-	-	-	-	180	180	1.18%	1.18%	12,237	12,237	496	496	2,439	-	2,439	-	4.69%	4.69%	-
Chairman	LIN, YUNG-CHING	-	-	-	-	-	-	180	180	0.04%	0.04%	5,836	5,836	415	415	838	-	838	-	1.68%	1.68%	-
Chairman	LIU, TIEN-CHANG	-	-	-	-	1,802	1,802	180	180	0.46%	0.46%	3,813	3,813	254	254	556	-	556	-	1.53%	1.53%	-
Chairman	TAYIH KENMOS AUTO PARTS CO., LTD. Representative: Wu. Chun-I	-	-	-	-	200	200	180	180	0.09%	0.09%	-	-	-	-	-	-	-	-	0.09%	0.09%	-
Chairman	LI, YIN-TE	-	-	-	-	200	200	180	180	0.09%	0.09%	-	-	-	-	-	-	-	-	0.09%	0.09%	-
Chairman	Lycom Investment Co., Ltd. Representative: Lin Chou, Yu-Shan	-	-	-	-	3,603	3,603	-	-	0.83%	0.83%	-	-	-	-	-	-	-	-	0.83%	0.83%	-
Chairman	Lycom Investment Co., Ltd. Representative: Lin, Yung-Ching	-	-	-	-	2,703	2,703	-	-	0.63%	0.63%	-	-	-	-	-	-	-	-	0.63%	0.63%	-
Independent Director	WU, YA-CHUAN	-	-	-	-	200	200	205	205	0.09%	0.09%	-	-	-	-	-	-	-	-	0.09%	0.09%	-
Independent Director	LAI, WEI-HSIANG	-	-	-	-	200	200	195	195	0.09%	0.09%	-	-	-	-	-	-	-	-	0.09%	0.09%	-
Independent Director	CHIU, FANG-TSAI	-	-	-	-	200	200	220	220	0.10%	0.10%	-	-	-	-	-	-	-	-	0.10%	0.10%	-

Title	Name	Remuneration for Directors								The total amounts and the ratios to net profit after tax for items A, B, C, and D		Remuneration received for holding multiple positions as an employee								The total amount and the ratio to net profit after tax for A, B, C, D, E, F, and G		Compensation received from subsidiaries other than equity method investees or the parent company		
		Remuneration (A)		Retirement pension (B)		Director remuneration (C)		Business execution expenses (D)				The total amount and ratio of salaries, bonuses, and special allowances (E)		Retirement pension (F)		Employee remuneration (G)								
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	Cash amount	Stock amounts	Cash amount	Stock amounts	The Company		All companies in the financial statements	
Independent Director	CHEN, FA-CHIANG	-	-	-	-	200	200	210	210	0.09%	0.09%	-	-	-	-	-	-	-	-	-	-	0.09%	0.09%	-
<div>1. The remuneration policy, system, standards, and structure for independent directors are as follows: The remuneration for independent directors in our company is determined by the board of directors as a fixed amount and is not tied to the company's profitability or distribution of profits. The remuneration is based on factors such as the responsibilities undertaken, risks involved, and time commitment invested by the independent directors.</div> <div>2. In addition to the disclosed information in the financial report, there were no remunerations received by the company's directors in the latest fiscal year for providing services to other companies listed in the financial report (e.g., serving as consultants or in similar non-employee roles).</div>																								

2. Remuneration of Management Team

Unit: NT\$ Thousand

Title	Name	Salary(A)		Retirement pensions (B)		Bonuses and special allowances (C)		Employee remuneration (D)				The total amounts and the proportion to the post-tax net income of A, B, C, and D (%)		Receipt of remuneration from subsidiary companies or non-subsidiary investments outside the group
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amounts	Cash amount	Stock amounts			
Chairman and CEO	LIN CHOU, YU-SHAN	17,592	17,592	1,584	1,584	15,452	15,452	4,988	0	4,988	0	9.17%	9.17%	0
Group President and Chief R&D Officer	LIN, YUNG-CHING													
Group Vice President and Chief Administrative Officer	LIU, TIEN-CHANG													
Senior Vice President	YANG, KENG-MIN													
Vice President	YANG, KUO-CHENG													
Vice President	LIN, MENG-YU													

Remuneration scale table

Range of remuneration paid to management team	Names of Management Team	
	The Company	All companies in the financial statements E
Less than NT\$ 1,000,000		
NT\$ 1,000,000(included) to NT\$ 2,000,000 (excluded)		
NT\$ 2,000,000(included) to NT\$ 3,500,000 (excluded)		
NT\$ 3,500,000(included) to NT\$ 5,000,000 (excluded)	YANG, KENG-MIN, LIN, MENG-YU, YANG, KUO-CHENG, LIU, TIEN-CHANG	YANG, KENG-MIN, LIN, MENG-YU, YANG, KUO-CHENG, LIU, TIEN-CHANG
NT\$ 5,000,000(included) to NT\$ 10,000,000 (excluded)	LIN, YUNG-CHING	LIN, YUNG-CHING
NT\$ 10,000,000(included) to NT\$ 15,000,000 (excluded)		
NT\$ 15,000,000(included) to NT\$ 30,000,000 (excluded)	LIN CHOU, YU-SHAN	LIN CHOU, YU-SHAN
NT\$ 30,000,000(included) to NT\$ 50,000,000 (excluded)		
NT\$ 50,000,000(included) to NT\$ 100,000,000 (excluded)		
Over NT\$ 100,000,000		
Total	6 individuals	6 individuals

* The disclosed contents of the remuneration in this table may differ from the concept of income under tax laws. Therefore, the purpose of this table is for information disclosure and not for taxation purposes.

3. Five Highest Remunerated Management Personnel

Unit: NT\$ Thousand

Title	Name	Salary(A)		Retirement pensions (B)		Bonuses and special allowances (C)		Employee remuneration (D)				The total amounts and the proportion to the post-tax net income of A, B, C, and D (%)		Receipt of remuneration from subsidiary companies or non-subsidiary investments outside the group
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amounts	Cash amount	Stock amounts			
Chairman and CEO	LIN CHOU, YU-SHAN	4,910	4,910	496	496	7,327	7,327	2,439	-	2,439	-	3.51%	3.51%	
Group President and Chief R&D Officer	LIN, YUNG-CHING	3,128	3,128	415	415	2,708	2,708	838	-	838	-	1.64%	1.64%	
Group Vice President and Chief Administrative Officer	LIU, TIEN-CHANG	2,588	2,588	254	254	1,225	1,225	556	-	556	-	1.07%	1.07%	
Senior Vice President	YANG, KENG-MIN	2,592	2,592	120	120	1,362	1,362	574	-	574	-	1.08%	1.08%	
Vice President	LIN, MENG-YU	2,575	2,575	108	108	1,247	1,247	293	-	293	-	0.98%	0.98%	

4. Employee Profit Sharing Granted to the Management Team

Unit: NT\$ Thousand

	Title	Name	Stock Dividends	Cash Dividends	Total	The proportion of the total amount to the after-tax net profit (%)
Management Team	Chairman and CEO	LIN CHOU, YU-SHAN	0	5,887	5,887	1.36%
	Group President and Chief R&D Officer	LIN, YUNG-CHING				
	Group Vice President and Chief Administrative Officer	LIU, TIEN-CHANG				
	Senior Vice President	YANG, KENG-MIN				
	Vice President	YANG, KUO-CHENG				
	Vice President	LIN, MENG-YU				
	Assistant General Manager of Global Project Management	KENICHIRO KAKINUMA				
	Assistant General Manager of Research and Development	YEN, HUNG-MING				
	Assistant General Manager of Sales Department	CHEN, CHIA-PIN				
	Finance and Accounting Manager	HSU, CHU-JU				

4. The analysis of the proportion of the total remuneration paid to the directors, supervisors, general manager, and deputy general manager of the Company and its consolidated subsidiaries in the past two fiscal years to the after-tax net profit, along with an explanation of the remuneration policy, standards, composition, procedures for setting remuneration, and the correlation with business performance and future risks.

Unit: NT\$ Thousand

Year/Item		2022	2023
The Company	Total remuneration amount	51,928	55,564
	Ratio of remuneration to post-tax net income	12.60%	12.85%
All companies within the consolidated financial statements	Total remuneration amount	51,928	55,564
	Ratio of remuneration to post-tax net income	12.60%	12.85%

- (a). The remuneration paid to directors and supervisors of the company is determined in accordance with the company's articles of incorporation, and it should not exceed 3.5% of the annual profit for the distribution of director and supervisor remuneration.
- (b). The policy for remunerating executives of the company is based on their authority, contributions, and the company's business performance, taking into consideration industry standards to achieve motivational effects. The remuneration is reviewed by the Compensation Committee and approved by the Board of Directors.

(c). The ratio of remuneration to post-tax net income for the payment of directors, supervisors, general manager, and deputy general managers has increased by 0.25% in the past two years. This is due to considerations of their contributions and business performance. The total amount of remuneration in 2023 has increased compared to 2022, resulting in an increase in the proportion to net profit after tax.

C. Corporate Governance Status

(1) Operation of the Board of Directors

In the most recent year 2023, the Board of Directors held a total of 6 meetings (A), and the attendance of the directors is as follows:

Title	Name	Actual Attendance Count (B)	Delegate Attendance Count	Actual Attendance Rate (%) (B/A)	Remarks
Chairman	Lycom Investment Co., Ltd. Representative: LIN CHOU, YU-SHAN	6	0	100.00	Serving another term
Director	Lycom Investment Co., Ltd. Representative: LIN, YUNG-CHING	5	0	83.33	Serving another term
Director	LIU, TIEN-CHANG	4	0	66.67	Serving another term
Director	TAYIH KENMOS AUTO PARTS CO., LTD.	5	1	83.33	Serving another term
Director	LI, YIN-TE	3	2	50.00	Serving another term
Independent Director	WU, YA-CHUAN	4	2	66.67	Serving another term
Independent Director	LAI, WEI-HSIANG	3	2	50.00	Serving another term
Independent Director	CHIU, FANG-TSAI	6	0	100.00	Serving another term
Independent Director	CHEN, FA-CHIANG	5	1	83.33	Serving another term

Other matters to be disclosed:

- If the Board of Directors operates under any of the following circumstances, the disclosure should include the dates, sessions, agenda items, opinions of independent directors, and the company's response to the opinions of independent directors:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: In the 2023 fiscal year and up to the date of printing the annual report, a total of 9 board meetings were held. Details of the resolutions can be found on pages 58 to 62 of the annual report. All independent directors had no objections to the matters listed in Article 14-3 of the Securities and Exchange Act, and the resolutions were passed accordingly.
 - (2) In addition to the above matters, any board resolutions where independent directors expressed opposition or reservations and have records or written statements: None.
- The implementation of directors' recusal from interested party transactions should be disclosed, including the names of directors, the agenda items, reasons for recusal, and their participation in voting:

- (1) On March 22, 2023, the board meeting discussed the Compensation Adjustment of managerial personnel Due to the conflicts of interest involving Chairman LIN CHOU, YU-SHAN, Director Lin, Yung-Ching, Vice President LIN, MENG-YU, and Finance and Accounting Manager HSU, CHU-JU, they recused themselves from the discussion and voting in accordance with the law.
 - (2) On August 4, 2023, the board meeting discussed the payment of remuneration to directors and supervisors. The individual remuneration was voted on separately, and the respective directors (including Independent Directors) and Vice President LIN, MENG-YU recused themselves from the discussion and voting on their own remuneration.
 - (3) On August 4, 2023, the board meeting discussed the payment of remuneration to managerial personnel. Due to the conflicts of interest involving Chairman LIN CHOU, YU-SHAN, Director Lin, Yung-Ching, Director LIU, TIEN-CHANG, Vice President LIN, MENG-YU, and Finance and Accounting Manager HSU, CHU-JU, they recused themselves from the discussion and voting in accordance with the law.
 - (4) On February 2, 2024, the board meeting discussed the year-end bonuses for managerial personnel. Chairman LIN CHOU, YU-SHAN, Director Lin, Yung-Ching, Senior Vice President YANG, KENG-MIN, Vice President LIN, MENG-YU, and Finance and Accounting Manager HSU, CHU-JU recused themselves from the discussion and voting due to conflicts of interest.
 - (5) On February 2, 2024, the board meeting discussed the Compensation Adjustment of managerial personnel Due to the conflicts of interest involving Chairman LIN CHOU, YU-SHAN, Director Lin, Yung-Ching, Senior Vice President YANG, KENG-MIN, Vice President LIN, MENG-YU, and Finance and Accounting Manager HSU, CHU-JU, they recused themselves from the discussion and voting in accordance with the law.
3. Listed and OTC companies are required to disclose information about the evaluation cycle, period, scope, method, and content of the self-assessment or peer assessment of the board of directors. They should also provide details regarding the implementation status of the evaluation by the board of directors.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Annually	From January 1, 2023, to December 31, 2023	Board of directors individual members	Internal evaluation of the board of directors Self-evaluation by board members	Evaluation of Board Performance: (1) Involvement in the company's operations (2) Enhancement of decision-making quality by the Board (3) Composition and structure of the Board of Directors (4) Selection and ongoing education of directors (5) Internal control Evaluation of Individual Board Members: (1) Understanding of company goals and mission (2) Awareness of director responsibilities

				(3) Involvement in the company's operations (4) Management of internal relationships and communication (5) Professionalism and continuous education of directors (6) Internal control
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4. Evaluation of goals and execution for strengthening the functions of the board of directors in the current and recent years:
The Board of Directors of our company has conducted meetings in accordance with the provisions of the "Board Meeting Rules" of the company. It has executed the functions assigned by the company's articles of incorporation, the Company Act, the Securities and Exchange Act, and other relevant laws. Important decisions have been disclosed on the Market Observation Post System (MOPS) to safeguard the rights and interests of shareholders.

(2) Audit Committee Operation:

In the current year 2023, the Audit Committee held 5 meetings (A), and the attendance of independent directors is as follows:

Title	Name	Actual Attendance Count (B)	Delegate Attendance Count	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director	WU, YA-CHUAN	4	1	80.00	None
Independent Director	LAI, WEI-HSIANG	3	1	60.00	None
Independent Director	CHIU, FANG-TSAI	5	0	100.00	None
Independent Director	CHEN, FA-CHIANG	3	2	60.00	None

Other matters to be disclosed:

1. If any of the following circumstances occur in the operation of the Audit Committee, the date, session, agenda, opposing opinions of independent directors, reserved opinions, significant recommendations, decisions of the Audit Committee, and the company's handling of the opinions of the Audit Committee should be disclosed:

(a) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Date	Significant Resolutions	Resolution Outcome
2023 4rd Audit Committee Meeting	August 4, 2023	1. Proposal for deliberation: Consolidated financial report for the second quarter of the year 2023. 2. Motion for the Company's overdue accounts receivable reclassified to loaning of funds, submitted for discussion.	Approved as proposed Approved as proposed
2023 5th Audit Committee Meeting	November 3, 2023	1. Proposal for deliberation: Consolidated financial report for the third quarter of year 2023. 2. Proposal for discussion: Drafting the internal control system - other management control system " Procedures for Handling Material Inside Information". 3. Motion for establishment the "Procedures for Ethical Management and Guidelines for Conduct", submitted for discussion.	Approved as proposed Approved as proposed Approved as proposed

		4. Motion for the Company's overdue accounts receivable reclassified to loaning of funds, submitted for discussion.	Approved as proposed
2024 1th Audit Committee Meeting	March 8, 2024	1. Motion for the Company's 2023 business report, parent company only financial statements, and consolidated financial statements, submitted for review . 2. Motion for the Company's 2023 earnings distribution, submitted for discussion. 3. Motion for review of the effectiveness of the internal control system for 2023 and statement of internal controls system, submitted for discussion. 4. Motion for amendment to some provisions of the Company's "Rules of Procedure for Board Meetings" and "Management of Board Meetings and Operations" and the internal control system - other management control system, submitted for discussion. 5. Motion for amendment to some provisions of the Company's internal control system - "Sales and Payment Collection Cycles", submitted for discussion. 6. Motion for the Company to regularly evaluate the independence and suitability of the certified public accountants. 7. Motion for the Company to change the CPA for financial statements.	Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed
2024 2th Audit Committee Meeting	May 3, 2024	1. Proposal to review the consolidated financial statements for the first quarter of the Company in 2024 for deliberation.	Approved as proposed

(b) Apart from the aforementioned matters, there were no other decisions made by the Board of Directors with the consent of more than two-thirds of the directors, without being passed by the Audit Committee.

2. Execution of recusal by independent directors in matters involving conflicts of interest: None.

3. Communication between independent directors and the internal audit manager and the engagement CPAs (including significant matters, methods, and results of communication regarding the company's finances and business conditions):

(a) The internal audit manager of the company regularly communicates the audit report results with the members of the Audit Committee and provides an internal audit report during each quarterly Audit Committee meeting. In case of any special circumstances, immediate reporting is made to the members of the Audit Committee. There were no such special circumstances during 2023. The communication between the Audit Committee and the internal audit manager of the company is in good condition.

(b) The engagement CPAs of the company reports the results of the audit or review of the financial statements for each quarter during the Audit Committee meetings and discusses other communication matters required by relevant laws and regulations. In case of any special circumstances, immediate reporting is also made to the members of the Audit Committee. There were no such special circumstances during 2023. The communication between the Audit Committee and the engagement CPAs is in good condition.

(3) Status of corporate governance, and difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
I. Has the Company set and disclosed governance code of practice in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?		V	The Company has not established Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, but each department is responsible for covering the relevant requirements of the Principles.	No differences
II. The equity structure and shareholders' right of the Company				No differences
(I) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	V		(I) A spokesperson has been established who handles shareholder proposals and who transmits shareholder recommendations to management.	
(II) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	V		(II) The Company files and tracks the top ten shareholders and their ultimate controllers and Capital Securities Corporation assists in handling related stock affairs.	
(III) Has the Company established and implemented the risk management mechanism and firewalls involving related enterprises?	V		(III) The finance, business, and manufacturing of the Company and its related enterprises operate independently. All transactions are handled in accordance with the internal control system.	
(IV) Has the Company established internal regulations that prohibit insiders from using undisclosed information on the market to trade securities?	V		(IV) The Company established Management for Prevention of Insider Trading that prohibits insiders from using undisclosed information on the market to buy and sell securities.	
III. Composition and Duties of the Board of Directors				No differences
(I) Has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?	V		(I) In adherence with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company has approved the Rules of Procedure for Shareholders' Meetings and the Director and Supervisor Election Process to comply with corporate governance	

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
(II) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?		V	requirements. (II) The Company's Remuneration Committee has three members who are all independent directors. The Company's Audit Committee has four members who are all independent directors. In the future, improvement of all functional committees is also planned.	
(III) Does the Company formulate the Board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, report the results of the performance evaluation to the board of directors, and apply it to individual directors' remuneration and nomination renewal?		V	(III) The Company established the Board Performance Assessment and Evaluation Measures on August 7, 2020. In accordance with its provisions, the Company conducts an annual internal evaluation of the Board's performance and completes it before the end of the first quarter of the following year. Their evaluation methods are detailed under "C. Corporate Governance Status" / "(1)3. Implementation Status of the evaluation by the Board of Directors." The Company performed an internal evaluation in 2023 and reported the evaluation results at the second Board meeting of 2023.	
(IV) Has the Company assessed the independence status of CPAs regularly?	V		(IV) Our company's finance department conducts regular inspections (at least once a year) according to our company's 'Accountant Evaluation and Performance Assessment Measures,' and references Audit Quality Indicators (AQIs). It was confirmed that the CPAs do not have any shareholdings in the Company and do not concurrently hold any positions in the Company. After the evaluation, it was confirmed that the independence and suitability of the CPAs were in compliance with the provisions of Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the final evaluation results in 2023 were approved by the second Board meeting of 2024.	

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
IV. Is the Company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and recording minutes of board meetings and shareholders' meetings)?	V		The Company's corporate governance related business is completed by a division of labor among each department. The Finance Department provides the information required by the directors to perform their business and handles matters related to the meetings of the Board of Directors, committees, and shareholders' meetings, and prepares minutes of the meetings. The Company puts the Finance Department in charge of corporate registration and change registration, and all relevant registration documents must be reviewed and approved by the highest management authority.	No differences

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a special section for stakeholders on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	V		The communication channels between the Company and its stakeholders are divided as follows according to respective authority: Communication with suppliers is handled by the Purchasing Department. Communication with customers by the Sales Department. Communication with the competent authorities, banks, and taxation authorities is handled by the Financial Department. Communication with environmental protection agency is handled by the General Affairs Section of the Human Resources Department. Communication with communities, social and political agencies, and public security agencies is handled by the General Affairs Section of the Human Resources Department. Communication with shareholders is handled by the spokesperson. Communication with external companies and institutions is handled by each department.	No differences
VI. Has the Company appointed a professional stock affairs agency for shareholders affairs ?	V		Registrar Agency Department of Capital Securities Corporation is engaged to handle the affairs of the shareholders' meeting.	No differences
VII. Disclosure of Information (I) Has the Company set up a website for the disclosure of information on financial position and operation, as well as corporate governance?	V		(I) Company website: https://www.macauto-group.com/ The Company discloses the latest financial and business information and corporate governance information on the website for investors to review.	No differences
(II) Has the Company adopted other means for disclosure (such as English website, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesman system, and the	V		(II) The Company has implemented a spokesperson mechanism to facilitate the establishment of optimal communication channels between investors and the Company.	

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
<p>legal entities announcements uploaded to website, etc.)?</p> <p>(III) Does the Company announce and declare its annual financial statements within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?</p>		V	(III) The Company does not report and announce its annual financial statements within two months after the end of the fiscal year. However, financial reports and monthly sales are reported and announced in accordance with the regulations.	
VIII. Is there any other material information that would facilitate an understanding the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?	V		<p>(I) Employee rights and interests: Labor-management meetings are held regularly to protect the rights and interests of employees. For relevant employee benefits, please refer to pages 87-89 of the Annual Report, under "Labor Relations."</p> <p>(II) Employee care: Take care of employees and their dependents and providing various employee benefits.</p> <p>(III) Investor Relations: Establish a spokesperson and deputy spokesperson system to communicate with shareholders and answer shareholders' questions.</p> <p>(IV) Supplier relations: Establish a long-term cooperative relationship with suppliers to grow together.</p> <p>(V) Stakeholder rights: Responsible departments communicate with stakeholders and resolve stakeholder issues to maintain favorable relationships.</p> <p>(VI) Training of directors and supervisors: the Company's directors and supervisors all have professional backgrounds and complete advanced courses in accordance with relevant laws and regulations. Their learning situation has been disclosed in the Market Observation Post System's corporate governance area</p>	No differences

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
			https://mops.twse.com.tw/mops/web/t93sc03_1 . (VII) Risk management policies and risk measurement standards: see “Risk Management” in this Annual Report, p.106-107. (VIII) Implementation of customer policies: the Company establishes long-term cooperative relationships with customers, with special specifications and policies for customers are transferred from business summaries to each unit for implementation. (IX) The Company’s purchase of liability insurance for directors: The Company has purchased liability insurance for directors and with an amount of US\$3 million.	
IX. Please specify the measures adopted by the Company to improve the items listed in the corporate governance review result from Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved.	V		(I) Regarding the corporate governance evaluation published in the most recent year, items that have been improved include: <ol style="list-style-type: none"> 1. The Company uploads the shareholders’ meeting agenda and supplementary materials of the meeting 30 days before the general meeting of shareholders. 2. The Company uploads the annual report 16 days before the general meeting of shareholders. 3. The Company fully re-elected directors at the 2021 annual General Meeting of Shareholders and increased the number of independent directors from two to four. 4. The quarterly financial reports of our company have been adjusted from being presented as a report by the Board of Directors to being discussed as an agenda item. 	No differences

Evaluation item	Status (Note)			Difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
			(II) Items to be improved and strengthened in the Company are as follows: The Company has established a Corporate Governance Officer who is responsible for corporate governance-related matters. The authority and continuing education of the Corporate Governance Officer will be described on our company's website and annual report.	

Note: Regardless of whether “Yes” or “No” is checked, the operation status should be described in the summary description field.

- (4) If the Company has set up a Remuneration Committee, it shall disclose the composition, responsibilities and operation thereof.

1. Information of Remuneration Committee Members

ID classification	Conditions Name	Professional qualifications and experience	Status of independence (Note)	Number concurrently serving as members of the remuneration committees of other publicly issued companies
Independent Director (Convener)	Wu, Ya-Chuan	The Company's Remuneration Committee consists of three independent directors. Please refer to "B(1) Information of Directors" in this Annual Report for the professional qualifications and experience of the committee members (pages 9-14)	All Remuneration Committee members meet the following conditions: 1. In line with relevant provisions of Article 14-6 of the Securities and Exchange Act and of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter, as promulgated by the Financial Supervisory Commission (Note). 2. Company shares not held by self (or in the names of others) or by spouse or minor children. 3. No remuneration for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.	1
Independent Director	Chiu, Fang-Tsai			3
Independent Director	Chen, Fa-Chiang			0

Note: None of the following circumstances were present in the two years before the election and during the terms of office:

- (1) An employee of the Company or its affiliates.
- (2) A director or supervisor of the Company or its affiliates.
- (3) Holding an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten holdings as a natural person shareholder under one's own name or that of one's spouse, minor children, or shares held in the name of others.
- (4) A manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate lineal relative within three degrees of kinship.
- (5) Directors and supervisors who are indirect shareholders who hold more than 5% of the company's total issued shares, the top five shareholders, or juristic person shareholders who appoint representatives to act as company directors or supervisors in accordance with Article 27 of the Company Act, or an employee thereof.

- (6) A director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's board of directors.
- (7) A director, supervisor or employee of another company or institution whose chairman, president, or equivalent position is the same person as that of the Company, or the spouse thereof.
- (8) A director, supervisor, manager, or shareholder holding more than 5% of shares of the specific company or institution that has financial or business dealings with the Company.
- (9) A partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, this restriction shall not apply to those serving as members of the Company's Remuneration Committee.

2. Information on the operation of the Remuneration Committee

- (a). There are three members of the Remuneration Committee of the Company.
- (b). Term of office of current committee members: August 26, 2021 to August 25, 2024; the Remuneration Committee met four times (A) in 2023 and member qualifications and attendance were as follows:

Job Title	Name	Actual number of attendances (B)	By proxy	Actual attendance rate (%) (B/A)	Note
Convener	Wu, Ya-Chuan	1	2	33.33	Serving another term
Member	Chiu, Fang-Tsai	3	0	100.00	Serving another term
Member	Chen, Fa-Chiang	3	0	100.00	Serving another term

Other matters to be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): No such situation.
2. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members shall be stated: No such situation.

(5) Implementation of sustainable development promotions and the difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Promotion item	Implementation (Note 1)			Difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation?		V	(I) The Company has personnel responsible for sustainable development. (II) The Company regularly promotes a code of conduct for employees and establishes an effective reward and disciplinary system.	Still no major differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 2)	V		(I) The Company has not yet formulated a sustainable development policy. However, each department is responsible for covering sustainable development functions. To implement corporate governance, the Company will follow the laws and regulations and consider the safeguarding of shareholders' rights and interests, ensure the timely setup of a dedicated unit to promote sustainable development, and formulate policies or systems related to sustainable development.	Still no major differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on its industry characteristics?		V	(I) The Company has not yet formulated a social responsibility development policy. However, each department is responsible for covering sustainable development functions and organizes social responsibility education training and advocacy.	Still no major differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company committed itself to improving energy efficiency and to using recycled materials with low impact on the environment?	V		(II) The Company has approved the ISO 14001 environmental management system and establish a dedicated unit and lecturer mechanism for environmental management in each stage of the	

Promotion item	Implementation (Note 1)			Difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
<p>(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to deal with climate-related issues?</p> <p>(IV) Does the company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?</p>	V		<p>product development life cycle and in the organizational system. It continues to educate and train employees to improve the efficiency of recycling and utilization of various production resources and products to meet the requirements of energy saving and carbon reduction. For the Company's environmental protection measures, please see the Environmental Protection Expenditure Information on p.84-87 of this Annual Report.</p> <p>(III) The Company has established Emergency Response Management Procedures to respond to force majeure factors such as natural disasters to minimize the damage to the Company.</p> <p>(IV) The Company specifically lists energy conservation, carbon reduction and water conservation as key management projects and has set up a solar power generation system and installed water-saving devices. In addition, waste window screen material is also reused as fuel rods. In 2023, 626.48 tons of CO2 emissions were saved due to the installation of solar power generation systems, 367.48 tons of waste window screen material was transferred to the recycling company. In addition, one inverter air compressor was replaced, which is expected to save 18.274 tons of CO2 emissions each year.</p>	
IV. Social Issues				Still no major differences with

Promotion item	Implementation (Note 1)			Difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
(I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	V		(I) The Company upholds the principles of mutual respect between labor and management and internationally recognized basic labor human rights, communicating and abiding by relevant labor laws and regulations to protect the rights and interests of employees.	the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflected business performance or results in employee compensation?	V		(II) The Company has formulated relevant measures such as salaries, vacations, and other benefits, and established Performance Management Measures for regular performance evaluation while properly reflecting the business performance or results in employee compensation.	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	V		(III) The Company regularly provides employee health check measures and provides a safe working environment to protect the health and safety of employees. Regarding the working environment and environmental protection measures, please see the Environmental Protection Expenditure Information on p.84-87 of this Annual Report.	
(IV) Has the Company provided effective training in career planning for employees?	V		(IV) The Company holds labor-management meetings regularly to establish an effective communication platform between the two sides; and advocacy meetings are held from time to time for major employee welfare projects.	
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the	V		(V) Please see Continuing education and training for employees p.87-88 of this Annual Report. (VI) The Company has set up a customer service	

Promotion item	Implementation (Note 1)			Difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
<p>Company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?</p> <p>(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?</p>	V		<p>department for customer market feedback to provide customers with product quality services at any time.</p> <p>(VII) The Company complies with all relevant regulations and international standards for marketing and labeling of products and services.</p> <p>(VIII) The Purchasing Department of the Company has a Development and Purchasing Section to assess whether suppliers have a record of impacting the environment and society in the past.</p> <p>(IX) The Company's Purchasing Center has a Development Procurement Section working with suppliers to enhance sustainable development.</p>	
<p>V. Does the company compile corporate social responsibility reports or reports that disclose the company's non-financial information based on international CSR compiling standard or guidelines? Is the report accredited from accreditation agency or thirdparty verification organization?</p>		V	<p>The Company discloses information on corporate governance and sustainable development on the Company website and the Market Observation Post System; no sustainable development report has been prepared yet.</p>	<p>Still no major differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>VI. If the Company has its own sustainable development principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles:</p> <p>The Company has not yet formulated Sustainable Development Best-Practice Principles. However, each department is responsible for covering sustainable development functions, and there are also related measures in the internal control measures as follows:</p> <p>(1) Rules of Procedure for Shareholders' Meetings</p> <p>(2) Rules and Procedures of Board of Directors Meetings</p> <p>(3) Procedures for Election of Directors</p>				

Promotion item	Implementation (Note 1)			Difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary description	
(4) Procedures for Acquiring or Disposing of Assets (5) Measures for Endorsements/Guarantees (6) Measures for Loans of Funds to Others (7) Measures for Supervision of Subsidiaries (8) Measures for Transactions with Related Parties, Specified Companies, and Group Enterprises. (9) Code of Ethical Conduct (10) Preventative Measures for Insider Trading (11) Ethical Corporate Management Best-Practice Principles Other inquiry methods are as follows: 1. Preventative Measures for Insider Trading have been formulated to manage important internal information of the Company, and all directors, supervisors, and managers as well as all employees have been informed of it. Furthermore, we have placed this procedural system and precautions in the announcement area of the Company’s internal network for all colleagues to follow, so as to avoid violations or insider transactions. 2. The latest version of the Relevant Laws and Matters Requiring Attention for Insider Equity Shareholding of TPEX and Emerging Market Listed Companies prepared by the Taipei Exchange are distributed to the Company’s newly appointed directors, supervisors, managers and other insiders upon taking office for them to follow. 3. Market Observation Post System: http://newmops.tse.com.tw 4. The Company’s website: https://www.macauto-group.com/ Investor Area				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development: The Company’s disclosure website: https://www.macauto-group.com/				

Note 1: Regardless of whether “Yes” or “No” is checked, the operation status should be described in the summary description field.

Note 2: The materiality principle refers to issues related to the environment, society, and corporate governance that have a significant impact on the company's investors and other stakeholders.

(6) Climate-Related Information of TWSE/TPEX Listed Company

Execution status of climate-related information

Item	Execution			
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. The Company has established the Sustainable Development Committee under the board of directors, and the Board of Directors appoints senior managers as the chairman. The Committee is divided into environmental sustainability, corporate social responsibility, and corporate governance teams based on their functions. The chairman assigns three committee members as leaders of the work implementation teams, and the chairman assigns department heads of the company to act as the members of the work implementation teams. The Committee shall convene a meeting at least once a year to assist the Board of Directors in evaluation and response measures of continuous promotion of environmental sustainability, corporate social responsibility, corporate governance and other aspects, in order to realize the purpose of sustainable operation.			
2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term)	2.(1) Climate risk			
	Type of risk	Contents of risks	Mitigation/adaptation response measures	Financial impact
	Carbon tax	The products exported to Europe and the United States have been levied a carbon tax, resulting in an increase in operating costs.	Plants are set up near customers' locations to reduce transportation costs and carbon tax.	Operating costs
	Net zero emissions	(1) Failure to respond to international trends and customer needs in a timely manner resulted in loss of orders and impacted revenue. (2) Increased cost of installation and operation of carbon reduction equipment, and increased cost for purchase of renewable energy.	Conduct introduction and evaluation of corresponding response plans in accordance with international trends and the latest technological developments.	Operating revenue and capital expenditure
	Customer commitment	(1) The customers set the relevant target value but we failed to meet the target in a timely manner, resulting in the loss of orders affecting revenue. (2) Increased investment in hardware to fulfill customer commitments.	Adjustment of energy-saving and carbon-reduction plans and rectification in batches according to customer needs.	Operating revenue and capital expenditure

Item	Execution			
	Uncertainty of green energy solutions	The purchasable volume and feasibility of self-construction/certificate purchase and other energy (nuclear power/nuclear integration) of green power (solar and wind power) are uncertain. This affects the choice of energy and input cost, and indirectly affects the status of relevant commitments.	(1) Continue to improve energy-saving and carbon-reducing software and hardware, and regularly track the implementation results. (2) Appropriately invest in improvement of expenditure according to customer requirements.	Operating cost and capital expenditure
	Impact of corporate reputation	Related investment results failed to meet the expectations of stakeholders (customers, government), causing damage to the corporate reputation or penalties, and affecting revenue performance.	Advocate green manufacturing and energy-saving innovation under the premise of customers' requirements and legal compliance.	Operating revenue
	Flood/drought (own operations, supply chain)	Production is affected, resulting in financial losses and decreased revenue.	(1) Assess extreme climate risks, and develop and implement risk mitigation measures. (2) Suppliers are required to assess the operational risks of extreme weather simultaneously, and implement relevant risk reduction actions. (3) Establish an extreme climate monitoring mechanism and an emergency response procedure to respond.	Flood/drought (own operations, supply chain)
	Temperature rise	The increase in water and electricity consumption and carbon emissions have resulted in a significant increase in operating costs and carbon emissions.	All employees are led by senior executives to implement greenhouse gas reduction activities.	Operating costs

Item	Execution		
3. Describe the financial impact of extreme climate events and transition actions.	2.(2) Climate opportunities		
	Contents of opportunity	Mitigation/adaptation response measures	Financial impact
	Participation in green power certificate trading platform	Use the official renewable energy trading platform to achieve the energy-saving target value required by customers and the government.	Operating costs
	Receive the grant from the public sector	The utility equipment in the factory was upgraded to standards recommended by the government, and energy-saving subsidies were obtained, which saved the purchase cost.	Capital expenditure
	Development of low-carbon products	Continue to invest R&D resources to develop energy-saving products to meet customer needs and international trends.	Operating revenue
	Improve energy efficiency of the plant	Continue to implement energy saving and carbon reduction improvements and reduce operating expenses on water and electricity.	Operating costs
	Enhance corporate reputation	Take action to achieve energy saving and carbon reduction. Acquire international certification or establish positive image on the news. Enhance corporate reputation.	Operating revenue
	Improve resilience against natural disasters	Strengthen the Company's climate resilience and reduce the probability of business interruption and possible losses.	Operating costs
	Promoting low-carbon green production	Save electricity and costs, and recycle and reuse resources.	Operating costs
	3.The occurrence of extreme climate events, such as flood/drought, may affect the Company's own operations, supply chain, and reduce operating revenues. Please refer to the above table (item 2) for transformation actions and countermeasures.		

Item	Execution
<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p> <p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>4.The Company has established "Emergency Response Management Procedures" to minimize damage to the Company in response to force majeure factors such as natural disasters. In addition, the Company will discuss feasible and effective climate change risk management policy for significant risk items in the regular meeting of the Sustainable Development Committee.</p> <p>5.The Company has launched strategies and actions to adapt to climate change, such as greenhouse gas inventory. After the inventory is completed, the relevant carbon reduction measures will be planned in the future. The Company also plans to enhance assessment on financial impact to grasp the risk brought by climate change effectively</p> <p>6.Please refer to the table 2.</p> <p>7.The company currently has no plans for internal carbon pricing.</p>

Item	Execution
<p>8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.</p> <p>9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.</p>	<p>8.The Company is currently in the stage of greenhouse gas inventory. After completing the inventory and external verification in the future, a feasible reduction plan will be formulated based on the results to achieve the goal of low-carbon production.</p> <p>9. Not applicable. The Company is a company with a capital of less than NTD 5 billion. According to the regulations, the greenhouse gas inventory will be completed in 2026.</p>

(7) Our company actively and continuously engages in donations to schools and social welfare organizations to fulfill our corporate social responsibility. The donation details for the year 2023 are as follows:

Unit: NT\$	
Name	Total
Childhood Cancer Foundation of R.O.C..	6,000
Cardiac Children's FoundationTaiwan	6,000
De La Salle Special Education Center	6,000
Taiwan Children and Family Assistance Foundation, Tainan City North District Branch	15,000
Sylin-Lu Social Welfare Foundation	12,000
Heng Chun Christian Hospital	12,000
Genesis Social Welfare Foundation	24,000
Champions Education Association	6,000
Taiwan Fund for Children and Families, Penghu Branch	12,000
Tainan City Sisters of Charity, Renci Nursing Home	24,000
Bai Yong En Foundation, San Francisco Elderly Long-Term Care Center	30,000
Andrew Charity Association	60,000
Zhi-Shan Foundation Taiwan	19,200
United Way of Taiwan	15,600
Chidhood Burn Foundation of The Republic of China	6,000
Taiwan Lourdes Association	6,000
Gouping Elementary School in Neimen District, Kaohsiung City	5,000
Down Syndrome Foundation R.O.C.	1,500
Calls Over Ridges Taiwan	36,000
Total Amount	302,300

(VIII) Status of Implementation of Integrity Operation and differences to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason:

Evaluation item	Status (Note)			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
I. Formulation of ethical management policy and plans				
(I) Has the Company formulated the ethical management policy approved by the board of directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies?	V		(I) The Company has established Ethical Corporate Management Best-Practice Principles as approved by the Board of Directors, and has an employee code of conduct that it actively implements.	Still no major differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?”	V		(II) The Company has Ethical Corporate Management Best-Practice Principles that establish a risk assessment mechanism for dishonest behavior. Furthermore, it is supplemented by the internal audit unit’s checking mechanism to regularly analyze and evaluate business activities with higher risks of dishonesty within the scope of business, strengthening measures to prevent giving or receiving bribes and illegal political donations or improper benefits.	
(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		(III) The Company has Ethical Corporate Management Best-Practice Principles in order to standardize the operating procedures, behavioral guidelines, education and training and assessment of enterprises and to regularly review the applicability of amendments.	

Evaluation item	Status (Note)			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
II. Implementation of Ethical Corporate Management				
(I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		(I) The Company has an employee code of conduct that clearly stipulates that the use of authority shall not be used to collect improper benefits from downstream suppliers, and to hold an annual supplier declaration.	Still no major differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	V		(II) The Company has not set up a full-time unit for corporate ethical management; each department shall fulfill its responsibility for honest operations according to its duties.	
(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	V		(III) In addition to formulating the employee code of conduct, the Company has also set up a reporting mailbox whose content is reported directly to the President via the Human Resources Department.	
(IV) Has the Company established an effective accounting system and internal control system for the ethical corporate management, assigned internal auditing unit to review such systems, or entrusted CPAs with such review?	V		(IV) In order to ensure the implementation of ethical behavior, the Company has established an effective internal control system and accounting system and internal auditors regularly check their compliance.	
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	V		(V) The Company regularly promotes a code of conduct for employees and establishes an effective reward and disciplinary system.	
III. Operation of the Company's reporting system				
(I) Has the Company put in place the specific whistleblowing and reward system, established a	V		(I) In addition to formulating Working Rules, the Company also has an employee opinion mailbox; alternatively, verbal complaints are	Still no major differences with the Ethical Corporate Management Best Practice

Evaluation item	Status (Note)			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
<p>convenient reporting channel, and assigned appropriate personnel to deal with whistleblowing?</p> <p>(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?</p> <p>(III) Has the Company taken measures to protect whistleblowers from retaliation due to reporting?</p>	V		<p>reported to the supervisors of each department and the Human Resources Department will reply to the complainant with the result or handling situation.</p> <p>(II) The Company's Working Rules establish investigation standards, operating procedures and related confidentiality mechanisms for reporting events.</p> <p>(III) The Company shall not apply dismissal, transfer, or other adverse sanctions due to complaints filed by employees.</p>	Principles for TWSE/TPEX GTSM Listed Companies
<p>IV. Strengthening information disclosure</p> <p>Has the company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best-Practice Principles?</p>	V		<p>Company website: https://www.macauto-group.com/</p> <p>The Company discloses the latest financial and business information and corporate governance conditions on the website for investors to review.</p> <p>The Company has implemented a spokesperson mechanism to facilitate the establishment of optimal communication channels between investors and the Company.</p>	Still no major differences with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX GTSM Listed Companies
<p>V. If the Company has enacted the Ethical Corporate Management Best-Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles:</p> <p>Still no major differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</p>				
<p>VI. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company's review and revision the Ethical Corporate Management Best-Practice Principles):</p> <p>1. The Company abides by the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, TWSE/GTSM listing rules, or laws relevant to its own business conduct as the basis for implementing ethical management.</p>				

Evaluation item	Status (Note)			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
<p>2. The Company’s Rules of Procedure for Board of Directors Meetings has a system for recusal of directors. Regarding the proposals listed by the Board of Directors, if a director or another juristic person has a stake therein that may cause harm to the interests of the Company, he or she may state opinions and answer questions, but shall not participate in discussions and votes. Furthermore, recusal shall be made from discussion or voting, and another director may not exercise voting rights as proxy on their behalf.</p> <p>3. The Company has Preventative Measures for Insider Trading that clearly stipulate that directors, supervisors, managers, and employees must not disclose material internal information that they know to others. They shall not inquire about or collect undisclosed material inside information that is not related to their personal duties from those who know the material inside information. It is not allowed to disclose to others the undisclosed material inside information of the Company not connected to business execution.</p> <p>4. The Company has established an employee code of conduct to regulate the behavior of all subordinates in the Group; for related content, please refer to the Company’s website.</p>				

Note: Regardless of whether "Yes" or "No" is checked, the operation status should be described in the summary description field.

(IX) If the Company has established the Corporate Governance Best-Practice Principles and the related regulations, it should disclose how to inquire about such principles: None.

(X) Other important information that is sufficient to improve the understanding of corporate governance operations: None.

(XI) Implementation status of internal control system

1. Internal Control System Statement

Macauto Industrial Co., Ltd.

Internal Control System Statement

Date: March 08, 2024

According to the examination on internal control system done by the Company itself in 2023, we hereby state as follows:

- (1) The Company's Board of Directors and management team understand their responsibilities of developing, implementing and maintaining the Company's internal control system, and such a system has been established. The purpose of establishing the internal control system is to reasonably assure the following objectives: (a) The effectiveness and efficiency of business operation (including earnings, operation performance and the safeguard of company assets); (b) Achieve the reliability, timeliness, transparency, and compliance objectives according to the relevant laws and regulations in order to provide reasonable assurances.
- (2) Due to the innate limitation in designing a faultless internal control system, this system can only assure the reasonableness of the above three objectives have been fairly achieved. In addition, the effectiveness of internal control system could alter over time due to the change of business environment or situation. Since the Company's internal control system has included self-examination capability, the Company will make immediate corrections when errors are detected.
- (3) The evaluation of effectiveness of the internal control system design and implementation is made in accordance with the "Guidelines for the Establishment of Internal Control Systems by Public Companies" (the Guidelines). The Guidelines are made to examine the following five factors during the management and control process:
 - (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) supervision. Each factor also includes several items. Details of each factor can be found in the Guidelines.
- (4) The Company has examined the effectiveness of each respected area in the internal control system based on the Guidelines.
- (5) The examination result indicated that the Company's internal control system (including subsidiary governance) dated December 31, 2023 has effectively assured that the following objectives have been reasonably achieved during the assessing period: (a) The degree that effectiveness and efficiency of business operation; (b) The reliability of the financial and related reports; (c) The compliance of the relevant laws/regulations and company policies
- (6) This Statement is a significant part of the Company's annual report and prospectus available to the general public. If it contains false information or omits any material content, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the R.O.C.'s Security and Exchange Act.
- (7) The Company hereby declares that this statement had been approved by the Board of Directors on March 8, 2024. Among the 8 attending Directors, to the contents of this statement.

Macauto Industrial Co., Ltd.

Chairman: Lin Chou, Yu-Shan

General Manager: Lin Chou, Yu-Shan

2. CPAs commissioned to review the internal audit system: No such situation.

(XII) In the most recent year and as of the date of publication of the annual report, whether the company and its internal personnel have been disciplined according to law, or whether the company has disciplined its internal personnel for violating the provisions of the Internal Control System. The content of the disciplinary measures should be listed, as well as the main deficiencies and improvements: No such situation.

(XIII) In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders' meeting and Board of Directors

1、Significant resolutions of the shareholders' meeting

Shareholders' Meeting	Date	Significant Resolutions	Status
2023 Shareholders' Meeting	June 16, 2023	1. Approval of the 2022 annual operating report and financial statements. 2. Approval of the distribution of profits for the year 2022. 3. Amendment of the shareholders' meeting rules of procedure.	Relevant operations have been carried out in accordance with the shareholders' meeting resolution. The ex-dividend date has been set for August 28, 2023, and cash dividends will be distributed on September 20, 2023.
1 st extraordinary general meeting in 2023	September 22, 2023	1. Amendment to the "Articles of Incorporation".	Relevant operations have been carried out in accordance with the shareholders' meeting resolution.

2、Important resolutions of the Board of Directors

Board of Directors	Date	Significant Resolutions	Status
2023 1st Board of Directors Meeting	January 13, 2023	1. The detailed amount of year-end bonuses for the company's executives in the year 2022 is submitted for discussion. 2. The company's application for a financing limit is submitted for consideration.	Execution has been completed. Execution has been completed.

Board of Directors	Date	Significant Resolutions	Status
2023 2nd Board of Directors Meeting	March 22, 2023	<ol style="list-style-type: none"> 1. Proposal to discuss the total amount of employee remuneration payments by the company. 2. Proposal to discuss the total amount of director remuneration payments by the company. 3. Proposal to discuss the adjustment of managerial compensation in the company. 4. Proposal for the review of the company's operational report, individual financial statements, and consolidated financial statements for the year 2022. 5. Proposal to discuss the distribution of profits for the year 2022 by the company. 6. Proposal to discuss the assessment of the effectiveness of the company's internal control system for the year 2022 and the internal control system statement. 7. Proposal to discuss the amendment of certain provisions in the "Board of Directors Meeting Rules" and the "Management of Board of Directors Meeting" section of the internal control system - other management control system. 8. Proposal to discuss the amendment of certain provisions in the "Accountant Evaluation and Performance Assessment Measures" of the company. 9. Proposal to periodically evaluate the independence and suitability of the company's auditing accountants. 10. Proposal to establish matters related to the company's shareholder meeting for the year 2023. 11. Proposal to discuss matters related to proposals from shareholders holding more than one percent of the shares. 12. Proposal for the company to apply for financing limit. 	<p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Execution has been completed.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Execution has been completed.</p> <p>Execution has been completed.</p> <p>Execution has been completed.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Execution has been completed.</p>

Board of Directors	Date	Significant Resolutions	Status
2023 3rd Board of Directors Meeting	May 5, 2023	<ol style="list-style-type: none"> 1. Proposal to review the consolidated financial report for the first quarter of the year 2023. 2. Proposal to discuss the amendment of certain provisions in the "Shareholders' Meeting Rules" of the company. 3. Proposal to adjust the agenda for the company's 2023 Annual General Meeting of Shareholders. 4. Proposal for the company to apply for a financing limit. 	<p>Implementation has been announced. Discussed in the shareholders' meeting.</p> <p>Implementation has been announced. Execution has been completed.</p>
2023 4th Board of Directors Meeting	August 4, 2023	<ol style="list-style-type: none"> 1. Discussion on the detailed amount of remuneration for the directors and supervisors in the company for the year 2022. 2. Discussion on the detailed amount of remuneration for the managerial staff in the company for the year 2022. 3. Review and deliberation of the consolidated financial statements for the second quarter of the year 2023. 4. Motion for the Company's overdue accounts receivable reclassified to loaning of funds, submitted for discussion. 5. Motion for the Company to establish a subsidiary in South Korea to engage in business expansion and sales services in South Korea, submitted for review. 6. Motion for amendment to the Company's "Articles of Incorporation", submitted for discussion. 7. Motion for matters related to the 1st extraordinary general meeting of the Company in 2023, submitted for review. 8. Application for financing limit by the company. 	<p>Execution has been completed.</p> <p>Execution has been completed.</p> <p>Implementation has been announced.</p> <p>Execution has been completed.</p> <p>Execution has been completed.</p> <p>Discussed in extraordinary shareholders' meeting Implementation has been announced.</p> <p>Execution has been completed.</p>
2023 5th Board of Directors Meeting	November 3, 2023	<ol style="list-style-type: none"> 1. Deliberation on the consolidated financial statements for the third quarter of the year 2023. 2. Proposal for the establishment of the "Internal Major Information Processing Procedures" under the company's internal control system - Other Management Control System, for discussion. 3. Motion for establishment the "Procedures for Ethical Management and Guidelines for Conduct", submitted for discussion. 4. Motion for the Company's overdue accounts receivable reclassified to loaning of funds, submitted for discussion. 5. Application for financing limit by the company. 	<p>Implementation has been announced. Execution has been completed.</p> <p>Execution has been completed.</p> <p>Execution has been completed.</p> <p>Execution has been completed.</p>

Board of Directors	Date	Significant Resolutions	Status
2023 6th Board of Directors Meeting	December 22, 2023	<ol style="list-style-type: none"> 1. The company's operational plan for the year 2024 has been drafted and is submitted for deliberation. 2. The company's audit plan for the year 2024 has been drafted and is submitted for discussion. 3. Motion for the Company's subsidiary KUNSHAN MACAUTO AUTOMOBILE PARTS INDUSTRY CO., LTD. to invest in the MACAUTO MEXICO,S.A. DE C.V., submitted for discussion. 4. The company has applied for a financing limit, which is submitted for consideration. 	<p>Execution has been completed. Execution has been completed. Executing.</p> <p>Execution has been completed.</p>
2024 1st Board of Directors Meeting	February 2, 2024	<ol style="list-style-type: none"> 1. The detailed amount of year-end bonuses for the company's executives in the year 2023 is submitted for discussion. 2. Proposal to discuss the adjustment of managerial compensation in the company. 3. Motion for the Company's intention to invest in and establish a subsidiary in Slovakia to engage in production and distribution, submitted for review. 4. Motion for establishment of the Sustainability Committee and the "Sustainability Committee Charter", submitted for review. 5. The company's application for a financing limit is submitted for consideration. 	<p>Execution has been completed.</p> <p>Execution has been completed. Execution has been completed.</p> <p>Implementation has been announced. Execution has been completed</p>
2024 2nd Board of Directors Meeting	March 8, 2024	<ol style="list-style-type: none"> 1. Proposal to discuss the total amount of employee remuneration payments by the company. 2. Proposal to discuss the total amount of director remuneration payments by the company. 3. Proposal to discuss the adjustment of managerial compensation in the company. 4. Proposal for the review of the company's operational report, individual financial statements, and consolidated financial statements for the year 2023. 5. Proposal to discuss the distribution of profits for the year 2023 by the company. 6. Proposal to discuss the assessment of the effectiveness of the company's internal control system for the year 2023 and the internal control system statement. 7. Proposal to discuss the amendment of certain provisions in the "Board of Directors Meeting Rules" and the "Management of Board of Directors Meeting" section of the internal control system - other management control system. 8. Motion for amendment to some provisions of the Company's internal control system - "Sales and 	<p>Implementation has been announced. Implementation has been announced. Execution has been completed. Implementation has been announced.</p> <p>Implementation has been announced. Implementation has been announced.</p> <p>Execution has been completed.</p> <p>Execution has been completed.</p>

		<p>Payment Collection Cycles", submitted for discussion.</p> <p>9. Proposal to periodically evaluate the independence and suitability of the company's auditing accountants.</p> <p>10. Motion for the Company to change the CPA for financial statements.</p> <p>11. Motion for election of all directors of the Company, submitted for discussion.</p> <p>12. Motion for list of nominated candidates for directors and independent directors in 2024, submitted for discussion.</p> <p>13. Motion for lifting the restriction on the competition of new directors and their representatives, submitted for discussion.</p> <p>14. Proposal to establish matters related to the company's shareholder meeting for the year 2024.</p> <p>15. Motion for matters related to proposals from shareholders holding more than 1% of the shares, submitted for discussion.</p> <p>16. Motion for nominations of directors and independent directors by shareholders holding at least 1% of shares.</p> <p>17. Proposal for the company to apply for financing limit.</p>	<p>Execution has been completed.</p> <p>Execution has been completed.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Execution has been completed.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Implementation has been announced.</p> <p>Execution has been completed.</p>
2024 3rd Board of Directors Meeting	May 3, 2024	<p>1. Proposal to review the consolidated financial report for the first quarter of the year 2024.</p> <p>2. Proposal for the company to apply for a financing limit.</p>	<p>Implementation has been announced.</p> <p>Execution has been completed.</p>

(XIV) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that have been recorded or declared in writing: None.

(XV) Summary of resignations and dismissals of relevant persons in the Company (including the Chairman, President, Account Manager, Finance Manager, Chief Internal Auditor, Chief of Corporate Governance, and Chief R&D Officer of the Company) in the most recent year to the day this report was printed:None.

D. Information about CPA professional fees

Currency unit: NTD thousand

CPA firm name	CPA name	Inspectionperiod	Audit fee	Non-audit fee	Total	Note
PricewaterhouseCoopers, R.O.C.	Lin, Yung-Chih	January 2023 – December 2023	2,560	670	3,230	Non-audit fee include tax report and transfer pricing report.
	Yeh Fang-Ting					

- (1) If the CPA firm is changed and the audit fees paid in year when the CPA firm is replaced are less than the audit fees of the prior year, the amount and reasons for the audit fee before and after the replacement shall be disclosed: None.
- (2) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: None.

- E. Change of CPA information: From the first quarter of 2024, the company has made changes to the signing certified public accountants. The previous signing certified public accountants, Lin Yung-Chih and Ye Fang-Ting, have been replaced by Ye Fang-Ting and Hsu Huei-Yu. This change is part of an internal rotation within the accounting firm.
- F. The Company's Chairman, General Manager, or Any Managerial Officer In Charge of Finance Or Accounting Matters Has in The Most Recent Year Held A Position at the Accounting Firm Of Its Cpa or at An Affiliated Enterprise: None.

G. Transfer & Pledge of Stock Equity by Directors, Supervisors, Managerial Officers and Holders Of 10% or More of Company Shares in the Most Recent Year and Through the Printing Date of the Annual Report:

(1) Changes in share transfers and share pledges of directors, supervisors, managers, and shareholders holding a shareholding percentage exceeding 10%.

Title	Name	2023		Until April 20th, 2024	
		Changes in Shareholding	Changes in Pledged Shares	Changes in Shareholding	Changes in Pledged Shares
Chairman and CEO	LIN CHOU, YU-SHAN	34,000	0	0	0
Director and Group President and Chief R&D Officer	LIN, YUNG-CHING	0	0	0	0
Director and Group Vice President and Chief Administrative Officer	LIU, TIEN-CHANG	-121,000	0	0	0
Director	TAYIH KENMOS AUTO PARTS CO., LTD.	0	0	0	0
Director	Lycom Investment Co., Ltd.	100,000	0	0	0
Director	LI, YIN-TE	0	0	0	0
Independent Director	WU, YA-CHUAN	0	0	0	0
Independent Director	CHIU, FANG-TSAI	0	0	0	0
Independent Director	LAI, WEI-HSIANG	0	0	0	0
Independent Director	CHEN, FA-CHIANG	0	0	0	0
Senior Vice President	YANG, KENG-MIN	0	0	0	0
Vice President	YANG, KUO-CHENG	0	0	0	0
Vice President	LIN, MENG-YU	15,000	0	0	0
Assistant General Manager	YEN, HUNG-MING	0	0	0	0
Assistant General Manager	KENICHIRO KAKINUMA	15,000	0	0	0
Assistant General Manager	CHEN, CHIA-PIN	0	0	0	0
Finance and Accounting Manager	HSU, CHU-JU	0	0	0	0

- (2) Information on related parties who are directors, supervisors, managers, or shareholders holding more than 10% of the company's shares involved in the transfer of equity: No such cases.
- (3) Information on related parties who are directors, supervisors, managers, or shareholders holding more than 10% of the company's shares involved in the pledge of equity: No such cases.

H. Information About the Relationship of Top 10 Shareholders

Data Cut-off date: April 20, 2024

Name	Individual held shareholding		Spouse and minor children's shareholding		Shareholding held under others' names		The names or identities and relationships of related parties or relatives within the second degree of kinship among the top ten shareholders who have mutual relationships.		Note
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	Relationship	
TAYIH KENMOS AUTO PARTS CO., LTD. Representative: WU, CHUN-I	9,450,000	12.62	0	0	0	0	-	-	None
	28,000	0.04	47,000	0.06	0	0	-	-	None
LIN, YUNG-CHING	5,635,350 (Note 1)	7.52	3,071,920 (Note 1)	4.10	2,332,000	3.11	LIN CHOU, YU-SHAN LIN, SHIN-YU LIN, MENG-YU	Spouse Son/Daughter Son/Daughter	None
LIN CHOU, YU-SHAN	3,071,920 (Note 1)	4.10	5,635,350 (Note 1)	7.52	2,332,000	3.11	LIN, YUNG-CHING LIN, SHIN-YU LIN, MENG-YU	Spouse Son/Daughter Son/Daughter	None

Name	Individual held shareholding		Spouse and minor children's shareholding		Shareholding held under others' names		The names or identities and relationships of related parties or relatives within the second degree of kinship among the top ten shareholders who have mutual relationships.		Note
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	Relationship	
TransGlobe Life Insurance Inc.	2,690,000	3.59	0	0	0	0	-	-	None
Representative : Peng Teng-Te	0	0	0	0	0	0	-	-	None
Kaihia INVESTMENT CO., LTD. representative:LIN, SHIN-YU	2,332,000	3.11	0	0	0	0	-	-	None
	748,876	1.00	114,802	0.15	2,332,000	3.11	LIN, YUNG-CHING LIN CHOU, YU-SHAN LIN, MENG-YU	Father Mother Sister	None
Sunder Investment Co., Ltd. Representative:LIN, SHIN-YU	1,905,694	2.54	0	0	0	0	-	-	None
	748,876	1.00	114,802	0.15	2,332,000	3.11	LIN, YUNG-CHING LIN CHOU, YU-SHAN LIN, MENG-YU	Father Mother Sister	None
Lycom Investment Co., Ltd. Representative: LIN CHOU, YU-SHAN	1,063,400	1.42	0	0	0	0	-	-	None
	3,071,920 (Note 1)	4.10	5,635,350 (Note 1)	7.52	2,332,000	3.11	LIN, YUNG-CHING LIN, SHIN-YU LIN, MENG-YU	Spouse Son/Daughter Son/Daughter	None

Name	Individual held shareholding		Spouse and minor children's shareholding		Shareholding held under others' names		The names or identities and relationships of related parties or relatives within the second degree of kinship among the top ten shareholders who have mutual relationships.		Note
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	Relationship	
JHUANG, KUN-LONG	990,000	1.32	0	0	0	0	-	-	None
HUANG, DENG-CHENG	872,913	1.17	0	0	0	0	-	-	None
LIN, MENG-YU	792,802	1.06	0	0	0	0	LIN, YUNG-CHING LIN CHOU, YU-SHAN LIN, SHIN-YU	Father Mother Sister	None

Note 1: Including the shareholding of the trust account with the reserved decision-making authority.

I. The Total Number of Shares Held in Same Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by The Company Shall Be Combined To Calculate Combined Shareholding Percentage

December 31, 2023

Unit: Thousand share%

Investment in Invested Enterprises	Investment by the Company		Investment by directors, supervisors, managers, and businesses directly or indirectly controlled by the Company		Comprehensive Investment	
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)
CRACK MYTHOLOGY INTERNATIONAL LTD.	3,200	100%	0	0	3,200	100%
MACAUTO USA, INC.	4,000	100%	0	0	4,000	100%
MACAUTO HOLDINGS LLC	230	100%	0	0	230	100%
MACAUTO GROUP GmbH	0	100%	0	0	0	100%
Kunshan Macauto Automobile Parts Industry Co., Ltd.	0	100%	0	0	0	100%
MACAUTO MEXICO, S.A.DE C.V.	0	100%	0	0	0	100%
Kunshan Macauto Automobile Parts Sales Co.,Ltd	0	100%	0	0	0	100%
MACAUTO Korea Yoohanheosa	100,000	100%	0	0	100,000	100%

IV. Capital and Shares

A. Capital and Shares

April 20, 2024

(1) Sources of equity

Unit: Shares/New Taiwan Dollars

Year Month	Issuing price	Authorized Share Capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash offset by the number of shares	Others
72.07	10,000	400	4,000,000	400	4,000,000	Cash establishment	-	-
91.07	10	30,000,000	300,000,000	26,070,000	260,700,000	Capitalization of retained earnings	-	Note 1
92.05	10	36,000,000	360,000,000	30,000,000	300,000,000	Capitalization of retained earnings	-	Note 2
93.06	10	60,000,000	600,000,000	36,000,000	360,000,000	Capitalization of retained earnings	-	Note 3
94.08	10	60,000,000	600,000,000	41,400,000	414,000,000	Capitalization of retained earnings	-	Note 4
94.10	10	60,000,000	600,000,000	41,908,000	419,080,000	Employee stock options	-	Note 5
95.06	10	60,000,000	600,000,000	46,098,800	460,988,000	Capitalization of retained earnings	-	Note 6
95.10	10	60,000,000	600,000,000	46,587,800	465,878,000	Employee stock options	-	Note 7
96.10	10	60,000,000	600,000,000	47,101,800	471,018,000	Employee stock options	-	Note 8
97.05	10	60,000,000	600,000,000	54,900,000	549,000,000	Capitalization of retained earnings Capitalization of employee bonuses	-	Note 9
98.05	10	100,000,000	1,000,000,000	74,900,000	749,000,000	Capital increased by cash	-	Note 10

Note 1: This capital increase saw capitalization of retained earnings of NT\$23,700,000 as approved by the Securities and Futures Bureau of the Ministry of Finance on June 28, 2002 under letter Taicaizheng (1) No. 0910135458.

Note 2: This capital increase saw capitalization of retained earnings of NT\$39,300,000 as approved by the Securities and Futures Bureau of the Ministry of Finance on May 15, 2003 under letter Taicaizheng (1) No. 0920121195.

Note 3: This capital increase saw capitalization of retained earnings of NT\$60,000,000 as approved by the Securities and Futures Bureau of the Ministry of Finance on May 15, 2004 under letter Taicaizheng (1) No. 0920121195.

Note 4: This capital increase saw capitalization of retained earnings of NT\$54,000,000 as approved by the Financial Supervisory Commission on June 20, 2005 under letter Jinguanzheng Yizi No. 0940124522.

Note 5: This capital increase saw execution of employee stock option certificates of NT\$5,080,000 as approved by the Ministry of Economic Affairs on October 18, 2005 under letter Jingshouzhongzi No. 09433020510.

Note 6: This capital increase saw capitalization of retained earnings of NT\$41,908,000 as approved by the Financial Supervisory Commission on June 28, 2006 under letter Jinguanzheng Yizi No. 0950126955.

- Note 7: This capital increase saw execution of employee stock option certificates of NT\$4,890,000 as approved by the Ministry of Economic Affairs on October 26, 2006 under letter Jingshouzhongzi No. 09533026550.
- Note 8: This capital increase saw execution of employee stock option certificates of NT\$5,140,000 as approved by the Ministry of Economic Affairs on October 30, 2007 under letter Jingshouzhongzi No. 09632953150.
- Note 9: This capital increase saw capitalization of retained earnings of NT\$69,982,000 and capitalization of employee bonuses of NT\$8,000,000 for a total of NT\$77,982,000 as approved by the Financial Supervisory Commission on May 27, 2008 under letter Jinguanzheng Yizi No. 0970026534.
- Note 10: This capital increase saw Cash capital increase via private placement of securities as approved by the Department of Commerce of the Ministry of Economic Affairs on May 22, 2009 under letter Jingshoushangzi No. 09801100050.

April 20, 2024; Units: Shares

Class of shares	Authorized Share Capital					Remarks
	Outstanding shares			Unissued shares	Total	
	TWSE (TPEx) listed	Not TWSE (TPEx) listed	Total			
Common share	74,900,000	0	74,900,000	25,100,000	100,000,000	None

(2) Shareholder Structure

April 20, 2024

Shareholder Structure Number	Government Institutions	Financial Institutions	Other Legal Entities	Individual	Foreign Institutions Foreign Individuals	Total
Number of Individuals:	0	2	123	11,797	78	12,000
Number of Shares Held	0	3,124,000	21,148,541	46,192,046	4,435,413	74,900,000
Percentage of Ownership	0	4.17%	28.24%	61.67%	5.92%	100.00%

(3) Equity Distribution

April 20, 2024

Shareholding Categories	Number of Shareholders	Number of Shares Held	Percentage of Ownership
1-----999	4,049	230,676	0.31
1,000-----5,000	6,577	12,951,658	17.29
5,001-----10,000	736	5,746,761	7.67
10,001-----15,000	216	2,760,570	3.69
15,001-----20,000	108	1,988,858	2.66
20,001-----30,000	124	3,176,500	4.24

Shareholding Categories	Number of Shareholders	Number of Shares Held	Percentage of Ownership
30,001-----40,000	50	1,788,198	2.39
40,001-----50,000	31	1,426,214	1.90
50,001----100,000	53	3,795,716	5.07
100,001---200,000	22	3,043,372	4.06
200,001---400,000	11	3,096,143	4.13
400,001---600,000	6	2,755,000	3.68
600,001---800,000	6	4,129,057	5.51
800,001-1,000,000	4	3,862,913	5.16
Over 1,000,001	7	24,148,364	32.24
Total	12,000	74,900,000	100

(4) Major Shareholders List

Names of Shareholders with Ownership Percentage of 5% or more, or Top Ten Shareholders by Ownership Percentage, including Number of Shares Held and Percentage

April 20, 2024

Major Shareholders \ Shares	Number of Shares Held	Percentage of Ownership
TAYIH KENMOS AUTO PARTS CO., LTD.	9,450,000	12.62%
LIN, YUNG-CHING(Note1)	5,635,350	7.52%
LIN CHOU, YU-SHAN(Note1)	3,071,920	4.10%
TransGlobe Life Insurance Inc.	2,690,000	3.59%
Kaihia INVESTMENT CO., LTD.	2,332,000	3.11%
Sunder Investment Co., Ltd.	1,905,694	2.54%
Lycom Investment Co., Ltd	1,063,400	1.42%
JHUANG, KUN-LONG	990,000	1.32%
HUANG, DENG-CHENG	872,913	1.17%
LIN, MENG-YU	792,802	1.06%

Note 1: Includes the number of shares held by the Trust Account with retained voting rights.

- (5) Recent two-year data on per-share market price, net asset value, earnings, dividends, and related information is not available.

Unit: NT\$

Year \ Item		2022	2023	Year 2024 ended March 31
Market Price per Share	Highest	81.50	83.50	76.00
	Minimum	55.80	64.00	69.70
	Average	68.38	76.29	72.04
Net Value per Share	Before distribution	45.05	48.14	46.81
	After distribution	41.75	44.74	-
Earnings per Share	Weighted average number of shares		74,900,000	74,900,000
	Earnings per Share	Before retroactive adjustment	5.50	5.77
		After retroactive adjustment	5.47	(Note1)
Dividends per Share	Cash Dividends		3.3	3.4(Note2)
	Gratuitous allotment of shares	Earnings distribution of share	-	-(Note2)
		Capital surplus distribution of share	-	-(Note2)
	Accumulated unpaid dividends		-	-
Return on Investment Analysis	Price-to-Earning Ratio		12.43	13.22
	Price to dividend Ratio		20.72	22.44
	Dividend yield		4.83%	4.46%

Note 1: The distribution of earnings for the fiscal year 2023 has not been approved by the shareholders' meeting, so it is not listed.

Note 2: The proposal for the distribution of earnings for the fiscal year 2023 was approved by the Board of Directors on March 8, 2024, to distribute a cash dividend of NTD 3.4 per share, but it has not been approved by the shareholders' meeting yet.

(6) Company dividend policy and implementation status

1. Dividend policy

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 27 of the Company's Articles of Incorporation, the amount of dividend 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.

2. Implementation status

The Company authorizes the Board of Directors to pay cash dividends by special resolution in accordance with Article 27 of the Articles of Incorporation. The Company passed a special resolution of the Board of Directors on March 8, 2024 to issue cash dividends of NT\$3.4 per share for 2023. Subsequent issuance will be carried out in accordance with relevant regulations.

(7) The influence of stock dividends planned to be paid in the Shareholders' Meeting of this year on the operation performance and earnings per share of the Company: Not applicable.

(8) Information on Remuneration for Employees, Directors and Supervisors

1. The percentage or scope of remuneration and directors' and supervisors' remuneration as set out in the Articles of Incorporation:

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.

2. Estimated employee remuneration for this period and the basis for the estimation of the remuneration of directors and supervisors:

The Company's 2023 estimated employee remuneration and the estimated basis for the remuneration of directors and supervisors are estimated and recognized as annual expenses for 2023 within the scope stated in the Articles of Incorporation. The estimated amounts of remuneration for employees, directors, and supervisors in 2023 was consistent with the amounts resolved by the Board of Directors.

3. The proposed distribution of employee remuneration as approved by the Board of Directors:
 - (1) Distributions of employee remuneration and the remuneration amounts for directors and supervisors:
As approved by the Board of Directors on March 8, 2024, distributions of NT\$23,269,211 for employees and NT\$9,307,685 for directors and supervisors was consistent with the financial statement estimates and all payments were to be made in cash.
 - (2) The amount of employee bonuses distributed by stocks and its proportion to the total after-tax net profit and total employee bonuses in the parent company only financial report for the current period: Not applicable.
 4. The actual distributions of remuneration for employees, directors, and supervisors in the prior year:
 - (1) The actual distributions of employee remuneration and directors' and supervisors' remuneration in the prior year: In 2022, employee remuneration was NT\$21,759,187 and the remuneration of directors and supervisors was NT\$8,703,675 with all payments to be made in cash.
 - (2) The original proposed distribution approved by the original Board of Directors: the proposal approved by the Board of Directors was to allocate NT\$21,759,187 for employees and NT\$8,703,675 for directors and supervisors with all payments to be made in cash.
 - (3) The differences between the proposed distributions and the actual distributions: None.
 - (9) Repurchase of shares by the Company: None.
-
- B. Corporate Bonds: None.
 - C. Preferred shares: None.
 - D. Global depositary receipts: None.
 - E. Employee stock options: Not applicable.
 - F. Subscription of New Shares for Employee Restricted Stocks: None.
 - G. Issuance of New Shares due to Acquisition of Shares of Another Company: None.
 - H. Implementation status of fund usage plan: Not applicable.

V. Overview of Operations

A. Business Content

(1) Main business content and operating proportions.

Unit: NT\$ thousand

Business Content:	Revenue in 2023	Revenue Ratio(%)
Automobile Sun Shade	5,186,002	99.58
Others	22,080	0.42
Total	5,208,082	100.00

(2) Current Product and Service Offerings of the Company

Product	Product specification
Automobile Sun Shade	Rear Shade-Manual, Rear Shade-Power, Door Shade-Manual, Door Shade-Power, Door Shade-Triangle, Rolly Assy, Luggage Compartment Cover, Wind Deflector, Barrier Net.
Others	Battery-Power Lawnmower, Battery-Powered Trimmer, Electric Wheelbarrow, Door Arm Rest, Map Pocket.

(3) Planned Development of New Products and Services.

1. Innovative Research on Manual Side Window Shade with Magnet Attachment.
2. Innovative Research on Manual Sunroof Shade with Multi-position Control.
3. Wire type rear power shade advanced research.
4. Innovative Research on Fully Concealed Horizontal Power Shade.
5. Innovative Research on Front Manual Shade Visor.
6. Stepless rear door manual shade advanced research.

B. Production and Sales Overview

1. Current Status and Development of the Industry

(1) Current Status of the Industry

Current Status of the Industry The category of Automobile Sun Shade can be roughly divided into rear shades (manual and power), door shades (manual and power), door shades-triangle, roly assys (manual and power), wind deflectors, luggage compartment covers, and Barrier nets. In recent years, the inclusion rate of Automobile Sun Shade as a choice of interior equipment in automobiles has been increasing, indicating a higher penetration rate of Automobile Sun Shade. Among them, the main products are roly assys, rear shades, door shades, luggage compartment covers, and wind deflectors.

In recent years, the design of automotive sunroofs has been trending towards panoramic

sunroofs. The traditional hard panel approach is no longer suitable for the shading needs of current and future panoramic sunroofs. The fabric-based sunshades designed by our company perfectly meet the shading needs of panoramic sunroofs, leading to an increasing demand for roll-up sunshades. The popularity of EVs and SUVs has also contributed to the growing demand for roll-up sunshades, luggage compartment covers, storage nets, and Barrier nets.

In the North American market, our company serves major international car manufacturers, expanding beyond the three major US automakers Ford, GM, and Chrysler to include VW Group, BMW, and Honda in the supply chain. Therefore, the North American region is one of our key markets.

In the Chinese mainland market, the production of automobiles has gradually included automobile sunshades as optional accessories. Coupled with the increasing application of panoramic sunroofs, it is currently the company's largest market, with promising future growth potential recognized by various parties. The demand for automobile sunshades in the Chinese mainland region is expected to grow in the future. Developing competitive automobile sunshades to meet the demand of local car manufacturers in the Chinese mainland will be one of the company's important tasks.

(2) Development of the Industry

The development of Automobile Sun Shade has progressed from simple suction cup types (commercially available) to exposed roll-up types (commercially available), semi-concealed manual pull types (OEM), concealed manual pull types (OEM, ODM), cable-controlled electric types (OEM, ODM), and wireless remote control types (OEM, ODM).

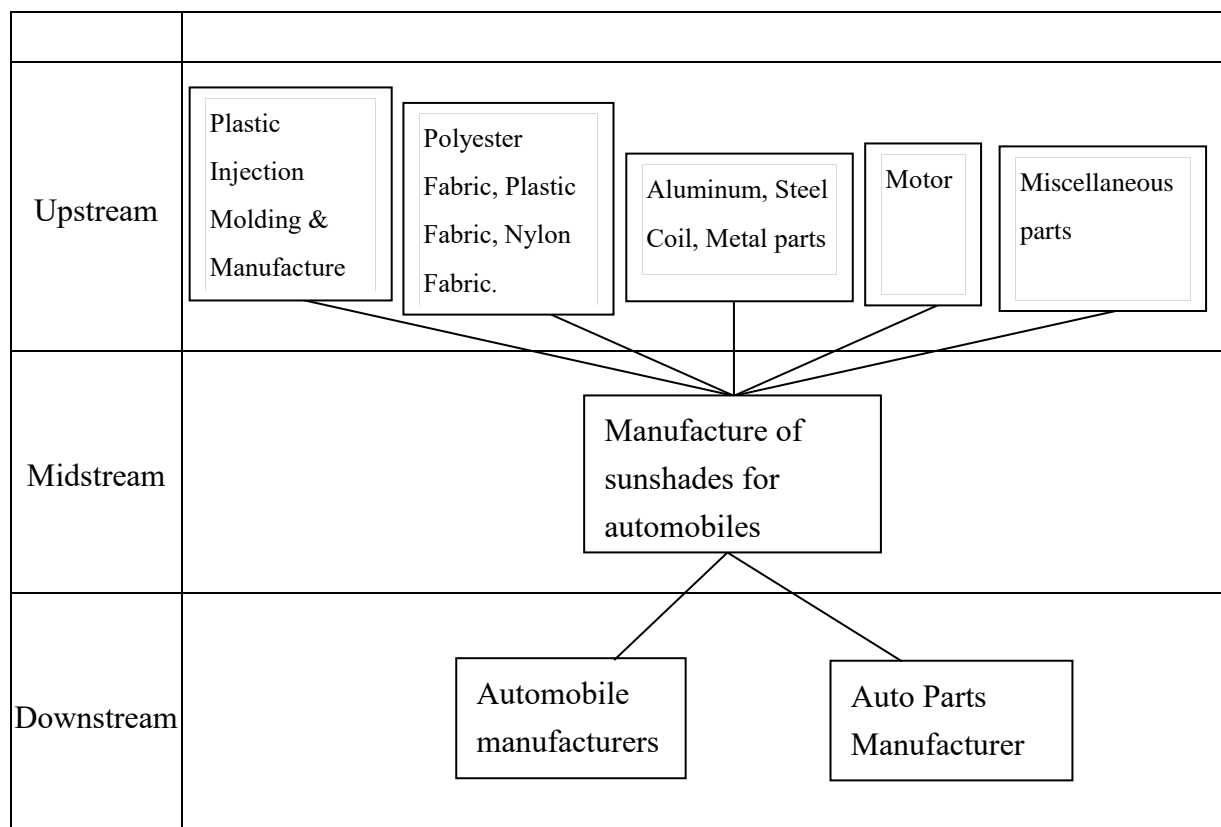
Door Shade → Door Shade-Power.

Rear Shade → Rear Shade-Power → Fully enclosed electric Rear Shade.

Roll-up Assy → Panoramic Roll-up Assy.

Luggage Compartment Cover → Luggage Compartment Cover with Barrier Net → Luggage Compartment Cover-Power.

2. Interrelation of Upstream, Midstream, and Downstream in the Industry.



3. Various Development Trends and Competitive Situation of Products

(1) Development Trends of Products

The development trend of Automobile Sun Shade is moving towards higher shading performance, electric-powered operation, and panoramic sunroofs. For Rear Shade, Door Shade, Door Shade - Triangle, Rollo Assy, and Luggage Compartment Cover, collaboration with car manufacturers is necessary for the design and development of new vehicle models. Starting from the process of new vehicle development, it requires manpower and joint design and development with car manufacturers or Tier-1 customers. Therefore, the development trend of car window blinds is towards the ODM (Original Design Manufacturer) direction. Under this circumstance, the company's capabilities in design and development, mass production, quality assurance, engineering, after-sales technical support, and cost control have become essential for car window blind manufacturers. As a result, in the future, car window blind manufacturers will experience a situation where the bigger players become even larger.

(2) Competitive Situation of Products

In the domestic market, the company is the largest supplier of ODM/OEM car window blinds. In the European, American, and Chinese markets, the main competitor is Germany's BOS.

C. Overview of Technology and Research & Development

1. Research and development expenses incurred in the most recent fiscal year and up to the printing date of the annual report.

Unit: NT\$ Thousand

Item/Year	2023	Year ended March 31, 2024
Research and development (R&D) expenses	189,022	46,219
Percentage of revenue (%)	3.63%	3.82%

2. Developed Successful Technology or product: Over molding with steel tube inside Wind Deflector and one touch for two way opening sunroof sunshade.

(IV) Long-term and Short-term Business Development Plans:

1.Long-term Business Development Plans:

- (1) Expand product line and develop new customers to strengthen business expansion.
- (2) Promote and apply new designs and materials to provide customers with superior product designs and usage.
- (3) Proactive deployment in overseas markets.

2.Short-term Business Development Plans:

- (1) Promote Automobile Sun Shade and interior components, actively pursue collaboration opportunities with car manufacturers worldwide.
- (2) Provide products and services that meet customer needs based on market demands.

B. Market and production and sales overview

(I) Market Analysis

1. Main product sales areas

Units: NT\$ thousand; %

Region \ Year		2022		2023	
		Amount	%	Amount	%
Domestic sales		321,650	6.63	627,355	12.05
Exports	China	1,953,056	40.27	1,711,418	32.86
	United States	1,105,473	22.79	1,262,387	24.24
	Mexico	472,524	9.74	463,069	8.89
	Germany	341,777	7.05	317,032	6.09
	Others	655,554	13.52	826,821	15.87
Export subtotal		4,528,384	93.37	4,580,727	87.95
Total		4,850,034	100.00	5,208,082	100.00

2. Market share

Up to now, there is no professional organization domestically or abroad to conduct statistics on the production and sales of automotive roller shades. Therefore, the market share of the Company is unknown. In regard to the Company's competitive situation in the international market, BOS of Germany is currently the world's largest ODM/OEM automotive roller shade supplier. In addition, similar products are supplied by Asimori of Japan as well as manufacturers in mainland China and South Korea.

3. Market supply and demand in the future

(1) Future supply conditions

Rear shades and door shades are currently supplied domestically by the Company and by Denso. Internationally, suppliers include the Company, BOS of Germany, Asimori of Japan, and several manufacturers in mainland China and South Korea. Rollo assy are currently supplied domestically by the Company. Internationally, suppliers encompass several manufacturers including the Company as well as BOS of Germany.

(2) Future demand conditions

At present, the proportion of rollo assy, door shades, rear shades and luggage compartment covers installed on luxury cars and recreational vehicles is increasing. In the future, moreover, there will be a trend of popularization among low- and medium-priced cars in order to achieve advanced interior decoration and driving comfort. This will greatly increase the demand for automotive sunshades (rear, door and rollo assy), as well as for luggage compartment covers, barrier nets, and so on. Coupled with the popularity of panoramic sunroofs, this will greatly increase the demand for rollo assy.

4. Future market growth

- (1) Today's trends in automotive manufacturing are to increase window areas or increase sunroofs; that is, the amount of glass used in each car has increased significantly. Under these circumstances, the occupants or accessories in the car are exposed to a wider range of sunlight. Therefore, installing sunshades in the glassed areas of the whole car will be the best way to protect from the sun and ride comfortably. This will benefit manufacturers that have the ability to manufacture various types of roller blinds for complete vehicles. The Company is one such manufacturer capable of designing and manufacturing comprehensive vehicle sunshades and meeting the needs of future automotive design and manufacturing trends.
- (2) In the past, automotive roller shades were optional vehicle accessories and up to now many car manufacturers or models have not installed automotive roller shades. In recent years, major international automakers have gradually listed automotive roller shades as optional equipment. This includes rear shades (power and manual), door shades, door shades - triangle, rollo assy, and sunshades with other properties. Moreover, major automakers have recently invested and set up factories in mainland China, and they have also listed automotive roller shades as optional equipment. It can thus be confirmed that automotive roller shades will grow year by year in the future.

5. Competitive niche

- (1) We have accumulated 30 years of independent development and design capabilities for automotive roller shade as well as mass production experience.
- (2) We have abundant experience in product design and development with international car manufacturers, enabling us to meet the design and development needs of various customers.
- (3) Our product has a cost competitive advantage.

- (4) We have quick response speed to the problems faced by ODM and OEM customers and we have good engineering ability.
- (5) Our core technologies enjoy patent protection.
- 6. Favorable and unfavorable factors in future development, and response measures
 - (1) Favorable factors for development prospects
 - A. The penetration rate and application of automotive roller shades in automotive interiors is increasing and the demand for automotive roller shades has greatly increased.
 - B. From past installations as rear shades, automotive roller shades have currently move into applications for door shades, door shades - triangle, rollo assy, wind deflectors, luggage compartment covers, and barrier nets. Vehicles equipped with automotive roller shades thus have greatly increased.
 - (2) Unfavorable factors for development prospects, and countermeasures
 - A. Labor costs are increasing annually in every region
 Countermeasures:
 The Company will work towards automated manufacturing in order to reduce the impact of annually rising labor costs in every region.
 - B. Competitive threats from mainland Chinese or South Korean manufacturers
 Manufacturers from mainland China or South Korea compete in regional markets with low-priced, low-quality products, thereby increasing product price pressures.
 Countermeasures:
 Develop products that are affordable and meet customer and market needs, and manufacture them in mainland China to reduce product costs and improve product price competitiveness.

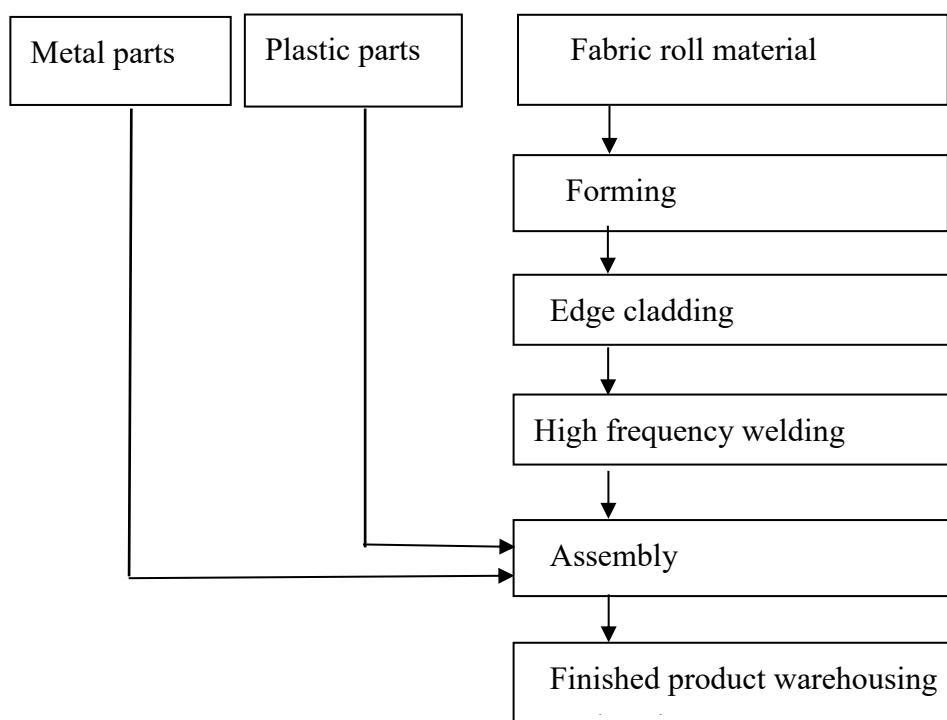
(3) Important uses and production processes of main products

1. Important uses of main products

Product (commodity) or service item	Important purpose or function
Automobile Sun Shade	Car interior sunshade and heat protection

2. Production process of main products

Production process of Automobile Sun Shade



(3) Supply status of main raw materials

Main Raw Materials	Supply Sources	Supply Situation
Fabric	Taiwan, Germany, China	Good
Plastic injection parts	Taiwan, China	Good
Motor	Taiwan, China	Good
Metal machining parts(aluminum & steel)	Taiwan	Good

(4) Information on major suppliers/clients who have accounted for at least 10% of sales/procurement in either of the past two years:

1. List of suppliers that have accounted for at least 10% of procurement over the past two years:NA.

2. List of clients that have accounted for at least 10% of sales over the past two years:NA.

(5) Production volume and value in the last two years

Unit: Quantity thousand pieces; NT\$ thousand

Year Production volume and value Major Products	2022			2023		
	Capacity	Volume	Value	Capacity	Volume	Value
Automobile Sun Shade	12,059	11,740	3,434,940	11,847	11,533	3,831,056
other	11	2	88,795	11	2	78,421
Total	12,070	11,742	3,523,735	11,858	11,535	3,909,477

(6) Sales volume and value in the last two years

Unit: Quantity thousand pieces; NT\$ thousand

Year Sales volume and value Major Products	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Automobile Sun Shade	7,099	313,227	11,046	4,374,916	10,462	618,829	11,677	4,567,173
other	9	8,423	631	153,468	5	8,526	14	13,554
Total	7,108	321,650	11,677	4,528,384	10,467	627,355	11,691	4,580,727

C、The number of employees, the average length of service, average age and educational background analysis ratio in the last two years and as of the publication date of the annual report

Unit: Person

Item \ Year		2022	2023	2024 Q1
Number of employees	Manufacturing staff	699	713	780
	Salesperson	34	40	42

Item \ Year		2022	2023	2024 Q1
	Administration staff	332	323	327
	Researchers	80	82	84
	Total	1,145	1,158	1,233
Average age		38.82	38.59	38.75
Average years of service		6.10	5.78	5.78
Educational Distribution Ratio	Doctor	0.09	0.09	0.08
	Master	5.41	5.09	4.87
	College	37.55	34.72	33.50
	Senior (vocational) high school	45.68	47.84	33.65
	Under senior (vocational) high school	11.27	12.26	27.90

Note: The table shows the number of regular employees, excluding the number of temporary workers.

D. Environmental protection expenditure information

- (1) In the most recent year and as of the and as of the date of publication of the annual report, the Company's losses due to environmental pollution (specifying compensation and environmental protection audit results that violate environmental protection regulations, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclosure of current and future estimated amounts and possible measures. When estimation cannot be provided, explanation for such cases should be offered: None.
- (2) Relevant information in response to the EU Directive on the Restriction of Hazardous Substances (RoHS):
The EU Directive on Restriction of Hazardous Substances (RoHS) came into effect on July 1, 2006. In March 2006, the Company convened suppliers to explain the content of the restricted use directive and the changes in materials to meet the requirements of the European Union. ODM/OEM products and sales in Europe have been using materials free of harmful substances since May 2006.
- (3) Work environment, employee personal safety, and environmental protection measures
The main work objectives of the Company's Work Safety Office in 2024 were as follows:

1. Formulate the Occupational Safety and Health Management Plan, assisting each unit in the improvement of safety and health hazards, developing an emergency response mechanism and notification system in order to implement safety and health management, and protecting the safety and health of employees.
2. The Company is certified by the ISO 14001 Environmental Management System and is continuously certified by DNV verification company every year. Actively promote cleaner production, pollution prevention, energy and resource conservation, waste reduction and reuse through continuous improvement of the management system to reduce the impact on the environment.
3. Annual statutory inspection of dangerous machinery and equipment, include: lifts (four in total) and stationary cranes (four in total). All inspections were passed to ensure that the dangerous machinery and equipment in the factory comply with laws and regulations and operate safely.
4. Carry out operating environment monitoring every six months and monitor physical hazards and chemical hazards in the working environment. The monitoring results are used as the basis for future improvement of the operating environment in the hope of achieving the purpose of protecting the safety and health of colleagues.
5. We have established Measures for Automated Inspection with relevant machinery, equipment, and operating environments implemented through automatic inspection. Furthermore, we have established a system of inspection management to ensure labor safety and maintain the normal operation of machinery and equipment.
6. We have established a Hazard Communication Plan for the control and labeling of the hazardous chemicals used, and pre-examination work before the introduction of new chemicals to reduce the hazards of employees operating and using chemicals.
7. We undertake comprehensive reviews of machinery, equipment safety design, and environments to avoid new hazards caused by changes in the environment and conditions of machinery and equipment to provide a safe workplace environment for colleagues in the factory.
8. We have established a Contractor Construction Management Program to define the safety, health and environmental protection regulations for contractors entering the Company to carry out construction operations, thereby ensuring the safety of construction between company personnel and contractors as a basis for contract management.
9. We conduct self-defense fire drills every six months so that colleagues in the factory can take effective self-defense firefighting actions according to the fire situation, thus effectively exerting the initial response capabilities of early warning and timely firefighting.

10. Plan for employee health checkup and subsidies, so employees may be informed of physical changes through more comprehensive checkup items in order to achieve the purpose of self-health management.
11. Re-acquire the Automated External Defibrillator (AED) Safe Workplace certification, creating a healthy and safe working environment for employees.
12. Health promotion activities such as weight loss, smoking prevention, and exercising gift vouchers are organized to enhance employees' awareness of their own health from the aspect of behavioral motivation.
13. We continue to strengthen the advocacy of car safety and translate it into action, actively inspecting the vehicle safety-related facilities in the factory (such as brakes, mirrors, tire pressure, tread patterns, turn signals) in order to prevent problems before they happen.

In terms of environmental protection, the current year's implementation of the energy saving plan is as follows:

Objective	Proposal	Status description	Implementation
Waste recycling	Selling or recycling waste window screen material from the manufacturing process	<p>(1) For those expired leftovers of the manufacturing process and of research and development and those having a poor appearance and so on, whole pieces of waste window screen material that meets demand are sold to reuse manufacturers for commercial or other legitimate purposes.</p> <p>(2) The waste window screen material that was originally considered waste is sorted out by the production line, and then transported to the reuse manufacturer to make fuel rods to reduce the Company's waste window screen material removal volume and cleaning costs.</p>	The sales volume of waste window screen material in 2023 was 28.1 metric tons and the recovered quantity was 367.48 metric tons.
Reducing CO2 emissions	Solar power system setup	We adopt the rooftop leasing method to provide spaces for professional and legitimate manufacturers to install solar power	In 2023, the total power generation of solar photovoltaic systems were 1,265,621 kWh, thereby

Objective	Proposal	Status description	Implementation
		generation modules and carry out commercial operations	reducing CO2 emissions by about 626.48 tons.
Energy conservation and CO2 emission reduction	Air compressor replacement	Replace the old fixed frequency air compressor with new variable frequency air compressor	The new air compressor saves 35,909 kWh of electricity compared to the old one, which reduces the annual CO2 emissions by 18.274 tons.

E. Labor Relations

- (1) Various employee welfare measures, advanced education, training, retirement systems and their implementation status, as well as the agreements between labor and management

1. Employee benefits measures:

- (1) Employee benefits measures provided by the Company:

- a. Employee bonuses
 - b. Wedding stipends
 - c. Childbirth allowances
 - d. Gift stipend for new home completion
 - e. Bereavement grants
 - f. Employee group insurance.

- (2) Employee benefit measures handled by the Company's Employee Welfare Committee:

- a. Wedding stipends
 - b. Bereavement grants
 - c. Childbirth allowances
 - d. Gift stipend for new home completion
 - e. Labor Day gift certificates
 - f. Dragon Boat Festival gift certificates
 - g. Mid-Autumn Festival gift certificates
 - h. Birthday gift money

2. Continuing education and training for employees

Training and education for the Company's employees is divided into internal training and external training. Internal training is conducted by the Company's directors or hired external lecturers to provide education and training for Company employees. For external training employees sign up to participate in educational training organized by external organizations. The Company encourages employees to participate in education and training and includes employee education and training as one of the annual

performance evaluation items.

Courses expected to be implemented by the Company in 2024 are as follows

Item	Total echelons	Total hours	Total number of individuals	Total budget
Company training (General education for newcomers, project classes, engineering classes, management classes)	34	374	737	1,489,520
Environmental Safety and Health Training	40	256	386	115,080
Departmental Professional Training	60	238	430	310,350
Total	134	868	1,553	1,914,950

3. Retirement system and its implementation

(1) Old pension system

① 2%~15% of total salaries is withdrawn and deposited into a special bank account in R.O.C. every month.

② Compulsory retirement

A. For those reaching the age of 65, all shall retire except for top executives. Workers to perform a job that is dangerous or physically demanding and may report to the central competent authority for adjustment, he/she must not be younger than 55 years old.

B. Workers with physical or mental disabilities that make them unfit to work.

③ Voluntary retirement

A. Having served in the Company for more than 15 years, and having reached the age of 55.

B. Having served in the Company for more than 25 years.

C. Having served for more than 10 years and over 60 years old.

④ Pension calculation standard

A. A base of two months is given for each full year of the first 15 years of service; for more than 15 years, a base of one month is given for each full year, with a maximum amount of 45 months.

B. If the seniority calculation is less than half a year, the seniority shall be calculated as half a year. Half a year but less than one year shall be counted as one year.

C. The base figure is the average monthly salary at the time of retirement, and

the average salary is calculated in accordance with the relevant provisions of the Labor Standards Act.

(2) New pension system

To be handled in accordance with government regulations.

(3) Provision (distribution) of expense-based retirement pension in 2023

①Applicable to the Labor Pension Act (new pension system), the pension system and overseas subsidiaries are based on a certain percentage of local employee salaries to allocate pension reserves and endowment insurance funds. Total allocated amount for 2023: NT\$32,947 thousand.

②Applicable to the Labor Standards Act (old pension system) and the Administrative Measures for the Retirement of Directors and Appointed Managers, the pension system distribution amount: NT\$4,080 thousand.

4. Labor-management agreements

The Company handles holidays, leave, and special leave for employees in accordance with the regulations. Both labor and management have gotten along well since the establishment of the Company. Management pays attention to employees' opinions and take care of employees' lives, providing a good and comfortable working environment. In the future, management will continue to take care of employees and establish a rationalized management system, and labor relations will become more harmonious.

- (II) In the most recent year and up to the date of publication of the annual report, any losses or its Company due to labor disputes (including labor inspection results that violate the Labor Standards Act, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclose current and future estimated amounts and possible measures. If it cannot be estimated, the fact that it cannot be estimated shall be stated: None.

F. Information Security Management:

- (1) Describe the information security risk management framework, the information security policy, the specific management plan, resources invested in the security management of information, etc.

In order to ensure the information security of the Company, and to protect the Company from any interference, destruction, intrusion, or operational risks caused by any unfavorable actions and attempts, we have formulated Information Security Policy Measures and related

management points as the implementation regulations.

These include the establishment of an information security promotion organization and coordination, planning, auditing, and promotion of matters such as unified information security management, allocation of appropriate personnel powers and responsibilities to continuously strengthen the Company's information security protection, and the arrangement of information security education and training to improve the information security management and control capabilities of dedicated personnel and general colleagues' information security awareness. We define computer system security, network security, system access control, system development and maintenance security management, information asset security management, physical and environmental security management, business continuity operation plans and information security threat prevention, and so on. Furthermore, we continue to review the effectiveness of information security risk control and make timely corrections and improvements.

We use various information security protection tools, firewalls, anti-virus software, and regular internal and external agency information security checks in monitoring abnormalities to protect important information on business operations, individuals, companies and customers and to avoid leakage of confidentiality. This is to ensure the uninterrupted operation of the Company and the effectiveness of the sustainable operation of the business.

- (2) Apply for the TISAX information security certification mark to ensure that the Company's information security complies with the automotive industry information security standards; build the confidence of automotive supply chain partners in the Company's network security and data protection.
- (3) Losses suffered due to major information security incidents in the most recent year and as of the publication date of the annual report, possible impact, and response measures. If this cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

G. Significant Contracts: None.

VI. Financial Overview

A Concise balance sheets and statements of comprehensive income for the most recent five years

(1) Concise balance sheets of the Company and its subsidiaries, 2019 to 1Q 2024:

Unit: NT\$ thousand

Item	Year	2019	2020	2021	2022	2023	Current year through
							March 31, 2024
							Financial information (Note 1)
Current assets		3,452,786	3,541,431	3,621,313	3,935,919	3,932,167	3,899,528
Property, plant and equipment		1,689,850	1,562,986	1,379,072	1,342,931	1,322,472	1,338,303
Intangible assets		35,115	25,672	18,832	14,208	12,271	12,180
Other assets		249,312	213,736	334,100	368,319	577,876	459,355
Total assets		5,427,063	5,343,825	5,353,317	5,661,377	5,844,786	5,709,366
Current liabilities	Before distribution	1,978,779	1,824,085	1,880,326	1,999,810	2,051,424	2,005,000
	After distribution	2,240,929	2,176,115	2,127,496	2,246,980	2,306,084	(Note2)
Non-current liabilities		576,308	419,382	364,282	287,232	187,567	198,410
Total liabilities	Before distribution	2,555,087	2,243,467	2,244,608	2,287,042	2,238,991	2,203,410
	After distribution	2,817,237	2,595,497	2,491,778	2,534,212	2,493,651	(Note 2)
Equity attributable to owners of parent							
Share capital		749,000	749,000	749,000	749,000	749,000	749,000
Capital surplus		3,082	3,082	3,082	3,082	3,082	3,082
Retained earnings	Before distribution	2,237,138	2,487,410	2,540,840	2,701,897	2,884,246	2,721,724
	After distribution	1,974,988	2,135,380	2,293,670	2,454,727	2,629,586	(Note 2)
Other equity		-117,244	-139,134	-184,213	-79,644	-30,533	32,150
Total equity	Before distribution	2,871,976	3,100,358	3,108,709	3,374,335	3,605,795	3,505,956
	After distribution	2,609,826	2,748,328	2,861,539	3,127,165	3,351,135	(Note 2)

Note 1: The financial information has been reviewed by CPAs.

Note 2: Distribution has not yet been decided.

(2) Concise balance sheets of the Company, 2019 to 2023:

Unit: NT\$ thousand

Year		2019	2020	2021	2022	2023
Item						
Current assets		2,141,000	2,033,710	2,017,804	2,164,310	2,225,062
Long-term investments		1,625,812	1,726,489	1,737,674	1,904,615	2,043,151
Property, plant and equipment		1,063,293	992,659	853,391	801,324	757,674
Intangible assets		29,555	22,336	17,033	13,158	10,150
Other assets		90,045	90,551	176,347	184,266	175,008
Total assets		4,949,705	4,865,745	4,802,249	5,067,673	5,211,045
Current liabilities	Before distribution	1,613,020	1,423,606	1,437,688	1,506,807	1,489,553
	After distribution	1,875,170	1,775,636	1,684,858	1,753,977	1,744,213
Non-current liabilities		464,709	341,781	255,852	186,531	115,697
Total liabilities	Before distribution	2,077,729	1,765,387	1,693,540	1,693,338	1,605,250
	After distribution	2,339,879	2,117,417	1,940,710	1,940,508	1,859,910 (Note 1)
Equity attributable to owners of parent						
Share capital		749,000	749,000	749,000	749,000	749,000
Capital surplus		3,082	3,082	3,082	3,082	3,082
Retained earnings	Before distribution	2,237,138	2,487,410	2,540,840	2,701,897	2,884,246
	After distribution	1,974,988	2,135,380	2,293,670	2,454,727	2,629,586
Other equity		-117,244	-139,134	-184,213	-79,644	-30,533
Total equity	Before distribution	2,871,976	3,100,358	3,108,709	3,374,335	3,605,795
	After distribution	2,609,826	2,748,328	2,861,539	3,127,165	3,351,135

Note 1: To be finalized after the resolution of the shareholders' meeting.

(3) Concise statements of comprehensive income of the Company and its subsidiaries, 2019 to 1Q 2024:

Unit: NT\$ thousand

Item \ Year	2019	2020	2021	2022	2023	Financial information for the three months period ended March 31, 2024 (Note)
Operating revenue	5,825,190	4,635,333	4,773,043	4,850,034	5,208,082	1,210,622
Operating margin	1,694,964	1,333,262	1,359,820	1,243,389	1,349,379	293,782
Operating profit	681,600	544,290	507,249	412,552	464,149	63,255
Non-operating income and expenses	9,945	64,734	-13,704	82,544	69,369	50,283
Net profit before tax	691,545	609,024	493,545	495,096	533,518	113,538
Net profit for the period	563,844	501,105	399,434	411,972	432,248	92,138
Other comprehensive income (loss), net for the period after tax	-38,174	-10,573	-39,053	100,824	46,382	62,683
Total comprehensive income for the period	525,670	490,532	360,381	512,796	478,630	154,821
Net profit attributable to owner of parent	563,844	501,105	399,434	411,972	432,248	92,138
Total comprehensive income attributable to owners of parent	525,670	490,532	360,381	512,796	478,630	154,821
Earnings per share	7.53	6.69	5.33	5.50	5.77	1.23

Note: The financial information has been reviewed by CPAs.

(4) Concise statements of comprehensive income of the Company, 2019 to 2023:

Unit: NT\$ thousand

Item \ Year	2019	2020	2021	2022	2023
Operating revenue	4,244,622	3,364,368	3,404,633	3,093,637	3,355,759
Operating margin	1,300,270	1,008,798	1,012,424	901,429	954,056
Operating profit	529,443	450,361	444,689	336,328	424,929
Non-operating income and expenses	137,523	145,845	41,001	153,180	98,320
Net profit before tax	666,966	596,206	485,690	489,508	523,249
Net profit for the period	563,844	501,105	399,434	411,972	432,248
Other comprehensive income (loss), net for the period after tax	-38,174	-10,573	-39,053	100,824	46,382
Total comprehensive income for the period	525,670	490,532	360,381	512,796	478,630
Earnings per share	7.53	6.69	5.33	5.50	5.77

(5) CPA name and audit opinion for the most recent five years

Year	CPA name		Audit opinion
2023	PricewaterhouseCoopers, Taiwan	Lin, Yung-Chih; Yeh Fang-Ting	Unqualified opinion
2022	PricewaterhouseCoopers, Taiwan	Lin, Yung-Chih; Yeh Fang-Ting	Unqualified opinion
2021	PricewaterhouseCoopers, Taiwan	Lin, Yung-Chih; Lin, Tzu-Shu	Unqualified opinion
2020	PricewaterhouseCoopers, Taiwan	Lin, Yung-Chih; Lin, Tzu-Shu	Unqualified opinion
2019	PricewaterhouseCoopers, Taiwan	Lin, Yung-Chih; Lin, Tzu-Shu	Unqualified opinion

B. Financial analysis for the last five years

(1) Financial analysis of the Company and its subsidiaries, 2019 to 1Q 2024:

Analysis item (Note 2) \ Year		2019	2020	2021	2022	2023	For the three months ended March 31, 2024 (Note 1)
Financial structure (%)	Debt to assets ratio	47.08	41.98	41.93	40.40	38.31	38.59
	Long-term capital to PP&E	204.06	225.19	251.84	272.65	286.84	276.80
Solvency (%)	Current ratio	174.49	194.15	192.59	196.81	191.68	194.49
	Quick ratio	112.03	132.38	122.75	137.09	132.52	134.83
	Times interest Earned	13,108.20	12,590.11	14,154.77	11,433.64	6,199.61	6,577.08
Operating ability	Accounts receivable turnover (times)	4.25	4.11	4.86	4.81	4.86	5.03
	Accounts receivable turnover days	85.88	88.80	75.10	75.88	75.10	72.56
	Inventory turnover (times)	3.58	3.14	3.11	3.19	3.65	3.56
	Account payable turnover (times)	4.94	4.61	4.83	4.88	4.56	4.46
	Average days of sales	101.95	116.24	117.36	114.42	100.00	102.52
	Turnover of PP&E (times)	3.35	2.85	3.24	3.56	3.91	3.64
	Total assets turnover (times)	1.04	0.86	0.89	0.88	0.91	0.84
Profitability	Return on assets (%)	10.15	9.38	7.52	7.57	7.66	1.62
	Return on equity (%)	20.38	16.78	12.87	12.71	12.39	2.59
	Net profit before tax to paid-in capital ratio (%)	92.33	81.31	65.89	66.10	71.23	15.16

Analysis item (Note 2) \ Year		2019	2020	2021	2022	2023	For the three months ended March 31, 2024 (Note 1)
	Net profit (%)	9.68	10.81	8.37	8.49	8.30	7.61
	Earnings per share (NTD)	7.53	6.69	5.33	5.50	5.77	1.23
Cash flows	Cash flow ratio (%)	47.50	50.05	32.75	27.39	36.25	1.06
	Cash flow adequacy ratio (%)	100.90	121.76	118.06	153.65	204.37	190.13
	Cash reinvestment ratio (%)	14.98	14.97	5.98	6.51	10.20	0.44
Leverage	Operating leverage	3.06	3.32	3.53	3.19	3.14	5.51
	Financial leverage	1.01	1.01	1.01	1.01	1.02	1.03
If financial ratios have increased or decreased by more than 20% in the last two years, the explanations are as follows:							
<p>Times interest earned decreased by 46% mainly due to the increased interest expenses resulting from the interest rate hike in the current year.</p> <p>The cash flow ratio increased by 32% mainly due to actively collect payment, leading to a increase in net cash inflow from operating activities.</p> <p>The cash flow adequacy ratio increased by 33% mainly due to actively collect payment, better control for inventory and decrease in cash dividends.</p> <p>The cash reinvestment ratio increased by 57% mainly due to the increase in net cash inflow from operating activities in the current period.</p>							

Note 1: Financial statements for 1Q 2024 have been reviewed by CPAs.

Note 2: The calculation formulas for the above analysis items are as follows:

1. Financial structure

- (1) Debt to assets ratio = total liabilities / total assets.
- (2) The ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Times interest Earned = net profit before income tax and interest expense / interest expense in the current period.

3. Operating ability

- (1) Accounts receivable (including accounts receivable and notes receivable from operation) turnover rate = $\text{net sales} / \text{average receivables in each period (including accounts receivable and notes receivable from operation) balance}$.
- (2) Accounts receivable turnover day = $365 / \text{receivable turnover rate}$.
- (3) Inventory turnover = $\text{cost of goods sold} / \text{average of inventory}$.
- (4) Account payable (including accounts payable and notes payable from operation) turnover rate = $\text{cost of goods sold} / \text{average payables in each period (including accounts payable and notes payable from operation) balance}$.
- (5) Inventory turnover day = $365 / \text{inventory turnover rate}$.
- (6) Turnover of PP&E = $\text{net sales} / \text{average net property, plant, and equipment}$.
- (7) Total assets turnover = $\text{net sales} / \text{average total assets}$.

4. Profitability

- (1) Return on assets = $(\text{after-tax profit and loss} + \text{interest expense} \times (1 - \text{tax rate})) / \text{average total assets}$.
- (2) Return on equity = $\text{profit and loss after tax} / \text{average total equity}$.
- (3) Net profit = $\text{after-tax profit and loss} / \text{net sales}$.
- (4) Earnings per share = $(\text{profit and loss attributable to owners of the parent company} - \text{preferred share dividends}) / \text{weighted average outstanding shares}$.

5. Cash flow

- (1) Cash flow ratio = $\text{net cash flow from operating activities} / \text{current liabilities}$.
- (2) Cash flow adequacy ratio = $\text{net cash flow from operating activities in the last five years} / \text{the last five years (capital expenditure} + \text{inventory increase} + \text{cash dividend})$
- (3) Cash reinvestment ratio = $(\text{net cash flow from operating activities} - \text{cash dividends}) / (\text{gross property, plant, and equipment} + \text{long-term investment} + \text{other non-current assets} + \text{working capital})$

6. Leverage:

- (1) Operating leverage = $(\text{net operating income} - \text{variable operating costs and expenses}) / \text{operating income}$.
- (2) Financial leverage = $\text{operating income} / (\text{operating income} - \text{interest expense})$

(2) Financial analysis of the Company, 2019 to 2023:

Analysis item (Note 2) \ Year		2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio	41.98	36.28	35.27	33.41	30.80
	Long-term capital to PP&E	313.81	346.76	394.26	444.37	491.17
Solvency (%)	Current ratio	132.73	142.86	140.35	143.64	149.38
	Quick ratio	88.80	100.41	96.41	108.56	114.70
	Times interest Earned	14,308.52	26,479.47	43,008.39	25,375.06	13,244.71
Operating ability	Accounts receivable turnover (times)	4.15	4.10	5.12	4.28	4.00
	Accounts receivable turnover days	87.95	89.02	71.28	85.28	91.25
	Inventory turnover (times)	4.43	4.04	4.25	4.05	4.96
	Account payable turnover (times)	4.68	4.49	4.72	4.11	4.21
	Average days of sales	82.39	90.34	85.88	90.12	73.58
	Turnover of PP&E	3.89	3.27	3.69	3.74	4.31
	Total assets turnover (times)	0.83	0.69	0.70	0.63	0.65
Profitability	Return on assets (%)	11.08	10.25	8.28	8.38	8.47
	Return on equity (%)	20.38	16.78	12.87	12.71	12.39
	Net profit before tax to paid-in capital ratio (%)	89.05	79.60	64.85	65.35	69.86

Analysis item (Note 2) \ Year		2019	2020	2021	2022	2023
	Net profit (%)	13.28	14.89	11.73	13.32	12.88
	Earnings per share (NTD)	7.53	6.69	5.33	5.50	5.77
Cash flows	Cash flow ratio (%)	38.31	53.97	39.18	21.90	28.62
	Cash flow adequacy ratio (%)	116.93	147.75	144.95	160.08	179.12
	Cash reinvestment ratio (%)	7.83	12.47	5.21	1.97	4.04
Leverage	Operating leverage	2.63	2.63	2.12	2.36	2.04
	Financial leverage	1.01	1.00	1.00	1.01	1.01
If financial ratios have increased or decreased by more than 20% in the last two years, the explanations are as follows:						
<p>Times interest earned decreased by 48% mainly due to the increased interest expenses resulting from the interest rate hike in the current year.</p> <p>Inventory turnover increased by 22% mainly due to customer demand increase and better control for inventory.</p> <p>The cash flow ratio increased by 31% mainly due to actively collect payment, leading to a increase in net cash inflow from operating activities.</p> <p>The cash reinvestment ratio increased by 105% mainly due to the increase in net cash inflow from operating activities in the current period.</p>						

Note: The calculation formulas for the above analysis items are as follows:

1. Financial structure

- (1) Debt to assets ratio = total liabilities / total assets.
- (2) The ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Times interest Earned = net profit before income tax and interest expense / interest expense in the current period.

3. Operating ability

- (1) Accounts receivable (including accounts receivable and notes receivable from operation) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable from operation) balance.
- (2) Accounts receivable turnover day = 365 / receivable turnover rate.
- (3) Inventory turnover rate = cost of goods sold / average of inventory.
- (4) Account payable (including accounts payable and notes payable from operation) turnover rate = cost of goods sold / average payables in each period (including accounts payable and notes payable from operation) balance.
- (5) Inventory turnover day = 365 / inventory turnover rate.
- (6) Turnover of PP&E = net sales/average net property, plant, and equipment.
- (7) Total assets turnover = net sales / average total assets.

4. Profitability

- (1) Return on assets = (after-tax profit and loss + interest expense \times (1 - tax rate)) / average total assets.
- (2) Return on equity = profit and loss after tax / average total equity.
- (3) Net profit = after-tax profit and loss / net sales.
- (4) Earnings per share = (profit and loss attributable to owners of the parent company - preferred share dividends) / weighted average outstanding shares.

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
- (2) Cash flow adequacy ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
- (3) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital)

6. Leverage:

- (1) Operating leverage = (net operating income - variable operating costs and expenses) / operating income.
- (2) Financial leverage = operating income / (operating income - interest expense)

C. Audit Committee's Review Report

Macauto Industrial Co., Ltd. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 annual business report, financial statements, and earnings distribution proposal. Among the above, the financial statements have been audited and completed by PricewaterhouseCoopers and an audit report has been issued. The above-mentioned business report, financial statements and profit distribution proposal has been audited by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with relevant provisions of the Securities and Exchange Act and the Company Act.

Macauto Industrial Co., Ltd.

Chairman of Audit Committee: Chiu Fang-Tsai

March 8, 2024

- D. For the most recent year financial statements, please refer to pages 117–185.
- E. For the most recent year’s parent company only financial statements that have been audited and certified by CPAs, please refer to pages 186–279.
- F. In the most recent year and up to the publication date of the annual report, any financial difficulties occur among the Company and its affiliated companies and their effect on the Company’s financial status that should be listed: None.

VII、Review and analysis of financial status and financial performance and risk issues

A. Financial status

(1) Comparative analysis of financial status

Unit: NT\$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	3,932,167	3,935,919	-3,752	-0.10
Property, Plant And Equipment	1,322,472	1,342,931	-20,459	-1.52
Intangible Assets	12,271	14,208	-1,937	-13.63
Other Assets	577,876	368,319	209,557	56.90
Total Assets	5,844,786	5,661,377	183,409	3.24
Current Liabilities	2,051,424	1,999,810	51,614	2.58
Long-term Liabilities	26,822	114,139	-87,317	-76.50
Other Liabilities	160,745	173,093	-12,348	-7.13
Total Liabilities	2,238,991	2,287,042	-48,051	-2.10
Share Capital	749,000	749,000	-	-
Capital Surplus	3,082	3,082	-	-
Retained Earnings	2,884,246	2,701,897	182,349	6.75
Other Equity	-30,533	-79,644	49,111	-61.66
Total Equity	3,605,795	3,374,335	231,460	6.86
<p>I. The main reasons for major changes in assets, liabilities and shareholders' equity in the last two years and the main reasons for the impact of changes of more than 20%:</p> <p>1. Increase in Other assets: mainly due to the increase in time deposits with maturity of more than 1 year.</p> <p>2. Decrease in long-term liabilities: mainly due to the repayment of long-term loans.</p> <p>3. Increase in other equity: mainly due to exchange rate changes, resulting in exchange differences in the translation of financial statements of foreign operating institutions.</p> <p>II. Impact: No significant impact.</p> <p>III. Future response plan: Not applicable.</p>				

B. Financial performance

(1) Financial performance comparative analysis table

Unit: NT\$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Operating Revenues	5,208,082	4,850,034	358,048	7.38
Operating Margin	1,349,379	1,243,389	105,990	8.52
Operating Income	464,149	412,552	51,597	12.51
Non-operating Income And Expenses	69,369	82,544	-13,175	-15.96
Profit Before Income Tax	533,518	495,096	38,422	7.76
Net Profit For The Period	432,248	411,972	20,276	4.92
Other Comprehensive Income and Loss For The Year (Net Of Tax)	46,382	100,824	-54,442	-54.00
Net Profit Attributable to owners of the Parent Company	478,630	512,796	-34,166	-6.66
Explanation of difference analysis: 1. Decrease in other comprehensive income and loss for the year: mainly due to exchange rate changes, resulting in exchange differences in the translation of financial statements of foreign operating institutions in 2023.				

(2) The Group's expected sales volume and basis for this year

The company's expected sales volume this year is based on the customer's predicted volume. The estimated sales volume as follows.

Unit: thousand pieces

Product category	Expected sales quantity (finished goods) of Macauto Group
Automobile Sun Shade	9,548

(3) Impact on the company's future financial business: no significant impact.

(4) Future coping plan: Not applicable.

C. Cash flow

(1) Analysis of cash flow changes in the most recent year

Unit: NT\$ thousand

Item \ Year	2023
Opening cash balance	1,430,531
Net cash inflows from operating activities	743,577
Net cash outflows from investing activities	-346,046
Net cash outflows from financing activities	-368,100
Exchange rate impact	4,423
Closing cash balance	1,464,385

Analysis of the cash flow situation in the most recent year:

1. Cash inflows from operating activities: mainly due to continuous profit in the current period and commitment to inventory digestion.
2. Outflows of investment activities: mainly due to the increase in time deposits with maturity of more than 1 year.
3. Outflows of financing activities: mainly due to the distribution of cash dividends and the repayment of short-term and long-term loans.

(2) Remedial measures and liquidity analysis of estimated cash insufficiency: no cash insufficiency.

(3) Cash liquidity analysis for the coming year:

The cash balance of the company and its subsidiaries at the end of the first quarter of 2024 was NT\$1,240,629 thousand. It is expected that the company's business activities will continue to have net cash inflows in the future and the reasonable use of bank long-term and short-term loan financing lines will be sufficient to cover NT\$254,660 thousand in dividend payments and cash expenditures for other investment activities in the future.

D. The impact of major capital expenditures on financial business in the most recent year: None.

E. Reinvestment policy for the most recent year, main reasons for its profit or loss, improvement plan, and investment plan for the next year:

(1) Reinvestment policy for the most recent year

The company's reinvestment policy is to focus on auto parts products related to the industry.

(2) Analysis of profit from reinvestment

The company's share of profit of subsidiaries, associates and joint ventures accounted for under equity method in 2023 was NT\$64,660 thousand (already incorporated into the

consolidated financial statements), which mainly came from the profit of Kunshan Macauto.

(3) Investment plan for the next year

The company's reinvestment plan mainly considers the group's business development strategy, and focuses on business development related to the industry, focus on global layout and long-term strategic investment.

The reinvestment plan is carefully evaluated by the management team, taking into account both growth and profit goals.

F. Risk matters should be analyzed and evaluated regarding the following matters in the most recent year and up to the publication date of the annual report:

(1) The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss and future countermeasures

1. The risk of interest rate changes

- a. 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.
- b. In conducting a sensitivity analysis on interest rate risk, if the borrowing rate increases or decreases by 1% and with all other factors held constant, the Group's net profit after tax in 2023 would decrease or increase by NT\$2,433 thousand mainly due to the increase or decrease in interest expenses due to floating rate borrowings.

2. The risk of changes in exchange rates

- a. 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.
- b. 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, and raising foreign currency liabilities to use assets and liabilities to offset each other as much as possible to reduce the net position exposed to the risk of exchange rate fluctuations.

3. Inflation risk

Changes in inflation in the most recent year were primarily reflected in increasing costs of raw materials, which in turn reduced profits. We take raw material price increases into consideration when making quotations to customers in order to maintain appropriate profits.

(2) Policies, main reasons for profit or loss, and future countermeasures for engaging in high risk and high leverage investments, loans of funds to others, endorsements/guarantees, and derivatives transactions:

1. Involvement in high-risk, high-leverage investments: the Company is mainly engaged in the research and development, manufacturing and sales of auto parts, so does not engage in high-risk and high-leverage investments.
2. The Group engages in loans of funds to others, endorsements/guarantees, and derivative transactions. These are handled in accordance with the Group's operating procedures for lending funds to others, the procedures for handling endorsements/guarantees, the procedures for handling derivative transactions, and the relevant regulations of the competent authorities. Furthermore, we regularly undertake audits and announcements in accordance with the regulations. Implementation units also conduct internal audits and monitoring in accordance with relevant management measures, and there is no risk to operations.

(3) Future R&D plans and estimated R&D expenses:

The Group is committed to the research and development of Automobile Sun Shade in order to provide high-performance products to meet customer needs. In 2023, it invested NT\$189,022 thousand accounting for 3.63% of revenue. To enhance the competitiveness of product research and development, the company's main research and development plans in the future are as follows:

Research and Development Project Name	Project Content	Current Progress	Expected Production Time	Key Factors Influencing the Successful Future Development	Research and Development Budget
Innovative Research on Manual Side Window Shade with Magnet Attachment	Developing an innovative magnetic attachment system for car door frames to replace traditional exposed hook designs.	Market Research, Patent Search and Analysis, Module Design of Shade bar and Magnetic Hook.	December 2025	Accumulated years of relevant technical experience.	Projected investment of NT\$100,000 thousand.
Innovative Research on Manual Sunroof Shade with Multi-position Control	Development of lightweight module for multi-position manual sunroof shade.	Market Research, Patent Search and Analysis, Pulling bar, Slider and Rail Structure Design.	December 2025	Accumulated years of relevant technical experience.	
Wire Type Rear Power Shade Advanced Research	To develop a full-coverage Rear Power Shade - the curtains extend to the blackened glass areas on both sides to increase the maximum shelter rate of the glass. A cable-pulling drive mechanism is used to reduce the noise value during operation , and the cover is lifted to increase the added value.	Conceptual draft of finished product layout, design concept of figure-8 lug regulator and double-lubricity driving mechanism, and design concept of flip-opening/compression spring type	December 2026	Accumulated years of relevant technical experience.	
Innovative Research on Fully Concealed Horizontal Power Shade	Development of a horizontally power shade is underway. The sunshade is fully concealed beneath the B-pillar of the car door when it	Design of sunshade ascension mechanism, rail and slider mechanism, and investigation of motor assembly.	December 2024	Accumulated years of relevant technical experience.	

Research and Development Project Name	Project Content	Current Progress	Expected Production Time	Key Factors Influencing the Successful Future Development	Research and Development Budget
	is not deployed. The operating mechanism initially moves from bottom to top, and then the sunshade extends from the B-pillar to the C-pillar.				
Innovative Research on Front Manual Shade Visor.	Developed a front shade that extends from the front windshield to the roof, integrating the existing manual shade with sun visor. The design allows manual operation of the shade to provide shade for passengers from overhead light at any desired position.	Completed the design of pulling bar mechanism and conducted prototype confirmation for functionality. Explored methods of integrating the pulling bar with sun visor.	December 2024	Accumulated years of relevant technical experience.	
Stepless Rear Door Manual Shade Advanced Research	To develop semi-automatic Door Manual Shade - the user only needs to press to unfold the sunshade and operate it to stop at any position; operate the pull handle down for storage.	Completed patent search and analysis for Door Manual Shade pull-and-stop, conceptual design of Door Manual Shade, motor drive mechanism design, and flip-up conceptual design.	December 2026	Accumulated years of relevant technical experience.	

- (4) The impact of important domestic and foreign policies and legal changes on the Company's financial business and corresponding measures:
Important policy and legal changes have not had a major impact on the Company's financial business in the most recent year.
- (5) The impact of technological changes (including information security risks) and industrial changes on the Company's financial business and corresponding measures:
Technological changes and industry changes have not yet had a major impact on the Company's financial business in the most recent year.
- (6) The impact of corporate image change on corporate crisis management and countermeasures:
No such situation.
- (7) Expected benefits and possible risks of mergers and acquisitions and future countermeasures:
No such situation.
- (8) Expected benefits and possible risks of plant expansion and future countermeasures: The Company has no plans to expand its plants in the most recent year.
- (9) Risks and future countermeasures faced by purchase or sales concentration: No such situation.
- (10) The influence and risk of the massive transfer of shares or the replacement of the directors, supervisors, or major shareholders holding more than 10% of the shares issued by the Company, and the future response: No such situation.
- (11) The impact, risks and future countermeasures of a change of management rights on the Company: No such situation.
- (12) Litigation or non-litigation events: No such situation.
- (13) Other important risks and countermeasures: None.

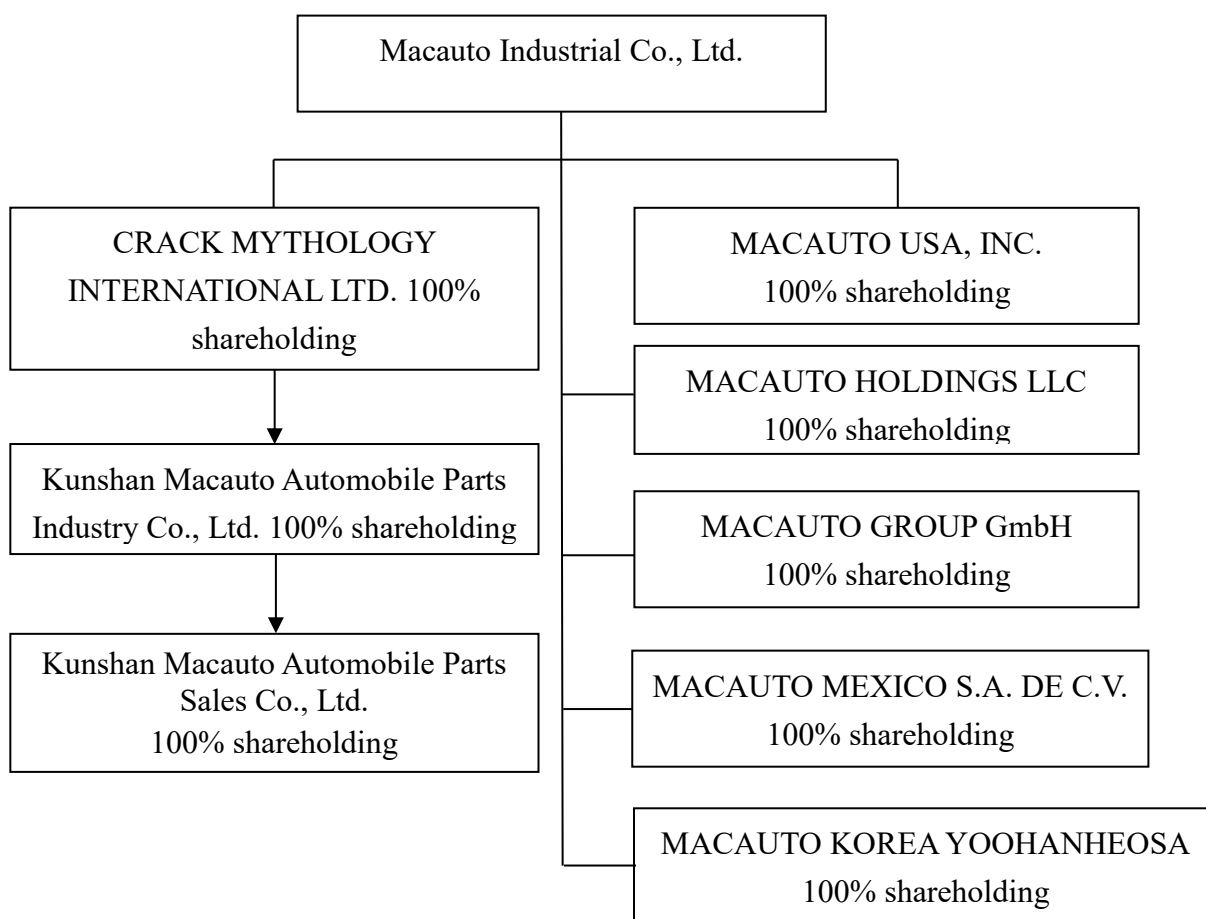
G. Other important matters: None.

VIII. Special Disclosures

A. Related information of affiliated companies (as of December 31, 2023)

(1) Affiliated business merger report

1. Organization chart of affiliated companies



2. Basic information of each affiliated company

As of December 31, 2023

Unit: NT\$ thousand

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
CRACK MYTHOLOGY INTERNATIONAL LTD.	2000.10.19	4 th Floor, LiWan Po House, 12 Remy Ollier Street, Port Louis, Mauritius	USD 3,200	General investment
MACAUTO USA, INC.	2001.02.02	80, Excel Drive, Rochester, New York 14621, USA	USD 1,200	Automobile Sun Shade
MACAUTO HOLDINGS LLC	2003.04.25	5301 Limestone Road Suit 214 Wilmington Delaware USA	USD 230	General investment
Kunshan Macauto Automobile Parts Industry Co., Ltd.	2000.11.13	No. 9, Jinyang Middle Rd., Lujia, Kunshan, Jiangsu, China	USD 3,900	Automobile Sun Shade
Kunshan Macauto Automobile Parts Sales Co., Ltd.	2015.02.06	No. 9, Jinyang Middle Rd., Lujia, Kunshan, Jiangsu, China	RMB 10,000	Automobile Sun Shade and associated parts sales, etc.
MACAUTO GROUP GmbH	2007.02.27	Hauptstrasse 47, 42579 Heiligenhaus, Germany	EUR 2,350	Automobile Sun Shade
MACAUTO MEXICO S.A. DE C.V.	2015.03.02	Av. Industria en Telecomunicaciones # 103 B, Parque Industrial Stiva San José de Cementos, 37555 León, Gto., México	USD 20,050	Automobile Sun Shade
MACAUTO KOREA YOOHANHEOSA	2023.10.31	2803, U-Tower, 120, Heungdeokjungang-ro, Gigeung-gu, Yongin-si, Gyeonggi-do, 16950, Korea	KRW 100,000	Automobile Sun Shade

3. Information of the same shareholders who are presumed to have holdings and affiliation: None.

4. The industries covered by the business of the overall related company

Businesses operated by the Company and the Company's affiliates include: auto parts manufacturing, sales, trade and investment holding, etc. Job divisions between affiliated companies are mainly in the

manufacture and sale of Automobile Sun Shade. Through the production and sales of production bases in various regions, we can serve these markets and nearby customers to reduce costs and create an optimal performance for the Company.

5. Names and shareholding information of directors, supervisors, and presidents of affiliated companies

As of December 31, 2023

Enterprise Name	Job Title	Name or representative	Shares held	
			Investment amount (NT\$ thousand)	Shareholding ratio/investment ratio
CRACK MYTHOLOGY INTERNATIONAL LTD.	Chairman	Macauto Industrial Co., Ltd. Representative: Lin, Yung-Ching	USD 3,200	100%
MACAUTO USA, INC.	Chairman	Macauto Industrial Co., Ltd. Representative: Lin Chou, Yu-Shan	USD 1,200	100%
MACAUTO HOLDINGS LLC	Chairman	Macauto Industrial Co., Ltd. Representative: Lin, Yung-Ching	USD 230	100%
Kunshan Macauto Automobile Parts Industry Co., Ltd.	Chairman	CRACK MYTHOLOGY INTERNATIONAL LTD. Representative: Lin Chou, Yu-Shan	USD 3,900	100%
Kunshan Macauto Automobile Parts Sales Co., Ltd.	Chairman	Kunshan Macauto Automobile Parts Industry Co., Ltd. Representative: Lin Chou, Yu-Shan	RMB 10,000	100%
MACAUTO GROUP GmbH	Chairman	Macauto Industrial Co., Ltd. Representative: Lin Chou, Yu-Shan	EUR 2,350	100%
MACAUTO MEXICO S.A. DE C.V.	Chairman	Macauto Industrial Co., Ltd. Representative: Lin Chou, Yu-Shan	USD 20,050	100%
MACAUTO KOREA YOOHANHEOSA	Chairman	Macauto Industrial Co., Ltd. Representative: Lin Chou, Yu-Shan	KRW 100,000	100%

6. Summarized Operation Results Of Affiliated Enterprises

As of December 31, 2023

Unit: NT\$ Thousand

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income (After Tax)	Earnings Per Share (EPS) (After Tax)
CRACK MYTHOLOGY INTERNATIONAL LTD	98,256	1,333,653	-	1,333,653	-	-	73,071	22.83
MACAUTO USA, INC.	36,846	250,058	117,958	132,100	519,188	9,932	6,983	1.75
MACAUTO HOLDING LLC	7,077	-	-	-	-	-	-	-
Kunshan Macauto Automobile Parts Industry Co., Ltd.	119,750	1,897,288	563,657	1,333,631	1,556,828	55,559	73,071	NA
Kunshan Macauto Automobile Parts Sales Co.,Ltd	43,270	117,253	38,677	78,576	107,898	3,760	4,699	NA
MACAUTO GROUP GmbH	79,853	87,787	5,759	82,028	-	-37,915	1,360	NA
MACAUTO MEXICO S.A. DE C.V.	615,635	1,048,457	507,585	540,872	993,360	-32,312	-16,889	NA
MACAUTO KOREA YOOHANHEOSA	2,390	5,397	2,873	2,524	-	-1,550	135	1.35

Note: For amounts in foreign currencies, they have been converted into New Taiwan Dollars based on the exchange rates on the financial reporting date.

(2) Consolidated financial statements of related companies:

Macauto Industrial Co., Ltd.

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of Macauto Industrial Co., Ltd. as of and for the year ended December 31, 2023, under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Macauto Industrial Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

Company name: Macauto Industrial Co., Ltd.

Responsible person: Lin Chou, Yu-Shan

March 8, 2024

(3) Affiliated Report: None.

B. Handling of privately placed securities in the most recent year and up to the date of publication of the annual report: No such situation.

C. Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and up to the date of publication of the annual report: No such situation.

D. Other necessary supplementary explanations: None.

IX. In the most recent year and up to the printing date of the annual report, if there is any occurrence of matters that have a significant impact on shareholders' equity or securities prices as specified in Article 36 Paragraph 3, Item 2 of the Securities and Exchange Act: No such situation.

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			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,464,385	25	\$ 1,430,531	25
1136	Financial assets measured at	6(1)(2)				
	amortized cost - current		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	6(1)(2)				
	amortized cost - non-current		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

(Continued)

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

Liabilities and Equity			December 31, 2023		December 31, 2022				
			Notes	AMOUNT	%	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									
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		<u>1,349,379</u>	<u>26</u>	<u>1,243,389</u>	<u>26</u>
	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)	<u>279</u>	<u>-</u>	<u>(297)</u>	<u>-</u>
6000	Total operating expenses		<u>(885,230)</u>	<u>(17)</u>	<u>(830,837)</u>	<u>(17)</u>
6900	Operating income		<u>464,149</u>	<u>9</u>	<u>412,552</u>	<u>9</u>
	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		<u>69,369</u>	<u>1</u>	<u>82,544</u>	<u>1</u>
7900	Profit before income tax		<u>533,518</u>	<u>10</u>	<u>495,096</u>	<u>10</u>
7950	Income tax expense	6(25)	(101,270)	(2)	(83,124)	(1)
8200	Net profit for the year		<u>\$ 432,248</u>	<u>8</u>	<u>\$ 411,972</u>	<u>9</u>
	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		<u>49,111</u>	<u>1</u>	<u>104,569</u>	<u>2</u>
8300	Other comprehensive income for the year		<u>\$ 46,382</u>	<u>1</u>	<u>\$ 100,824</u>	<u>2</u>
8500	Total comprehensive income for the year		<u>\$ 478,630</u>	<u>9</u>	<u>\$ 512,796</u>	<u>11</u>
	Net profit attributable to:					
8610	Owners of the parent		<u>\$ 432,248</u>	<u>8</u>	<u>\$ 411,972</u>	<u>9</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 478,630</u>	<u>9</u>	<u>\$ 512,796</u>	<u>11</u>
	Earnings per share (in dollars)	6(26)				
9750	Basic		<u>\$ 5.77</u>		<u>\$ 5.50</u>	
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)

		Equity attributable to owners of the parent					Other Equity	
		Retained Earnings					Interest	
						Unappropriated	Financial	
						retained	statements	
						earnings	translation	
							differences of	
Notes	Share capital - common stock	Treasury stock transactions	Legal reserve	Special reserve			foreign operations	Total equity
<u>For the year ended December 31, 2022</u>								
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	-	-	-	-	(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
<u>For the year ended December 31, 2023</u>								
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	-	-	-	-	(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)

		Year ended December 31	
	Notes	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

(Continued)

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

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
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		<u>491</u>	<u>(1,765)</u>
Net cash flows used in investing activities		<u>(346,046)</u>	<u>(55,155)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
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)	<u>(247,170)</u>	<u>(247,170)</u>
Net cash flows used in financing activities		<u>(368,100)</u>	<u>(366,815)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>4,423</u>	<u>67,079</u>
Net increase in cash and cash equivalents		33,854	192,840
Cash and cash equivalents at beginning of year	6(1)	<u>1,430,531</u>	<u>1,237,691</u>
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		Note
			December 31, 2023	December 31, 2022	
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:

<u>Assets</u>	<u>Useful lives</u>
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) Provisions

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) Employee welfare

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) Income taxes

- 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
	<u>1,124,869</u>	<u>992,671</u>
Cash equivalents:		
Time deposits	289,516	437,860
Repurchase agreement	50,000	-
	<u>339,516</u>	<u>437,860</u>
	<u>\$ 1,464,385</u>	<u>\$ 1,430,531</u>

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	<u>\$ 206,494</u>	<u>\$ 154,280</u>
Non-current items:		
Time deposits of over one year	<u>\$ 281,255</u>	<u>\$ 44,080</u>

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)
	<u>\$ 960,541</u>	<u>\$ 1,044,534</u>

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
	<u>\$ 53,766</u>	<u>\$ 964,396</u>	<u>\$ 76,665</u>	<u>\$ 1,048,680</u>

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
	<u>\$ 1,105,900</u>	<u>(\$ 65,187)</u>	<u>\$ 1,040,713</u>

	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
	<u>\$ 1,134,864</u>	<u>(\$ 61,131)</u>	<u>\$ 1,073,733</u>

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	<u>\$ 3,858,703</u>	<u>\$ 3,606,645</u>

(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
	<u>\$ 172,823</u>	<u>\$ 120,646</u>

(6) Property, plant and equipment

								Construction in progress and equipment under inspection	
	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment		Total
<u>January 1, 2023</u>									
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)
	<u>\$ 558,323</u>	<u>\$ 584,980</u>	<u>\$ 126,653</u>	<u>\$ 25,959</u>	<u>\$ 2,018</u>	<u>\$ 4,697</u>	<u>\$ 40,301</u>	<u>\$ -</u>	<u>\$ 1,342,931</u>
<u>2023</u>									
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	<u>\$ 592,628</u>	<u>\$ 557,218</u>	<u>\$ 105,632</u>	<u>\$ 10,238</u>	<u>\$ 3,448</u>	<u>\$ 7,423</u>	<u>\$ 45,885</u>	<u>\$ -</u>	<u>\$ 1,322,472</u>
<u>December 31, 2023</u>									
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)
	<u>\$ 592,628</u>	<u>\$ 557,218</u>	<u>\$ 105,632</u>	<u>\$ 10,238</u>	<u>\$ 3,448</u>	<u>\$ 7,423</u>	<u>\$ 45,885</u>	<u>\$ -</u>	<u>\$ 1,322,472</u>

(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.

								Construction in progress and equipment under inspection	
	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment		Total
<u>January 1, 2022</u>									
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)
	<u>\$ 522,590</u>	<u>\$ 604,915</u>	<u>\$ 148,320</u>	<u>\$ 41,051</u>	<u>\$ 1,641</u>	<u>\$ 5,599</u>	<u>\$ 54,946</u>	<u>\$ 10</u>	<u>\$ 1,379,072</u>
<u>2022</u>									
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	<u>35,733</u>	<u>6,013</u>	<u>6,515</u>	<u>396</u>	<u>5</u>	<u>153</u>	<u>1,282</u>	<u>-</u>	<u>50,097</u>
At December 31	<u>\$ 558,323</u>	<u>\$ 584,980</u>	<u>\$ 126,653</u>	<u>\$ 25,959</u>	<u>\$ 2,018</u>	<u>\$ 4,697</u>	<u>\$ 40,301</u>	<u>\$ -</u>	<u>\$ 1,342,931</u>
<u>December 31, 2022</u>									
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)
	<u>\$ 558,323</u>	<u>\$ 584,980</u>	<u>\$ 126,653</u>	<u>\$ 25,959</u>	<u>\$ 2,018</u>	<u>\$ 4,697</u>	<u>\$ 40,301</u>	<u>\$ -</u>	<u>\$ 1,342,931</u>

(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
	<u>\$ 65,292</u>	<u>\$ 67,386</u>
	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
	<u>\$ 20,613</u>	<u>\$ 17,439</u>

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

	For the years ended December 31,	
	2023	2022
<u>Items affecting current profit and loss</u>		
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

Cost	<u>\$</u>	<u>81,482</u>
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January 1, 2022 and December 31, 2022

Cost	<u>\$</u>	<u>81,482</u>
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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
<u>January 1, 2023</u>				
Cost	\$ 2,085	\$ 30,551	\$ 109,117	\$ 141,753
Accumulated amortisation	(1,799)	(17,934)	(107,812)	(127,545)
	<u>\$ 286</u>	<u>\$ 12,617</u>	<u>\$ 1,305</u>	<u>\$ 14,208</u>
<u>2023</u>				
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	<u>\$ 174</u>	<u>\$ 9,760</u>	<u>\$ 2,337</u>	<u>\$ 12,271</u>
<u>December 31, 2023</u>				
Cost	\$ 2,085	\$ 27,863	\$ 111,410	\$ 141,358
Accumulated amortisation	(1,911)	(18,103)	(109,073)	(129,087)
	<u>\$ 174</u>	<u>\$ 9,760</u>	<u>\$ 2,337</u>	<u>\$ 12,271</u>

For the year ended December 31, 2022				
	Trademarks	Patent rights	Computer software	Total
<u>January 1, 2022</u>				
Cost	\$ 2,085	\$ 31,903	\$ 107,808	\$ 141,796
Accumulated amortisation	(1,683)	(16,956)	(104,325)	(122,964)
	<u>\$ 402</u>	<u>\$ 14,947</u>	<u>\$ 3,483</u>	<u>\$ 18,832</u>
<u>2022</u>				
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	<u>\$ 286</u>	<u>\$ 12,617</u>	<u>\$ 1,305</u>	<u>\$ 14,208</u>
<u>December 31, 2022</u>				
Cost	\$ 2,085	\$ 30,551	\$ 109,117	\$ 141,753
Accumulated amortisation	(1,799)	(17,934)	(107,812)	(127,545)
	<u>\$ 286</u>	<u>\$ 12,617</u>	<u>\$ 1,305</u>	<u>\$ 14,208</u>

(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	
	<u>\$ 2,660</u>	<u>\$ 4,267</u>	

(10) Short-term borrowings

	December 31, 2023	Interest rate range	Collateral
Unsecured bank borrowings	<u>\$ 190,000</u>	1.54% ~ 1.653%	None

	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ <u>200,000</u>	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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
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
	<u>\$ 435,504</u>	<u>\$ 442,775</u>

(12) Provisions – Current

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

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
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	<u>\$ 131,477</u>	<u>\$ 155,255</u>

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
				<u>114,179</u>
Less: Long-term loans due within one year or one business cycle				(87,357)
				<u>\$ 26,822</u>
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
				<u>201,480</u>
Less: Long-term loans due within one year or one business cycle				(87,341)
				<u>\$ 114,139</u>

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:

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

(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
<u>2023</u>			
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	<u>(\$ 168,971)</u>	<u>\$ 57,400</u>	<u>(\$ 111,571)</u>

	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%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 2,417)	\$ 2,492	\$ 2,466	(\$ 2,404)
<u>December 31, 2022</u>				
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
	\$	<u>180,830</u>

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
	<u>\$ 5,208,082</u>	<u>\$ 4,850,034</u>

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
	<u>\$ 65,517</u>	<u>\$ 45,061</u>	<u>\$ 27,089</u>

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	-
	<u>\$ 26,633</u>	<u>\$ 12,755</u>

(20) Other income

	Year ended December 31, 2023	Year ended December 31, 2022
Tax refund income, etc	<u>\$ 18,172</u>	<u>\$ 9,259</u>

(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)
	<u>\$ 34,876</u>	<u>\$ 66,456</u>

(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
	<u>\$ 10,312</u>	<u>\$ 5,926</u>

(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
	<u>\$ 644,147</u>	<u>\$ 474,301</u>	<u>\$ 1,118,448</u>

	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
	<u>\$ 550,399</u>	<u>\$ 435,380</u>	<u>\$ 985,779</u>

(24) Employee benefit expense

	Year ended December 31, 2023		
	Under operating	Under operating	Total
	costs	expenses	
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
	<u>\$ 540,938</u>	<u>\$ 446,525</u>	<u>\$ 987,463</u>

	Year ended December 31, 2022		
	Under operating	Under operating	Total
	costs	expenses	
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
	<u>\$ 443,197</u>	<u>\$ 406,376</u>	<u>\$ 849,573</u>

- 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	<u>89,700</u>	<u>93,090</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>11,570</u>	(9,966)
Total deferred tax	<u>11,570</u>	(9,966)
Income tax expense	<u>\$ 101,270</u>	<u>\$ 83,124</u>

(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	<u>\$ 101,270</u>	<u>\$ 83,124</u>

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
	<u>\$ 109,410</u>	<u>(\$ 13,448)</u>	<u>\$ 683</u>	<u>\$ 96,645</u>
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	(\$ 2,490)	\$ 2,435	\$ -	(\$ 55)
Fixed assets financial and tax differences	(5,479)	(557)	-	(6,036)
	<u>(7,969)</u>	<u>1,878</u>	<u>-</u>	<u>(6,091)</u>
	<u>\$ 101,441</u>	<u>(\$ 11,570)</u>	<u>\$ 683</u>	<u>\$ 90,554</u>

For the year ended December 31, 2022				
			Recognized in other comprehensive income	
	January 1	Recognized in profit or loss		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
	<u>\$ 97,922</u>	<u>\$ 10,552</u>	<u>\$ 936</u>	<u>109,410</u>
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)
	<u>(7,383)</u>	<u>(586)</u>	<u>-</u>	<u>(7,969)</u>
	<u>\$ 90,539</u>	<u>\$ 9,966</u>	<u>\$ 936</u>	<u>\$ 101,441</u>

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		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 432,248</u>	<u>74,900</u>	<u>\$ 5.77</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 432,248	74,900	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>388</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 432,248</u>	<u>75,288</u>	<u>\$ 5.74</u>
	Year ended December 31, 2022		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 411,972</u>	<u>74,900</u>	<u>\$ 5.50</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	411,972	74,900	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>400</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 411,972</u>	<u>75,300</u>	<u>\$ 5.47</u>

(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	<u>\$ 33,313</u>	<u>\$ 18,669</u>
(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	<u>\$ 1,925</u>	<u>\$ 129</u>

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	<u>\$ 1,867</u>	<u>\$ 2,001</u>
(b) Transfer of prepayments to intangible assets	<u>\$ 1,914</u>	<u>\$ 782</u>
(c) Prepaid equipment payments transferred to intangible assets.	<u>\$ -</u>	<u>\$ 320</u>
(d) Property, plant and equipment transferred to inventory	<u>\$ 309</u>	<u>\$ 829</u>
(e) Prepaid equipment transferred to inventory	<u>\$ 439</u>	<u>\$ 593</u>
(f) Prepaid equipment transferred to property, plant and equipment	<u>\$ 17,077</u>	<u>\$ 7,787</u>
(g) Prepaid equipment transferred to prepaid purchases	<u>\$ 20,538</u>	<u>\$ -</u>

(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	<u>\$ 190,000</u>	<u>\$57,167</u>	<u>\$ 114,179</u>	<u>\$ 4,120</u>	<u>\$ 365,466</u>
			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	<u>\$ 200,000</u>	<u>\$64,377</u>	<u>\$ 201,480</u>	<u>\$ 2,875</u>	<u>\$ 468,732</u>

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
	<u>\$ 55,564</u>	<u>\$ 51,927</u>

8. Pledged assets

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

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
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
	<u>\$ 776,438</u>	<u>\$ 756,408</u>	

(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		Book value
	amount	Exchange rate	
	(In thousands)		(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
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
<u>Financial liabilities</u>			
<u>Monetary items</u>			
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		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
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
<u>Financial liabilities</u>			
<u>Monetary items</u>			
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	<u>\$ 3,855</u>	<u>\$ 4,146</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants.
- 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	<u>839,675</u>	<u>300,000</u>
	<u>\$ 2,214,281</u>	<u>\$ 1,645,680</u>

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	Kunshan	Mexico		
	Industrial	Macauto	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	<u>\$ 5,844,786</u>	<u>\$ 5,661,377</u>

- 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	<u>\$ 2,238,991</u>	<u>\$ 2,287,042</u>

(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
	<u>\$ 5,208,082</u>	<u>\$ 4,850,034</u>

(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	-
	<u>\$ 5,208,082</u>	<u>\$ 1,524,908</u>	<u>\$ 4,850,034</u>	<u>\$ 1,563,111</u>

(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	Macaoto 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	Macaoto 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	Company name	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
			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 and reasons for difference in transaction terms compared to non-related party		Notes or accounts receivable / (Payable)		
Description of transaction									Percentage of 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	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			
					Amount	Action taken for overdue accounts	Subsequent collections	Allowance for doubtful 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					Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount		Transaction terms		
0	Macaoto 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%
		MACAUTO USA, INC.	1	Accounts payable	28,903		—		—
			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%
			1	Endorsement guarantee	521,985		—		9%
		MACAUTO MEXICO, S.A. DE C.V.	1	Sales	312,532		price negotiation, O/A 90 days		6%
			1	Accounts receivable	183,804		—		3%
			1	Other receivables	129,318		—		2%
			1	Sales	37,332		price negotiation, O/A 90 days		1%
		Kunshan Macauto Automobile Parts Industry Co., Ltd.	1	Accounts receivable	5,494		—		—
			1	Sales	32,262		price negotiation, O/A 90 days		1%
1	Kunshan Macauto Automobile Parts Industry Co., Ltd.	Kunshan Macauto Automobile Parts Sales Co., Ltd.	3	Accounts receivable	9,650		—		—
			3	Sales	55,130		price negotiation, O/A 90 days		1%
		MACAUTO USA, INC.	3	Accounts receivable	15,054		—		—
			3	Sales	64,133		price negotiation, O/A 90 days		1%
2	Kunshan Macauto Automobile Parts Sales Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	3	Accounts receivable	18,213		—		—
			3	Sales	267,664		price negotiation, O/A 90 days		5%
3	SYN-TECH CHEM. & PHARM. CO., LTD.	MACAUTO USA, INC.	2	Sales	65,724		—		1%
			3	Accounts receivable					

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		Shares held as at December 31, 2023			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
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
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 YOOILANHEOSA	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		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
					Remitted to Mainland China	Remitted back to Taiwan							
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		Percentage	Note
	Number of shares			
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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

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 Company'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 Company 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 Company'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 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 Company'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 matters included the following:

1. Evaluate the internal control system designed and implemented by the management for customer credit checks, reviewed 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.

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

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

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

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

overseeing the Company's financial reporting process.

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

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

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

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

accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about

the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Yung-Chih

Independent Accountants

Yeh,Fang-Ting

PricewaterhouseCoopers, Taiwan

Republic of China

March 8, 2024

The accompanying parent company only 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 parent company only 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.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	744,614	14	\$	778,576	15
1136	Financial assets at amortised cost-current	6(1)(2)		119,954	2		-	-
1170	Accounts receivable, net	6(3) and 12		405,090	8		467,333	9
1180	Accounts receivable - related parties	6(3) and 7		295,671	6		324,648	7
1200	Other receivables			13,920	-		12,837	-
1210	Other receivables-related parties	7		129,318	3		52,327	1
130X	Inventory	5(2) and 6(4)		471,662	9		496,128	10
1410	Prepayments			44,833	1		32,461	1
11XX	Total current assets			2,225,062	43		2,164,310	43
Non-current assets								
1550	Investments accounted for under equity method	6(5)		2,043,151	39		1,904,615	37
1600	Property, plant and equipment	6(6) and 8		757,674	14		801,324	16
1755	Right-of-use assets	6(7)		5,588	-		1,591	-
1760	Investment property, net	6(8) and 8		81,482	2		81,482	2
1780	Intangible assets	6(9)		10,150	-		13,158	-
1840	Deferred income tax assets	6(24)		83,157	2		97,171	2
1915	Prepayments for business facilities	6(6)(8)		1,340	-		-	-
1920	Guarantee deposits paid	6(1) and 8		2,636	-		3,156	-
1990	Other non-current assets			805	-		866	-
15XX	Total non-current assets			2,985,983	57		2,903,363	57
1XXX	Total assets		\$	5,211,045	100	\$	5,067,673	100

(Continued)

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

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 190,000	4	\$ 200,000	4
2130	Current contract liabilities	6(17)	55,993	1	48,853	1
2150	Notes payable		2,691	-	2,552	-
2170	Accounts payable		538,458	10	541,223	11
2180	Accounts payable - related parties	7	29,743	1	26,939	1
2200	Other payables	7	317,008	6	274,290	6
2230	Current income tax liabilities	6(24)	93,737	2	109,599	2
2250	Provisions for liabilities - current	6(11)	109,844	2	121,459	2
2280	Current lease liabilities	6(7)	1,530	-	721	-
2320	Long-term liabilities, current portion	6(12) and 8	68,965	1	68,966	1
2365	Current refund liabilities		81,584	2	112,205	2
21XX	Total current liabilities		1,489,553	29	1,506,807	30
Non-current liabilities						
2540	Long-term borrowings	6(12) and 8	-	-	68,965	1
2570	Deferred income tax liabilities	6(24)	55	-	2,490	-
2580	Non-current lease liabilities	6(7)	4,071	-	826	-
2640	Net defined benefit liabilities - non-current	6(13)	111,571	2	114,250	2
25XX	Total non-current liabilities		115,697	2	186,531	3
2XXX	Total liabilities		1,605,250	31	1,693,338	33
Equity						
Share capital						
3110	Common stock	6(14)	749,000	14	749,000	15
3200	Capital surplus	6(15)	3,082	-	3,082	-
Retained earnings						
3310	Legal reserve		648,243	13	607,420	12
3320	Special reserve		79,644	2	184,213	4
3350	Unappropriated retained earnings		2,156,359	41	1,910,264	38
3400	Other equity interest		(30,533)	(1)	(79,644)	(2)
3XXX	Total equity		3,605,795	69	3,374,335	67
Significant contingent liabilities and commitments						
3X2X	Total liabilities and equity		\$ 5,211,045	100	\$ 5,067,673	100

The accompanying notes are an integral part of these parent company only financial statements.

MACAUTO INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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(17) and 7	\$ 3,355,759	100	\$ 3,093,637	100
5000	Operating costs	6(4)(9)(13)(22)(23) and 7	(2,401,703)	(72)	(2,192,208)	(71)
5900	Net operating margin		954,056	28	901,429	29
5910	Unrealized profit from sales	6(5)	(48,026)	(1)	(70,339)	(2)
5920	Realized profit from sales	6(5)	70,339	2	59,180	2
5950	Net operating margin		976,369	29	890,270	29
	Operating expenses	6(9)(13)(22)(23) and 7				
6100	Selling expenses		(273,041)	(8)	(288,714)	(9)
6200	General and administrative expenses		(155,682)	(4)	(141,591)	(5)
6300	Research and development expenses		(122,717)	(4)	(123,637)	(4)
6000	Total operating expenses		(551,440)	(16)	(553,942)	(18)
6900	Operating profit		424,929	13	336,328	11
	Non-operating income and expenses					
7100	Interest income	6(2)(18) and 7	19,060	1	4,859	-
7010	Other income	6(19)	5,203	-	2,134	-
7020	Other gains and losses	6(20) and 12	13,420	-	62,703	2
7050	Finance costs	6(7)(21)	(4,023)	-	(2,007)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(5)	64,660	2	85,491	3
7000	Total non-operating income and expenses		98,320	3	153,180	5
7900	Profit before income tax		523,249	16	489,508	16
7950	Income tax expense	6(24)	(91,001)	(3)	(77,536)	(2)
8200	Profit for the year		\$ 432,248	13	\$ 411,972	14
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligations	6(13)	(\$ 3,412)	-	(\$ 4,681)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	683	-	936	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(5)	49,111	1	104,569	3
8300	Total other comprehensive income for the year		\$ 46,382	1	\$ 100,824	3
8500	Total comprehensive income for the year		\$ 478,630	14	\$ 512,796	17
	Earnings per share (in dollars)	6(25)				
9750	Basic		\$ 5.77		\$ 5.50	
9850	Diluted		\$ 5.74		\$ 5.47	

The accompanying notes are an integral part of these parent company only financial statements.

MACAUTO INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other Equity Interest	
						Unappropriated retained earnings	Financial statements translation differences of foreign operations	
Notes	Share capital - common stock	Treasury stock transactions	Legal reserve	Special reserve				Total
<u>For the year ended December 31, 2022</u>								
	\$ 749,000	\$ 3,082	\$ 566,874	\$ 139,134	\$ 1,834,832	(\$ 184,213)		\$ 3,108,709
	-	-	-	-	411,972	-		411,972
6(5)	-	-	-	-	(3,745)	104,569		100,824
	-	-	-	-	408,227	104,569		512,796
Distribution of 2021 net income:								
	-	-	40,546	-	(40,546)	-		-
	-	-	-	45,079	(45,079)	-		-
6(16)	-	-	-	-	(247,170)	-		(247,170)
	\$ 749,000	\$ 3,082	\$ 607,420	\$ 184,213	\$ 1,910,264	(\$ 79,644)		\$ 3,374,335
<u>For the year ended December 31, 2023</u>								
	\$ 749,000	\$ 3,082	\$ 607,420	\$ 184,213	\$ 1,910,264	(\$ 79,644)		\$ 3,374,335
	-	-	-	-	432,248	-		432,248
6(5)	-	-	-	-	(2,729)	49,111		46,382
	-	-	-	-	429,519	49,111		478,630
Distribution of 2022 net income:								
	-	-	40,823	-	(40,823)	-		-
6(16)	-	-	-	-	(247,170)	-		(247,170)
	-	-	-	(104,569)	104,569	-		-
	\$ 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 parent company only financial statements.

MACAUTO INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 523,249	\$ 489,508
Adjustments			
Adjustments to reconcile profit (loss)			
Provision for inventory market price decline	6(4)	3,460	9,022
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(64,660)	(85,491)
Unrealized gains on sales	6(5)	48,026	70,339
Realized gains on sales	6(5)	(70,339)	(59,180)
Depreciation expense	6(6)(7)(22)	56,240	63,771
Net gains on disposal of property,plant and equipment	6(20)	-	(179)
Gain on lease modifications	6(7)(20)	-	(11)
Amortization expense	6(9)(22)	1,908	3,043
Loss on disposal of intangible assets (included in "Research and development expenses")	6(9)	3,594	1,697
Provision for liabilities	6(11)	28,208	32,513
Interest income	6(18)	(19,060)	(4,859)
Interest expense	6(21)	4,023	2,007
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		62,243	(110,857)
Accounts receivable from related parties		28,977	(85,790)
Other receivables		607	21
Other receivables from related parties		(76,991)	(52,327)
Inventories		19,775	78,174
Prepayments		(14,286)	13,099
Changes in operating liabilities			
Current portion of contract liabilities		7,140	23,127
Notes payable		139	1,030
Accounts payable		(2,765)	60,371
Accounts payable - related parties		2,804	12,783
Other payables		41,824	(38,018)
Current portion of provision for liabilities	6(11)	(39,823)	(17,884)
Current refund liabilities		(30,621)	18,017
Net defined benefit liabilities - non-current		(6,091)	(6,877)
Cash inflow generated from operations		507,581	417,049
Interest received		17,370	4,326
Interest paid		(3,981)	(1,937)
Income tax paid		(94,601)	(89,467)
Net cash flows from operating activities		426,369	329,971

(Continued)

MACAUTO INDUSTRIAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets measured at amortized cost - current		(\$ 119,954)	\$ -
Refund of capital from liquidation of investments accounted for using equity method	6(5)	-	11,960
Acquisition of investments accounted for under equity method - subsidiaries	6(5)	(2,452)	-
Cash payments for acquisition of property, plant, and equipment	6(26)	(8,947)	(5,076)
Proceeds from disposal of property,plant and equipment		-	179
Cash payments for acquisition of intangible assets	6(26)	(160)	(83)
Increase in prepayments for business facilities		(1,340)	-
Decrease in guarantee deposits paid		520	1,501
Decrease (increase) in other non-current assets		61	(866)
Net cash flows (used in) from investing activities		(132,272)	7,615
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of short-term borrowings	6(27)	(830,000)	(445,375)
Increase in short-term borrowings	6(27)	820,000	425,999
Repayment of lease principal and interest	6(27)	(1,923)	(1,976)
Repayment of long-term borrowings	6(27)	(68,966)	(68,966)
Cash dividends paid	6(16)	(247,170)	(247,170)
Net cash flows used in financing activities		(328,059)	(337,488)
Net (decrease) increase in cash and cash equivalents		(33,962)	98
Cash and cash equivalents at beginning of year	6(1)	778,576	778,478
Cash and cash equivalents at end of year	6(1)	\$ 744,614	\$ 778,576

The accompanying notes are an integral part of these parent company only financial statements.

MACAUTO INDUSTRIAL CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

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 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 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board(“IASB”)</u>
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 Company’s financial condition and financial performance based on the Company’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 Company

New standards, interpretations and amendments endorsed by the FSC 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 Company's financial condition and financial performance based on the Company'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 Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Statement of compliance

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. The parent company only 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 International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5, ‘Critical accounting judgements, estimates and key sources of assumption uncertainty’.

(3) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- B. Balances of foreign currency monetary assets and liabilities are adjusted according to the spot exchange rate evaluation on the balance sheet date. Translation differences arising from adjustments are recognized as current 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 retranslated 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 parent company only statement of comprehensive income within “Other gains and losses”.

(4) Classification of current and non-current items

- A. Assets that meet one of the following conditions are classified as current assets:
- (a) Assets arising from operating activities that are expected to be realized, 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 realized 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 Company 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 Company classifies all liabilities that do not meet the above criteria as non-current.

(5) Cash equivalents

- A. Cash equivalents refer to short-term and highly liquid investments. The investment can be converted into a fixed amount of cash at any time and the risk of value change is very small.
- B. Time deposits and repurchase agreement that meet the above definition and whose specific purpose is to meet short-term cash commitments in operations are classified as cash equivalents.

(6) 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 Company 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 Company'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".

(7) Accounts and notes receivable

- A. Accounts and notes receivable entitled the Company 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.

(8) Inventories

Cost is determined using the weighted-average method. The cost of finished goods and work in progress include 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 realizable 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.

(9) Investments accounted for using equity method/subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.

- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss in a subsidiary equals or exceeds the carrying amount of Company's interest in that subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.
- D. Associates are all entities over which the Company 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.
- E. The Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. 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 Company's ownership percentage of the associate, the Company recognizes all changes in 'capital surplus' in proportion to its ownership.
- G. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.
- H. When the Company 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.
- I. According to Regulations Governing the Preparation of Financial Statements by Securities Issuers, "Net profit for the year" and "Other comprehensive income for the year" reported in the parent company only statement of comprehensive income, shall equal to "Net profit for the year" and "Other comprehensive income" attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in the parent company only financial statements shall equal to equity attributable to owners of parent reported in the

consolidated financial statements.

(10) Impairment of financial assets

For financial assets at amortized cost, at each balance sheet date, the Company 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 Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

(12) Property, plant and equipment

- A. Aside from those assets which had been revaluated, property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- 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 Company 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. Except for land, 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. If each component of property, plant and equipment is significant, it is 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:

<u>Assets</u>	<u>Useful lives</u>
Buildings	3 ~ 46 years
Machinery and equipment	2 ~ 11 years
Utilities equipment	7 ~ 11 years
Transportation equipment	5 ~ 6 years
Office equipment	5 ~ 6 years
Other equipment	2 ~ 9 years

(13) Investment property

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

(14) 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 on which the leased asset is available for use by the Company. 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 Company 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 on 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 reduce the scope of the lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect partial or full termination of the lease; the difference between this and the remeasured amount of the lease liability is recognized in profit or loss.

(15) 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.

(16) Impairment of non-financial assets

The Company 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.

(17) 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.

(18) 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.

(19) Derecognition of financial liabilities

Financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(20) Provisions

Provisions for product warranties are recognized when the Company 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.

(21) Employee benefits

- A. Short-term employee benefit

Short-term employee benefits are measured at non-discounted amounts expected to be paid. They are recognized as an expense when the relevant service is provided.
- B. Pensions
 - (a) Defined contribution plan

For a defined contribution plan, the contributions are recognized as pension expense when they are due on an accrual basis. Advance payments are recognized as assets to the extent that they are refundable in cash or reduce future payments.
 - (b) Defined benefit plan
 - 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 Company 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 plan 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 Company calculates the number of shares based on the closing market price at the previous day of the board meeting resolution.

(22) Income taxes

- 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 expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. 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 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is 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 parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred 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.

(23) 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.

(24) Dividend distribution

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

A. Sales of goods

- (a) The Company 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 Company 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 Company 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 Company 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 Company recognizes the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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 Company 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 Company 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 \$471,662.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash:		
Cash on hand	\$ 858	\$ 1,694
Checking deposits		
and demand deposits	<u>534,050</u>	<u>471,262</u>
	<u>534,908</u>	<u>472,956</u>
Cash equivalents:		
Time deposits	159,706	305,620
Repurchase agreement	<u>50,000</u>	<u>-</u>
	<u>209,706</u>	<u>305,620</u>
	<u>\$ 744,614</u>	<u>\$ 778,576</u>

- A. The Company 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. As of December 31, 2023, for the Company's time deposits with original deposit maturity of more than three months and less than one year are classified as financial assets measured at amortized cost – current.

- C. Details of the Company'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

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits of over 3 months	\$ 119,954	\$ -

- A. In 2023, the Company's interest income recognized in current profit and loss due to financial assets measured at amortized cost was \$3,934 (listed under interest income). In 2022, there was no such occurrence.
- B. Financial assets measured at amortized cost that can best represent the Company, irrespective of the collateral or other credit enhancement held, is the book value of financial assets with the greatest credit risk as of December 31, 2023 and 2022.
- C. As of December 31, 2023 and 2022, the Company did not provide financial assets measured at amortized cost as pledge guarantees.
- D. The trading objects of the Company's investment certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(3) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 407,574	\$ 469,817
Less: Allowance for uncollectible accounts	(2,484)	(2,484)
	<u>\$ 405,090</u>	<u>\$ 467,333</u>

- A. Aging analysis (including related parties) of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Under 30 days	\$ 238,915	\$ 275,787
31-90 days	356,419	364,275
91-180 days	67,505	149,099
181 days or more	40,406	5,304
	<u>\$ 703,245</u>	<u>\$ 794,465</u>

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

- B. Accounts receivable as of December 31, 2023 and 2022 were all generated from customer contracts. In addition, the receivable balance of customer contracts (including related parties) as of January 1, 2022 was \$597,818.
- C. The Company has not obtained 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 Company's accounts receivable, irrespective of the collateral or other credit enhancement held, is the carrying amounts of financial assets with the greatest credit risk as of December 31, 2023 and 2022.
- E. For information about the credit risk of accounts receivable, please see Note 12(2), "Description of financial instruments."
- F. The Company did not provide accounts receivable as pledge guarantees as of December 31, 2023 and 2022.

(4) Inventory

December 31, 2023			
	Cost	Allowance for impairment	Carrying value
Merchandise	\$ 21,115	\$ -	\$ 21,115
Raw materials	82,609	(10,095)	72,514
Supplies	45,387	(4,909)	40,478
Work in progress	167,138	(15,051)	152,087
Finished goods	190,579	(5,111)	185,468
	<u>\$ 506,828</u>	<u>(\$ 35,166)</u>	<u>\$ 471,662</u>
December 31, 2022			
	Cost	Allowance for impairment	Carrying value
Merchandise	\$ 25,738	\$ -	\$ 25,738
Raw materials	84,457	(9,371)	75,086
Supplies	48,497	(5,132)	43,365
Work in progress	159,261	(12,463)	146,798
Finished goods	209,881	(4,740)	205,141
	<u>\$ 527,834</u>	<u>(\$ 31,706)</u>	<u>\$ 496,128</u>

Inventory cost recognized as expense and loss by the Company for the year:

For the years ended December 31		
	2023	2022
Cost of inventory sold	\$ 2,393,714	\$ 2,179,219
Inventory impairment loss	3,460	9,022
Inventory obsolescence loss	6,199	4,913
Inventory profit	(1,124)	(287)
Revenue from the sale of scraps	(546)	(659)
	<u>\$ 2,401,703</u>	<u>\$ 2,192,208</u>

(5) Investments accounted for under equity method

- A. Changes in investments accounted for under equity method are as follows:

	2023	2022
At January 1	\$ 1,904,615	\$ 1,737,674
Liquidation of shares of investments accounted for using equity method	-	(11,960)
Addition of investments accounted for using equity method	2,452	-
Unrealized sales benefit	(48,026)	(70,339)
Realized sales benefit	70,339	59,180
Share of profit or loss of investments accounted for using equity method	64,660	85,491
Other equity- Exchange differences on translation of foreign financial statements	49,111	104,569
At December 31	<u>\$ 2,043,151</u>	<u>\$ 1,904,615</u>

B. Details of investments accounted for under equity method are as follows:

	December 31, 2023	December 31, 2022
CRACK MYTHOLOGY INTERNATIONAL LTD.	\$ 1,318,440	\$ 1,262,250
MACAUTO MEXICO, S.A.DE C.V.	509,520	444,673
MACAUTO USA, INC.	130,639	120,026
MACAUTO GROUP GmbH	82,028	77,666
MACAUTO KOREA YOOHANHEOSA	2,524	-
	<u>\$ 2,043,151</u>	<u>\$ 1,904,615</u>

- C. For information on the Company's subsidiaries, please refer to Note 4(3) Consolidation Basis of the Company's 2023 Annual Consolidated Financial Statements.
- D. The investment in MARTINGALE TRANSNATIONAL CO., LTD. by the company has completed the dissolution process and liquidation as of March, 2022, with the distribution of \$11,960 from the aforementioned liquidation fully received.
- E. The Company's investments using the equity method as of December 31, 2023 and 2022 were not provided as collateral.

(6) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2023								
Cost	\$ 312,268	\$ 601,887	\$ 234,737	\$ 156,952	\$ 30,360	\$ 67,252	\$ 144,708	\$ 1,548,164
Accumulated depreciation	-	(180,900)	(199,857)	(133,872)	(29,075)	(65,506)	(137,630)	(746,840)
	<u>\$ 312,268</u>	<u>\$ 420,987</u>	<u>\$ 34,880</u>	<u>\$ 23,080</u>	<u>\$ 1,285</u>	<u>\$ 1,746</u>	<u>\$ 7,078</u>	<u>\$ 801,324</u>
2023								
At January 1	\$ 312,268	\$ 420,987	\$ 34,880	\$ 23,080	\$ 1,285	\$ 1,746	\$ 7,078	\$ 801,324
Additions	-	2,164	2,545	-	2,309	2,380	-	9,398
Transfer (Note)	-	-	-	-	-	-	1,231	1,231
Depreciation	-	(20,249)	(12,251)	(15,442)	(732)	(967)	(4,638)	(54,279)
Disposal – cost	-	-	-	-	(152)	-	-	(152)
– accumulated depreciation	-	-	-	-	152	-	-	152
At December 31	<u>\$ 312,268</u>	<u>\$ 402,902</u>	<u>\$ 25,174</u>	<u>\$ 7,638</u>	<u>\$ 2,862</u>	<u>\$ 3,159</u>	<u>\$ 3,671</u>	<u>\$ 757,674</u>
December 31, 2023								
Cost	\$ 312,268	\$ 604,051	\$ 237,282	\$ 156,952	\$ 32,517	\$ 69,632	\$ 145,939	\$ 1,558,641
Accumulated depreciation	-	(201,149)	(212,108)	(149,314)	(29,655)	(66,473)	(142,268)	(800,967)
	<u>\$ 312,268</u>	<u>\$ 402,902</u>	<u>\$ 25,174</u>	<u>\$ 7,638</u>	<u>\$ 2,862</u>	<u>\$ 3,159</u>	<u>\$ 3,671</u>	<u>\$ 757,674</u>

(Note) Please refer to Note 6(26) for an explanation on supplementary information of cash flows.

	Land	Buildings	Machinery and equipment	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Total
<u>January 1, 2022</u>								
Cost	\$ 312,268	\$ 596,858	\$ 234,007	\$ 156,952	\$ 29,000	\$ 67,252	\$ 143,422	\$ 1,539,759
Accumulated depreciation	-	(160,981)	(182,450)	(118,426)	(27,856)	(64,041)	(132,614)	(686,368)
	<u>\$ 312,268</u>	<u>\$ 435,877</u>	<u>\$ 51,557</u>	<u>\$ 38,526</u>	<u>\$ 1,144</u>	<u>\$ 3,211</u>	<u>\$ 10,808</u>	<u>\$ 853,391</u>
<u>2022</u>								
At January 1	\$ 312,268	\$ 435,877	\$ 51,557	\$ 38,526	\$ 1,144	\$ 3,211	\$ 10,808	\$ 853,391
Additions	-	1,006	730	-	1,460	-	575	3,771
Transfer (Note)	-	4,023	-	-	-	-	2,001	6,024
Depreciation	-	(19,919)	(17,407)	(15,446)	(1,319)	(1,465)	(6,306)	(61,862)
Disposal – cost	-	-	-	-	(100)	-	(1,290)	(1,390)
– accumulated depreciation	-	-	-	-	100	-	1,290	1,390
At December 31	<u>\$ 312,268</u>	<u>\$ 420,987</u>	<u>\$ 34,880</u>	<u>\$ 23,080</u>	<u>\$ 1,285</u>	<u>\$ 1,746</u>	<u>\$ 7,078</u>	<u>\$ 801,324</u>
<u>December 31, 2022</u>								
Cost	\$ 312,268	\$ 601,887	\$ 234,737	\$ 156,952	\$ 30,360	\$ 67,252	\$ 144,708	\$ 1,548,164
Accumulated depreciation	-	(180,900)	(199,857)	(133,872)	(29,075)	(65,506)	(137,630)	(746,840)
	<u>\$ 312,268</u>	<u>\$ 420,987</u>	<u>\$ 34,880</u>	<u>\$ 23,080</u>	<u>\$ 1,285</u>	<u>\$ 1,746</u>	<u>\$ 7,078</u>	<u>\$ 801,324</u>

(Note) Please refer to Note 6(26) for an explanation on supplementary information of cash flows.

- A. Property, plant and equipment of the Company as of December 31, 2023 and 2022 constituted assets for self-use.
- B. The Company did not capitalize interest on property, plant and equipment in 2023 and 2022.
- C. For more information regarding the Company'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 underlying assets of the Company's leases include land, offices, and official vehicles; the terms of the lease agreements usually range from 2 to 5 years. Lease contracts are negotiated individually and contain a variety of terms and conditions. Except that leased assets cannot be used as loan guarantees, no other restrictions are imposed.
- B. The book values of right-of-use assets and the recognized depreciation expenses are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 4,766	\$ -
Buildings	-	429
Transportation equipment	822	1,162
	<u>\$ 5,588</u>	<u>\$ 1,591</u>

	<u>For the years ended December 31,</u>	<u>For the years ended December 31,</u>
	<u>2023</u>	<u>2022</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land	\$ 1,192	\$ 1,172
Buildings	429	467
Transportation equipment	340	270
	<u>\$ 1,961</u>	<u>\$ 1,909</u>

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

	<u>For the years ended December 31,</u>	<u>For the years ended December 31,</u>
	<u>2023</u>	<u>2022</u>
<u>Items affecting current profit and loss</u>		
Interest expense on lease liabilities	\$ 19	\$ 2
Expenses for short-term rental contracts	168	197
Gain from lease modification	-	11

- D. Additions to the Company's right-of-use assets in 2023 and 2022 were \$5,958 and \$1,361, respectively.

E. The Company's total lease cash outflows in 2023 and 2022 were \$2,091 and \$2,173, respectively.

(8) Investment property

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 investment real estate held by the Company as of December 31, 2023 and 2022 was \$152,873 and \$144,710, respectively. Based on the evaluation using transaction prices information in the real estate agency industry and publicly available market price information, as well as the appraisal results from the real estate valuation report, all assessments indicate a fair value classification of Level 3.
- B. For more information regarding the Company's investment properties pledged to others as of December 31, 2023, please refer to Note 8, 'PLEDGED ASSETS'. As of December 31, 2022, the Company 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	\$ 27,422	\$ 79,316	\$ 108,823
Accumulated amortisation	(1,799)	(15,024)	(78,842)	(95,665)
	<u>\$ 286</u>	<u>\$ 12,398</u>	<u>\$ 474</u>	<u>\$ 13,158</u>
2023				
At January 1	\$ 286	\$ 12,398	\$ 474	\$ 13,158
Increase	-	180	400	580
Current transfer (Note)	-	1,914	-	1,914
Amortization expense	(112)	(1,323)	(473)	(1,908)
Disposal – cost	-	(4,728)	-	(4,728)
– accumulated amortisation	-	1,134	-	1,134
At December 31	<u>\$ 174</u>	<u>\$ 9,575</u>	<u>\$ 401</u>	<u>\$ 10,150</u>
December 31, 2023				
Cost	\$ 2,085	\$ 24,788	\$ 79,716	\$ 106,589
Accumulated amortisation	(1,911)	(15,213)	(79,315)	(96,439)
	<u>\$ 174</u>	<u>\$ 9,575</u>	<u>\$ 401</u>	<u>\$ 10,150</u>

For the year ended December 31, 2022				
	Trademarks	Patent rights	Computer software	Total
<u>January 1, 2022</u>				
Cost	\$ 2,085	\$ 28,819	\$ 79,316	\$ 110,220
Accumulated amortisation	(1,683)	(14,122)	(77,382)	(93,187)
	<u>\$ 402</u>	<u>\$ 14,697</u>	<u>\$ 1,934</u>	<u>\$ 17,033</u>
<u>2022</u>				
At January 1	\$ 402	\$ 14,697	\$ 1,934	\$ 17,033
Increase	-	83	-	83
Current transfer (Note)	-	782	-	782
Amortization expense	(116)	(1,467)	(1,460)	(3,043)
Disposal – cost	-	(2,262)	-	(2,262)
– accumulated amortisation	-	565	-	565
At December 31	<u>\$ 286</u>	<u>\$ 12,398</u>	<u>\$ 474</u>	<u>\$ 13,158</u>
<u>December 31, 2022</u>				
Cost	\$ 2,085	\$ 27,422	\$ 79,316	\$ 108,823
Accumulated amortisation	(1,799)	(15,024)	(78,842)	(95,665)
	<u>\$ 286</u>	<u>\$ 12,398</u>	<u>\$ 474</u>	<u>\$ 13,158</u>

(Note) Please refer to Note 6(26) for an explanation on the supplementary information of cash flows.

- A. No borrowing costs was capitalized as part of the Company's intangible assets in 2023 and 2022.
- B. The details the Company's intangible asset amortization expenses in 2023 and 2022 were as follows:

For the years ended December 31,		
	2023	2022
Operating costs	\$ 33	\$ 374
Promotional expenses	234	268
Management expenses	254	571
R&D expenses	1,387	1,830
	<u>\$ 1,908</u>	<u>\$ 3,043</u>

(10) Short-term borrowings

	December 31, 2023	Interest rate range	Collateral
Unsecured bank borrowings	<u>\$ 190,000</u>	1.54% ~ 1.653%	None

	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 200,000	1.0642% ~ 1.4071%	None

For details of interest expenses recognized in profit or loss for the Company in 2023 and 2022, please refer to Note 6(21) for explanation on financial costs.

(11) Provisions for liabilities – current

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

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
At January 1	\$ 121,459	\$ 106,830
Provisions for liabilities in the current period	28,208	32,513
Provisions for liabilities used in the current period	(39,823)	(17,884)
At December 31	<u>\$ 109,844</u>	<u>\$ 121,459</u>

B. The Company'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.

(12) Long-term borrowings

<u>Nature of loans</u>	<u>Expiration date range</u>	<u>Interest rate range (Note)</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long term bank loans				
Secured bank borrowings	November 15, 2024	0.72%	Land, houses, and buildings	\$ 68,965
Less: Long-term loans due within one year or one business cycle				(68,965)
				<u>\$ -</u>

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
Less: Long-term loans due within one year or one business cycle				(68,966)
				<u>\$ 68,965</u>

Note: The Company 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 Company in 2023 and 2022, please refer to Note 6(21) for explanation on financial costs.

(13) Pensions

A. The Company 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 Company 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 Company 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 Company 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
2023			
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 Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund 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	1.2%	1.2%
Future salary increases	2.00%	2.00%

The assumptions for future mortality in 2023 and 2022 are estimated according to the 6th

mortality 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%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 2,417)	\$ 2,492	\$ 2,466	(\$ 2,404)
<u>December 31, 2022</u>				
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) The Company's estimated contribution to pensions 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 5 years	70,008
	<u>\$ 180,830</u>

- B. Since July 1, 2005, the Company has adhered to the Labor Pension Act in providing a defined contribution retirement method applicable to employees of domestic nationality. For the portion of the labor pension system stipulated in the Labor Pension Act that the employee chooses to apply, the Company will pay 6% of the salary to the employee's personal account at the Labor Insurance Bureau every month, and the payment of the employee pension shall be received in the form of a monthly pension or one-time pension according to the employee's individual pension account and the amount of accumulated income. The pension costs recognized by the Company in accordance with the above pension methods in 2023 and 2022 were \$16,596 and \$15,769, respectively.

(14) Share capital

- A. The numbers of outstanding shares of the Company's 2023 and 2022 common shares at the beginning and end of the year are as follows (Unit: Thousand shares):

	2023	2022
Balance as at January 1 and December 31	<u>74,900</u>	<u>74,900</u>

- B. As of December 31, 2023, the Company's authorized capital was \$1,000,000 and paid-up capital amount was \$749,000, divided into 74,900 thousand shares and the amount per share was NT\$10, to be issued over several installments. All payments for the issued shares of the Company have been received.

(15) Capital surplus

According to the provisions of the Company Act, 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.

(16) 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 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). 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).

(17) Operating revenue

- A. The Company'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:

	For the years ended December 31,	
	2023	2022
Automobile Sun Shade	\$ 3,333,679	\$ 3,071,386
Garden tools	22,080	22,251
	<u>\$ 3,355,759</u>	<u>\$ 3,093,637</u>

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities – Automobile Sun Shade	\$ 55,873	\$ 48,784	\$ 25,715
Contract liabilities – garden tools	120	69	11
	<u>\$ 55,993</u>	<u>\$ 48,853</u>	<u>\$ 25,726</u>

The Company's contractual liabilities as of January 1, 2023 and 2022 were amounts recognized as revenue in 2023 and 2022 of \$38,279 and \$9,233, respectively.

(18) Interest income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income from bank deposits	\$ 9,333	\$ 3,822
Interest income from financial assets measured at amortised cost	3,934	-
Other interest income	5,793	1,037
	<u>\$ 19,060</u>	<u>\$ 4,859</u>

(19) Other income

	Year ended December 31, 2023	Year ended December 31, 2022
Other income	\$ 5,203	\$ 2,134

(20) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Net gain on disposal of property, plant and equipment	\$ -	\$ 179
Net currency exchange gain	13,712	62,514
Net loss on financial assets and liabilities at fair value through profit or loss	(266)	-
Gain from lease modification	-	11
Other losses	(26)	(1)
	\$ 13,420	\$ 62,703

(21) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense	\$ 4,004	\$ 2,005
Interest expense on lease liabilities	19	2
	\$ 4,023	\$ 2,007

(22) Additional information on nature of expenses

	Year ended December 31, 2023		
	Under operating costs	Under operating expenses	Total
Employee benefit expense	\$ 341,162	\$ 236,986	\$ 578,148
Depreciation expense	45,044	11,196	56,240
Amortization expense	33	1,875	1,908
	\$ 386,239	\$ 250,057	\$ 636,296

	Year ended December 31, 2022		
	Under operating costs	Under operating expenses	Total
Employee benefit expense	295,995	225,963	521,958
Depreciation expense	51,671	12,100	63,771
Amortization expense	374	2,669	3,043
	\$ 348,040	\$ 240,732	\$ 588,772

(23) Employee benefits expense

Year ended December 31, 2023			
	Under operating costs	Under operating expenses	Total
Wages and salaries	\$ 278,024	\$ 189,218	\$ 467,242
Labor and health insurance expense	30,528	15,267	45,795
Pension costs	11,735	8,941	20,676
Directors' remuneration	-	15,838	15,838
Other personnel expenses	20,875	7,722	28,597
	<u>\$ 341,162</u>	<u>\$ 236,986</u>	<u>\$ 578,148</u>
Year ended December 31, 2022			
	Under operating costs	Under operating expenses	Total
Wages and salaries	\$ 239,228	\$ 178,288	\$ 417,516
Labor and health insurance expense	25,558	15,397	40,955
Pension costs	10,316	8,470	18,786
Directors' remuneration	-	15,124	15,124
Other personnel expenses	20,893	8,684	29,577
	<u>\$ 295,995</u>	<u>\$ 225,963</u>	<u>\$ 521,958</u>

- A. The average numbers of employees of the Company in 2023 and 2022 were 601 and 605 employees, respectively, of which the number of directors who were not concurrently employees were 5 for both years.
- B. The Company's average employee benefit expenses recognized in 2023 and 2022 were \$943 and \$845, respectively. The recognized amounts of average employee salary expenses were \$784 and \$696, respectively, and the adjustment and change of average employee salary expenses in 2023 was 12.64 %.
- C. In accordance with Company's Articles of Incorporation, the Board of Directors is authorized to determine the salary for the chairperson, vice chairperson, directors, and managers, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry.
- D. 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.
- E. The estimated amounts of employees' compensation of the Company for 2023 and 2022 were \$23,269 and \$21,759, respectively, 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 and directors' and supervisors' remuneration as approved by the Board of Directors are consistent with the amounts estimated 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 be paid in cash.

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

(24) 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	\$ 77,442	\$ 88,666
Tax on undistributed surplus earnings	10,750	3,633
Prior year income tax overestimation	(9,453)	(4,014)
Total current tax	<u>78,739</u>	<u>88,285</u>
Deferred tax:		
Origination and reversal of temporary differences	12,262	(10,749)
Total deferred tax	<u>12,262</u>	<u>(10,749)</u>
Income tax expense	<u>\$ 91,001</u>	<u>\$ 77,536</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Remeasurement of defined benefit obligations	(683)	(936)

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate (note)	\$ 104,650	\$ 97,902
Tax exempt income by tax regulation	(11,808)	(19,985)
Effect from investment tax credits	(3,138)	-
Tax on undistributed earnings	10,750	3,633
Prior year income tax overestimation	(9,453)	(4,014)
Income tax expense	<u>\$ 91,001</u>	<u>\$ 77,536</u>

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

2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealized inventory impairment	\$ 6,341	\$ 692	\$ -	\$ 7,033
Unrealized after-sales service expenses	24,290	(2,321)	-	21,969
Unrealized gains among affiliate 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	22,441	(6,124)	-	16,317
	<u>\$ 97,171</u>	<u>(\$ 14,697)</u>	<u>\$ 683</u>	<u>\$ 83,157</u>
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	(\$ 2,490)	\$ 2,435	\$ -	(\$ 55)
	<u>(\$ 2,490)</u>	<u>\$ 2,435</u>	<u>\$ -</u>	<u>(\$ 55)</u>
	<u>\$ 94,681</u>	<u>(\$ 12,262)</u>	<u>\$ 683</u>	<u>\$ 83,102</u>
2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealized inventory impairment	\$ 4,537	\$ 1,804	\$ -	\$ 6,341
Unrealized after-sales service expenses	21,366	2,924	-	24,290
Unrealized gains among affiliate 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	18,838	3,603	-	22,441
	<u>\$ 84,046</u>	<u>\$ 12,189</u>	<u>\$ 936</u>	<u>\$ 97,171</u>
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	(\$ 1,050)	(\$ 1,440)	\$ -	(\$ 2,490)
	<u>(\$ 1,050)</u>	<u>(\$ 1,440)</u>	<u>\$ -</u>	<u>(\$ 2,490)</u>
	<u>\$ 82,996</u>	<u>\$ 10,749</u>	<u>\$ 936</u>	<u>\$ 94,681</u>

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

(25) 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)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 432,248	74,900	\$ 5.77
<u>Diluted earnings per share</u>			
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)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 411,972	74,900	\$ 5.50
<u>Diluted earnings per share</u>			
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

(26) Supplemental cash flow information

A. Investment activities with only partial cash receipts and payments:

	Year ended December 31, 2023	Year ended December 31, 2022
(a) Purchase of property, plant and	\$ 9,398	\$ 3,771
Add: Opening balance of payable on equipment (shown as 'Other non-current liabilities')	89	1,394
Less: Ending balance of payable on equipment (shown as 'Other non-current liabilities')	(540)	(89)
Cash paid during the year	<u>\$ 8,947</u>	<u>\$ 5,076</u>
	Year ended December 31, 2023	Year ended December 31, 2022
(b) Purchase of intangible assets	\$ 580	\$ 83
Less: Ending balance of payable (shown as 'Other non-current liabilities')	(420)	-
Cash paid during the year	<u>\$ 160</u>	<u>\$ 83</u>

B. Investment activities with no cash flow effect:

	For the years ended December 31,	
	2023	2022
(a) Inventory transferred to property, plant and equipment	<u>\$ 1,231</u>	<u>\$ 2,001</u>
(b) Transfer of prepayments to intangible assets	<u>\$ 1,914</u>	<u>\$ 782</u>
(c) Prepaid equipment payments transferred to intangible assets.	<u>\$</u>	<u>\$ 4,023</u>

(27) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	borrowings (including current portion)	Liabilities from financing activities- gross
At January 1, 2023	\$ 200,000	\$ 1,547	\$ 137,931	\$ 339,478
Changes in cash flow from financing activities	(10,000)	(1,923)	(68,966)	(80,889)
Changes in other non-cash items	<u>-</u>	<u>5,977</u>	<u>-</u>	<u>5,977</u>
December 31, 2023	<u>\$ 190,000</u>	<u>\$ 5,601</u>	<u>\$ 68,965</u>	<u>\$ 264,566</u>

	Short-term borrowings	Lease liabilities	borrowings (including current portion)	Liabilities from financing activities- gross
At January 1, 2022	\$ 219,376	\$ 2,171	\$ 206,897	\$ 428,444
Changes in cash flow from financing activities	(19,376)	(1,976)	(68,966)	(90,318)
Changes in other non-cash items	-	1,352	-	1,352
December 31, 2022	<u>\$ 200,000</u>	<u>\$ 1,547</u>	<u>\$ 137,931</u>	<u>\$ 339,478</u>

7. Related party transactions

(1) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
Macauto USA, Inc.	Subsidiary
Macauto Group GmbH	Subsidiary
Macauto Mexico, S.A. De C.V.	Subsidiary
Macauto Korea Yooohanheosa	Subsidiary
Kunshan Macauto Automobile Parts Industry Co., Ltd.	Subsidiary
Kunshan Macauto Automobile Parts Sales Co., Ltd.	Subsidiary

(2) Significant transactions and balances with related parties

A. Operating income

	Year ended December 31, 2023	Year ended December 31, 2022
Subsidiary	<u>\$ 698,230</u>	<u>\$ 648,158</u>

Transaction price: Both related parties and non-related parties adopt a negotiation method.

Collection terms: For related parties, 90 days EOM; for non-related parties, 1 to 3 months EOM.

B. Purchases

	Year ended December 31, 2023	Year ended December 31, 2022
Kunshan Macauto Automobile Parts Industry Co., Ltd.	\$ 138,457	\$ 157,935
Other subsidiaries	<u>4,928</u>	<u>5,193</u>
	<u>\$ 143,385</u>	<u>\$ 163,128</u>

Transaction price: Both related parties and non-related parties adopt a negotiation method.

Payment terms: For related parties, 90 days EOM; for non-related parties, 1 to 3 months EOM.

C. Export fees

	Year ended December 31, 2023	Year ended December 31, 2022
Macauto USA, Inc.	\$ <u>56,382</u>	\$ <u>51,863</u>

D. Service fees

	Year ended December 31, 2023	Year ended December 31, 2022
Macauto Group GmbH	\$ 39,803	\$ 34,104
Other subsidiaries	<u>1,641</u>	<u>-</u>
	\$ <u>41,444</u>	\$ <u>34,104</u>

E. Receivables from related parties

	December 31, 2023	December 31, 2022
Macauto Mexico, S.A. De C.V.	\$ 311,695	283,562.00
Kunshan Macauto Automobile Parts Industry Co., Ltd.	79,046	54,366
Other subsidiaries	32,821	38,684
Less: Reclassification of overdue accounts receivable to other receivables	(<u>127,891</u>)	(<u>51,964</u>)
	\$ <u>295,671</u>	\$ <u>324,648</u>

The reclassification of overdue accounts receivable to other receivables is performed for accounts that have exceeded the credit period of 3 months. The aging distribution of these accounts is as follows:

	December 31, 2023		December 31, 2022	
Macauto Mexico, S.A. De C.V.	Date distribution of account	Overdue Accounts	Date distribution of account	Overdue Accounts
	181~360 days	\$ 69,652	181~360 days	\$ -
	360 days or more	<u>58,239</u>	360 days or more	<u>51,964</u>
		\$ <u>127,891</u>		\$ <u>51,964</u>

F. Payables from related parties

	December 31, 2023	December 31, 2022
Subsidiary	\$ <u>29,743</u>	\$ <u>26,939</u>

G. Other payables

	December 31, 2023	December 31, 2022
Subsidiary	\$ <u>18,656</u>	\$ <u>13,629</u>

H. Funding arrangements (Listed under "Other receivables - related parties")

(a) Accounts receivable from related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Macauto Mexico, S.A. De C.V.	<u>\$ 129,318</u>	<u>\$ 52,327</u>

(b) Interest income

	<u>For the year ended December 31, 2023</u>	<u>For the year ended December 31, 2022</u>
Macauto Mexico, S.A. De C.V.	<u>\$ 4,826</u>	<u>\$ 1,037</u>

The conditions for the funds lent to subsidiaries include repayment of principal and interest before the agreed-upon maturity date. For the years ended December 31, 2023 and 2022, the interest rates charged ranged from 4.5573% to 6.69% and 2.2019% to 4.5573% per annum, respectively.

I. Endorsements/guarantees provided

Details of the Company's endorsements/guarantees for subsidiaries are as follows:

	<u>Nature</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Macauto Mexico, S.A. De C.V.	Financing amount guarantees	<u>\$ 521,985</u>	<u>\$ 522,070</u>

The actual amounts used by the Company to provide subsidiary financing endorsement guarantees as of December 31, 2023 and 2022 were \$45,290 and \$63,723, respectively.

(3) Senior management salary information

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Salary and other short-term employee benefits	<u>\$ 53,980</u>	<u>\$ 50,771</u>
Retirement benefits	<u>1,584</u>	<u>1,156</u>
	<u>\$ 55,564</u>	<u>\$ 51,927</u>

8. Pledged assets

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
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 borrowings guarantees
Pledged time deposits (Note 3)	2,500	2,500	Materials purchase guarantees
	<u>\$ 763,835</u>	<u>\$ 697,328</u>	

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

(Note 1) Recognized as under property, plant and equipment.

(Note 2) Recognized as investment properties.

(Note 3) 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 remaining balance due for property, plant, and equipment was \$154 and \$429, respectively.

10. Significant Disaster Loss

None.

11. Significant Events After The Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 Company are described in Note 6, 'Financial assets'.

B. Financial risk management policy

(a) The Company'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. In

order to reduce the adverse impact of uncertainty on the company's financial performance, the Company undertakes forward exchange rate contracts to avoid exchange rate risks. Derivative instruments undertaken by the Company are for the purpose of hedging and not for trading or speculation.

- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company 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 Company 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 Company's management has established a policy that requires each company within the Company 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 currency translation contracts to reduce the impact of exchange rate fluctuations on the expected collection of receivables.
- iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD); 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		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
CNY:NTD	\$ 71,268	4.327	\$ 308,377
USD:NTD	21,303	30.705	654,109
EUR:NTD	7,963	33.98	270,583
JPY:NTD	367,048	0.2172	79,723
<u>Investments accounted for using equity method</u>			
MXN:NTD	298,084	1.8145	540,873
USD:NTD	4,302	30.705	132,093
EUR:NTD	2,414	33.98	82,028
<u>Financial liabilities</u>			
<u>Monetary items</u>			
CNY:NTD	11,647	4.327	50,397
USD:NTD	1,078	30.705	33,100

December 31, 2022			
	Foreign currency		Book value
	amount	Exchange rate	
	(In thousands)		(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
CNY:NTD	\$ 92,032	4.4080	\$ 405,677
USD:NTD	20,698	30.71	635,636
EUR:NTD	3,395	32.72	111,084
JPY:NTD	63,269	0.2324	14,704
<u>Investments accounted for using equity method</u>			
MXN:NTD	307,695	1.5818	486,712
USD:NTD	4,078	30.71	125,235
EUR:NTD	2,374	32.72	77,677
<u>Financial liabilities</u>			
<u>Monetary items</u>			
CNY:NTD	9,727	4.4080	42,877
USD:NTD	1,808	30.71	55,524
EUR:NTD	502	32.72	16,425

v. Total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022 amounted to \$13,712 and \$62,514, respectively

vi. For the Company 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 Company for 2023 and 2022 would decrease or increase by \$15,262 and \$13,922, respectively.

Price risk

The Company'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 Company 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 Company 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 Company's net profit after tax in 2023 and 2022 would decrease or increase by \$2,072 and \$2,703, 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 Company 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 Company 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 Company 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 initial recognition.
- iv. The Company 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 Company classifies customer's accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss. The Company 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 company applying the simplified approach to provide loss allowance for accounts receivable is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Beginning and ending balance	\$ 2,484	\$ 2,484

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants.
- ii. When surplus cash held by the Company exceeds the management needs of working capital, the Company'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 Company's unused loan amounts are as follows:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	\$ 1,282,491	\$ 1,253,550
Expiring beyond one year	762,069	300,000
	<u>\$ 2,044,560</u>	<u>\$ 1,553,550</u>

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

iv. The following table is the Company'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
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 190,881	\$ -	\$ -	\$ -
Notes payable	2,691	-	-	-
Accounts payable	538,458	-	-	-
Accounts payable – related parties	29,743			
Other payables	317,008	-	-	-
Lease liability (including current and non-current)	1,545	1,545	2,540	-
Long-term borrowings (including current portion)	69,214	-	-	-
Refund liabilities	81,584	-	-	-

December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 200,782	\$ -	\$ -	\$ -
Notes payable	2,552	-	-	-
Accounts payable	541,223	-	-	-
Accounts payable – related parties	26,939			
Other payables	274,290	-	-	-
Lease liability	817	345	489	-
(including current and non-current)				
Long-term borrowings	69,580	69,171	-	-
(including current portion)				
Refund liabilities	112,205	-	-	-

v. The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

(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 Company 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, accounts receivable (including related parties), other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables and long-term borrowings (including current portion) are approximate to their fair values

C. The Company 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 Company 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

Not applicable.

MACAUTO INDUSTRIAL CO., LTD.

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
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.
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, and the endorsement guarantee amount to a single enterprise shall not exceed 40% of the Company's net worth. I 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.

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)		Percentage of notes or accounts receivable/(payable)		Note
Purchases / Sales company	Name of the counter-party	Relationship	Purchases / (Sales)	Amount	Percentage of net purchases/(sales)	Credit period	Unit Price	Credit Period	Amount	Percentage of notes or accounts receivable/(payable)	
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.

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 counter-party	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	5%

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

MACAUTO INDUSTRIAL CO., LTD.

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				Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms		
0	Macao Industrial Co., Ltd.	Kunshan Macauto Automobile Parts Industry Co., Ltd.	1	Sales	\$ 245,713	price negotiation, O/A 90days		5%
			1	Purchases	138,457	price negotiation, O/A 90days		3%
			1	Accounts receivable	79,046	—		1%
		MACAUTO USA, INC.	1	Accounts payable	28,903	—		—
			1	Sales	102,653	price negotiation, O/A 90days		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%
			1	Endorsement guarantee	521,985	—		9%
		MACAUTO MEXICO, S.A. DE C.V.	1	Sales	312,532	price negotiation, O/A 90days		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 90days		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 90days		1%
			3	Accounts receivable	9,650	—		—
		MACAUTO USA, INC.	3	Sales	55,130	price negotiation, O/A 90days		1%
			3	Accounts receivable	15,054	—		—
			3	Sales	64,133	price negotiation, O/A 90days		1%
2	Kunshan Macauto Automobile Parts Sales Co., Ltd.	MACAUTO MEXICO, S.A. DE C.V.	3	Accounts receivable	18,213	—		—
			3	Accounts receivable	18,213	—		—
3	SYN-TECH CHEM. & PHARM. CO., LTD.	MACAUTO USA, INC.	2	Sales	267,664	price negotiation, O/A 90days		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.

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		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised for the year ended December 31, 2023	Note
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership				
							(%)	Book value			
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 I.L.C	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.
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		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) recognised 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.
Major Shareholders Information
December 31, 2023

Table 8

Major Shareholder's Name	Shares		Percentage	Note
	Number of shares			
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.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

Unit: NT\$ Thousand

Item	Summary	Amount
Cash:		
Cash on hand		\$ 858
Checking Deposits		569
Demand Deposits - NTD		287,764
- Foreign	USD 4,064 thousand Exchange Rate: 30.705	
	RMB 20,347 thousand Exchange Rate: 4.327	
	EUR 507 thousand Exchange Rate: 33.98	
	GBP 71 thousand Exchange Rate: 39.15	
	JPY 55,206 thousand Exchange Rate: 0.2172	
	KRW 38,391 thousand Exchange Rate: 0.02391	245,717
		<u>534,908</u>
Cash Equivalents:		
Time Deposits -NTD	Expiration by 1.24.2024, interest rate at 1.2%	50,000
Time Deposits - Foreign Currency	EUR 4,700 thousand, Exchange Rate: 33.98	
	Expiration by 1.11.2024 to 3.11.2024, interest rates at 3.9% ~3.95%	159,706
		<u>209,706</u>
		<u>\$ 744,614</u>

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST -CURRENT
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Summary	Amount
Time deposits of over 3 months	USD 2,800 thousand, Exchange Rate: 30.705, Expiration by 2.4.2024 to 11.8.2024, interest rates at 4.9% ~ 5.63%	\$ 85,974
	EUR 1,000 thousand, Exchange Rate: 33.98, Expiration by 10.19.2024, interest rate at 3.95%	33,980
		<u>\$ 119,954</u>

MACAUTO INDUSTRIAL CO., LTD.
NET ACCOUNTS RECEIVABLE STATEMENT
DECEMBER 31, 2023

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

Client	Summary	Amount	Note
Client A	Accounts Receivable	\$ 88,028	—
Client B	"	42,150	—
Client C	"	30,884	—
Client D	"	24,553	—
Client E	"	23,070	—
Other Clients (Less than 5%)	"	198,889	—
		407,574	
Less: Allowance for doubtful accounts		(2,484)	
		<u>\$ 405,090</u>	

MACAUTO INDUSTRIAL CO., LTD.
NET ACCOUNTS RECEIVABLE FROM RELATED PARTIES STATEMENT
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Client	Summary	Amount	Note
MACAUTO MEXICO, S.A. DE C.V.	Accounts Receivable	183,804	—
Kunshan Macauto Automobile Parts Industry Co., Ltd.	"	79,046	—
MACAUTO USA, INC.	"	27,327	—
Kunshan Macauto Automobile Parts Sales Co., Ltd	"	5,494	—
		<u>\$ 295,671</u>	

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2023

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

<u>Client</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
MACAUTO MEXICO, S.A. DE C.V.	Funds Provided and Similar Items	<u>\$ 129,318</u>	—

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023

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

Item	Summary	Amount		Note
		Cost	Net Realizable Value	
Merchandise	—	\$ 21,115	\$ 30,294	Note
Raw materials	—	82,609	76,598	"
Supplies	—	45,387	45,584	"
Work in progress	—	167,138	212,826	"
Finished goods	—	190,579	288,058	"
		506,828	<u>\$ 653,360</u>	
Less: Allowance for price decline of inventories		(35,166)		
		<u>\$ 471,662</u>		

Note: The determination of net realizable value is detailed in Note 4, (7) Inventory, please refer to that for further explanation.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The name of the investee company	Market Value or Net Assets												
	Beginning Balance		Addition		Decrease		Ending Balance			Value		Providing guarantees or pledges	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount		
CRACK MYTHOLOGY INTERNATIONAL LTD.	3,200	\$ 1,262,250	-	71,402	-	(15,212)	3,200	100	\$ 1,318,440	\$ 412.01	1,318,440	None	—
MACAUTO USA, INC.	4,000	120,026	-	12,074	-	(1,461)	4,000	100	130,639	32.66	130,639	"	—
MACAUTO HOLDINGS LLC	231	-	-	-	-	-	231	100	-	-	-	"	—
MACAUTO GROUP GmbH	-	77,666	-	4,362	-	-	-	100	82,028	-	82,028	"	—
MACAUTO MEXICO,S.A.DE	-	444,673		96,200	-	(31,353)	0	100	509,520	-	509,520	"	—
MACUAUTI KOREA YOOHANHEOSA	-	-	100	2,524	-	-	100	100	2,524	25.24	2,524	"	—
		<u>\$ 1,904,615</u>		<u>\$ 186,562</u>		<u>(\$ 48,026)</u>			<u>\$ 2,043,151</u>		<u>\$ 2,043,151</u>		

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Please refer to Note 6 (6) Explanation on Property, Plant, and Equipment for more details.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND
EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Please refer to Note 6 (6) for the explanation on property, plant, and equipment, and refer to Note 4 (12) for the depreciation methods and useful lives of property, plant, and equipment.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF CHANGES IN INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Please refer to Note 6 (8) for the explanation on investment properties.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF DEFERRED TAX ASSETS
DECEMBER 31, 2023

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

Please refer to Note 6 (24) Explanation on Income Taxes for details.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023

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

<u>Types of Borrowings</u>	<u>Explanation</u>	<u>Ending Balance</u>	<u>Contract Period</u>	<u>Range of Interest Rate</u>	<u>Financing Amount</u>	<u>Collateral or Guarantee</u>
Unsecured Bank Loan	Citibank	\$ 130,000	2023.12.13-2024.3.21	1.54%-1.59%	\$ 150,000	None
	Export-Import Bank of the Republic of China	60,000	2023.6.14-2024.6.14	1.65%	\$ 300,000	"
		<u>\$ 190,000</u>				

MACAUTO INDUSTRIAL CO., LTD.
CONTRACT LIABILITIES – CURRENT STATEMENT
DECEMBER 31, 2023

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

Client	Summary	Amount	Note
Client F	Unearned Revenue	12,095	—
Client D	"	6,919	—
Client G	"	4,625	—
Client H	"	4,038	—
Client I	"	3,668	—
Client J	"	3,002	—
Others (Less than 5%)	"	21,646	—
		<u>\$ 55,993</u>	

MACAUTO INDUSTRIAL CO., LTD.
ACCOUNTS PAYABLE STATEMENT
DECEMBER 31, 2023

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

Client	Summary	Amount	Note
Goang Hann Enterprise Co., Ltd.	Accounts Payable	\$ 78,836	—
Chengxing Yong Industry Co., Ltd.	"	59,347	—
Jiunn Bane Enterprise Co.,Ltd	"	33,652	—
Yihe Shern Enterprise Co., Ltd.	"	33,622	—
Others (Less than 5%)	"	333,001	—
		<u>\$ 538,458</u>	

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2023

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

Client	Summary	Amount	Note
Payroll and Bonuses Payable	—	\$ 135,189	—
Payables for Employee			
Remuneration	—	32,577	—
Others (Less than 5%)	—	149,242	—
		<u>\$ 317,008</u>	

MACAUTO INDUSTRIAL CO., LTD.
DETAILED STATEMENT OF CURRENT INCOME TAX LIABILITY
DECEMBER 31, 2023

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

Item	Amount
Corporate Income Tax Payable	\$ 82,987
Additional Income Tax Payable on Undistributed Earnings	10,750
	<u>\$ 93,737</u>

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF PROVISIONS - CURRENT
DECEMBER 31, 2023

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

Please refer to Note 6 (11) Explanation on Provisions for liabilities - current in detail.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023

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

<u>Creditor</u>	<u>Summary</u>	<u>Loan amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral or guarantee</u>	<u>Note</u>
Mega International Commercial Bank	Secured Bank Loan	<u>\$ 68,965</u>	2015.1.6- 2024.11.15	0.72%	Land, Buildings, and Construction	Principal Repayment by Installments starting from November 15, 2017

Note: The Company has applied for a loan project for mid-term operational working capital from financial institutions in accordance with the "Guidelines for Enhancing the Promotion of Taiwan Business Investment Return Project (Phase II)" by the National Development Fund of the Executive Yuan. The loan interest rate is the Postal Savings 2-year fixed deposit interest rate minus a variable interest rate of 0.875%.

MACAUTO INDUSTRIAL CO., LTD.
REFUND LIABILITIES-CURRENT STATEMENT
DECEMBER 31, 2023

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

Client	Summary	Amount
Allowance for Sales Returns and Allowances	—	\$ 63,055
Accrued Business Promotion Expenses	—	18,529
		<u>\$ 81,584</u>

MACAUTO INDUSTRIAL CO., LTD.
NET DEFINED BENEFIT LIABILITY - NON-CURRENT CHANGES DETAILS
DECEMBER 31, 2023

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

Please refer to Note 6 (13) Explanation on Retirement Benefits for detailed information on retirement benefits.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Item	Quantity	Subtotal	Total	Note
Sales Revenue				
Automobile Sun Shade	3,530	\$ 2,434,430		—
- Finished Goods	thousand			
Mowers - Finished Goods	1	16,095		—
	thousand			
Molds		70,003		—
Merchandise		236,926		—
Automobile Sun Shade — Raw				
Materials		23,461		—
— Materials		49,109		—
— Work-in-Progress		521,813		—
Mowers — Raw Materials		133		—
— Materials		782		—
— Work-in-Progress		5,404		—
Sales Revenue			\$ 3,358,156	
Less: Sales Returns and Allowances			(2,397)	
Net Sales Revenue			<u>\$ 3,355,759</u>	

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Item	Amount
Beginning Merchandise	\$ 25,738
Purchases during the Year	222,809
Expenses Transferred	(312)
Ending Merchandise	(21,115)
Cost of Goods Sold	<u>227,120</u>
Beginning Raw Materials	84,457
Add: Materials Purchased during the Year	675,152
Less: Raw Materials Sold	(17,250)
Expenses Transferred	(2,928)
Scrap Materials	(2,038)
Ending Raw Materials	(82,609)
Materials Consumed during the Year	<u>654,784</u>
Beginning Supplies	48,497
Add: Supplies Purchased during the Year	692,703
Gain on physical supplies	162
Less: Supplies Sold	(37,070)
Expenses Transferred	(512)
Scrap Supplies	(155)
Ending Supplies	(45,387)
Supplies Consumed during the Year	<u>658,238</u>
Direct Labor	218,415
Manufacturing Expenses	<u>386,996</u>
Manufacturing Cost	<u>1,918,433</u>

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF OPERATING COSTS (CONTINUED)
DECEMBER 31, 2023

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

Item	Amount
Beginning Work-in-Progress Inventory	\$ 159,261
Add: Materials Added during the Year	205,548
Inventory Overage	962
Less: Work-in-Progress Inventory Sold	(412,340)
Expenses Transferred:	(2,018)
Work-in-Progress Inventory Scrapped	(3,950)
Ending Work-in-Progress Inventory	(167,138)
Finished Goods Cost	<u>1,698,758</u>
Beginning Finished Goods Inventory	209,881
Add: Materials Added during the Year	136
Less: Transferred to Fixed Assets	(1,231)
Expenses Transferred	(16,975)
Finished Goods Scrapped	(56)
Ending Finished Goods Inventory	(190,579)
Cost of Goods Manufactured and Sold	<u>1,699,934</u>
Add: Cost of Materials Sold	17,250
Cost of Supplies Sold	37,070
Cost of Work-in-Progress Inventory Sold	<u>412,340</u>
Cost of Inventories Sold	2,393,714
Inventory Scrap Loss	6,199
Inventory Impairment Loss	3,460
Less: Scrap and Waste Sales Revenue	(546)
Inventory Overage	(1,124)
Cost of Goods Sold	<u>\$ 2,401,703</u>

MACAUTO INDUSTRIAL CO., LTD.
MANUFACTURING EXPENSES STATEMENT
DECEMBER 31, 2023

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

Item	Summary	Amount	Note
Processing Fees	—	\$ 86,334	—
Salary Expenses	—	71,344	—
Depreciation	—	45,044	—
Product Service Warranty Expenses	—	28,208	—
Consumables	—	25,675	—
Labor Insurance and Health Insurance	—	30,528	—
Material Costs	—	24,744	—
Others (Less than 5%)	—	75,119	—
		<u>\$ 386,996</u>	

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Item	Summary	Amount	Note
Export Fees	—	\$ 144,504	—
Labor Fees	—	45,178	—
Salary Expenses	—	34,473	—
Freight Fees	—	28,502	—
Others (Less than 5%)	—	20,384	—
		<u>\$ 273,041</u>	

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Item	Summary	Amount	Note
Salary Expenses	—	\$ 87,236	—
Director's Remuneration	—	15,838	—
Labor Fees	—	7,852	—
Others (Less than 5%)	—	44,756	—
		<u>\$ 155,682</u>	

MACAUTO INDUSTRIAL CO., LTD.
RESEARCH AND DEVELOPMENT EXPENSE STATEMENT
DECEMBER 31, 2023

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

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Salary Expenses	—	\$ 76,451	—
Material Expenses	—	9,142	—
Labor Insurance	—	7,206	—
Others (Less than 5%)	—	29,918	—
		<u>\$ 122,717</u>	

MACAUTO INDUSTRIAL CO., LTD.
OTHER GAINS AND LOSSES STATEMENT
DECEMBER 31, 2023

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

Please refer to Note 6 (20) for detailed explanation on other gains and losses.

MACAUTO INDUSTRIAL CO., LTD.
STATEMENT OF FINANCE COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Please refer to Note 6 (21) for detailed explanation on financial cost.

MACAUTO INDUSTRIAL CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION,
AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Please refer to Note 6 (22) Additional Information on Expense Nature, and Note 6 (23) Explanation on Employee Benefit Expenses for further details.

Macauto Industrial Co., Ltd.

Chairman : Lin Chou, Yu-Shan