

TONG YANG INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024 AND 2023

WITH

REVIEW REPORT OF INDEPENDENT AUDITORS

The reader is advised that these 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 September 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2024 and 2023, changes in equity and cash flows for the nine-month periods ended 30 September 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\$5,626,370 thousand and NT\$6,079,573 thousand, constituting 16.17% and 17.74% of the consolidated total assets, and total liabilities of NT\$2,244,999 thousand and NT\$2,665,115 thousand, constituting 27.82% and 29.85% of the consolidated total liabilities as of 30 September 2024 and 2023, respectively; and the total comprehensive income of NT\$(54,491) thousand, NT\$83,394 thousand, NT\$167,311 thousand and NT\$(6,719) thousand which represented (6.40)%, 6.56%, 5.19% and (0.26)% of the consolidated total comprehensive income, for the three-month and nine-month periods ended 30

September 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\$853,418 thousand and NT\$936,061 thousand as of 30 September 2024 and 2023, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$(21,654) thousand, NT\$(21,945) thousand, NT\$(52,305) thousand and NT\$(66,106) thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$3,342 thousand, NT\$27,890 thousand, NT\$34,844 thousand and NT\$4,673 thousand for the three-month and nine-month periods ended 30 September 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 September 2024 and 2023, and their consolidated financial performance for the three-month and nine-month periods ended 30 September 2024 and 2023, and cash flows for the nine-month periods ended 30 September 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
7 November 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 September 2024, 31 December 2023 and 30 September 2023

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Current assets				
Cash and cash equivalents	IV/VI.1	\$2,946,433	\$3,817,008	\$3,135,284
Financial assets measured at amortized cost-current	IV/VI.3/VIII	-	287,056	241,314
Notes receivables,net	IV/VI.4.16/VII/VIII	447,604	439,738	439,087
Trade receivables,net	IV/VI.5.15.16	4,286,242	4,075,372	4,331,498
Trade receivables-related parties,net	IV/VI.5.16/VII	76,331	98,755	72,700
Other receivables	IV	197,678	416,621	229,267
Inventories,net	IV/VI.6	3,058,920	2,687,171	2,693,042
Other current assets	IV	301,166	284,758	260,171
Total current assets		11,314,374	12,106,479	11,402,363
Non-current assets				
Financial assets at fair value through other comprehensive income- non-current	IV/VI.2	509,704	671,057	633,338
Financial assets measured at amortized cost- non-current	IV/VI.3/VIII	153,529	11,498	11,498
Investments accounted for using the equity method	IV/VI.7	2,426,044	2,471,049	2,518,127
Property, plant and equipment	IV/VI.8/VIII	17,091,459	17,604,877	17,371,805
Right-of-use assets	IV/VI.17/VIII	245,836	233,447	242,612
Intangible assets	IV/VI.9.10	458,174	590,182	861,598
Deferred tax assets	IV/VI.21	219,182	231,847	145,646
Prepayment for equipments		2,023,592	769,472	689,622
Other non-current assets-others		362,219	356,274	385,143
Total non-current assets		23,489,739	22,939,703	22,859,389
Total assets		\$34,804,113	\$35,046,182	\$34,261,752

(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 September 2024, 31 December 2023 and 30 September 2023

(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Current liabilities				
Short-term borrowings	IV/VI.11	\$441,004	\$528,878	\$913,386
Notes payables		369	314,124	235,902
Trade payables		2,521,172	2,596,091	2,520,298
Trade payables-related parties	VII	30,665	30,436	32,553
Other payables		1,499,582	1,513,568	1,255,401
Balance payable-machinery and equipment		427,695	477,582	481,117
Current tax liabilities	IV/VI.21	367,187	796,016	585,804
Lease liabilities-current	IV/VI.17	9,111	14,775	15,282
Current portion of long-term liabilities	IV/VI.12	395,310	387,352	386,090
Other current liabilities-others	IV/VI.15	571,854	393,554	442,126
Total current liabilities		6,263,949	7,052,376	6,867,959
Non-current liabilities				
Long-term borrowings	IV/VI.12	1,153,563	1,452,035	1,548,873
Deferred tax liabilities	IV/VI.21	361,577	359,749	367,404
Lease liabilities- non-current	IV/VI.17	20,855	7,349	5,911
Accrued pension liabilities	IV/VI.13	251,193	247,909	126,257
Other non-current liabilities-others		17,491	14,667	11,441
Total non-current liabilities		1,804,679	2,081,709	2,059,886
Total liabilities		8,068,628	9,134,085	8,927,845
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		12,783,097	12,248,076	11,555,642
Subtotal		15,946,597	15,216,772	14,524,338
Other equity	IV/VI.14	194,216	169,350	286,984
Non-controlling interests	IV/VI.14	528,779	460,701	457,311
Total equity		26,735,485	25,912,097	25,333,907
Total liabilities and equity		\$34,804,113	\$35,046,182	\$34,261,752

(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 nine-month periods ended 30 September 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

ITEMS	NOTE	2024.7.1~ 2024.9.30	2023.7.1~ 2023.9.30	2024.1.1~ 2024.9.30	2023.1.1~ 2023.9.30
Operating revenue	IV/VI.15/VII	\$6,315,451	\$6,154,072	\$18,675,484	\$17,303,529
Operating costs	IV/VI.6.18/VII	(4,258,471)	(4,296,071)	(12,533,424)	(12,345,482)
Gross profit		2,056,980	1,858,001	6,142,060	4,958,047
Operating expenses	IV/VI.16.17.18/VII				
Sales and marketing expenses		(435,082)	(432,924)	(1,302,381)	(1,243,786)
General and administrative expenses		(270,354)	(270,027)	(871,356)	(783,828)
Research and development expenses		(171,284)	(134,393)	(485,397)	(392,412)
Expected credit losses		(995)	(2,537)	(5,340)	(3,307)
Subtotal		(877,715)	(839,881)	(2,664,474)	(2,423,333)
Operating income		1,179,265	1,018,120	3,477,586	2,534,714
Non-operating income and expenses					
Other revenue	IV/VI.19	72,001	78,353	351,384	216,545
Other gains and losses	IV/VI.19	(117,591)	123,613	155,455	127,502
Finance costs	IV/VI.19	(7,149)	(14,015)	(24,755)	(47,330)
Share of profit or loss of associates and joint ventures	IV/VI.7	(4,096)	33,802	(21,402)	(16,655)
Subtotal		(56,835)	221,753	460,682	280,062
Income from continuing operations before income tax		1,122,430	1,239,873	3,938,268	2,814,776
Income tax expense	IV/VI.21	(226,994)	(251,917)	(782,159)	(573,607)
Net income		\$895,436	\$987,956	\$3,156,109	\$2,241,169
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		(38,354)	90,484	(161,353)	273,884
To be reclassified to profit or loss in subsequent periods					
Exchange differences resulting from translating the financial statements of foreign operation		(24,168)	118,624	124,308	112,503
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		18,862	74,168	104,520	(3,436)
Income tax relating to those items to be reclassified to profit or loss		-	-	-	-
Total other comprehensive income, net of tax		(43,660)	283,276	67,475	382,951
Total comprehensive income		\$851,776	\$1,271,232	\$3,223,584	\$2,624,120
Net income attributable to:					
Stockholders of the parent		\$882,780	\$974,310	\$3,095,733	\$2,222,663
Non-controlling interests		\$12,656	\$13,646	\$60,376	\$18,506
Comprehensive income attributable to:					
Stockholder of the parent		\$835,601	\$1,248,172	\$3,120,599	\$2,606,353
Non-controlling interests		\$16,175	\$23,060	\$102,985	\$17,767
Earnings per share (NTD)					
Earnings per share-basic	IV/VI.22	\$1.49	\$1.65	\$5.23	\$3.76
Earnings per share-diluted	IV/VI.22	\$1.49	\$1.65	\$5.23	\$3.76

(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 nine-month periods ended 30 September 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 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 nine-month ended 30 September 2023	-	-	-	-	2,222,663	-	-	2,222,663	18,506	2,241,169
Other comprehensive (loss), net of tax for the nine-month periods ended 30 September 2023	-	-	-	-	-	109,806	273,884	383,690	(739)	382,951
Total comprehensive income (loss)	-	-	-	-	2,222,663	109,806	273,884	2,606,353	17,767	2,624,120
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(77,429)	(77,429)
Balance as of 30 September 2023	<u>\$5,914,771</u>	<u>\$4,150,503</u>	<u>\$2,871,990</u>	<u>\$96,706</u>	<u>\$11,555,642</u>	<u>\$(269,970)</u>	<u>\$556,954</u>	<u>\$24,876,596</u>	<u>\$457,311</u>	<u>\$25,333,907</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 nine-month ended 30 September 2024	-	-	-	-	3,095,733	-	-	3,095,733	60,376	3,156,109
Other comprehensive income(loss), net of tax for the nine-month periods ended 30 September 2024	-	-	-	-	-	186,219	(161,353)	24,866	42,609	67,475
Total comprehensive income (loss)	-	-	-	-	3,095,733	186,219	(161,353)	3,120,599	102,985	3,223,584
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(34,907)	(34,907)
Balance as of 30 September 2024	<u>\$5,914,771</u>	<u>\$4,151,122</u>	<u>\$3,163,500</u>	<u>\$-</u>	<u>\$12,783,097</u>	<u>\$(239,104)</u>	<u>\$433,320</u>	<u>\$26,206,706</u>	<u>\$528,779</u>	<u>\$26,735,485</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 nine-month periods ended 30 September 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

ITEMS	2024.1.1~ 2024.9.30	2023.1.1~ 2023.9.30	ITEMS	2024.1.1~ 2024.9.30	2023.1.1~ 2023.9.30
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$3,938,268	\$2,814,776	Acquisition of financial assets measured at amortized cost	(410,221)	(552,840)
Adjustments for:			Disposal of financial assets measured at amortized cost	555,246	435,942
Income and expense adjustments:			Proceeds from capital reduction of equity investments under equity method	7,111	-
Depreciation(including right-of-use assets)	1,961,422	2,088,714	Acquisition of property, plant and equipment	(2,732,337)	(1,685,174)
Amortization	148,920	142,952	Disposal of property, plant and equipment	58,276	164,965
Expected credit losses	5,340	3,307	Acquisition of intangible assets	(93,328)	(125,142)
Interest expense	24,755	47,330	Net cash (used in) investing activities	(2,615,253)	(1,762,249)
Interest revenue	(100,109)	(56,417)			
Dividend income	(11,186)	(17,352)	Cash flows from financing activities:		
Share of (profit) loss of associates for using the equity method	21,401	16,655	Increase in short-term borrowings	291,260	-
(Gain) on disposal of property, plant and equipment	(3,627)	(7,194)	(Decrease) in short-term borrowings	(379,134)	(324,442)
Loss on disposal of intangible assets	19	-	Reimburse long-term borrowings	(290,514)	(286,728)
Impairment loss on non-financial assets	40,379	91,064	Reimburse lease principal	(18,293)	(15,651)
Changes in operating assets and liabilities:			Cash dividends	(2,365,908)	(1,478,693)
Notes receivables,net	(7,866)	(62,214)	Interest paid	(26,324)	(49,370)
Trade receivables,net	(216,210)	(791,356)	Change in non-controlling interests	(34,907)	(4,508)
Trade receivables-related parties,net	22,424	8,458	Net cash (used in) financing activities	(2,823,820)	(2,159,392)
Other receivables	251,450	(24,952)			
Inventories	(371,749)	364,362	Effect of exchange rate changes on cash and cash equivalents	15,865	50,399
Other current assets	(16,408)	72,812			
Other non-current assets	(5,357)	(51,922)	Net increase in cash and cash equivalents	(870,575)	790,984
Other operating assets	109,202	99,946	Cash and cash equivalents at the beginning of period	3,817,008	2,344,300
Notes payables	(313,755)	118,668	Cash and cash equivalents at the end of period	\$2,946,433	\$3,135,284
Trade payables	(74,919)	139,783			
Trade payables-related parties	229	(11,445)			
Other payables	(7,969)	124,470			
Other current liabilities	182,195	(39,427)			
Accrued pension liabilities	3,284	(30,666)			
Other non-current liabilities	2,824	6,141			
Cash generated from operations	5,582,957	5,046,493			
Interest received	96,314	48,411			
Dividend received	75,951	71,743			
Income tax paid	(1,202,589)	(504,421)			
Net cash provided by operating activities	4,552,633	4,662,226			

(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 Nine-Month Periods Ended 30 September 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 nine-month periods ended 30 September 2024 and 2023 were authorized for issue by the Board of Directors on 7 November 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 have been 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 have not been 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 nine-month periods ended 30 September 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 Sep. 2024	31 Dec. 2023	30 Sep. 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 Sep. 2024	31 Dec. 2023	30 Sep. 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\$5,626,370 thousand and NT\$6,079,573 thousand; the total liabilities amounted to NT\$2,244,999 thousand and NT\$2,665,115 thousand as of 30 September 2024 and 2023; the total comprehensive income amounted to NT\$(54,491) thousand, NT\$83,394 thousand, NT\$167,311 thousand and NT\$(6,719) thousand for the three-month and nine-month periods ended 30 September 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 nine-month periods ended 30 September, 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 same significant accounting judgements, estimates and assumptions were applied in the Group's consolidated financial statements for the nine-month periods ended 30 September 2024 and 2023 as those applied in the Group's consolidated financial statements for the year ended 31 December 2023. Please refer to the Group's consolidated financial statements for the year ended 31 December 2023.

VI. CONTENTS OF SIGNIFICANT ACCOUNTS

1. Cash and cash equivalents

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Cash on hand	\$3,455	\$4,226	\$3,440
Saving account	1,576,955	1,785,969	1,705,276
Time deposits	1,289,669	1,936,040	1,335,984
Cash equivalents — short-term notes and bills	76,354	90,773	90,584
Total	<u>\$2,946,433</u>	<u>\$3,817,008</u>	<u>\$3,135,284</u>

2. Financial assets at fair value through other comprehensive income

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Equity instrument investments measured at fair value through other comprehensive income – non-current:			
Unlisted companies stocks	<u>\$509,704</u>	<u>\$671,057</u>	<u>\$633,338</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 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Time deposits	\$-	\$234,871	\$194,092
Restricted deposits	153,529	63,683	58,720
Total	<u>\$153,529</u>	<u>\$298,554</u>	<u>\$252,812</u>
Current	\$-	\$287,056	\$241,314
Non-current	153,529	11,498	11,498
Total	<u>\$153,529</u>	<u>\$298,554</u>	<u>\$252,812</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 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Notes receivables arising from operating activities	\$448,255	\$440,389	\$439,738
Less: loss allowance	(651)	(651)	(651)
Total	<u>\$447,604</u>	<u>\$439,738</u>	<u>\$439,087</u>

Please refer to Note VIII 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 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Trade receivables	\$4,354,726	\$4,136,672	\$4,370,437
Less: loss allowance	(68,484)	(61,300)	(38,939)
Subtotal	4,286,242	4,075,372	4,331,498
Trade receivables from related parties	76,331	98,755	72,700
Less: loss allowance	-	-	-
Subtotal	76,331	98,755	72,700
Total	\$4,362,573	\$4,174,127	\$4,404,198

Please refer to Note VIII for more details on trade receivables under pledge.

Trade receivables are generally on 15-120 day terms. The total carrying amount as of 30 September 2024, 31 December 2023 and 30 September 2023 were NT\$4,431,057 thousand, NT\$4,235,427 thousand and NT\$4,443,137 thousand, respectively. Please refer to Note VI.(16) for more details on loss allowance of trade receivables for the nine-month periods ended 30 September 2024 and 2023 and please refer to Note XII for credit risk management.

6. Inventories

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Raw materials	\$661,539	\$565,056	\$551,496
Supplies and parts	218,710	220,605	225,224
Work in progress	515,132	393,708	465,678
Finished goods	1,509,200	1,395,048	1,342,986
Merchandise	154,339	112,754	107,658
Total	\$3,058,920	\$2,687,171	\$2,693,042

The cost of inventories recognized in expenses amounted to NT\$4,258,471 thousand and NT\$4,296,071 thousand for the three-month period ended 30 September 2024 and 2023, respectively, including the reversal of write-down of inventories of NT\$2,928 thousand and NT\$4,129 thousand for the three-month periods ended 30 September 2024 and 2023, respectively.

The cost of inventories recognized in expenses amounted to NT\$12,533,424 thousand and NT\$12,345,482 thousand for the nine-month period ended 30 September 2024 and 2023, respectively, including the reversal of write-down of inventories of NT\$2,792 thousand and NT\$6,782 thousand for the nine-month periods ended 30 September 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 Sep. 2024		31 Dec. 2023		30 Sep. 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.	\$110,276	40.00%	\$117,809	40.00%	\$113,836	40.00%
C&D II CAPITAL CORPORATION.	59,809	42.53%	68,748	42.53%	68,604	42.53%
CHANG CHUEN FAWAY TONG YANG PLASTICS CO., LTD.	1,572,626	49.00%	1,581,839	49.00%	1,582,066	49.00%
CHANGSHA GACC TONG YANG AUTOMOBILE COMPONENT CO., LTD.	259,408	49.00%	270,734	49.00%	325,297	49.00%
DAIKYO NISHIKAWA TONG YANG AUTO PARTS (NANJING) CO., LTD.	341,572	45.00%	328,449	45.00%	324,268	45.00%
WUHAN XIANG XING AUTO PARTS CO., LTD.	67,163	25.00%	88,310	25.00%	88,896	25.00%
WU'S PLASTICS CO.,LTD. (literal translation)	15,190	50.00%	15,160	50.00%	15,160	50.00%
Total	<u>\$2,426,044</u>		<u>\$2,471,049</u>		<u>\$2,518,127</u>	

- (2) The Group's investments in the associates are not individually material. The related share of investment in the associates amounted to NT\$2,426,044 thousand, NT\$2,471,049 thousand and NT\$2,518,127 thousand as at 30 September 2024, 31 December 2023 and 30 September 2023.

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

	1 Jul.~ 30 Sep. 2024	1 Jul.~ 30 Sep.2023	1 Jan.~ 30 Sep.2024	1 Jan.~ 30 Sep. 2023
Profit or loss from continuing operations	\$(4,096)	\$33,802	\$(21,402)	\$(16,655)
Other comprehensive income	18,862	74,168	104,520	(3,436)
Total comprehensive income	<u>\$14,766</u>	<u>\$107,970</u>	<u>\$83,118</u>	<u>\$(20,091)</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\$853,418 thousand and NT\$936,061 thousand, as of 30 September 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\$(21,654) thousand, NT\$(21,945) thousand, NT\$(52,305) thousand and NT\$(66,106) thousand for the three-month and nine-month periods ended 30 September 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\$3,342 thousand, NT\$27,890 thousand, NT\$34,844 thousand and NT\$4,673 thousand for the three-month and nine-month periods ended 30 September 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 September 2024, 31 December 2023 and 30 September 2023.

8. Property, plant and equipment

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Owner occupied property, plant and equipment	<u>\$17,091,459</u>	<u>\$17,604,877</u>	<u>\$17,371,805</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	-	25,358	220,931	944,965	5,292	57,109	17,614	57,431	-	80,022	1,408,722
Disposals	-	(111,976)	(929,417)	(1,753,104)	(11,296)	(52,110)	(64,319)	(88,855)	-	-	(3,011,077)
Exchange differences	423	89,414	122,623	6,835	4,396	1,004	2,181	(140)	-	2,264	229,000
Transfers	-	160,586	-	-	-	-	-	5,901	-	(166,487)	-
Other changes	-	(7,543)	(15,981)	-	(978)	(128)	(216)	(3,993)	-	(566)	(29,405)
As at 30 Sep 2024	<u>\$4,703,037</u>	<u>\$8,157,374</u>	<u>\$5,649,171</u>	<u>\$11,108,968</u>	<u>\$112,025</u>	<u>\$383,638</u>	<u>\$446,996</u>	<u>\$350,272</u>	<u>\$-</u>	<u>\$148,800</u>	<u>\$31,060,281</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	-	26,507	146,736	1,128,004	21,518	34,689	39,113	30,479	-	74,775	1,501,821
Disposals	-	(89,566)	(713,843)	(1,484,428)	(8,416)	(68,694)	(37,403)	(75,815)	(135)	(4,121)	(2,482,421)
Exchange differences	722	13,990	7,338	10,204	7	87	(130)	(25)	-	(12)	32,181
Transfers	-	54,164	4,428	-	3,072	-	-	(4,428)	-	(54,164)	3,072
Other changes	-	(277,600)	(245,592)	-	-	-	(8,888)	(59,409)	-	-	(591,489)
As at 30 Sep. 2023	<u>\$4,103,678</u>	<u>\$8,155,013</u>	<u>\$6,384,672</u>	<u>\$11,742,401</u>	<u>\$119,247</u>	<u>\$376,447</u>	<u>\$489,698</u>	<u>\$379,200</u>	<u>\$-</u>	<u>\$127,085</u>	<u>\$31,877,441</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	-	227,799	367,668	1,215,342	10,922	32,951	34,754	50,086	-	-	1,939,522
Impairment loss	-	-	15,546	-	-	-	-	-	-	-	15,546
Disposals	-	(112,257)	(909,805)	(1,728,363)	(11,250)	(51,766)	(56,040)	(86,947)	-	-	(2,956,428)
Exchange differences	-	34,861	86,969	3,167	4,833	775	1,252	2,607	-	-	134,464
Transfers	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	(6,214)	(12,207)	-	(881)	(116)	(194)	(2,834)	-	-	(22,446)
As at 30 Sep. 2024	<u>\$-</u>	<u>\$3,222,245</u>	<u>\$4,054,982</u>	<u>\$5,939,279</u>	<u>\$67,323</u>	<u>\$200,587</u>	<u>\$269,449</u>	<u>\$214,957</u>	<u>\$-</u>	<u>\$-</u>	<u>\$13,968,822</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	-	240,797	440,316	1,250,515	11,433	34,436	38,029	52,008	15	-	2,067,549
Impairment loss	-	762	46,848	-	53	-	-	-	-	-	47,663
Disposals	-	(89,566)	(689,064)	(1,358,060)	(8,255)	(67,426)	(37,055)	(75,089)	(135)	-	(2,324,650)
Exchange differences	-	10,625	338	4,907	15	87	(46)	94	-	-	16,020
Transfer	-	-	-	-	1,699	-	-	1,373	-	-	3,072
Other changes	-	(227,491)	(231,047)	-	-	-	(8,379)	(59,367)	-	-	(526,284)
As at 30 Sep. 2023	\$-	\$3,120,266	\$4,462,392	\$6,105,043	\$63,532	\$219,540	\$280,093	\$254,770	\$-	\$-	\$14,505,636

Net carrying amount
as at:

30 Sep. 2024	\$4,703,037	\$4,935,129	\$1,594,189	\$5,169,689	\$44,702	\$183,051	\$177,547	\$135,315	\$-	\$148,800	\$17,091,459
31 Dec. 2023	\$4,702,614	\$4,923,479	\$1,744,204	\$5,461,139	\$50,912	\$159,020	\$202,059	\$127,883	\$-	\$233,567	\$17,604,877
30 Sep. 2023	\$4,103,678	\$5,034,747	\$1,922,280	\$5,637,358	\$55,715	\$156,907	\$209,605	\$124,430	\$-	\$127,085	\$17,371,805

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

Items	1 Jan. ~ 30 Sep. 2024	1 Jan. ~ 30 Sep. 2023
Construction in progress	\$4,737	\$2,582
The interest rate interval of borrowing cost capitalization	0.67%~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	5,571	87,757	-	93,328
Decrease	(29,309)	(83,125)	-	(112,434)
Exchange differences	3,405	72,739	-	76,144
Other changes	-	23,092	-	23,092
As at 30 Sep. 2024	<u>\$176,978</u>	<u>\$2,924,194</u>	<u>\$319,650</u>	<u>\$3,420,822</u>
As at 1 Jan. 2023	\$223,058	\$2,982,194	\$319,650	\$3,524,902
Addition - acquired separately	18,233	106,909	-	125,142
Decrease	(38,716)	(104,656)	-	(143,372)
Exchange differences	728	(4,985)	-	(4,257)
Other changes	(2,722)	106,538	-	103,816
As at 30 Sep. 2023	<u>\$200,581</u>	<u>\$3,086,000</u>	<u>\$319,650</u>	<u>\$3,606,231</u>
Amortization and impairment:				
As at 1 Jan. 2024	\$153,988	\$2,596,522	\$-	\$2,750,510
Amortization	15,359	133,561	-	148,920
Decrease	(29,289)	26,076	-	(3,213)
Exchange differences	2,993	63,438	-	66,431
Other changes	-	-	-	-
As at 30 Sep. 2024	<u>\$143,051</u>	<u>\$2,819,597</u>	<u>\$-</u>	<u>\$2,962,648</u>
As at 1 Jan. 2023	\$174,337	\$2,476,316	\$-	\$2,650,653
Amortization	19,166	123,786	-	142,952
Decrease	(38,716)	(4,710)	-	(43,426)
Exchange differences	567	(3,391)	-	(2,824)
Other changes	(2,722)	-	-	(2,722)
As at 30 Sep. 2023	<u>\$152,632</u>	<u>\$2,592,001</u>	<u>\$-</u>	<u>\$2,744,633</u>
Net carrying amount as at:				
30 Sep. 2024	<u>\$33,927</u>	<u>\$104,597</u>	<u>\$319,650</u>	<u>\$458,174</u>
31 Dec. 2023	<u>\$43,323</u>	<u>\$227,209</u>	<u>\$319,650</u>	<u>\$590,182</u>
30 Sep. 2023	<u>\$47,949</u>	<u>\$493,999</u>	<u>\$319,650</u>	<u>\$861,598</u>

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

	1 Jul. ~ 30 Sep. 2024	1 Jul. ~ 30 Sep.2023	1 Jan. ~ 30 Sep.2024	1 Jan. ~ 30 Sep. 2023
Operating costs	\$36,606	\$23,079	\$128,968	\$119,705
Sales and marketing expenses	\$1,222	\$1,073	\$3,610	\$3,280
General and administrative expenses	\$3,531	\$4,523	\$14,117	\$17,430
Research and development expenses	\$684	\$787	\$2,225	\$2,537

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 Sep. 2024	\$319,650
31 Dec. 2023	\$319,650
30 Sep. 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 nine-month periods ended 30 September 2024 and 2023.

11. Short-term borrowings

	Interest rate range	As at 30 Sep. 2024
Unsecured bank loans	3.50%~7.15%	\$53,007
Secured bank loans	4.15%~5.16%	387,997
Total		<u>\$441,004</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 Sep. 2023
Unsecured bank loans	3.60%~7.24%	\$542,472
Secured bank loans	4.10%~4.80%	370,914
Total		<u>\$913,386</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 September 2024, 31 December 2023 and 30 September 2023 are as follows:

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Unsecured bank loans	\$1,548,873	\$1,839,387	\$1,934,963
Less: current portion	(395,310)	(387,352)	(386,090)
Total	<u>\$1,153,563</u>	<u>\$1,452,035</u>	<u>\$1,548,873</u>
Interest rate range	(Note)	(Note)	(Note)
Maturity date	Maturity successively before May 2032	Maturity successively before May 2032	Maturity successively before May 2032

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 September 2024 and 2023 were NT\$32,623 thousand and NT\$31,203 thousand, respectively.

Expenses under the defined contribution plan for the nine-month periods ended 30 September 2024 and 2023 were NT\$98,471 thousand and NT\$89,989 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended 30 September 2024 and 2023 were NT\$1,867 thousand and NT\$526 thousand, respectively.

Expenses under the defined benefits plan for the nine-month periods ended 30 September 2024 and 2023 were NT\$5,601 thousand and NT\$1,579 thousand, respectively.

14. Equities

(1) Common stock

As of 30 September 2024, 31 December 2023 and 30 September 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 Sep. 2024	31 Dec. 2023	30 Sep. 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 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Beginning balance	\$460,701	\$516,973
Profit attributable to non-controlling interests	60,376	18,506
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operation	42,609	(739)
Others	(34,907)	(77,429)
Ending balance	<u>\$528,779</u>	<u>\$457,311</u>

15. Operating Revenue

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Sales - Finished goods	\$5,308,931	\$5,144,595	\$15,782,184	\$14,709,824
Sales - Merchandise	826,767	737,027	2,345,162	1,992,776
Sales - Others	179,753	272,450	548,138	600,929
Total	<u>\$6,315,451</u>	<u>\$6,154,072</u>	<u>\$18,675,484</u>	<u>\$17,303,529</u>

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

(1) Disaggregation of revenue

For the three-month periods ended 30 September 2024:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$1,343,071	\$3,965,860	\$5,308,931
Sales - Merchandise	106,544	720,223	826,767
Sales - Others	137,750	42,003	179,753
Total	<u>\$1,587,365</u>	<u>\$4,728,086</u>	<u>\$6,315,451</u>

Timing of revenue recognition:

At a point in time	<u>\$1,587,365</u>	<u>\$4,728,086</u>	<u>\$6,315,451</u>
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For the nine-month periods ended 30 September 2024:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$4,099,838	\$11,682,346	\$15,782,184
Sales - Merchandise	250,095	2,095,067	2,345,162
Sales - Others	416,245	131,893	548,138
Total	<u>\$4,766,178</u>	<u>\$13,909,306</u>	<u>\$18,675,484</u>

Timing of revenue recognition:

At a point in time	<u>\$4,766,178</u>	<u>\$13,909,306</u>	<u>\$18,675,484</u>
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For the three-month periods ended 30 September 2023:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$1,411,982	\$3,732,614	\$5,144,596
Sales - Merchandise	43,311	693,715	737,026
Sales - Others	211,633	60,817	272,450
Total	<u>\$1,666,926</u>	<u>\$4,487,146</u>	<u>\$6,154,072</u>

Timing of revenue recognition:

At a point in time	<u>\$1,666,926</u>	<u>\$4,487,146</u>	<u>\$6,154,072</u>
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For the nine-month periods ended 30 September 2023:

	Assembly Market	Maintenance Market	Total
Sales - Finished goods	\$4,128,285	\$10,581,539	\$14,709,824
Sales - Merchandise	78,626	1,914,150	1,992,776
Sales - Others	490,800	110,129	600,929
Total	<u>\$4,697,711</u>	<u>\$12,605,818</u>	<u>\$17,303,529</u>

Timing of revenue recognition:

At a point in time	<u>\$4,697,711</u>	<u>\$12,605,818</u>	<u>\$17,303,529</u>
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(2) Contract balances

A. Contract assets - current

	As at			
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023	1 Jan. 2023
Sales of goods	\$104,074	\$76,132	\$249,939	\$192,722
Less: loss allowance	-	-	-	-
Total	<u>\$104,074</u>	<u>\$76,132</u>	<u>\$249,939</u>	<u>\$192,722</u>

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

	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
The opening balance transferred to trade receivables	\$(76,132)	\$(192,722)
The current contract consideration has not yet been unconditionally charged	104,074	249,939

B. Contract liabilities - current

	As at			
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023	1 Jan. 2023
Sales of goods	\$296,562	\$205,217	\$242,342	\$296,474

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

	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
The opening balance transferred to revenue	\$(48,381)	\$(150,195)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	139,726	96,063

16. Expected credit losses / (gains)

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Operating expense- Expected credit losses				
Trade receivables	\$995	\$2,537	\$5,340	\$3,307

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 as of 30 September 2024 and 2023 (the same as the assessment result in the beginning of the period). As the Group transacts with are 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 September 2024, 31 December 2023 and 30 September 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 follows:

As at 30 September 2024

	Overdue						
		181-360					
	Not yet due	<=30 days	31-90 days	91-180days	days	>=360 days	Total
Gross carrying							
amount	\$4,502,713	\$315,725	\$20,298	\$3,715	\$1,730	\$35,131	\$4,879,312
Loss rate	0.5%	0.5~1%	2~10%	10~18%	19~84%	100%	
Lifetime expected							
credit losses	29,561	1,860	1,030	453	1,100	35,131	69,135
Carrying amount	\$4,473,152	\$313,865	\$19,268	\$3,262	\$630	\$-	\$4,810,177

As at 31 December 2023

	Overdue						
		181-360					
	Not yet due	<=30 days	31-90 days	91-180days	days	>=360 days	Total
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	\$4,248,734	\$343,931	\$15,957	\$4,335	\$908	\$-	\$4,613,865

As at 30 September 2023

	Overdue						
		181-360					
	Not yet due	<=30 days	31-90 days	91-180days	days	>=360 days	Total
Gross carrying							
amount	\$4,458,673	\$408,723	\$13,198	\$1,034	\$1,247	\$-	\$4,882,875
Loss rate	0.5%	0.5~1%	1~5%	5~21%	21~100%	100%	
Lifetime expected							
credit losses	36,218	2,262	302	127	681	-	39,590
Carrying amount	\$4,422,455	\$406,461	\$12,896	\$907	\$566	\$-	\$4,843,285

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

	Contract assets	Note receivables	Trade receivables
Bal. as at 1 Jan. 2024	\$-	\$651	\$61,300
Addition/(reversal) for the current period	-	-	5,340
Write off	-	-	-
Other	-	-	-
Exchange differences	-	-	1,844
Bal. as at 30 Sep. 2024	<u>\$-</u>	<u>\$651</u>	<u>\$68,484</u>

	Contract assets	Note receivables	Trade receivables
Bal. as at 1 Jan. 2023	\$-	\$651	\$30,193
Addition/(reversal) for the current period	-	-	3,307
Write off	-	-	-
Other	-	-	5,322
Exchange differences	-	-	117
Bal. as at 30 Sep. 2023	<u>\$-</u>	<u>\$651</u>	<u>\$38,939</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 follows:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Land	\$215,086	\$223,055	\$231,001
Other equipment	30,750	10,392	11,611
Total	<u>\$245,836</u>	<u>\$233,447</u>	<u>\$242,612</u>

During the nine-month periods ended 30 September 2024 and 2023, the Group's additions to right-of-use assets amounted to NT\$27,408 thousand and NT\$1,052 thousand, respectively.

(b) Lease liabilities

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Lease liabilities	\$29,966	\$22,124	\$21,193
Current	\$9,111	\$14,775	\$15,282
Non-current	20,855	7,349	5,911
Total	\$29,966	\$22,124	\$21,193

Please refer to Note VI.(19) for the interest on lease liabilities recognized during the nine-month periods ended 30 September 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 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Land	\$6,287	\$5,972	\$18,806	\$18,265
Other equipment	1,161	967	3,094	2,900
Total	\$7,448	\$6,939	\$21,900	\$21,165

C. Income and costs relating to leasing activities

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
The expenses relating to short-term leases	\$2,463	\$2,738	\$7,562	\$8,324
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	84	166	241	337
Total	\$2,547	\$2,904	\$7,803	\$8,661

D. Cash outflow relating to leasing activities

During the nine-month periods ended 30 September 2024 and 2023, the Group's total cash outflows for leases amounted to NT\$26,096 thousand and NT\$24,499 thousand.

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

Function Character	1 Jul. 2024~30 Sep. 2024			1 Jul. 2023~30 Sep. 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Salaries	\$479,759	\$362,982	\$842,741	\$475,601	\$327,065	\$802,666
Labor and health insurances	62,158	30,895	93,053	46,248	23,149	69,397
Pension	18,858	15,632	34,490	17,372	14,357	31,729
Other employee benefits expense	25,758	19,899	45,657	17,948	16,950	34,898
Depreciation	592,047	54,116	646,163	631,626	55,745	687,371
Amortization	36,606	5,437	42,043	23,079	6,383	29,462

Function Character	1 Jan. 2024~30 Sep. 2024			1 Jan. 2023~30 Sep. 2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Salaries	\$1,485,046	\$1,095,560	\$2,580,606	\$1,374,354	\$937,085	\$2,311,439
Labor and health insurances	153,490	96,526	250,016	136,369	87,489	223,858
Pension	57,882	46,190	104,072	50,421	41,147	91,568
Other employee benefits expense	79,675	57,501	137,176	54,071	48,532	102,603
Depreciation	1,802,204	159,218	1,961,422	1,919,571	169,143	2,088,714
Amortization	128,968	19,952	148,920	119,705	23,247	142,952

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 September 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 September 2024 and 2023, the amounts of employees' compensation and remunerations to directors were NT\$3,750 thousand and NT\$11,250 thousand for the nine-month period ended 30 September 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 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Rental income	\$710	\$1,119	\$2,108	\$4,854
Interest income	24,904	20,900	100,109	56,417
Dividend income	-	7,629	11,186	17,352
Others	46,387	48,705	237,981	137,922
Total	<u>\$72,001</u>	<u>\$78,353</u>	<u>\$351,384</u>	<u>\$216,545</u>

(2) Other gains and losses

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Gains (losses) on disposal of property, plant and equipment	\$3,004	\$(1,796)	\$3,627	\$7,194
Losses on disposal of intangible assets	(8)	-	(19)	-
Foreign exchange (losses) gains, net	(95,925)	187,481	194,851	240,519
Impairment losses	(26,691)	(47,663)	(40,379)	(91,064)
Other gains (losses)	2,029	(14,409)	(2,625)	(29,147)
Total	<u>\$ (117,591)</u>	<u>\$ 123,613</u>	<u>\$ 155,455</u>	<u>\$ 127,502</u>

(3) Finance costs

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Interest on borrowings from bank	\$(7,116)	\$(13,978)	\$(24,660)	\$(47,143)
Interest on lease liabilities	(33)	(37)	(95)	(187)
Subtotal	<u>(7,149)</u>	<u>(14,015)</u>	<u>(24,755)</u>	<u>(47,330)</u>
Total	<u>\$ (7,149)</u>	<u>\$ (14,015)</u>	<u>\$ (24,755)</u>	<u>\$ (47,330)</u>

20. Components of other comprehensive income

	Arising during the period	Income tax profit (expense)	Other comprehensive income, net of tax
Three-month periods ended 30 Sep. 2024			
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	\$ (38,354)	\$-	\$ (38,354)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	(24,168)	-	(24,168)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	18,862	-	18,862
Total other comprehensive income	<u>\$ (43,660)</u>	<u>\$-</u>	<u>\$ (43,660)</u>

	Arising during	Income tax	Other
Three-month periods ended 30 Sep. 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	\$90,484	\$-	\$90,484
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	118,624	-	118,624
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	74,168	-	74,168
Total other comprehensive income	<u>\$283,276</u>	<u>\$-</u>	<u>\$283,276</u>

	Arising during	Income tax	Other
Nine-months periods ended 30 Sep. 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	\$(161,353)	\$-	\$(161,353)
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	124,308	-	124,308
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	104,520	-	104,520
Total other comprehensive income	<u>\$67,475</u>	<u>\$-</u>	<u>\$67,475</u>

	Arising during	Income tax	Other
Nine-months periods ended 30 Sep. 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	\$273,884	\$-	\$273,884
To be reclassified to profit or loss in subsequent periods:			
Exchange differences resulting from translating the financial statements of a foreign operation	112,503	-	112,503
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(3,436)	-	(3,436)
Total other comprehensive income	<u>\$382,951</u>	<u>\$-</u>	<u>\$382,951</u>

21. Income tax

The major components of income tax expense are as follows:

Income tax recorded in profit or loss

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Current income tax expense :				
Current income tax charge	\$226,994	\$251,917	\$778,059	\$577,244
Adjustments in respect of current income tax of prior periods	-	-	(7,976)	(3,637)
Deferred income tax expense :				
Deferred tax expense relating to origination and reversal of temporary differences	-	-	12,076	-
Total income tax expense	<u>\$226,994</u>	<u>\$251,917</u>	<u>\$782,159</u>	<u>\$573,607</u>

The assessment of income tax returns

As of 30 September 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 Jul. 2024~ 30 Sep. 2024</u>	<u>1 Jul. 2023~ 30 Sep. 2023</u>	<u>1 Jan.2024~ 30 Sep. 2024</u>	<u>1 Jan. 2023~ 30 Sep. 2023</u>
(1) Basic earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$882,780</u>	<u>\$974,310</u>	<u>\$3,095,733</u>	<u>\$2,222,663</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>\$1.49</u>	<u>\$1.65</u>	<u>\$5.23</u>	<u>\$3.76</u>

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan.2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
(2) Diluted earnings per share				
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$882,780</u>	<u>\$974,310</u>	<u>\$3,095,733</u>	<u>\$2,222,663</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)	<u>48</u>	<u>76</u>	<u>48</u>	<u>76</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>591,525</u>	<u>591,553</u>	<u>591,525</u>	<u>591,553</u>
Diluted earnings per share (NT\$)	<u>\$1.49</u>	<u>\$1.65</u>	<u>\$5.23</u>	<u>\$3.76</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 follows:

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 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Associates industries	<u>\$64,759</u>	<u>\$67,637</u>	<u>\$194,475</u>	<u>\$227,883</u>

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

(2) Purchases

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Associates industries	<u>\$32,002</u>	<u>\$36,245</u>	<u>\$100,508</u>	<u>\$114,206</u>

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

(3) Trade receivables - related parties

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Associates industries	<u>\$76,331</u>	<u>\$98,755</u>	<u>\$72,700</u>

(4) Note receivables - related parties

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Associates industries	<u>\$15,914</u>	<u>\$8,534</u>	<u>\$5,160</u>

(5) Trade payables - related parties

	As at		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Associates industries	<u>\$30,665</u>	<u>\$30,436</u>	<u>\$32,553</u>

(6) Key management personnel compensation

	1 Jul. 2024~ 30 Sep. 2024	1 Jul. 2023~ 30 Sep. 2023	1 Jan. 2024~ 30 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Short-term employee benefits	\$18,466	\$19,781	\$57,108	\$57,186
Post-employment benefits	27	27	81	81
Total	<u>\$18,493</u>	<u>\$19,808</u>	<u>\$57,189</u>	<u>\$57,267</u>

(7) Other

The amount of service fees paid by the Group to an other related party for the three-month periods ended 30 September 2024 and 2023 were NT\$2,610 thousand and NT\$2,809 thousand, respectively. For the nine-month periods ended 30 September 2024 and 2023 were NT\$8,626 thousand and NT\$8,307 thousand, respectively.

VIII. ASSETS PLEDGED AS SECURITY

The following assets of the Group are pledged as security:

Items	Carrying amount			Secured liabilities
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023	
Financial assets measured at amortized cost-non-current	\$153,529	\$11,498	\$11,498	Notes payables and guarantee
Financial assets measured at amortized cost-current	-	52,185	47,222	Notes payables
Notes receivables	-	257,999	188,162	Notes payables
Property, plant and equipment-Land	225,647	225,647	225,647	Bank borrowings
Property, plant and equipment-Buildings	800,629	794,967	820,692	Bank borrowings
Right-of-use assets	151,604	148,244	152,597	Bank borrowings
Total	<u>\$1,331,409</u>	<u>\$1,490,540</u>	<u>\$1,445,818</u>	

IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

1. As of 30 September 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 Sep. 2024</u>
USD	946
NTD	38,174

(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 September 2024, the related parties, FUZHOU TONG YANG, FUSHUN TONG YANG, TONG YANG HOLDING CORPORATION and 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 September 2024, the Company has entered into a binding contract for the fourth quarter of 2024 with CHINA STEEL CORPORATION. The contract price is NT\$254,676 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

In October 2024, the Company entered into a lease agreement with Ministry of Economic Affairs, for land located in the second phase of the Xinshi Industrial Park, Tainan City for twenty years, with the estimated value of the right-of-use asset approximated NT\$1,234,737 thousand.

XII. OTHER

1. Categories of financial instruments

Financial assets

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Financial assets at fair value through other comprehensive income	\$509,704	\$671,057	\$633,338
Financial assets measured at amortized cost:			
Cash and cash equivalents (excludes cash on hand)	2,942,978	3,812,782	3,131,844
Financial assets measured at amortized cost			
cost	153,529	298,554	252,812
Notes receivables(related parties included)	447,604	439,738	439,087
Trade receivables(related parties included)	4,362,573	4,174,127	4,404,198
Other receivables(related parties included)	197,678	416,621	229,267
Total	<u>\$8,614,066</u>	<u>\$9,812,879</u>	<u>\$9,090,546</u>

Financial liabilities

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Financial liabilities at amortized cost:			
Short-term borrowings	\$441,004	\$528,878	\$913,386
Trade and other payables	4,479,483	4,931,801	4,525,271
Lease liabilities	29,966	22,124	21,193
Long-term borrowings(including current portion with maturity less than 1 year)	1,548,873	1,839,387	1,934,963
Total	<u>\$6,499,326</u>	<u>\$7,322,190</u>	<u>\$7,394,813</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 nine-month periods ended 30 September 2024 and 2023 decreases/increases by NT\$12,683 thousand and NT\$44,190 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 nine-month period ended 30 September 2024 and 2023 to decrease/increase by NT\$833 thousand and NT\$ 402 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 trade and notes 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 September 2024, 31 December 2023 and 30 September 2023, trade receivables from top ten customers represented 46%, 50% and 54% 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 Sep. 2024					
Borrowings	\$854,882	\$385,051	\$261,693	\$522,592	\$2,024,218
Trade and other payables	4,479,483	-	-	-	4,479,483
Lease liabilities	9,111	8,294	6,855	6,119	30,379
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 Sep. 2023					
Borrowings	\$1,328,030	\$403,426	\$383,866	\$782,770	\$2,898,092
Trade and other payables	4,525,271	-	-	-	4,525,271
Lease liabilities	13,946	3,132	2,603	3,112	22,793

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the nine-month periods ended 30 September 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	(87,874)	(290,514)	(18,293)	(396,681)
Non-cash changes	-	-	25,883	25,883
Foreign exchange movement	-	-	252	252
As at 30 Sep. 2024	\$441,004	\$1,548,873	\$29,966	\$2,019,843

Reconciliation of liabilities for the nine-month periods ended 30 September 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	(324,442)	(286,728)	(15,651)	(626,821)
Non-cash changes	-	-	1,612	1,612
Foreign exchange movement	-	-	-	-
As at 30 Sep. 2023	<u>\$913,386</u>	<u>\$1,934,963</u>	<u>\$21,193</u>	<u>\$2,869,542</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 Taipei Exchange, 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 Sep. 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$509,704	\$509,704

As at 31 Dec. 2023

	Level 1	Level 2	Level 3	Total
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 Sep. 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$633,338	\$633,338

Transfers between Level 1 and Level 2 during the period

During the nine-month periods ended 30 September 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 Sep. 2024	1 Jan. 2023~ 30 Sep. 2023
Beginning balances	\$671,057	\$359,454
Total gains and losses recognized:		
Amount recognized in OCI	(161,353)	273,884
Ending balances	<u>\$509,704</u>	<u>\$633,338</u>

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 September 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	9.12~ 15.82	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\$49,970 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 September 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	11.16~ 20.23	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\$62,334 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 to ensure the valuation is reasonable.

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Unit: thousands			
As at 30 Sep. 2024			
	Foreign Currency	Exchange	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$42,116	31.651	\$1,333,014
CNY	377,225	4.514	1,702,794
Non-monetary items:			
CNY	496,404	4.514	2,240,769
<u>Financial liabilities</u>			
Monetary items:			
USD	\$2,046	31.651	\$64,758
CNY	379,246	4.514	1,711,916
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 Sep. 2023		
	Foreign Currency	Exchange	NTD
Financial assets			
Monetary items:			
USD	\$138,492	32.268	\$4,468,860
CNY	416,062	4.418	1,838,162
Non-monetary items:			
CNY	525,244	4.418	2,320,527
Financial liabilities			
Monetary items:			
USD	\$1,545	32.268	\$49,854
CNY	562,839	4.418	2,486,623

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 nine-month periods ended 30 September 2024 and 2023, the foreign exchange gains or losses on monetary financial assets and financial liabilities were NT\$(95,925) thousands, NT\$187,481 thousand, NT\$194,851 thousand and NT\$240,519 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 nine-month periods ended 30 September 2024: Please refer to Attachment 2.
 - (b) Endorsement/Guarantee provided to others for the nine-month periods ended 30 September 2024: Please refer to Attachment 3.
 - (c) Securities held as of 30 September 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 nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 September 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 September 2024, net income (loss) of investee company and investment income (loss) recognized as of 30 September 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 material accounting policies consistent with those 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.

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

1 Jul. 2024~ 30 Sep. 2024	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$5,014,948	\$1,300,503	\$-	\$6,315,451
Inter-segment	-	-	-	-
Total revenue	<u>\$5,014,948</u>	<u>\$1,300,503</u>	<u>\$-</u>	<u>\$6,315,451</u>
Segment profit	<u>\$1,107,433</u>	<u>\$2,341</u>	<u>\$12,656</u> Note	<u>\$1,122,430</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$12,656 thousand.

1 Jan. 2024~ 30 Sep. 2024	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$14,741,568	\$3,933,916	\$-	\$18,675,484
Inter-segment	-	-	-	-
Total revenue	<u>\$14,741,568</u>	<u>\$3,933,916</u>	<u>\$-</u>	<u>\$18,675,484</u>
Segment profit	<u>\$3,790,754</u>	<u>\$87,138</u>	<u>\$60,376</u> Note	<u>\$3,938,268</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$60,376 thousand.

1 Jul. 2023~ 30 Sep. 2023	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$4,771,846	\$1,382,226	\$-	\$6,154,072
Inter-segment	-	-	-	-
Total revenue	<u>\$4,771,846</u>	<u>\$1,382,226</u>	<u>\$-</u>	<u>\$6,154,072</u>
Segment profit	<u>\$1,216,318</u>	<u>\$9,908</u>	<u>\$13,647</u> Note	<u>\$1,239,873</u>

Note

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$13,647 thousand.

1 Jan. 2023~ 30 Sep. 2023	Domestic Operating Entity	Foreign Operating Entity	Adjustments and eliminations	Total
Revenue				
External customers	\$13,399,758	\$3,903,771	\$-	\$17,303,529
Inter-segment	-	-	-	-
Total revenue	<u>\$13,399,758</u>	<u>\$3,903,771</u>	<u>\$-</u>	<u>\$17,303,529</u>
Segment profit	<u>\$2,974,378</u>	<u>\$(178,109)</u>	<u>\$18,507</u> Note	<u>\$2,814,776</u>

Note:

None of the operating division's profit/loss included profit attributable to non-controlling interests (loss) of NT\$ 18,507 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	\$94,174	Approximately 60 days from the date of sale	0.50%
0	The Company	TYG PRODUCTS	1	Sales	76,800	Approximately 90 days from the date of sale	0.40%
0	The Company	DING CHUNG INDUSTRY CO., LTD.	1	Sales	18,802	Approximately 60 days from the date of sale	0.05%
0	The Company	TYG PRODUCTS	1	Sales	45,741	Approximately 90 days from the date of sale	0.13%
1	TONG YANG HOLDING CORPORATION	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD	3	Other receivables	90,280	Financing	0.26%

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	\$90,940 (RMB 20,000)	\$90,280 (RMB 20,000)	\$90,280 (RMB 20,000)	-%	2	-	Need for operating	-	-	-	\$863,344 (USD 27,277)	\$1,726,720 (USD 54,555)	(Note 7)
1	TONG YANG HOLDING CORPORATION	FUZHOU TONG YANG PLASTICS CO., LTD.	Other receivables	Y	136,410 (RMB 30,000)	135,420 (RMB 30,000)	-	-%	2	-	Need for operating	-	-	-	863,344 (USD 27,277)	1,726,720 (USD 54,555)	(Note 7)
2	NANJING TONG YANG AUTO PARTS CO., LTD.	XIANGYANG TONG YANG AUTOMOBILE COMPONENT CO., LTD	Other receivables	Y	90,940 (RMB 20,000)	90,280 (RMB 20,000)	-	0.2%	2	-	Need for operating	-	-	-	237,063 (RMB 52,517)	237,063 (RMB 52,517)	(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 1:31.651.

The exchange rate of the RMB to the NTD is 1:4.514.

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)	\$863,344 (USD 27,277)	\$732,648 (RMB 168,000)	\$496,540 (RMB 110,000)	\$225,542 (RMB 49,965)	-	11.50%	\$1,726,720 (USD 54,555)	Y	N	Y	(Note 5)
1	TONG YANG HOLDING CORPORATION	FUZHOU TONG YANG PLASTICS CO., LTD.	(2)	863,344 (USD 27,277)	406,260 (RMB 90,000)	406,260 (RMB 90,000)	38,563 (RMB 8,543)	-	9.41%	1,726,720 (USD 54,555)	Y	N	Y	(Note 5)
1	TONG YANG HOLDING CORPORATION	FUSHUN TONG YANG AUTOMOBILE COMPONENT CO., LTD.	(2)	863,344 (USD 27,277)	90,940 (RMB 20,000)	67,710 (RMB 15,000)	-	-	1.57%	1,726,720 (USD 54,555)	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 September 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 September 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 1:31.651.

The exchange rate of the RMB to the NTD is 1:4.514.

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

Holding Company	Type and name of securities (Note1)	Relationship	Financial statement account	As of 30 September 2024				Note
				Shares (thousand)	Book value (thousand)	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	421,859	14.14%	63.71	
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	77,845	2.61%	63.71	

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 September 2024, net income (loss) of investee company and investment income (loss) recognized as of 30 September 2024

Investor	Investee company	Location	Main businesses and products	Initial Investment (Note1)		Investment as of 30 September 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 (Note 2)	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value (Note 3)				
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%	\$110,276	\$108,219	\$9,217	\$3,687	
	TONG YANG HOLDING CORPORATION	Cayman Islands	Holding company	3,059,545 (USD 91,058)	3,059,545 (USD 91,058)	59,000	100.00%	4,316,393	4,316,781	(66,141)	(66,141)	(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%	1,399,078	1,414,147	78,569	78,569	(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%	101,432	101,432	2,674	2,674	(Note4)
	RU YANG INDUSTRIAL CO., LTD. (RU YANG)	Taiwan	Production and sales of automotive parts	242,740	242,740	12,947	58.95%	237,091	237,097	14,297	8,428	(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%	59,809	143,807	3	(6,347)	(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	

Investor	Investee company	Location	Main businesses and products	Initial Investment (Note 1)		Investment as of 30 September 2024			Net income (loss) of investee company	Investment income (loss) recognized (Note 2)	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value (Note 3)			
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 49,686	USD 1,974	USD 967	
	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 6,176	USD 755	USD 755	(Note 4)
	CHONGQING DAJING YUCHYANG PLASTICS CO., LTD. (DAJING YUCHYANG)	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 4,250	USD 8,150	-	-%	-	-	-	(Note 7)
	CHONGQING DAJING TONG YANG PLASTICS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 7,150	USD 3,250	-	55.00%	USD 13,465	USD 3,831	USD 2,107	(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 10,792	USD (102)	USD (46)	
	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 2,263	USD (2,537)	USD (2,537)	(Note 4)

Investor	Investee company	Location	Main businesses and products	Initial Investment (Note 1)		Investment as of 30 September 2024			Net income (loss) of investee company	Investment income (loss) recognized (Note 2)	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value (Note 3)			
	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 13,194	USD (1,652)	USD (1,652)	(Note 4)
	WUHAN XIANG XING AUTO PARTS CO., LTD.	China	Production and sales of various plastic vehicles, plastic products, etc.	USD 3,000	USD 3,000	-	25.00%	USD 2,122	USD (3,124)	USD (781)	
	GUANGZHOU TONG YANG TATEMATSU MOLD MANUFACTURI NG CO., LTD.	China	Design, manufacture, maintenance and trading of all types of molds	USD 7,599	USD 7,599	-	90.00%	USD 4,262	USD (179)	USD (161)	(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 8,196	USD (1,485)	USD (728)	
	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 1,567	USD (332)	USD (332)	(Note 4)
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)

Investor	Investee company	Location	Main businesses and products	Initial Investment (Note 1)		Investment as of 30 September 2024			Net income (loss) of investee company	Investment income (loss) recognized (Note 2)	Note
				Ending balance	Beginning balance	Number of shares (thousand)	Percentage of ownership (%)	Book value (Note 3)			
HOW BOND INVESTMENT CO., LTD.	TYG HOLDING (U.S.A), INC.	America	Investment holding	USD -	USD -	1	100.00%	\$975,992	\$86,467	\$86,467	(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%	237,063	(21,161)	(21,161)	(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 1:31.651.

The exchange rate of RMB to NTD is 1:4.514.

The average exchange rate of US dollar to NTD is 1: 31.949.

The average exchange rate of RMB to NTD is 1:4.493.

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 September 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 3/4)	Carrying Value as of 30 September 2024 (Note 3/5)	Accumulated Inward Remittance of Earnings as of 30 September 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.	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 Mitsuboshi 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 755	100.00%	USD 755	USD 6,176	-
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 (Changchuen) 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 1,974	49.00%	USD 967	USD 49,686	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

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 September 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 3/4)	Carrying Value as of 30 September 2024 (Note 3/5)	Accumulated Inward Remittance of Earnings as of 30 September 2024
					Outflow	Inflow						
Chongqing Dajiang Tongyang Plastic Products Co., Ltd.	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 13,000	Note 1	USD 3,692	-	-	USD 3,692	USD 3,831	55.00% (Note 7)	USD 2,107	USD 13,465	-
Daikyo Nishikawa Tong Yang Auto Parts (Nanjing) Co., Ltd.		USD 27,500	Note 1	USD 19,670	-	-	USD 19,670	USD (102)	45.00%	USD (46)	USD 10,792	-
Wuhan Xiangxing Auto Parts Co., Ltd.		USD 12,000	Note 1	USD 3,228	-	-	USD 3,228	USD (3,124)	25.00%	USD (781)	USD 2,122	-
Nanjing Tong Yang Auto Parts Co., Ltd.		USD 28,000	Note 2	USD 27,453	-	-	USD 27,453	(21,161)	100.00%	(21,161)	237,063	-
Guangzhou Tong Yang Tatematsu Mold Manufacturing Co., Ltd.		RMB 100,000	Note 1	USD 11,172	-	-	USD 11,172	USD (179)	90.00%	USD (161)	USD 4,262	-
Changsha Gacc Tong Yang Automobile Component Co., Ltd.		USD 35,000	Note 1	USD 17,132	-	-	USD 17,132	USD (1,485)	49.00%	USD (728)	USD 8,196	-
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 (2,537)	100.00%	USD (2,537)	USD 2,263	-
Fushun Tong Yang Automobile Component Co., Ltd.		USD 18,500	Note 1	USD 18,586	-	-	USD 18,586	USD (1,652)	100.00%	USD (1,652)	USD 13,194	-
Tong Yang (Guangzhou) Technology R&D Service Co., Ltd.		RMB 12,000	Note 1	USD 1,840	-	-	USD 1,840	USD (332)	100.00%	USD (332)	USD 1,567	-

Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 197,123	USD 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 1:31.651, the exchange rate of RMB to NTD is 1:4.514; the average exchange rate of US dollar to NTD is 1: 31.949, the average exchange rate of RMB to NTD is 1: 4.493.

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	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%
Yuanta/P-shares Taiwan Dividend Plus ETF	30,473,989	5.15%

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.