

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024 AND 2023

WITH

REVIEW REPORT OF INDEPENDENT AUDITORS

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Review Report
Review Report of Independent Accountants Translated from Chinese

The Board of Directors and Shareholders of
TONG YANG INDUSTRY CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of TONG YANG INDUSTRY CO., LTD. (the “Company”) and its subsidiaries as of 30 June 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2024 and 2023, changes in equity and cash flows for the six-month periods ended 30 June 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note IV.3, the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$5,790,648 thousand and NT\$6,059,361 thousand, constituting 15.85% and 17.74% of the consolidated total assets, and total liabilities of NT\$2,311,658 thousand and NT\$2,743,136 thousand, constituting 21.75% and 27.18% of the consolidated total liabilities as of 30 June 2024 and 2023, respectively; and total comprehensive income of NT\$71,839 thousand, NT\$(83,008) thousand, NT\$221,802 thousand and NT\$ (90,113) thousand, which represented 7.10%, (11.37)%, 9.35% and (6.66)% of the consolidated total comprehensive income for the three-month and six-month periods ended 30 June 2024 and 2023, respectively. As explained in Note VI.7, the financial statements of certain

associates and joint ventures accounted for under the equity method were not reviewed by independent auditors. Those associates and joint ventures under equity method amounted to NT\$871,730 thousand and NT\$930,116 thousand as of 30 June 2024 and 2023, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$974 thousand, NT\$(30,152) thousand, NT\$(30,651) thousand and NT\$(44,161) thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$8,303 thousand, NT\$(21,424) thousand, NT\$31,502 thousand and NT\$ (23,217) thousand for the three-month and six-month periods ended 30 June 2024 and 2023, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note XIII was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, associates and joint ventures accounted for using equity method been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 30 June 2024 and 2023, and their consolidated financial performance for the three-month and six-month periods ended 30 June 2024 and 2023 and cash flows for the six-month periods ended 30 June 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Hu, Tzu-Ren

Hung, Kuo-Sen

Ernst & Young, Taiwan
8 August 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

30 June 2024, 31 December 2023 and 30 June 2023

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Current assets				
Cash and cash equivalents	IV/VI.1	\$5,683,894	\$3,817,008	\$3,486,767
Financial assets measured at amortized cost-current	IV/VI. 3/VIII	40,342	287,056	280,438
Notes receivables,net	IV/VI.4.16/VII/VIII	434,178	439,738	345,059
Trade receivables,net	IV/VI.5.15.16	4,142,947	4,075,372	3,848,212
Trade receivables-related parties,net	IV/VI.5.16/VII	79,044	98,755	74,247
Other receivables	IV	299,246	416,621	299,584
Inventories,net	IV/VI.6	3,019,289	2,687,171	2,784,936
Other current assets	IV	317,248	284,758	285,919
Total current assets		14,016,188	12,106,479	11,405,162
Non-current assets				
Financial assets at fair value through other comprehensive income- non-current	IV/VI.2	548,058	671,057	542,854
Financial assets measured at amortized cost- non-current	IV/VI.3/VIII	11,498	11,498	18,098
Investments accounted for using the equity method	IV/VI.7	2,411,276	2,471,049	2,410,156
Property, plant and equipment	IV/VI.8/VIII	17,309,277	17,604,877	17,599,477
Right-of-use assets	IV/VI.17/VIII	226,958	233,447	243,090
Intangible assets	IV/VI.9.10	521,690	590,182	817,685
Deferred tax assets	IV/VI.21	219,182	231,847	145,274
Prepayment for equipments		918,464	769,472	605,806
Other non-current assets-others		361,585	356,274	369,084
Total non-current assets		22,527,988	22,939,703	22,751,524
Total assets		\$36,544,176	\$35,046,182	\$34,156,686

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

30 June 2024, 31 December 2023 and 30 June 2023

(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Current liabilities				
Short-term borrowings	IV/VI.11	\$483,438	\$528,878	\$936,799
Notes payables		40,342	314,124	453,825
Trade payables		2,626,322	2,596,091	2,294,341
Trade payables-related parties	VII	30,153	30,436	35,475
Other payables		1,284,715	1,513,568	1,059,942
Balance payable-machinery and equipment		480,692	477,582	483,908
Dividend payable		2,365,908	-	1,478,693
Current tax liabilities	IV/VI.21	563,137	796,016	333,188
Lease liabilities-current	IV/VI.17	3,836	14,775	19,095
Current portion of long-term liabilities	IV/VI.12	391,545	387,352	384,828
Other current liabilities-others	IV/VI.7.15	465,961	393,554	455,736
Total current liabilities		8,736,049	7,052,376	7,935,830
Non-current liabilities				
Long-term borrowings	IV/VI.12	1,254,166	1,452,035	1,645,711
Deferred tax liabilities	IV/VI.21	363,172	359,749	365,689
Lease liabilities- non-current	IV/VI.17	6,875	7,349	5,747
Accrued pension liabilities	IV/VI.13	252,315	247,909	128,561
Other non-current liabilities-others		17,491	14,667	11,441
Total non-current liabilities		1,894,019	2,081,709	2,157,149
Total liabilities		10,630,068	9,134,085	10,092,979
Equity attributable to the parent company				
Capital	IV/VI.14			
Common stock		5,914,771	5,914,771	5,914,771
Capital surplus	IV/VI.14	4,151,122	4,150,503	4,150,503
Retained earnings	IV/VI.14			
Legal reserve		3,163,500	2,871,990	2,871,990
Special reserve		-	96,706	96,706
Unappropriated earnings		11,900,317	12,248,076	10,581,332
Subtotal		15,063,817	15,216,772	13,550,028
Other equity	IV/VI.14	241,395	169,350	13,122
Non-controlling interests	IV/VI.14	543,003	460,701	435,283
Total equity		25,914,108	25,912,097	24,063,707
Total liabilities and equity		\$36,544,176	\$35,046,182	\$34,156,686

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month and six-month periods ended 30 June 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

ITEMS	NOTE	2024.4.1~ 2024.6.30	2023.4.1~ 2023.6.30	2024.1.1~ 2024.6.30	2023.1.1~ 2023.6.30
Operating revenue	IV/VI.15/VII	\$6,185,861	\$5,551,192	\$12,360,033	\$11,149,457
Operating costs	IV/VI.6.18/VII	(4,188,781)	(3,939,980)	(8,274,953)	(8,049,411)
Gross profit		1,997,080	1,611,212	4,085,080	3,100,046
Operating expenses	IV/VI.16.17.18/VII				
Sales and marketing expenses		(437,895)	(418,933)	(867,299)	(810,862)
General and administrative expenses		(311,809)	(264,780)	(601,002)	(513,801)
Research and development expenses		(160,025)	(130,944)	(314,113)	(258,019)
Expected credit losses		-	-	(4,345)	(770)
Subtotal		(909,729)	(814,657)	(1,786,759)	(1,583,452)
Operating income		1,087,351	796,555	2,298,321	1,516,594
Non-operating income and expenses					
Other revenue	IV/VI.19	94,213	83,015	279,383	138,192
Other gains and losses	IV/VI.19	101,577	65,452	273,046	3,889
Finance costs	IV/VI.19	(8,429)	(16,266)	(17,606)	(33,315)
Share of profit or loss of associates and joint ventures	IV/VI.7	43,187	20,733	(17,306)	(50,457)
Subtotal		230,548	152,934	517,517	58,309
Income from continuing operations before income tax		1,317,899	949,489	2,815,838	1,574,903
Income tax expense	IV/VI.21	(252,900)	(190,295)	(555,165)	(321,690)
Net income		\$1,064,999	\$759,194	\$2,260,673	\$1,253,213
Other comprehensive income	IV/VI.20				
Not to be reclassified to profit or loss in subsequent periods					
Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income		(115,085)	80,788	(122,999)	183,400
To be reclassified to profit or loss in subsequent periods					
Exchange differences resulting from translating the financial statements of a foreign operation		39,493	(35,529)	148,476	(6,121)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		22,632	(74,568)	85,658	(77,604)
Total other comprehensive income, net of tax		(52,960)	(29,309)	111,135	99,675
Total comprehensive income		\$1,012,039	\$729,885	\$2,371,808	\$1,352,888
Net income (loss) attributable to:					
Stockholders of the parent		\$1,040,843	\$757,947	\$2,212,953	\$1,248,353
Non-controlling interests		\$24,156	\$1,247	\$47,720	\$4,860
Comprehensive income (loss) attributable to:					
Stockholder of the parent		\$985,122	\$738,704	\$2,284,998	\$1,358,181
Non-controlling interests		\$26,917	\$(8,819)	\$86,810	\$(5,293)
Earnings per share (NTD)					
Earnings per share-basic	IV/VI.22	\$1.76	\$1.28	\$3.74	\$2.11
Earnings per share-diluted	IV/VI.22	\$1.76	\$1.28	\$3.74	\$2.11

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six-month periods ended 30 June 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

ITEMS	Equity attributable to the parent company								Non-controlling interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other equity		Total		
			Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences resulting from translating the financial statements of a foreign operation	Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income			
Balance as of 1 January 2023	\$5,914,771	\$4,150,081	\$2,648,261	\$473,048	\$10,659,059	\$(379,776)	\$283,070	\$23,748,514	\$516,973	\$24,265,487
Appropriation and distribution of 2022 retained earnings										
Legal reserve	-	-	223,729	-	(223,729)	-	-	-	-	-
Cash dividend	-	-	-	-	(1,478,693)	-	-	(1,478,693)	-	(1,478,693)
Special reserve	-	-	-	(376,342)	376,342	-	-	-	-	-
Other changes in additional paid-in capital	-	422	-	-	-	-	-	422	-	422
Net income for the six-month ended 30 June 2023	-	-	-	-	1,248,353	-	-	1,248,353	4,860	1,253,213
Other comprehensive income (loss), net of tax for the six-month periods ended 30 June 2023	-	-	-	-	-	(73,572)	183,400	109,828	(10,153)	99,675
Total comprehensive income (loss)	-	-	-	-	1,248,353	(73,572)	183,400	1,358,181	(5,293)	1,352,888
(Decrease) in non-controlling interests	-	-	-	-	-	-	-	-	(76,397)	(76,397)
Balance as of 30 June 2023	<u>\$5,914,771</u>	<u>\$4,150,503</u>	<u>\$2,871,990</u>	<u>\$96,706</u>	<u>\$10,581,332</u>	<u>\$(453,348)</u>	<u>\$466,470</u>	<u>\$23,628,424</u>	<u>\$435,283</u>	<u>\$24,063,707</u>
Balance as of 1 January 2024	\$5,914,771	\$4,150,503	\$2,871,990	\$96,706	\$12,248,076	\$(425,323)	\$594,673	\$25,451,396	\$460,701	\$25,912,097
Appropriation and distribution of 2023 retained earnings										
Legal reserve	-	-	291,510	-	(291,510)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,365,908)	-	-	(2,365,908)	-	(2,365,908)
Special reserve	-	-	-	(96,706)	96,706	-	-	-	-	-
Other changes in additional paid-in capital	-	619	-	-	-	-	-	619	-	619
Net income for the six-month ended 30 June 2024	-	-	-	-	2,212,953	-	-	2,212,953	47,720	2,260,673
Other comprehensive income (loss) , net of tax for the six-month periods ended 30 June 2024	-	-	-	-	-	195,044	(122,999)	72,045	39,090	111,135
Total comprehensive income (loss)	-	-	-	-	2,212,953	195,044	(122,999)	2,284,998	86,810	2,371,808
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(4,508)	(4,508)
Balance as of 30 June 2024	<u>\$5,914,771</u>	<u>\$4,151,122</u>	<u>\$3,163,500</u>	<u>\$-</u>	<u>\$11,900,317</u>	<u>\$(230,279)</u>	<u>\$471,674</u>	<u>\$25,371,105</u>	<u>\$543,003</u>	<u>\$25,914,108</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six-month periods ended 30 June 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

ITEMS	2024.1.1~ 2024.6.30	2023.1.1~ 2023.6.30	ITEMS	2024.1.1~ 2024.6.30	2023.1.1~ 2023.6.30
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$2,815,838	\$1,574,903	Acquisition of financial assets measured at amortized cost	(266,394)	(162,622)
Adjustments for:			Disposal of financial assets measured at amortized cost	513,108	-
Income and expense adjustments:			Proceeds from capital reduction of equity investments under equity method	7,111	-
Depreciation (including right-of-use assets)	1,315,259	1,401,343	Acquisition of property, plant and equipment	(1,132,273)	(1,094,084)
Amortization	106,877	113,490	Disposal of property, plant and equipment	35,994	148,411
Expected credit losses	4,345	770	Acquisition of intangible assets	(61,576)	(91,535)
Interest expense	17,606	33,315	Net cash (used in) investing activities	(904,030)	(1,199,830)
Interest revenue	(75,205)	(35,517)			
Share of (profit) loss of associates for using the equity method	17,306	50,457	Cash flows from financing activities:		
(Gain) on disposal of property, plant and equipment	(623)	(8,990)	Increase in short-term borrowings	212,812	-
Loss on disposal of intangible assets	11	-	(Decrease) in short-term borrowings	(258,252)	(301,029)
Impairment loss on non-financial assets	13,688	43,401	Reimburse long-term borrowings	(193,676)	(191,152)
Losses from lease modification	476	-	Reimburse lease principal	(13,231)	(11,683)
Changes in operating assets and liabilities:			Interest paid	(17,592)	(34,476)
Notes receivables,net	5,560	31,814	Change in non-controlling interests	(4,508)	(4,508)
Trade receivables,net	(71,920)	(305,533)	Net cash (used in) financing activities	(274,447)	(542,848)
Trade receivables-related parties,net	19,711	6,911			
Other receivables	238,370	(39,727)	Effect of exchange rate changes on cash and cash equivalents	46,349	34,198
Inventories	(332,118)	272,468			
Other current assets	(32,490)	47,064	Net increase in cash and cash equivalents	1,866,886	1,150,588
Other non-current assets	(4,723)	(35,863)	Cash and cash equivalents at beginning of period	3,817,008	2,344,300
Other operating assets	50,733	62,589	Cash and cash equivalents at end of period	\$5,683,894	\$3,494,888
Notes payables	(273,782)	336,591			
Trade payables	30,231	(86,174)	Cash and cash equivalents reported in the statement of financial position	\$5,683,894	\$3,486,767
Trade payables-related parties	(283)	(8,523)	(Non-current) assets (or disposal groups) classified as held for sale, net	-	8,121
Other payables	(224,944)	(71,881)	Cash and cash equivalents at end of period	\$5,683,894	\$3,494,888
Other current liabilities	86,392	(25,817)			
Accrued pension liabilities	4,406	(28,362)			
Other non-current liabilities	2,824	6,141			
Cash generated from operations	3,713,545	3,334,870			
Interest received	75,223	30,661			
Income tax paid	(789,754)	(506,463)			
Net cash provided by operating activities	2,999,014	2,859,068			

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Six-Month Periods Ended 30 June 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

I. HISTORY AND ORGANIZATION

1. TONG YANG INDUSTRY CO., LTD. (the “Company”) was incorporated under the laws of the Republic of China (the “ROC”) on 30 October 1967. The Company’s principal activities consist of the manufacture and sale of parts, components and models for automobile. The Company became a listed company on Taiwan Stock Exchange on 12 December 1994.
2. The Company merged with TAIWAN KAI YIH INDUSTRIAL CO., LTD. (TKY) on 1 September 2010 and was the surviving company. The Company merged with KAI MING INDUSTRIAL CO., LTD. (KM) on 1 October 2011 and was the surviving company.

II. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as “the Group”) for the six-month periods ended 30 June 2024 and 2023 were authorized for issue by the Board of Directors on 8 August 2024.

III. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

1. Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards and amendments had no material impact on the Group.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Group.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

- (1) Amendments to IFRS 1
- (2) Amendments to IFRS 7
- (3) Amendments to Guidance on implementing IFRS 7
- (4) Amendments to IFRS 9
- (5) Amendments to IFRS 10
- (6) Amendments to IAS 7

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

IV. SUMMARY OF MATERIAL ACCOUNTING POLICIES

1. Statement of Compliance

The consolidated financial statements of the Group for the six-month periods ended 30 June 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

3. Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b. exposure, or rights, to variable returns from its involvement with the investee; and
- c. the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. the contractual arrangement with the other vote holders of the investee;
- b. rights arising from other contractual arrangement;
- c. the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- a. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- b. derecognizes the carrying amount of any non-controlling interest;
- c. recognizes the fair value of the consideration received;
- d. recognizes the fair value of any investment retained;
- e. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- f. recognizes any resulting difference in profit or loss.

The consolidated entities are as follows:

Invest Company	Investee Company	Major business	Percentage of ownership (%)		
			30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
The Company	RU YANG INDUSTRIAL CO., LTD. (RU YANG)	Manufacture and sale of automobile parts	58.95%	58.95%	58.95%
The Company	TONG YANG HOLDING CORPORATION (TONG YANG HOLDING)	Investment holding	100.00%	100.00%	100.00%
The Company	HOW BOND INVESTMENT CO., LTD. (HOW BOND)	Investment holding	100.00%	100.00%	100.00%
The Company	DING CHUNG INDUSTRY CO., LTD. (DING CHUNG)	Sale of automobile parts and tooling mold	100.00%	100.00%	100.00%
TONG YANG HOLDING	CHONGQING DAJING YUCHYANG PLASTICS CO., LTD. (DAJING YUCHYANG)	Manufacture and sale of automobile parts	-% (Note 1)	-% (Note 1)	-% (Note 1)
TONG YANG HOLDING	FUZHOU TONG YANG PLASTICS CO., LTD.	Manufacture and sale of automobile parts	100.00%	100.00%	100.00%
TONG YANG HOLDING	CHONGQING DAJING TONG YANG PLASTICS CO., LTD.	Manufacture and sale of automobile parts	55.00% (Note 1)	55.00% (Note 1)	55.00% (Note 1)
TONG YANG HOLDING	GUANGZHOU TONG YANG TATEMATSU MOLD MANUFACTURING CO., LTD.	Design, manufacture and sale of tooling mold	90.00%	90.00%	90.00%
TONG YANG HOLDING	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD.	Manufacture and sale of automobile parts	100.00%	100.00%	100.00%
TONG YANG HOLDING	FUSHUN TONG YANG AUTOMOBILE COMPONENT CO., LTD. (FUSHUN TONG YANG)	Manufacture and sale of automobile parts	100.00%	100.00%	100.00%

Invest Company	Investee Company	Major business	Percentage of ownership (%)		
			30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
TONG YANG HOLDING	TONG YANG (GUANGZHOU) TECHNOLOGY R&D SERVICE CO., LTD.	Product Design, R&D, Testing and Service	100.00%	100.00%	100.00%
DAJING YUCHYANG	CHONGQING DAJING TONG YANG PLASTICS CO., LTD.	Manufacture and sale of automobile parts	-% (Note 1)	-% (Note 1)	-% (Note 1)
HOW BOND	TYG HOLDING (U.S.A.), INC. (TYG HOLDING)	Investment holding	100.00%	100.00%	100.00%
HOW BOND	NANJING TONG YANG AUTO PARTS CO., LTD.	Manufacture and sale of automobile parts	100.00%	100.00%	100.00%
TYG HOLDING	TYG MANAGEMENT, INC.	Management consult	100.00%	100.00%	100.00%
TYG HOLDING	TYG LEASING, L.P.	Leasing	99.00%	99.00%	99.00%
TYG HOLDING	TYG PRODUCTS, L.P.	Manufacture and sale of automobile parts	99.00%	99.00%	99.00%

Note 1: In August 2023, the Company's Board of Directors resolved to cancel the original plan to sell 55% of the equity of DAJING YUCHYANG and instead to liquidate DAJING YUCHYANG directly. The original indirect investment of 30% equity in DAJING TONG YANG through DAJING YUCHYANG was adjusted to be directly invested by TONG YANG HOLDING. The registration of equity change was completed in May 2024.

Expect for TONG YANG HOLDING and FUZHOU TONG YANG, the other consolidated subsidiaries' financial reports were not reviewed by the independent accountants and whose total assets amounted to NT\$5,790,648 thousand and NT\$6,059,361 thousand; the total liabilities amounted to NT\$2,311,658 thousand and NT\$2,743,136 thousand as of 30 June 2024 and 2023; the total comprehensive income amounted to NT\$71,839 thousand, NT\$(83,008) thousand, NT\$221,802 thousand and NT\$(90,113) thousand for the three-month and six-month periods ended 30 June 2024 and 2023.

4. Current and non-current distinction

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

5. The same accounting policies applied in the Group's consolidated financial statements for the six-month periods ended 30 June 2024 and 2023 as those applied in the Group's consolidated financial statements for the year ended 31 December 2023 except for description below. For summary of other significant accounting policies, please refer to the Group's consolidated financial statements for the year ended 31 December 2023.

(1) Post-employment benefits

Pension cost for an interim period is calculated on a year-to-date by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(2) Income taxes

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

V. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example the discounted cash flow model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(2) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

(3) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

(4) Revenue recognition-sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(5) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(6) Trade receivables—estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(7) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made.

Please refer to Note 6 for more details.

VI. CONTENTS OF SIGNIFICANT ACCOUNTS

1. Cash and cash equivalents

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2024
Cash on hand	\$3,671	\$4,226	\$4,423
Saving account	2,795,573	1,785,969	1,840,603
Time deposits	2,833,440	1,936,040	1,551,381
Cash equivalents — short-term notes and bills	51,210	90,773	90,360
Total	<u>\$5,683,894</u>	<u>\$3,817,008</u>	<u>\$3,486,767</u>

2. Financial assets at fair value through other comprehensive income

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Equity instrument investments measured at fair value through other comprehensive income – non-current:			
Unlisted companies stocks	<u>\$548,058</u>	<u>\$671,057</u>	<u>\$542,854</u>

The Group classified certain of its financial assets at fair value through other comprehensive income were not pledged.

3. Financial assets measured at amortized cost

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Time deposits	\$-	\$234,871	\$29,578
Restricted deposits	51,840	63,683	268,958
Total	<u>\$51,840</u>	<u>\$298,554</u>	<u>\$298,536</u>
Current	\$40,342	\$287,056	\$280,438
Non-current	11,498	11,498	18,098
Total	<u>\$51,840</u>	<u>\$298,554</u>	<u>\$298,536</u>

The Group classified certain financial assets as financial assets measured at amortized cost.

Please refer to Note VI.(16) for more details on loss allowance and Note VIII for more details on financial assets measured at amortized cost under pledge and Note XII for more details on credit risk.

4. Notes receivables

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Notes receivables arising from operating activities	\$434,829	\$440,389	\$345,710
Less: loss allowance	(651)	(651)	(651)
Total	<u>\$434,178</u>	<u>\$439,738</u>	<u>\$345,059</u>

Please refer to Note 8 for more details on notes receivables under pledge.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note VI.(16) for more details on accumulated impairment and Note XII for more details on credit risk.

5. Trade receivables and Trade receivables-related parties

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Trade receivables	\$4,210,088	\$4,136,672	\$3,883,999
Less: loss allowance	(67,141)	(61,300)	(35,787)
Subtotal	4,142,947	4,075,372	3,848,212
Trade receivables from related parties	79,044	98,755	74,247
Less: loss allowance	-	-	-
Subtotal	79,044	98,755	74,247
Total	\$4,211,991	\$4,174,127	\$3,922,459

Trade receivables were not pledged.

Trade receivables are generally on 15-120 day terms. The total carrying amount as of 30 June 2024, 31 December 2023 and 30 June 2023 were NT\$4,289,132, NT\$4,235,427 and NT\$3,958,246, respectively. Please refer to Note VI.(16) for more details on loss allowance of trade receivables for the six-month periods ended 30 June 2024 and 2023 and please refer to Note XII for credit risk management.

6. Inventories

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Raw materials	\$633,275	\$565,056	\$595,459
Supplies and parts	213,467	220,605	229,606
Work in progress	471,346	393,708	507,076
Finished goods	1,557,544	1,395,048	1,354,874
Merchandise	143,657	112,754	97,921
Total	\$3,019,289	\$2,687,171	\$2,784,936

The cost of inventories recognized in expenses amounts to NT\$4,188,781 thousand and NT\$3,939,980 thousand for the three-month period ended 30 June 2024 and 2023, respectively, including the write-down of inventories of NT\$(36) thousand and reversal of write-down of inventories of NT\$1,171 thousand for the three-month periods ended 30 June 2024 and 2023, respectively.

The cost of inventories recognized in expenses amounts to NT\$8,274,953 thousand and NT\$8,049,411 thousand for the six-month period ended 30 June 2024 and 2023, respectively, including the write-down of inventories of NT\$(137) thousand and reversal of write-down of inventories of NT\$2,653 thousand for the six-month periods ended 30 June 2024 and 2023, respectively.

No inventories were pledged.

7. Investments accounted for using the equity method

(1) The following table lists the investments accounted for using the equity method of the Group:

Investees	As at					
	30 Jun. 2024		31 Dec. 2023		30 Jun. 2023	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
<u>Unlisted company</u>						
TUNG YANG CHEMICAL CO., LTD.	\$111,173	40.00%	\$117,809	40.00%	\$111,126	40.00%
C&D II CAPITAL CORPORATION.	61,644	42.53%	68,748	42.53%	69,170	42.53%
CHANG CHUEN FAWAY TONG YANG PLASTICS CO., LTD.	1,539,546	49.00%	1,581,839	49.00%	1,480,041	49.00%
CHANGSHA GACC TONG YANG AUTOMOBILE COMPONENT CO., LTD.	256,263	49.00%	270,734	49.00%	337,058	49.00%
DAIKYO NISHIKAWA TONG YANG AUTO PARTS (NANJING) CO., LTD.	348,879	45.00%	328,449	45.00%	310,694	45.00%
WUHAN XIANG XING AUTO PARTS CO., LTD.	78,581	25.00%	88,310	25.00%	86,904	25.00%
WU'S PLASTICS CO.,LTD. (literal translation)	15,190	50.00%	15,160	50.00%	15,163	50.00%
Total	<u>\$2,411,276</u>		<u>\$2,471,049</u>		<u>\$2,410,156</u>	

- (2) The Group's investments in the associates are not individually material. The related share of investment in the associates amounted to NT\$2,411,276 thousand, NT\$2,471,049 thousand and NT\$2,410,156 thousand as at 30 June 2024, 31 December 2023 and 30 June 2023.

The aggregate financial information of the Group's investments in associates is as follows:

	1 Apr.~ 30 Jun. 2024	1 Apr.~ 30 Jun.2023	1 Jan.~ 30 Jun.2024	1 Jan.~ 30 Jun. 2023
Profit or loss from continuing operations	\$43,187	\$20,733	\$(17,306)	\$(50,457)
Other comprehensive income	22,632	(74,568)	85,658	(77,604)
Total comprehensive income	<u>\$65,819</u>	<u>\$(53,835)</u>	<u>\$68,352</u>	<u>\$(128,061)</u>

- (3) The carrying amount of investments accounted for under the equity method in investees except for Chang Chuen Faway Tong Yang Plastics Co., Ltd., whose unreviewed financial statements, amounted to NT\$871,730 thousand and NT\$930,116 thousand, as of 30 June 2024 and 2023, respectively. The share of the profit or loss of these associates and joint ventures accounted for using the equity method amounted to NT\$974 thousand, NT\$(30,152) thousand, NT\$(30,651) thousand and NT\$(44,161) thousand for the three-month and six-month periods ended 30 June 2024 and 2023, respectively. The share of other comprehensive income of these associates and joint ventures accounted for using the equity method amounted to NT\$8,303 thousand, NT\$(21,424) thousand, NT\$31,502 thousand and NT\$(23,217) thousand for the three-month and six-month periods ended 30 June 2024 and 2023, respectively. These amounts were based on the unreviewed financial statements of the investees.
- (4) The associates had no contingent liabilities or capital commitments and as investment in the associates were not pledged of 30 June 2024, 31 December 2023 and 30 June 2023.

8. Property, plant and equipment

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Owner occupied property, plant and equipment	<u>\$17,309,277</u>	<u>\$17,604,877</u>	<u>\$17,599,477</u>

										Construction in progress and equipment awaiting examination	Total
	Land	Buildings	Machinery and equipment	Molding equipment	Office equipment	Transportation equipment	Utilities equipment	Other facilities	Leasehold improvements		
Cost:											
As at 1 Jan. 2024	\$4,702,614	\$8,001,535	\$6,251,015	\$11,910,272	\$114,611	\$377,763	\$491,736	\$379,928	\$-	\$233,567	\$32,463,041
Additions	-	18,427	138,768	659,169	3,765	37,827	8,469	47,638	-	56,144	970,207
Disposals	-	(94,489)	(648,140)	(816,345)	(4,339)	(20,691)	(34,662)	(57,504)	-	-	(1,676,170)
Exchange differences	793	80,352	106,251	13,318	4,153	801	1,688	(1,027)	-	5,103	211,432
Transfers	-	159,415	-	-	-	-	-	5,862	-	(165,277)	-
Other changes	-	(7,493)	(15,480)	-	(972)	(119)	(214)	(3,955)	-	(562)	(28,795)
As at 30 Jun. 2024	<u>\$4,703,407</u>	<u>\$8,157,747</u>	<u>\$5,832,414</u>	<u>\$11,766,414</u>	<u>\$117,218</u>	<u>\$395,581</u>	<u>\$467,017</u>	<u>\$370,942</u>	<u>\$-</u>	<u>\$128,975</u>	<u>\$31,939,715</u>
As at 1 Jan. 2023	\$4,102,956	\$8,427,518	\$7,185,605	\$12,088,621	\$103,066	\$410,365	\$497,006	\$488,398	\$135	\$110,607	\$33,414,277
Additions	-	12,173	101,515	806,677	17,813	18,935	28,626	21,359	-	53,114	1,060,212
Disposals	-	(33,492)	(193,379)	(905,169)	(2,816)	(30,061)	(8,255)	(7,354)	-	(4,149)	(1,184,675)
Exchange differences	198	(54,242)	(79,564)	1,389	2,038	(837)	(1,718)	(7,771)	-	(368)	(140,875)
Transfers	-	54,165	-	-	-	-	-	-	-	(54,165)	-
Other changes	-	(277,601)	(245,622)	-	-	-	(8,888)	(59,409)	-	-	(591,520)
As at 30 Jun. 2023	<u>\$4,103,154</u>	<u>\$8,128,521</u>	<u>\$6,768,555</u>	<u>\$11,991,518</u>	<u>\$120,101</u>	<u>\$398,402</u>	<u>\$506,771</u>	<u>\$435,223</u>	<u>\$135</u>	<u>\$105,039</u>	<u>\$32,557,419</u>
Depreciation and impairment:											
As at 1 Jan. 2024	\$-	\$3,078,056	\$4,506,811	\$6,449,133	\$63,699	\$218,743	\$289,677	\$252,045	\$-	\$-	\$14,858,164
Depreciation	-	150,855	246,976	817,845	7,307	21,767	23,371	32,686	-	-	1,300,807
Impairment loss	-	-	13,688	-	-	-	-	-	-	-	13,688
Disposals	-	(94,768)	(634,310)	(804,604)	(4,323)	(20,350)	(26,457)	(55,987)	-	-	(1,640,799)
Exchange differences	-	34,164	71,330	6,873	4,611	614	954	1,927	-	-	120,473
Other changes	-	(6,173)	(11,743)	-	(875)	(107)	(193)	(2,804)	-	-	(21,895)
As at 30 Jun. 2024	<u>\$-</u>	<u>\$3,162,134</u>	<u>\$4,192,752</u>	<u>\$6,469,247</u>	<u>\$70,419</u>	<u>\$220,667</u>	<u>\$287,352</u>	<u>\$227,867</u>	<u>\$-</u>	<u>\$-</u>	<u>\$14,630,438</u>

										Construction in progress and equipment awaiting examination	Total
	Land	Buildings	Machinery and equipment	Molding equipment	Office equipment	Transportation equipment	Utilities equipment	Other facilities	Leasehold improvements		
As at 1 Jan. 2023	\$-	\$3,185,139	\$4,895,001	\$6,207,681	\$58,587	\$252,443	\$287,544	\$335,751	\$120	\$-	\$15,222,266
Depreciation	-	161,109	301,894	831,778	7,491	23,255	25,600	35,975	15	-	1,387,117
Disposals	-	(33,492)	(179,887)	(784,773)	(2,660)	(29,127)	(8,255)	(7,060)	-	-	(1,045,254)
Exchange differences	-	(16,591)	(61,748)	238	771	(616)	(941)	(1,013)	-	-	(79,900)
Other changes	-	(227,491)	(231,050)	-	-	-	(8,379)	(59,367)	-	-	(526,287)
As at 30 Jun. 2023	<u>\$-</u>	<u>\$3,068,674</u>	<u>\$4,724,210</u>	<u>\$6,254,924</u>	<u>\$64,189</u>	<u>\$245,955</u>	<u>\$295,569</u>	<u>\$304,286</u>	<u>\$135</u>	<u>\$-</u>	<u>\$14,957,942</u>

Net carrying amount
as at:

30 Jun. 2024	<u>\$4,703,407</u>	<u>\$4,995,613</u>	<u>\$1,639,662</u>	<u>\$5,297,167</u>	<u>\$46,799</u>	<u>\$174,914</u>	<u>\$179,665</u>	<u>\$143,075</u>	<u>\$-</u>	<u>\$128,975</u>	<u>\$17,309,277</u>
31 Dec. 2023	<u>\$4,702,614</u>	<u>\$4,923,479</u>	<u>\$1,744,204</u>	<u>\$5,461,139</u>	<u>\$50,912</u>	<u>\$159,020</u>	<u>\$202,059</u>	<u>\$127,883</u>	<u>\$-</u>	<u>\$233,567</u>	<u>\$17,604,877</u>
30 Jun. 2023	<u>\$4,103,154</u>	<u>\$5,059,847</u>	<u>\$2,044,345</u>	<u>\$5,736,594</u>	<u>\$55,912</u>	<u>\$152,447</u>	<u>\$211,202</u>	<u>\$130,937</u>	<u>\$-</u>	<u>\$105,039</u>	<u>\$17,599,477</u>

The amount of capitalized interests and interest rates are as follows:

Items	1 Jan. ~ 30 Jun. 2024	1 Jan. ~ 30 Jun. 2023
Construction in progress	\$3,003	\$1,591
The interest rate interval of borrowing cost capitalization	0.65%~0.73%	0.42%~0.60%

Please refer to Note VIII for more details on property, plant and equipment under pledge.

9. Intangible assets

	Computer software	Other intangible assets	Goodwill	Total
Cost:				
As at 1 Jan. 2024	\$197,311	\$2,823,731	\$319,650	\$3,340,692
Addition - acquired separately	5,335	56,241	-	61,576
Decrease	(29,181)	(53,250)	-	(82,431)
Exchange differences	3,160	55,603	-	58,763
Other changes	-	19,644	-	19,644
As at 30 Jun. 2024	<u>\$176,625</u>	<u>\$2,901,969</u>	<u>\$319,650</u>	<u>\$3,398,244</u>
As at 1 Jan. 2023	\$223,058	\$2,982,194	\$319,650	\$3,524,902
Addition - acquired separately	9,476	82,059	-	91,535
Decrease	(68,452)	(66,338)	-	(134,790)
Exchange differences	(2,003)	(61,290)	-	(63,293)
Other changes	(2,722)	43,691	-	40,969
As at 30 Jun. 2023	<u>\$159,357</u>	<u>\$2,980,316</u>	<u>\$319,650</u>	<u>\$3,459,323</u>
Amortization and impairment:				
As at 1 Jan. 2024	\$153,988	\$2,596,522	\$-	\$2,750,510
Amortization	10,699	96,178	-	106,877
Decrease	(29,170)	(2,517)	-	(31,687)
Exchange differences	2,748	48,106	-	50,854
Other changes	-	-	-	-
As at 30 Jun. 2024	<u>\$138,265</u>	<u>\$2,738,289</u>	<u>\$-</u>	<u>\$2,876,554</u>
As at 1 Jan. 2023	\$174,337	\$2,476,316	\$-	\$2,650,653
Amortization	13,117	100,373	-	113,490
Decrease	(68,452)	(3,749)	-	(72,201)
Exchange differences	(1,726)	(45,856)	-	(47,582)
Other changes	(2,722)	-	-	(2,722)
As at 30 Jun. 2023	<u>\$114,554</u>	<u>\$2,527,084</u>	<u>\$-</u>	<u>\$2,641,638</u>
Net carrying amount as at:				
30 Jun. 2024	<u>\$38,360</u>	<u>\$163,680</u>	<u>\$319,650</u>	<u>\$521,690</u>
31 Dec. 2023	<u>\$43,323</u>	<u>\$227,209</u>	<u>\$319,650</u>	<u>\$590,182</u>
30 Jun. 2023	<u>\$44,803</u>	<u>\$453,232</u>	<u>\$319,650</u>	<u>\$817,685</u>

Amortization expense of intangible assets under the statement of comprehensive income:

	1 Apr. ~ 30 Jun. 2024	1 Apr. ~ 30 Jun.2023	1 Jan. ~ 30 Jun.2024	1 Jan. ~ 30 Jun. 2023
Operating costs	\$57,174	\$47,094	\$92,362	\$96,626
Sales and marketing expenses	\$1,215	\$1,098	\$2,388	\$2,207
General and administrative expenses	\$5,466	\$6,526	\$10,586	\$12,907
Research and development expenses	\$728	\$875	\$1,541	\$1,750

10. Impairment test of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and licences with indefinite lives have been allocated to Aftermarket-department A CGU, for impairment testing as follows:

Carrying amount of goodwill and licences allocated to each of the cash-generating units:

As at	Goodwill Aftermarket- department A
30 Jun. 2024	\$319,650
31 Dec. 2023	\$319,650
30 Jun. 2023	\$319,650

After Market-Department A CGU

The recoverable amount of Aftermarket-department A CGU is determined by value-in-use, and the value-in-use is calculated based on the five year cash flow forecast which is authorized by management. Cash flow forecast has been updated to reflect the fluctuation of related product demands. The discount rate used by cash flow forecast were 11.73% and 11.39% for the six-month periods ended 30 June 2024 and 2023.

11. Short-term borrowings

	Interest rate range	As at 30 Jun. 2024
Unsecured bank loans	3.50%~7.15%	\$394,071
Secured bank loans	4.15%~4.79%	89,367
Total		<u>\$483,438</u>
	Interest rate range	As at 31 Dec. 2023
Unsecured bank loans	3.60%~7.24%	\$382,104
Secured bank loans	4.35%~4.79%	146,774
Total		<u>\$528,878</u>
	Interest rate range	As at 30 Jun. 2023
Unsecured bank loans	3.90%~7.09%	\$602,783
Secured bank loans	4.10%~4.80%	334,016
Total		<u>\$936,799</u>

Please refer to Note VIII for the detail of the assets pledged as collateral.

12. Long-term borrowings

Details of long-term borrowings as at 30 June 2024, 31 December 2023 and 30 June 2023 are as follows:

		As at 30 Jun. 2024		
Lenders	Period	Amount	Interest rate	Maturity date and terms of repayment
Unsecured Loan:				
Chang Hwa Bank	5 Jul. 2019~ 15 Jul. 2029	\$303,305	(Note)	Principal is repaid by 84 monthly payment of NT\$4,972,214 dollars, with the last payment being NT\$4,972,238 dollars, starting from Aug. 2022.
Chang Hwa Bank	5 Jul. 2019~ 15 Jul. 2026	76,563	(Note)	Principal is repaid by 48 monthly payment, with the first to third instalments paying NT\$3,062,502 dollars each, the fourth to 47th instalments paying NT\$3,062,498 dollars each, and the last payment being NT\$3,062,582 dollars, starting from Aug. 2022.

Lenders	Period	As at 30 Jun. 2024		Maturity date and terms of repayment
		Amount	Interest rate	
Chang Hwa Bank	17 Dec. 2020~ 15 Dec. 2030	32,810	(Note)	Principal is repaid by 84 monthly payment of NT\$420,643 dollars, with the last payment being NT\$420,631 dollars, starting from Jan. 2024.
E. Sun Commercial Bank	4 Jul. 2019~ 15 Jul. 2029	353,856	(Note)	Principal is repaid by 84 monthly payment of NT\$5,800,916 dollars, with the last payment being NT\$5,800,972 dollars, starting from Aug. 2022.
E. Sun Commercial Bank	4 Jul. 2019~ 15 Jul. 2026	89,323	(Note)	Principal is repaid by 48 monthly payment of NT\$3,572,919 dollars, with the last payment being NT\$3,572,807 dollars, starting from Aug. 2022.
E. Sun Commercial Bank	15 Apr. 2022~ 15 Apr. 2032	41,223	(Note)	Principal is repaid by 84 monthly payment of NT\$490,750 dollars, starting from May 2025.
CTBC Bank	5 Jul. 2019~ 15 Jul. 2029	303,305	(Note)	Principal is repaid by 84 monthly payment of NT\$4,972,212 dollars, with the last payment being NT\$4,972,404 dollars, starting from Aug. 2022.
CTBC Bank	5 Jul. 2019~ 15 Jul. 2026	76,563	(Note)	Principal is repaid by 48 monthly payment of NT\$3,062,500 dollars, starting from Aug. 2022.
CTBC Bank	17 Dec. 2021~ 15 Dec. 2031	35,334	(Note)	Principal is repaid by 84 monthly payment of NT\$420,643 dollars, with the last payment being NT\$420,631 dollars, starting from Jan. 2025.

As at 30 Jun. 2024				
Lenders	Period	Amount	Interest rate	Maturity date and terms of repayment
O-bank	4 Jul. 2019~ 15 Jul. 2029	243,770	(Note)	Principal is repaid by 85 monthly payment of NT\$3,996,272 dollars, with the last payment being NT\$3,994,152 dollars, starting from Jul. 2022.
O-bank	4 Jul. 2019~ 15 Jul. 2026	60,440	(Note)	Principal is repaid by 49 monthly payment of NT\$2,419,142 dollars, with the last payment being NT\$2,381,184 dollars, starting from Jul. 2022.
O-bank	17 May 2022~ 15 May 2032	29,219	(Note)	Principal is repaid by 85 monthly payment of NT\$343,753 dollars, with the last payment being NT\$343,748 dollars, starting from May 2025.
Subtotal		1,645,711		
Less: current portion		(391,545)		
Total		<u>\$1,254,166</u>		

As at 31 Dec. 2023				
Lenders	Period	Amount	Interest rate	Maturity date and terms of repayment
Unsecured Loan: Chang Hwa Bank	5 Jul. 2019~ 15 Jul. 2029	\$333,138	(Note)	Principal is repaid by 84 monthly payment of NT\$4,972,214 dollars, with the last payment being NT\$4,972,238 dollars, starting from Aug. 2022.
Chang Hwa Bank	5 Jul. 2019~ 15 Jul. 2026	94,938	(Note)	Principal is repaid by 48 monthly payment, with the first to third instalments paying NT\$3,062,502 dollars each, the fourth to 47th instalments paying NT\$3,062,498 dollars each and the last payment being NT\$3,062,582 dollars, starting from Aug. 2022.

Lenders	Period	As at 31 Dec. 2023		Maturity date and terms of repayment
		Amount	Interest rate	
Chang Hwa Bank	17 Dec. 2020~ 15 Dec. 2030	35,334	(Note)	Principal is repaid by 84 monthly payment of NT\$420,643 dollars, with the last payment being NT\$420,631 dollars, starting from Jan. 2024.
E. Sun Commercial Bank	4 Jul. 2019~ 15 Jul. 2029	388,661	(Note)	Principal is repaid by 84 monthly payment of NT\$5,800,916 dollars, with the last payment being NT\$5,800,972 dollars, starting from Aug. 2022.
E. Sun Commercial Bank	4 Jul. 2019~ 15 Jul. 2026	110,760	(Note)	Principal is repaid by 48 monthly payment of NT\$3,572,919 dollars, with the last payment being NT\$3,572,807 dollars, starting from Aug. 2022.
E. Sun Commercial Bank	15 Apr. 2022~ 15 Apr. 2032	41,223	(Note)	Principal is repaid by 84 monthly payment of NT\$490,750 dollars, starting from May. 2025.
CTBC Bank	5 Jul. 2019~ 15 Jul. 2029	333,138	(Note)	Principal is repaid by 84 monthly payment of NT\$4,972,212 dollars, with the last payment being NT\$4,972,404 dollars, starting from Aug. 2022.
CTBC Bank	17 Dec. 2021~ 15 Dec. 2031	35,334	(Note)	Principal is repaid by 84 monthly payment of NT\$420,643 dollars, with the last payment being NT\$420,631 dollars, starting from Jan. 2025.

Lenders	Period	As at 31 Dec. 2023		Maturity date and terms of repayment
		Amount	Interest rate	
CTBC Bank	5 Jul. 2019~ 15 Jul. 2026	94,938	(Note)	Principal is repaid by 48 monthly payment of NT\$3,062,500 dollars, starting from Aug. 2022.
O-bank	4 Jul. 2019~ 15 Jul. 2029	267,748	(Note)	Principal is repaid by 85 monthly payment of NT\$3,996,272 dollars, with the last payment being NT\$3,994,152 dollars, starting from Jul. 2022.
O-bank	4 Jul. 2019~ 15 Jul. 2026	74,956	(Note)	Principal is repaid by 49 monthly payment of NT\$2,419,142 dollars, with the last payment being NT\$2,381,184 dollars, starting from Jul. 2022.
O-bank	17 May 2022~ 15 May 2032	29,219	(Note)	Principal is repaid by 85 monthly payment of NT\$343,753 dollars, with the last payment being NT\$343,748 dollars, starting from May 2025.
Subtotal		1,839,387		
Less: current portion		(387,352)		
Total		<u>\$1,452,035</u>		

		As at 30 Jun. 2023		
Lenders	Period	Amount	Interest rate	Maturity date and terms of repayment
Unsecured Loan:				
Chang Hwa Bank	5 Jul. 2019~ 15 Jul. 2029	\$362,972	(Note)	Principal is repaid by 84 monthly payment of NT\$4,972,214 dollars, with the last payment being NT\$4,972,238 dollars, starting from Aug. 2022.
Chang Hwa Bank	5 Jul. 2019~ 15 Jul. 2026	113,312	(Note)	Principal is repaid by 48 monthly payment of NT\$3,062,502 dollars, with the last payment being NT\$3,062,406 dollars, starting from Aug. 2022.
Chang Hwa Bank	17 Dec. 2020~ 15 Dec. 2030	35,334	(Note)	Principal is repaid by 84 monthly payment of NT\$420,643 dollars, with the last payment being NT\$420,631 dollars, starting from Jan. 2024.
E. Sun Commercial Bank	4 Jul. 2019~ 15 Jul. 2029	423,467	(Note)	Principal is repaid by 84 monthly payment of NT\$5,800,916 dollars, with the last payment being NT\$5,800,972 dollars, starting from Aug. 2022.
E. Sun Commercial Bank	4 Jul. 2019~ 15 Jul. 2026	132,198	(Note)	Principal is repaid by 48 monthly payment of NT\$3,572,919 dollars, with the last payment being NT\$3,572,807 dollars, starting from Aug. 2022.
E. Sun Commercial Bank	15 Apr. 2022~ 15 Apr. 2032	41,223	(Note)	Principal is repaid by 84 monthly payment of NT\$490,750 dollars, starting from May 2025.

Lenders	Period	As at 30 Jun. 2023		Maturity date and terms of repayment
		Amount	Interest rate	
CTBC Bank	5 Jul. 2019~ 15 Jul. 2029	362,972	(Note)	Principal is repaid by 84 monthly payment of NT\$4,972,212 dollars, with the last payment being NT\$4,972,404 dollars, starting from Aug. 2022.
CTBC Bank	5 Jul. 2019~ 15 Jul. 2026	113,312	(Note)	Principal is repaid by 48 monthly payment of NT\$3,062,500 dollars, starting from Aug. 2022.
CTBC Bank	17 Dec. 2021~ 15 Dec. 2031	35,334	(Note)	Principal is repaid by 84 monthly payment of NT\$420,643 dollars, with the last payment being NT\$420,631 dollars, starting from Jan. 2025.
O-bank	4 Jul. 2019~ 15 Jul. 2029	291,726	(Note)	Principal is repaid by 85 monthly payment of NT\$3,996,272 dollars, with the last payment being NT\$3,994,152 dollars, starting from Jul. 2022.
O-bank	4 Jul. 2019~ 15 Jul. 2026	89,470	(Note)	Principal is repaid by 49 monthly payment of NT\$2,419,142 dollars, with the last payment being NT\$2,381,184 dollars, starting from Jul. 2022.
O-bank	17 May 2022~ 15 May 2032	29,219	(Note)	Principal is repaid by 85 monthly payment of NT\$343,753 dollars, with the last payment being NT\$343,748 dollars, starting from May 2025.
Subtotal		2,030,539		
Less: current portion		(384,828)		
Total		<u>\$1,645,711</u>		

Please refer to Note VIII for the detail of the assets pledged as collateral.

Note: In 2019, the Group enter into contracts with designated banks in accordance with the “Project Loans Guidelines to Welcome Overseas Taiwanese Businesses to Return to Invest in Taiwan”. The terms and conditions have been prescribed in accordance with the approval letter. The interest rates are based on the variable interest rate of the two-year fixed deposit of Chunghwa Post Co., Ltd minus 0.095% ~ 0.995%, and must not exceed the variable interest rates of the two-year fixed deposit of Chunghwa Post Co., Ltd plus 0.5 percentage points of annual interest.

13. Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended 30 June 2024 and 2023 were NT\$33,049 thousand and NT\$17,870 thousand, respectively.

Expenses under the defined contribution plan for the six-month periods ended 30 June 2024 and 2023 were NT\$65,848 thousand and NT\$58,786 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended 30 June 2024 and 2023 were NT\$1,867 thousand and NT\$527 thousand, respectively.

Expenses under the defined benefits plan for the six-month periods ended 30 June 2024 and 2023 were NT\$3,734 thousand and NT\$1,053 thousand, respectively.

14. Equities

(1) Common stock

As of 30 June 2024, 31 December 2023 and 30 June 2023, TONG YANG INDUSTRY CO., LTD.’s registered capital was all NT\$8,000,000 thousand with par value at NT\$10 per share, and had 591,477 thousand common shares, 591,477 thousand common shares authorized to be issued, respectively. Each share has one voting right and a right to receive dividends.

(2) Capital surplus

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Additional paid-in capital	\$232,190	\$232,190	\$232,190
Bond conversion	695,219	695,219	695,219
Treasury share transactions	93,950	93,950	93,950
Difference between acquisition of subsidiaries' share and book value	6,032	6,032	6,032
Changes in ownership interests in subsidiaries	3,712	3,712	3,712
Share of changes in net assets of associate and joint ventures accounted for using the equity method	90,302	90,302	90,302
Premium from merger	2,960,398	2,960,398	2,960,398
Other	69,319	68,700	68,700
Total	<u>\$4,151,122</u>	<u>\$4,150,503</u>	<u>\$4,150,503</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Retained earnings and dividend policies

The Company's Articles of Incorporation provide that the current net income, after deducting the previous years' losses, shall appropriate 10% as legal reserve and special reserve according to the company laws and other regulations of R.O.C. If there is still more than the accumulated undistributed income in the previous year, the board of directors shall propose a income distribution proposal. When issuing new shares, it should be submitted to the shareholders meeting for resolution. The board of directors of the Company is able to distribute more than two-thirds of the directors and more than half of the directors' resolutions, and for all or part of the dividends and bonuses, which is a part of the legal reserve or capital surplus, shall be distributed in cash and reported to the board of directors.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders. According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On 31 March 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it. Due to the adoption of IFRSs for the first time on the conversion date, the Company's retained earnings had become negative. Therefore, there was no need to allocate a special surplus reserve.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board of directors’ meeting and shareholders’ meeting on 18 June 2024 and 19 June 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$291,510	\$223,729		
Special reserve	(96,706)	(376,342)		
Common stock -cash dividend	2,365,908	1,478,693	NT\$4/ per share	NT\$2.50/ per share
Total	<u>\$2,560,712</u>	<u>\$1,326,080</u>		

Please refer to Note VI.(18) for relevant information on estimation basis and recognized amount of employees compensations and remunerations to directors.

(4) Non-controlling interests:

	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Beginning balance	\$460,701	\$516,973
Profit attributable to non-controlling interests	47,720	4,860
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operation	39,090	(10,153)
Others	(4,508)	(76,397)
Ending balance	<u>\$543,003</u>	<u>\$435,283</u>

15. Operating Revenue

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Sales - Finished goods	\$5,160,636	\$4,769,057	\$10,473,253	\$9,565,229
Sales - Merchandise	802,033	647,415	1,518,395	1,255,749
Sales - Others	223,192	134,720	368,385	328,479
Total	<u>\$6,185,861</u>	<u>\$5,551,192</u>	<u>\$12,360,033</u>	<u>\$11,149,457</u>

Analysis of revenue from contracts with customers during the six-month periods ended 30 June 2024 and 2023 are as follows:

(1) Disaggregation of revenue

For the three-month periods ended 30 June 2024:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$1,402,686	\$3,757,950	\$5,160,636
Sales - Merchandise	102,803	699,230	802,033
Sales - Others	183,223	39,969	223,192
Total	<u>\$1,688,712</u>	<u>\$4,497,149</u>	<u>\$6,185,861</u>

Timing of revenue recognition:

At a point in time	<u>\$1,688,712</u>	<u>\$4,497,149</u>	<u>\$6,185,861</u>
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For the six-month periods ended 30 June 2024:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$2,756,767	\$7,716,486	\$10,473,253
Sales - Merchandise	143,551	1,374,844	1,518,395
Sales - Others	278,495	89,890	368,385
Total	<u>\$3,178,813</u>	<u>\$9,181,220</u>	<u>\$12,360,033</u>

Timing of revenue recognition:

At a point in time	<u>\$3,178,813</u>	<u>\$9,181,220</u>	<u>\$12,360,033</u>
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For the three-month periods ended 30 June 2023:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$1,255,595	\$3,513,461	\$4,769,056
Sales - Merchandise	17,463	629,953	647,416
Sales - Others	110,803	23,917	134,720
Total	<u>\$1,383,861</u>	<u>\$4,167,331</u>	<u>\$5,551,192</u>

Timing of revenue recognition:

At a point in time	<u>\$1,383,861</u>	<u>\$4,167,331</u>	<u>\$5,551,192</u>
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For the six-month periods ended 30 June 2023:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$2,716,303	\$6,848,925	\$9,565,228
Sales - Merchandise	35,315	1,220,435	1,255,750
Sales - Others	279,167	49,312	328,479
Total	<u>\$3,030,785</u>	<u>\$8,118,672</u>	<u>\$11,149,457</u>

Timing of revenue recognition:

At a point in time	<u>\$3,030,785</u>	<u>\$8,118,672</u>	<u>\$11,149,457</u>
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(2) Contract balances

A. Contract assets - current

	As at			
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023	1 Jan. 2023
Sales of goods	\$80,656	\$76,132	\$127,184	\$192,722
Less: loss allowance	-	-	-	-
Total	<u>\$80,656</u>	<u>\$76,132</u>	<u>\$127,184</u>	<u>\$192,722</u>

The significant changes in the Group's balances of contract assets during the six-month periods ended 30 June 2024 and 2023 are as follows:

	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
The opening balance transferred to trade receivables	\$(76,132)	\$(177,783)
The current contract consideration has not yet been unconditionally charged	80,656	112,245

B. Contract liabilities - current

	As at			
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023	1 Jan. 2023
Sales of goods	\$229,998	\$205,217	\$255,717	\$296,474

The significant changes in the Group's balances of contract liabilities for the six-month periods ended 30 June 2024 and 2023 are as follows:

	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
The opening balance transferred to revenue	\$(43,809)	\$(125,796)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	68,590	85,039

16. Expected credit losses / (gains)

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Operating expense- Expected credit losses				
Trade receivables	\$-	\$-	\$4,345	\$770

Please refer to Note XII for more details on credit risk.

The credit risk for financial assets measured at amortized cost is assessed as low (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Group transacts with financial institutions with good credit, no allowance for losses has been provided in this period.

The Group measures the loss allowance of its contract assets and trade receivables (including notes receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at 30 June 2024, 31 December 2023 and 30 June 2023 are as follows:

The Group considers that the credit loss is actually included in the impairment loss except for individual customers by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using provision matrix, details are as follow:

As at 30 June 2024

	Overdue						Total
	Not yet due	<=30 days	31-90 days	91-180days	181-360 days	>=360 days	
Gross carrying amount	\$4,338,074	\$338,256	\$10,595	\$(242)	\$4,384	\$32,894	\$4,723,961
Loss rate	0.5%	0.5~1%	2~8%	9~22%	22~84%	100%	
Lifetime expected credit losses	30,674	2,051	380	1	1,792	32,894	67,792
Carrying amount	<u>\$4,307,400</u>	<u>\$336,205</u>	<u>\$10,215</u>	<u>\$(243)</u>	<u>\$2,592</u>	<u>\$-</u>	<u>\$4,656,169</u>

As at 31 December 2023

	Overdue						Total
	Not yet due	<=30 days	31-90 days	91-180days	181-360 days	>=360 days	
Gross carrying amount	\$4,274,581	\$346,473	\$16,665	\$4,854	\$2,306	\$30,937	\$4,675,816
Loss rate	0.5%	0.5~1%	2~6%	7~16%	17~84%	100%	
Lifetime expected credit losses	25,847	2,542	708	519	1,398	30,937	61,951
Carrying amount	<u>\$4,248,734</u>	<u>\$343,931</u>	<u>\$15,957</u>	<u>\$4,335</u>	<u>\$908</u>	<u>\$-</u>	<u>\$4,613,865</u>

As at 30 June 2023

	Overdue						Total
	Not yet due	<=30 days	31-90 days	91-180days	181-360 days	>=360 days	
Gross carrying amount	\$4,017,743	\$267,723	\$16,361	\$1,908	\$157	\$64	\$4,303,956
Loss rate	0.5%	0.5~0.6%	0.6~1.2%	1.2~14%	14~93%	100%	
Lifetime expected credit losses	34,740	1,354	114	112	54	64	36,438
Carrying amount	<u>\$3,983,003</u>	<u>\$266,369</u>	<u>\$16,247</u>	<u>\$1,796</u>	<u>\$103</u>	<u>\$-</u>	<u>\$4,267,518</u>

The movement in the provision for impairment of contract assets, note receivables and trade receivables during the six-month periods ended 30 June 2024 and 2023 are as follows:

	Contract assets	Note receivables	Trade receivables
Bal. as at 1 Jan. 2024	\$-	\$651	\$61,300
Addition/(reversal) for the current period	-	-	4,345
Write off	-	-	-
Other	-	-	-
Exchange differences	-	-	1,496
Bal. as at 30 Jun. 2024	<u>\$-</u>	<u>\$651</u>	<u>\$67,141</u>

	Contract assets	Note receivables	Trade receivables
Bal. as at 1 Jan. 2023	\$-	\$651	\$30,193
Addition/(reversal) for the current period	-	-	770
Write off	-	-	-
Other	-	-	5,358
Exchange differences	-	-	(534)
Bal. as at 30 Jun. 2023	<u>\$-</u>	<u>\$651</u>	<u>\$35,787</u>

17. Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land and other equipment. The lease terms range from 2 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Land	\$218,028	\$223,055	\$230,818
Other equipment	8,930	10,392	12,272
Total	<u>\$226,958</u>	<u>\$233,447</u>	<u>\$243,090</u>

During the six-month periods ended 30 June 2024 and 2023, the Group's additions to right-of-use assets amounting to NT\$2,904 thousand and NT\$1,034 thousand, respectively.

(b) Lease liabilities

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Lease liabilities	<u>\$10,711</u>	<u>\$22,124</u>	<u>\$24,842</u>
Current	\$3,836	\$14,775	\$19,095
Non-current	<u>6,875</u>	<u>7,349</u>	<u>5,747</u>
Total	<u>\$10,711</u>	<u>\$22,124</u>	<u>\$24,842</u>

Please refer to Note VI.(19) for the interest on lease liabilities recognized during the six-month periods ended 30 June 2024 and 2023 and refer to Note XII.(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Land	\$6,519	\$6,081	\$12,519	\$12,293
Other equipment	<u>966</u>	<u>966</u>	<u>1,933</u>	<u>1,933</u>
Total	<u>\$7,485</u>	<u>\$7,047</u>	<u>\$14,452</u>	<u>\$14,226</u>

C. Income and costs relating to leasing activities

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
The expenses relating to short-term leases	\$2,559	\$2,823	\$5,099	\$5,586
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	<u>98</u>	<u>91</u>	<u>157</u>	<u>171</u>
Total	<u>\$2,657</u>	<u>\$2,914</u>	<u>\$5,256</u>	<u>\$5,757</u>

D. Cash outflow relating to leasing activities

During the six-month periods ended 30 June 2024 and 2023, the Group's total cash outflows for leases amounting to NT\$18,487 thousand and NT\$17,590 thousand.

18. Summary statement of employee benefits, depreciation and amortization expenses by function during the three-month and six-month periods ended 30 June 2024 and 2023:

Function Character	1 Apr. 2024~30 Jun. 2024			1 Apr. 2023~30 Jun. 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Salaries	\$503,981	\$363,603	\$867,584	\$428,795	\$272,151	\$700,946
Labor and health insurances	40,854	32,247	73,101	41,527	29,108	70,635
Pension	19,606	15,310	34,916	10,754	7,643	18,397
Other employee benefits expense	27,164	18,824	45,988	18,414	6,259	24,673
Depreciation	604,352	52,928	657,280	641,450	56,385	697,835
Amortization	57,174	7,409	64,583	47,094	8,499	55,593

Function Character	1 Jan. 2024~30 Jun. 2024			1 Jan. 2023~30 Jun. 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Salaries	\$1,005,287	\$732,578	\$1,737,865	\$898,753	\$610,020	\$1,508,773
Labor and health insurances	91,332	65,631	156,963	90,121	64,340	154,461
Pension	39,024	30,558	69,582	33,049	26,790	59,839
Other employee benefits expense	53,917	37,602	91,519	36,123	31,582	67,705
Depreciation	1,210,157	105,102	1,315,259	1,287,945	113,398	1,401,343
Amortization	92,362	14,515	106,877	96,626	16,864	113,490

According to the resolution, if the Company's annual profit is more than NT\$ 500,000 thousand, NT\$ 5,000 thousand is distributable as employees' compensation and NT\$15,000 thousand is distributable as remuneration to directors; if the Company's annual profit is less than NT\$500,000 thousand, then 1% of profit of the current year is distributable as employees' compensation and no higher than 3% profit of the current year is distributable as remuneration to directors.

However, the Company's accumulated losses shall have been covered (if any). The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and remuneration to directors is available from the "Market Observation Post System" on the website of the TWSE.

The Company accrued employees' compensation and remunerations to director based on the level of the profit of the three-month period ended 30 June 2024 and 2023. The amounts of employees' compensation and remunerations to directors were NT\$1,250 thousand and NT\$3,750 thousand for the three-month period ended 30 June 2024 and 2023, the amounts of employees' compensation and remunerations to directors were NT\$2,500 thousand and NT\$7,500 thousand for the six-month period ended 30 June 2024 and 2023. The employees' compensation and remunerations to directors were recognized as expense.

A resolution was approved at the board of directors' meeting held on 8 March 2024 to distribute NT\$5,000 thousand and NT\$15,000 thousand in cash as employee's compensation and remuneration to directors, respectively. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended 31 December 2023.

No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended 31 December 2022.

19. Non-operating income and expenses

(1) Other income

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Rental income	\$705	\$1,177	\$1,398	\$3,735
Interest income	40,742	21,558	75,205	35,517
Dividend income	11,186	9,723	11,186	9,723
Others	41,580	50,557	191,594	89,217
Total	<u>\$94,213</u>	<u>\$83,015</u>	<u>\$279,383</u>	<u>\$138,192</u>

(2) Other gains and losses

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Gains (losses) on disposal of property, plant and equipment	\$10,358	\$(3,367)	\$623	\$8,990
Losses on disposal of intangible assets	-	-	(11)	-
Foreign exchange gains, net	100,534	77,921	290,776	53,038
Impairment losses	(8,498)	-	(13,688)	(43,401)
Other losses	(817)	(9,102)	(4,654)	(14,738)
Total	<u>\$101,577</u>	<u>\$65,452</u>	<u>\$273,046</u>	<u>\$3,889</u>

(3) Finance costs

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Interest on borrowings from bank	\$(8,404)	\$(16,196)	\$(17,544)	\$(33,165)
Interest on lease liabilities	(25)	(70)	(62)	(150)
Subtotal	<u>(8,429)</u>	<u>(16,266)</u>	<u>(17,606)</u>	<u>(33,315)</u>
Total	<u>\$ (8,429)</u>	<u>\$ (16,266)</u>	<u>\$ (17,606)</u>	<u>\$ (33,315)</u>

20. Components of other comprehensive income

Three-month periods ended 30 Jun. 2024	Arising during the period	Income tax profit (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:			
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$(115,085)	\$-	\$(115,085)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	39,493	-	39,493
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>22,632</u>	<u>-</u>	<u>22,632</u>
Total other comprehensive income	<u>\$(52,960)</u>	<u>\$-</u>	<u>\$(52,960)</u>

	Arising during	Income tax	Other
Three-month periods ended 30 Jun. 2023	the period	profit	comprehensive
Not to be reclassified to profit or loss in subsequent periods:		(expense)	income, net of tax
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$80,788	\$-	\$80,788
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	(35,529)	-	(35,529)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(74,568)	-	(74,568)
Total other comprehensive income	<u>\$ (29,309)</u>	<u>\$-</u>	<u>\$ (29,309)</u>

	Arising during	Income tax	Other
Six-months periods ended 30 Jun. 2024	the period	profit	comprehensive
Not to be reclassified to profit or loss in subsequent periods:		(expense)	income, net of tax
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$(122,999)	\$-	\$(122,999)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	148,476	-	148,476
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	85,658	-	85,658
Total other comprehensive income	<u>\$ 111,135</u>	<u>\$-</u>	<u>\$ 111,135</u>

Six-months periods ended 30 Jun. 2023	Arising during the period	Income tax profit (expense)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:			
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$183,400	\$-	\$183,400
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	(6,121)	-	(6,121)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(77,604)	-	(77,604)
Total other comprehensive income	<u>\$99,675</u>	<u>\$-</u>	<u>\$99,675</u>

21. Income tax

The major components of income tax expense are as follows:

Income tax recorded in profit or loss

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Current income tax expense :				
Current income tax charge	\$248,800	\$193,932	\$551,065	\$325,327
Adjustments in respect of current income tax of prior periods	(7,976)	(3,637)	(7,976)	(3,637)
Deferred income tax expense :				
Deferred tax expense relating to origination and reversal of temporary differences	12,076	-	12,076	-
Total income tax expense	<u>\$252,900</u>	<u>\$190,295</u>	<u>\$555,165</u>	<u>\$321,690</u>

The assessment of income tax returns

As of 30 June 2024, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	2022
Subsidiary – RU YANG INDUSTRIAL CO., LTD.	2022
Subsidiary – DING CHUNG INDUSTRY CO., LTD.	2022

22. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible bonds payable) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>1 Apr. 2024~ 30 Jun. 2024</u>	<u>1 Apr. 2023~ 30 Jun. 2023</u>	<u>1 Jan.2024~ 30 Jun. 2024</u>	<u>1 Jan. 2023~ 30 Jun. 2023</u>
(1) Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$1,040,843</u>	<u>\$757,947</u>	<u>\$2,212,953</u>	<u>\$1,248,353</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>591,477</u>	<u>591,477</u>	<u>591,477</u>	<u>591,477</u>
Basic earnings per share (NT\$)	<u>\$1.76</u>	<u>\$1.28</u>	<u>\$3.74</u>	<u>\$2.11</u>

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan.2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
(2) Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$1,040,843</u>	<u>\$757,947</u>	<u>\$2,212,953</u>	<u>\$1,248,353</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	591,477	591,477	591,477	591,477
Effect of dilution:				
Employee compensation — stock (in thousands)	40	89	40	89
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>591,517</u>	<u>591,566</u>	<u>591,517</u>	<u>591,566</u>
Diluted earnings per share (NT\$)	<u>\$1.76</u>	<u>\$1.28</u>	<u>\$3.74</u>	<u>\$2.11</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

VII. RELATED PARTIES TRANSACTIONS

Information of the related parties that had transactions with the Group during the financial reporting period is as follow:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
TUNG YANG CHEMICAL CO., LTD.	Associate
CHANG CHUEN FAWAY TONG YANG PLASTICS CO., LTD.	Associate
CHANGSHA GACC TONG YANG AUTOMOBILE COMPONENT CO., LTD.	Associate
DAIKYO NISHIKAWA TONG YANG AUTO PARTS (NANJING) CO., LTD.	Associate
WUHAN XIANG XING AUTO PARTS CO., LTD.	Associate
TAI Plus LLC	Other related party

Significant transactions with the related parties

(1) Sales

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Associates industries	<u>\$66,370</u>	<u>\$58,243</u>	<u>\$129,716</u>	<u>\$160,246</u>

The prices and collection conditions are the same between associates industries and non-related parties.

(2) Purchases

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Associates industries	<u>\$32,770</u>	<u>\$37,615</u>	<u>\$68,506</u>	<u>\$77,961</u>

The prices and payment conditions are the same between associates industries and non-related parties.

(3) Trade receivables - related parties

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Associates industries	<u>\$79,044</u>	<u>\$98,755</u>	<u>\$74,247</u>

(4) Note receivables - related parties

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Associates industries	<u>\$13,585</u>	<u>\$8,534</u>	<u>\$2,125</u>

(5) Trade payables - related parties

	As at		
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023
Associates industries	<u>\$30,153</u>	<u>\$30,436</u>	<u>\$35,475</u>

(6) Key management personnel compensation

	1 Apr. 2024~ 30 Jun. 2024	1 Apr. 2023~ 30 Jun. 2023	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Short-term employee benefits	\$19,415	\$19,084	\$38,642	\$37,405
Post-employment benefits	27	27	54	54
Total	<u>\$19,442</u>	<u>\$19,111</u>	<u>\$38,696</u>	<u>\$37,459</u>

(7) Other

The amount of service fees paid by the Group to an other related party for the three-month periods ended 30 June 2024 and 2023 were NT\$3,199 thousand and NT\$2,755 thousand, respectively. For the six-month periods ended 30 June 2024 and 2023 were NT\$6,016 thousand and NT\$5,498 thousand, respectively.

VIII. ASSETS PLEDGED AS SECURITY

The following assets of the Group are pledged as security:

Items	Carrying amount			Secured liabilities
	30 Jun. 2024	31 Dec. 2023	30 Jun. 2023	
Financial assets measured at amortized cost-non-current	\$11,498	\$11,498	\$18,098	Notes payables and guarantee
Financial assets measured at amortized cost-current	40,342	52,185	280,438	Notes payables
Notes receivables	-	257,999	202,792	Notes payables
Property, plant and equipment-Land	225,647	225,647	225,647	Bank borrowings
Property, plant and equipment-Buildings	802,056	794,967	843,059	Bank borrowings
Right-of-use assets	151,156	148,244	157,465	Bank borrowings
Total	<u>\$1,230,699</u>	<u>\$1,490,540</u>	<u>\$1,727,499</u>	

IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

1. As of 30 June 2024, the Company was involved in the following activities that were not shown in the financial statements:

(1) Unused letters of credit (in thousands)

<u>Currency</u>	<u>30 Jun. 2024</u>
USD	1,180
NTD	71,858

(2) The financial institution provided a guarantee of NTD\$71,000 thousand to the Group's vendors for securing the Group's purchases.

2. As of 30 June 2024, the related parties, FUZHOU TONG YANG, TONG YANG HOLDING CORPORATION, GUANGZHOU TONG YANG TATEMATSU borrowed from the financial institution and the Company issued "letter of support" to the financial institution stating that the Company will continue to assist the affiliated institutions to sustain a satisfactory financial position until the related bank borrowings have been paid off.

3. As of 30 June 2024, the Company has entered into a binding contract for the third quarter of 2024 with CHINA STEEL CORPORATION. The contract price is NT\$261,599 thousand. The Company has already drawn up a guarantee note of NT\$18,000 thousand.

X. LOSSES DUE TO MAJOR DISASTERS

None.

XI. SIGNIFICANT SUBSEQUENT EVENTS

None.

XII. OTHER

1. Categories of financial instruments

Financial assets

	<u>30 Jun. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Jun. 2023</u>
Financial assets at fair value through other comprehensive income	\$548,058	\$671,057	\$542,854
Financial assets measured at amortized cost:			
Cash and cash equivalents (excludes cash on hand)	5,680,223	3,812,782	3,482,344
Financial assets measured at amortized cost			
cost	51,840	298,554	298,536
Notes receivables	434,178	439,738	345,059
Trade receivables(related parties included)	4,221,991	4,174,127	3,922,459
Other receivables	299,246	416,621	299,584
Total	<u>\$11,235,536</u>	<u>\$9,812,879</u>	<u>\$8,890,836</u>

Financial liabilities

	<u>30 Jun. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Jun. 2023</u>
Financial liabilities at amortized cost:			
Short-term borrowings	\$483,438	\$528,878	\$936,799
Trade and other payables	6,828,132	4,931,801	5,806,184
Lease liabilities	10,711	22,124	24,842
Long-term borrowings(including current portion with maturity less than 1 year)	1,645,711	1,839,387	2,030,539
Total	<u>\$8,967,992</u>	<u>\$7,322,190</u>	<u>\$8,798,364</u>

2. Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly affected by USD. Sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the six-month periods ended 30 June 2024 and 2023 decreases/increases by NT\$41,333 thousand and NT\$42,132 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the six-month period ended 30 June 2024 to increase/decrease by NT\$1,803 thousand and cause the profit for the six-month period and 30 June 2023 to decrease/increase by NT\$ 407 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's board of directors reviews and approves all equity investment decisions.

Please refer to Note XII.(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade and notes receivables and lease receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancement procedures, such as requesting for prepayment or insurance.

As of 30 June 2024, 31 December 2023 and 30 June 2023, trade receivables from top ten customers represented 46%, 50% and 58% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

5. Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 2 years	2 to 3 years	> 3 years	Total
As at 30 Jun. 2024					
Borrowings	\$894,895	\$410,044	\$274,245	\$587,849	\$2,167,033
Trade and other payables	6,828,132	-	-	-	6,828,132
Lease liabilities	17,362	4,151	2,194	1,523	25,230
As at 31 Dec. 2023					
Borrowings	\$934,113	\$406,591	\$346,971	\$717,394	\$2,405,069
Trade and other payables	4,931,801	-	-	-	4,931,801
Lease liabilities	18,757	14,358	1,656	1,469	36,240
As at 30 Jun. 2023					
Borrowings	\$1,342,412	\$400,840	\$409,335	\$861,674	\$3,014,261
Trade and other payables	5,806,184	-	-	-	5,806,184
Lease liabilities	17,843	14,647	2,516	3,003	38,009

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six-month periods ended 30 June 2024 :

	Short-term borrowings	Long-term borrowings (current portion included)	Lease liabilities	Total liabilities from financing activities
As at 1 Jan. 2024	\$528,878	\$1,839,387	\$22,124	\$2,390,389
Cash flows	(45,440)	(193,676)	(13,231)	(252,347)
Non-cash changes	-	-	1,346	1,346
Foreign exchange movement	-	-	472	472
As at 30 Jun. 2024	\$483,438	\$1,645,711	\$10,711	\$2,139,860

Reconciliation of liabilities for the six-month periods ended 30 June 2023:

	Short-term borrowings	Long-term borrowings (current portion included)	Lease liabilities	Total liabilities from financing activities
As at 1 Jan. 2023	\$1,237,828	\$2,221,691	\$35,232	\$3,494,751
Cash flows	(301,029)	(191,152)	(11,683)	(503,864)
Non-cash changes	-	-	1,293	1,293
Foreign exchange movement	-	-	-	-
As at 30 Jun. 2023	<u>\$936,799</u>	<u>\$2,030,539</u>	<u>\$24,842</u>	<u>\$2,992,180</u>

7. Fair values of financial instruments

- (1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- A. The carrying amount of cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- C. Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- D. Fair value of debt instruments without market quotations, and bank loans, are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.).

- E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost

The book value of financial assets and liabilities measured at amortized cost of the Group approximate the fair value.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note XII.(8) for fair value measurement hierarchy for financial instruments of the Group.

8. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 30 Jun. 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$548,058	\$548,058

As at 31 Dec. 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$671,057	\$671,057

As at 30 Jun. 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$542,854	\$542,854

Transfers between Level 1 and Level 2 during the period

During the six-month periods ended 30 June 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Measured at fair value through other comprehensive income- stocks	Measured at fair value through other comprehensive income- stocks
	1 Jan. 2024~ 30 Jun. 2024	1 Jan. 2023~ 30 Jun. 2023
Beginning balances	\$671,057	\$359,454
Total gains and losses recognized:		
Amount recognized in OCI	(122,999)	183,400
Ending balances	\$548,058	\$542,854

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at 30 June 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	P/E ratio of similar entities	9.82~ 17.25	The higher the P/E ratio of similar entities, the higher the fair value of the stocks	10% increase (decrease) in the P/E ratio of similar entities would result in increase/ decrease in the Group's equity by NT\$53,806 thousand

As at 31 December 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	P/E ratio of similar entities	11.72~ 17.51	The higher the P/E ratio of similar entities, the higher the fair value of the stocks	10% increase (decrease) in the P/E ratio of similar entities would result in increase/ decrease in the Group's equity by NT\$66,106 thousand

As at 30 June 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	P/E ratio of similar entities	9.54~ 14.8	The higher the P/E ratio of similar entities, the higher the fair value of the stocks	10% increase (decrease) in the P/E ratio of similar entities would result in increase/ decrease in the Group's equity by NT\$53,285 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

9. Significant assets and liabilities denominated in foreign currencies

The Group's significant assets and liabilities denominated in foreign currencies are as follows:

Unit: thousands			
As at 30 Jun. 2024			
	Foreign Currency	Exchange	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$129,332	32.45	\$4,196,823
CNY	378,381	4.468	1,690,606
Non-monetary items:			
CNY	497,598	4.468	2,223,269
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,957	32.45	\$63,505
CNY	422,312	4.468	1,889,890
As at 31 Dec. 2023			
	Foreign Currency	Exchange	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$134,833	30.735	\$4,144,092
CNY	481,584	4.322	2,081,406
Non-monetary items:			
CNY	525,065	4.322	2,269,332
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,891	30.735	\$58,120
CNY	542,779	4.322	2,345,891

	As at 30 Jun. 2023		
	Foreign Currency	Exchange	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$136,639	31.135	\$4,254,255
CNY	410,685	4.283	1,758,964
Non-monetary items:			
CNY	517,090	4.283	2,214,697
<u>Financial liabilities</u>			
Monetary items:			
USD	\$1,319	31.135	\$41,067
CNY	606,016	4.283	2,595,567

The Group has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the three-month and six-month periods ended 30 June 2024 and 2023, the foreign exchange gains or losses on monetary financial assets and financial liabilities were NT\$100,534 thousands, NT\$77,921 thousand, NT\$290,776 thousand and NT\$53,038 thousand, respectively.

The above information is disclosed based on the carrying amounts of the foreign currencies (after conversion to the functional currency).

10. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

11. Technical license agreement:

- ① According to a technical license agreement made between the Company and Hitachi Chemical CORPORATION (Now renamed to Resonac Co., Ltd) on 17 July 2018, Hitachi shall provide technical information and relevant technical assistance regarding to all plastic tailgate of cars. Accordingly, the Company shall pay royalty under the term of payment state in the agreement.

- ② According to a technical license agreement made between the Company and SUIRYO PLASTICS CORPORATION on 4 December 2020, SUIRYO shall provide technical information and relevant technical assistance regarding to automobile parts of 5A45 cars. Accordingly, the Company shall pay royalty under the term of payment state in the agreement.
- ③ According to a technical license agreement made between the Company and FALTEC. On 15 November 2021, FALTEC shall provide technical information and relevant technical assistance regarding to automobile parts of P33A cars. Accordingly, the Company shall pay royalty under the term of payment state in the agreement.

XIII. OTHER DISCLOSURES

- (1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:
- (a) Financing provided to others for the six-month periods ended 30 June 2024: Please refer to Attachment 2.
 - (b) Endorsement/Guarantee provided to others for the six-month periods ended 30 June 2024: Please refer to Attachment 3.
 - (c) Securities held as of 30 June 2024 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 4.
 - (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month periods ended 30 June 2024: None.
 - (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month periods ended 30 June 2024: None.
 - (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month periods ended 30 June 2024: None.
 - (g) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month periods ended 30 June 2024: None.
 - (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of 30 June 2024: None.
 - (i) Financial instruments and derivative transactions: None.
 - (j) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 1.

(2) Information on investees:

Names, locations, main businesses and products, original investment amount, investment as of 30 June 2024, net income (loss) of investee company and investment income (loss) recognized as of 30 June 2024: Please refer to Attachment 5.

(3) Investment in Mainland China:

(a) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 6.

(b) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 2 , Attachment 3 and Attachment 6.

(4) Information on major shareholders:

Name of major shareholders, number of shares held and proportion of shares held: Please refer to Attachment 7.

XIV.SEGMENT INFORMATION

For management purposes, the Company is organized into business units based on its products and services and has two reportable segments as follows:

Domestic Operating Entity: Responsible for the auto parts and components required by domestic production and sales.

Foreign Operating Entity: Responsible for the auto parts and components required by foreign production and sales.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

The transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information about profit and assets (loss and liabilities).

1 Apr. 2024~ 30 Jun. 2024	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$4,794,226	\$1,391,635	\$-	\$6,185,861
Inter-segment	-	-	-	-
Total revenue	<u>\$4,794,226</u>	<u>\$1,391,635</u>	<u>\$-</u>	<u>\$6,185,861</u>
Segment profit	<u>\$1,203,602</u>	<u>\$90,141</u>	<u>\$24,156</u>	Note <u>\$1,317,899</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$24,156 thousand.

1 Jan. 2024~ 30 Jun. 2023	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$9,726,620	\$2,633,413	\$-	\$12,360,033
Inter-segment	-	-	-	-
Total revenue	<u>\$9,726,620</u>	<u>\$2,633,413</u>	<u>\$-</u>	<u>\$12,360,033</u>
Segment profit	<u>\$2,683,321</u>	<u>\$84,797</u>	<u>\$47,720</u>	Note <u>\$2,815,838</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$47,720 thousand.

1 Apr. 2023~ 30 Jun. 2023	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$4,439,234	\$1,111,958	\$-	\$5,551,192
Inter-segment	-	-	-	-
Total revenue	<u>\$4,439,234</u>	<u>\$1,111,958</u>	<u>\$-</u>	<u>\$5,551,192</u>
Segment profit	<u>\$995,809</u>	<u>\$(47,567)</u>	<u>\$1,247</u>	Note <u>\$949,489</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$1,247 thousand.

1 Jan. 2023~ 30 Jun. 2023	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$8,627,912	\$2,521,545	\$-	\$11,149,457
Inter-segment	-	-	-	-
Total revenue	<u>\$8,627,912</u>	<u>\$2,521,545</u>	<u>\$-</u>	<u>\$11,149,457</u>
Segment profit	<u>\$1,758,060</u>	<u>\$(188,017)</u>	<u>\$4,860</u>	Note <u>\$1,574,903</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$ 4,860 thousand.

Attachment 1: The business relationship, significant transactions and amounts between parent company and subsidiaries

No.(Note 1)	Related-party	Counter-party	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets (Note 3)
0	The Company	DING CHUNG INDUSTRY CO., LTD.	1	Sales	\$64,709	Approximately 60 days from the date of sale	0.52%
0	The Company	TYG PRODUCTS	1	Sales	54,214	Approximately 90 days from the date of sale	0.44%
0	The Company	DING CHUNG INDUSTRY CO., LTD.	1	Sales	13,716	Approximately 60 days from the date of sale	0.04%
0	The Company	TYG PRODUCTS	1	Sales	45,350	Approximately 90 days from the date of sale	0.12%
1	TONG YANG HOLDING CORPORATION	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD	3	Other receivables	89,360	Financing	0.24%

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, interim cumulative balances are used as basis.

Attachment 2: Financing provided to others

No. (Note 1)	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period (Note 8)	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 4)	Amount of sales to (purchases from) counterparty (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counterparty (Note 2)	Limit of total financing amount (Note 3)	Note
													Item	Value			
1	TONG YANG HOLDING CORPORATION	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD.	Other receivables	Y	\$89,900 (RMB 20,000)	\$89,360 (RMB 20,000)	\$89,360 (RMB 20,000)	-%	2	-	Need for operating	-	-	-	\$864,793 (USD 26,650)	\$1,729,585 (USD 53,300)	(Note 7)
1	TONG YANG HOLDING CORPORATION	FUZHOU TONG YANG PLASTICS CO., LTD.	Other receivables	Y	134,850 (RMB 30,000)	134,040 (RMB 30,000)	-	-%	2	-	Need for operating	-	-	-	864,793 (USD 26,650)	1,729,585 (USD 53,300)	(Note 7)
2	NANJING TONG YANG AUTO PARTS CO., LTD.	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD.	Other receivables	Y	89,900 (RMB 20,000)	89,360 (RMB 20,000)	-	0.2%	2	-	Need for operating	-	-	-	241,302 (RMB 54,007)	241,302 (RMB 54,007)	(Note 7)

(Note 1) The financial information of the parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Note 2) Limit of financing amount for individual counterparty:

(1) Limit of financing amount for individual counterparty shall not exceed the needed amount for operation.

(2) The Company : Limit of financing amount for individual counterparty shall not exceed 10% of the lender's net assets value as of the period.

TONG YANG HOLDING CORPORATION : Limit of financing amount for individual counterparty shall not exceed 20% of the lender's net assets value as of the period.

NANJING TONG YANG AUTO PARTS CO., LTD. : Limit of financing amount for individual counterparty shall not exceed company's net value.

(Note 3) Limit of total financing amount shall not exceed 40% of the Company's net asset value.

(Note 4) The financing provided to others are coded as follows:

(1) Business contacts is coded "1".

(2) Short-term financing is coded "2".

(Note 5) If financing provided to others is coded "1", the amount of business transactions should be filled in.

(Note 6) If financing provided to others is coded "2". The reasons for the necessary loans and funds and the use of the loans and objects.

(Note 7) The above transactions were all made between consolidated entities in the Group and have been reversed.

(Note 8) The balance of which is at its maximum balance of financing provided to others in the current year.

(Note 9) The exchange rate of the US dollar to the NTD is 1:32.45.

The exchange rate of the RMB to the NTD is 1:4.468.

Attachment 3: Endorsement/Guarantee provided to others

No. (Note 1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 6)	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries	Subsidiaries' guarantee/ endorsement amount to parent company	Guarantee/ endorsement amount to company in Mainland China	Note
		Company name	Relationship (Note 2)											
1	TONG YANG HOLDING CORPORATION	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD	(2)	\$864,793 (USD 26,650)	\$732,648 (RMB168,000)	\$491,480 (RMB110,000)	\$223,244 (RMB 49,965)	-	11.37%	\$1,729,585 (USD 53,300)	Y	N	Y	(Note 5)
1	TONG YANG HOLDING CORPORATION	FUZHOU TONG YANG PLASTICS CO., LTD.	(2)	864,793 (USD 26,650)	382,075 (RMB85,000)	379,780 (RMB85,000)	67,020 (RMB 15,000)	-	8.78%	1,729,585 (USD 53,300)	Y	N	Y	(Note 5)
1	TONG YANG HOLDING CORPORATION	FUSHUN TONG YANG AUTOMOBILE COMPONENT CO., LTD.	(2)	864,793 (USD 26,650)	89,900 (RMB 20,000)	89,360 (RMB20,000)	-	-	2.07%	1,729,585 (USD 53,300)	Y	N	Y	(Note 5)

Note 1: The Company and its subsidiaries are coded as follows:

The Company is coded "0".

The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, the receiving parties shall be disclosed as one of the following:

- (1) A company with which it does business.
- (2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50 % of the voting shares in the public company
- (4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit of guarantee/endorsement amount for receiving party is 20% of the net worth of the financial report reviewed by the certified public accountants as of 30 June 2024.

Note 4: Limit of total guarantee/ endorsement amount is 40% of the net worth of the financial report reviewed by the certified public accountants as of 30 June 2024.

Note 5: The above transactions were all made between consolidated entities in the Group and have been reversed.

Note 6: The balance of which is at its maximum balance of endorsement/guarantee provided to others in the current year.

Note 7: The exchange rate of US dollar to NTD is 1:32.45.

The exchange rate of the RMB to the NTD is 1:4.468.

Attachment 4: Securities held as of 30 June 2024. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities(Note1)	Relationship	Financial statement account	As of 30 June 2024				Note
				Shares(thousand)	Book value (thousands)	Percentage of ownership (%)	Fair value (Note2)	
The Company	Stock-FONG YUE CO.,LTD	Investment company measured at fair value through other comprehensive gains and losses	Financial assets measured at fair value through other comprehensive gains and losses - non-current	20	10,000	10.00%	500	
	Stock-PRO FORTUNE INDUSTRIAL,CO.,LTD	"	"	6,622	454,239	14.14%	68.6	
DING CHUNG INDUSTRY CO., LTD. (DING CHUNG)	Stock-PRO FORTUNE INDUSTRIAL,CO.,LTD	Investment company measured at fair value through other comprehensive gains and losses	Financial assets measured at fair value through other comprehensive gains and losses - non-current	1,222	83,819	2.61%	68.6	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

Note 2: Financial asset measured at fair value through other comprehensive income-non current refers to the fair value per share after the comparable company's evaluation.

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 30 June 2024, net income (loss) of investee company and investment income (loss) recognized as of 30 June 2024

Investor	Investee company	Address	Main businesses and products	Initial Investment (Note1)		Investment as of 30 June 2024			Shareholding ratio* net value of the investee company at the end of the period	Net income (loss) of investee company	Investment income (loss) recognized (Note2)	Note
				Ending balance	Beginning balance	Number of shares(thousand)	Percentage of ownership (%)	Book value (Note3)				
The Company	TUNG YANG CHEMICAL CO., LTD.	Taiwan	Processing and trading of coatings and chemical raw materials	\$58,465	\$58,465	3,600	40.00%	\$111,173	\$109,115	\$11,458	\$4,583	
	TONG YANG HOLDING CORPORATION	Cayman Islands	Holding company	3,059,545 (USD 91,058)	3,059,545 (USD 91,058)	59,000	100.00%	4,323,554	4,323,942	(41,850)	(41,850)	(Note4)
	HOW BOND INVESTMENT CO.,LTD.	British Virgin Islands	Holding company	603,434 (USD 16,000)	603,434 (USD 16,000)	16,000	100.00%	1,412,015	1,425,743	67,841	67,841	(Note4)
	DING CHUNG INDUSTRY CO., LTD. (DING CHUNG)	Taiwan	Automobile parts and components import and export business	66,865	66,865	2,000	100.00%	106,967	106,967	2,234	2,234	(Note4)
	RU YANG INDUSTRIAL CO., LTD. (RU YANG)	Taiwan	Production and sales of automotive parts	242,740	242,740	12,947	58.95%	234,245	234,252	9,470	5,583	(Note4)
	C&D CAPITAL II CORPORATION	British Virgin Islands	Holding company	147,364 (USD 4,557)	154,475 (USD 4,776)	4,557	42.53%	61,644	147,437	3	(8,143)	(Note6)
	WU'S PLASTICS CO.,LTD.(literal translation)	Taiwan	Production and sales of automotive parts	15,000	15,000	1,500	50.00%	15,190	15,190	60	30	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 30 June 2024, net income (loss) of investee company and investment income (loss) recognized as of 30 June 2024

Investor	Investee company	Address	Main businesses and products	Initial Investment (Note1)		Investment as of 30 June 2024			Net income (loss) of investee company	Investment income (loss) recognized (Note2)	Note
				Ending balance	Beginning balance	Number of shares(thousand)	Percentage of ownership (%)	Book value (Note3)			
TONG YANG HOLDING CORPORATION	CHANG CHUEN FAWAY TONG YANG PLASTICS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 13,230	USD 13,230	-	49.00%	USD 47,444	USD 859	USD 421	
	FUZHOU TONG YANG PLASTICS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 34,000	USD 34,000	-	100.00%	USD 5,559	USD 342	USD 342	(Note 4)
	CHONGQING DAJING YUCHYANG PLASTICS CO., LTD. (DAJING YUCHYANG)	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 8,150	USD 8,150	-	-%	-	-	-	(Note 4)
	CHONGQING DAJING TONG YANG PLASTICS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 3,250	USD 3,250	-	55.00%	USD 13,745	USD 3,106	USD 1,708	(Note 4.7)
	DAIKYO NISHIKAWA TONG YANG AUTO PARTS (NANJING) CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 12,375	USD 12,375	-	45.00%	USD 10,751	USD 648	USD 292	
	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 37,798	USD 37,798	-	100.00%	USD 2,921	USD (1,789)	USD (1,789)	(Note 4)
	FUSHUN TONG YANG AUTOMOBILE COMPONENT CO., LTD. (FUSHUN TONG YANG)	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 18,500	USD 18,500	-	100.00%	USD 13,382	USD (998)	USD (998)	(Note 4)
	WUHAN XIANG XING AUTO PARTS CO., LTD.	China	Production and sales of various motor vehicles supporting plastic products, etc.	USD 3,000	USD 3,000	-	25.00%	USD 2,422	USD (1,605)	USD (401)	
	GUANGZHOU TONG YANG TATEMATSU MOLD MANUFACTURING CO., LTD.	China	Design, manufacture, maintenance and trading of all types of molds	USD 7,599	USD 7,599	-	90.00%	USD 4,147	USD (143)	USD (129)	(Note 4)
	CHANGSHA GACC TONG YANG AUTOMOBILE COMPONENT CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 17,150	USD 17,150	-	49.00%	USD 7,897	USD (1,523)	USD (746)	
	TONG YANG (GUANGZHOU) TECHNOLOGY R&D SERVICE CO., LTD.	China	Product design, technology development, experimental testing and service management, etc.	USD 1,840	USD 1,840	-	100.00%	USD 1,831	USD (8)	USD (8)	(Note 4)

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 30 June 2024, net income (loss) of investee company and investment income (loss) recognized as of 30 June 2024

Investor	Investee company	Address	Main businesses and products	Initial Investment (Note1)		Investment as of 30 June 2024			Net income (loss) of investee company	Investment income (loss) recognized (Note2)	Note
				Ending balance	Beginning balance	Number of shares(thousand)	Percentage of ownership (%)	Book value (Note3)			
CHONGQING DAJING YUCHYANG PLASTICS CO., LTD. (DAJING YUCHYANG)	CHONGQING DAJING TONG YANG PLASTICS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	RMB 56,985	RMB 56,985	-	-%	\$-	\$-	\$-	(Note7)
HOW BOND INVESTMENT CO., LTD.	TYG HOLDING (U.S.A), INC.	America	Investment holding	USD -	USD -	1	100.00%	981,021	66,616	66,616	(Note 4.5)
	NANJING TONG YANG AUTO PARTS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	\$820,610	\$820,610	-	100.00%	241,302	(14,366)	(14,366)	(Note 4)

Note 1: The original investment amount does not include the amount of surplus to capital increase.

Note 2: The investment income recognized for this period is based on the direct investee companies own outstanding shares.

Note 3: The investment income recognized for this period had eliminated unrealized gain or loss on the transactions between the Company and its investees.

Note 4: The above transactions were all made between consolidated entities in the Group and have been reversed.

Note 5: TYG HOLDING (U.S.A), INC is a foreign holding investee company, and it prepares consolidated financial statements only, the disclosure of the company's investments over which the Company has significant influence or control, directly or indirectly, is only disclosed to the level of the holding company.

Note 6: Investment income(loss) recognized during this period includes the valuation income(loss) of financial assets at fair value according to IFRS9.

Note 7: In August 2023, the Company's Board of Directors resolved to cancel the original plan to sell 55% of the equity of DAJING YUCHYANG and instead to liquidate DAJING YUCHYANG directly.

The original indirect investment of 30% equity in DAJING TONG YANG through DAJING YUCHYANG was adjusted to the direct investment by TONG YANG HOLDING. The registration of equity change was completed in May 2024.

Note 8: The exchange rate of US dollar to NTD is 1:32.45.

The exchange rate of RMB to NTD is 1:4.468.

The average exchange rate of US dollar to NTD is 1: 31.69.

The average exchange rate of RMB to NTD is 1:4.461.

Attachment 6: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 30 June 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 3/4)	Carrying Value as of 30 June 2024 (Note 3/5)	Accumulated Inward Remittance of Earnings as of 30 June 2024
					Outflow	Inflow						
Nanjing Tongyang Plastic Products Co., Ltd.	1. Regarding automobile bumpers and their parts, and other motor vehicles, parts and accessories for motorcycles, chemical raw materials, production and sales of pollution prevention equipment, and varnished water and other varnishes based on natural polymers. Business of processing and trading of paint materials and fine chemical raw materials. 2. All of them are domestic products sold in mainland China. Due to market segmentation, there is no adverse impact on the company's operations.	USD -	Note 1	USD 3,659	-	-	USD 3,659	-	-	-	-	-
Wuhu You Shr Tongyang Plastics Co., Ltd.		USD -	Note 1	USD 4,407	-	-	USD 4,407	-	-	-	-	-
Haerbin Hafei Kai Yih Metal Co., Ltd.		USD -	Note 1	USD 10,860	-	-	USD 10,860	-	-	-	-	-
Tianjin Mitsubishi Belting Co., Ltd.		USD -	Note 1	USD 1,033	-	-	USD 1,033	-	-	-	-	-
Tianjin Nagase Plastics Co., Ltd.		USD -	Note 1	USD 54	-	-	USD 54	-	-	-	-	-
Fuzhou Tongyang Plastic Products Co., Ltd.		USD 35,000	Note 1	USD 25,808	-	-	USD 25,808	USD 342	100.00%	USD 342	USD 5,559	-
Chongqing Dajing Yuchyang Plastics Co., Ltd.		USD 13,000	Note 1	USD 6,372	-	-	USD 6,372	-	55.00% (Note 7)	-	-	USD 4,000
NBC (Guangzhou) Co., Ltd.		USD -	Note 1	USD (6,340)	-	-	USD (6,340)	-	-	-	-	USD 6,340
NBC (Changchun) Co., Ltd.		USD -	Note 1	USD 469	-	-	USD 469	-	-	-	-	-
NBC (Tianjin) Co., Ltd.		USD -	Note 1	USD (998)	-	-	USD (998)	-	-	-	-	USD 998
Tianjin Binhai NBC Co., Ltd.		RMB -	Note 1	USD 2,960	-	-	USD 2,960	-	-	-	-	-
Chang Chuen Faway Tong Yang Plastics Co., Ltd.		USD 27,000	Note 1	USD 6,747	-	-	USD 6,747	USD 859	49.00%	USD 421	USD 47,444	USD 10,000
Haerbin Hafei Tongyang Plastic Products Co., Ltd.		USD -	Note 1	USD 4,113	-	-	USD 4,113	-	-	-	-	-
NBC (Wuhan) Co., Ltd.		USD -	Note 1	USD (4,602)	-	-	USD (4,602)	-	-	-	-	USD 4,602
NBC (Nanjing) Co., Ltd.		USD -	Note 1	USD (43)	-	-	USD (43)	-	-	-	-	USD 43
Chongqing Dajiang Tongyang Plastic Products Co., Ltd.		USD 13,000	Note 1	USD 3,692	-	-	USD 3,692	USD 3,106	55.00% (Note 7)	USD 1,708	USD 13,745	-
Daikyo Nishikawa Tong Yang Auto Parts (Nanjing) Co., Ltd.		USD 27,500	Note 1	USD 19,670	-	-	USD 19,670	USD 648	45.00%	USD 292	USD 10,751	-
Wuhan Xiangxing Auto Parts Co., Ltd.		USD 12,000	Note 1	USD 3,228	-	-	USD 3,228	USD (1,605)	25.00%	USD (401)	USD 2,422	-
Nanjing Tong Yang Auto Parts Co., Ltd.		USD 28,000	Note 2	USD 27,453	-	-	USD 27,453	(14,366)	100.00%	(14,366)	241,302	-
Guangzhou Tong Yang Tatamatsu Mold Manufacturing Co., Ltd.		RMB 100,000	Note 1	USD 11,172	-	-	USD 11,172	USD (143)	90.00%	USD (129)	USD 4,147	-
Changsha Gacc Tong Yang Automobile Component Co., Ltd.		USD 35,000	Note 1	USD 17,132	-	-	USD 17,132	USD (1,523)	49.00%	USD (746)	USD 7,897	-
Fuzhou Kai Ming Mold Co., Ltd.		USD -	Note 3	USD 200	-	-	USD 200	-	-	-	-	-
Xiangyang Tong Yang Automobile Component Co., Ltd.		USD 46,500	Note 1	USD 39,651	-	-	USD 39,651	USD (1,789)	100.00%	USD (1,789)	USD 2,921	-
Fushun Tong Yang Automobile Component Co., Ltd.		USD 18,500	Note 1	USD 18,586	-	-	USD 18,586	USD (998)	100.00%	USD (998)	USD 13,382	-
Tong Yang (Guangzhou) Technology R&D Service Co., Ltd.		RMB 12,000	Note 1	USD 1,840	-	-	USD 1,840	USD (8)	100.00%	USD (8)	USD 1,831	-

Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
US\$197,123	US\$197,123	(Note 6)

Note 1: Indirectly investment in Mainland China through companies registered in a third region - TONG YANG HOLDING CORPORATION.

Note 2: Indirectly investment in Mainland China through companies registered in a third region - HOW BOND INVESTMENT CO., LTD.

Note 3: Indirectly investment in Mainland China through companies registered in a third region - Jundong International Co., Ltd.

Note 4: The exchange rate of US dollar to NTD is 1:32.45, the exchange rate of RMB to NTD is 1:4.468; the average exchange rate of US dollar to NTD is 1: 31.69, the average exchange rate of RMB to NTD is 1: 4.461.

Note 5: The book value of the investment at the end of the period is calculated based on the shareholding ratio of the direct or indirect investment of the company.

Note 6: According to the provisions of 97.8.22 “Investment or Technical Cooperation Licensing in Mainland China” and “Investment or Technical Cooperation Review Principles in Mainland China”, the cumulative amount of investors' investment in mainland China depends on the upper limit of other enterprises: net value or a combined net value of 60%, whichever is higher. However, the Ministry of Economic Affairs issued the certificate of compliance with the business scope of the company's operating headquarters. The enterprise or multinational company is not limited to this. The company is applicable to the corporate operation headquarters, so there is no quota.

Note 7: In August 2023, the Company's Board of Directors resolved to cancel the original plan to sell 55% of the equity of DAJING YUCHYANG and instead to liquidate DAJING YUCHYANG directly.

The original indirect investment of 30% equity in DAJING TONG YANG through DAJING YUCHYANG was adjusted to the direct investment by TONG YANG HOLDING. The registration of equity change was completed in May 2024.

Attachment 7: Information on major shareholders

Name of major shareholders	Name of ordinary shares	Number of shares held	Percentage of ownership
	YEONG-MAW WU	38,006,787	6.42%
	YUNG-FENG WU	36,677,497	6.20%
	YUNG-HSIANG WU	33,903,930	5.73%

Note 1: The main shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter. The total number of ordinary shares and special shares held by the shareholders which have completed the dematerialized delivery and registration of the shares of the Company (including treasury shares) is more than 5%. The share capital recorded in the Company's financial report and the number of shares actually delivered by the Company with dematerialized registration may differ because the calculation bases were different.

Note 2: If the above information included the shareholders' shares transferred to a trust, it is disclosed by the individual settlor account opened by the trustee. Where the shareholders declared insider equity holding for more than 10% shareholding according to the Securities and Exchange Act, such holdings shall include the shares held by shareholders and the trusted assets with right to use. For information regarding insider shareholding declaration, please refer to the Market Observation Post System of the Taiwan Stock Exchange Corporation.