Tsang Yow Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The entities required to be included in the consolidated financial statements of affiliates of Tsang Yow Industrial Co., Ltd. for the year ended December 31, 2023 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No.10, "Consolidated Financial Statements". In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Tsang Yow Industrial Co., Ltd. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Tsang Yow Industrial Co., Ltd.

By

____

Su, Chi-Tse
Chairman

March 7, 2024

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Tsang Yow Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Tsang Yow Industrial Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

Occurrence of revenue from consignment warehouses

The Group mainly engages in the manufacturing and sales of automobiles and parts thereof. Warehouse consignment is one of the Group's important sales models. As the Group needed to regularly verify the quantity of the goods sold from the consignment warehouses to recognize the sales revenue, during which manual reconciliation was involved, the potential risk of error posed to the occurrence of the Group's sales revenue has increased. Therefore, in accordance with the Standards on Auditing of the Republic of China, where revenue recognition is presumed to have a significant risk, the occurrence of sales revenue from consignment warehouses is listed as a key audit matter.

Refer to Note 4 (11) for the accounting policy on revenue recognition.

We have implemented the corresponding audit procedures below for the specific aspects of the above key audit matter, including:

1. We obtained an understanding of and tested if the Group's internal control operations related to the sales were effective.

2. We selected samples from the statements of sales revenue from the consignment warehouses, verified the account reconciliation records between the Group and clients, shipping documents and payment collection documents, and we checked if the recipients were consistent with the transaction counterparties or reviewed the confirmation made by clients to confirm the occurrence of the sales.

Other Matter

We have also audited the parent company only financial statements of Tsang Yow Industrial Co., Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jia-Ling Chiang and Chiu-Yen Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2024

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 860,249	33	$ 458,717	16
Financial assets at fair value through profit or loss (Notes 4,7 and 27)	485	-	443	-
Notes receivable (Notes 4, 5, 8, 21 and 29)	-	-	2,489	-
Accounts receivable, net (Notes 4, 5, 8, 21 and 28)	205,139	8	430,974	15
Other receivables	1	-	18,931	1
Current tax assets (Notes 4 and 23)	937	-	431	-
Inventories (Notes 4, 5 and 9)	369,051	14	540,075	18
Other financial assets - current (Notes 10 and 29)	9,681	-	9,640	-
Other current assets (Note 15)	10,698	1	17,569	1
Total current assets	1,456,241	56	1,479,269	51
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4, 13, 29 and 30)	1,108,920	43	1,350,037	46
Right-of-use assets (Notes 4 and 14)	5,753	-	15,297	1
Intangible assets (Note 4)	5,018	-	9,839	-
Deferred tax assets (Notes 4 and 23)	32,816	1	65,140	2
Prepayments for equipment	6,304	-	1,541	-
Other financial assets - non-current (Notes 10 and 29)	3,460	-	2,236	-
Other non-current assets (Note 15)	4,564	-	592	-
Total non-current assets	1,166,835	44	1,444,682	49
TOTAL	$ 2,623,076	100	$ 2,923,951	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	$ 20,000	1	$ 100,000	4
Contract liabilities (Note 21)	7,885	-	18,387	1
Notes payable (Note 17)	10,869	-	7,709	-
Accounts payable (Notes 17 and 28)	145,855	6	285,653	10
Other payables (Notes 18 and 22)	105,810	4	125,166	4
Current tax liabilities (Notes 4 and 23)	78,158	3	41,012	1
Lease liabilities - current (Notes 4 and 14)	2,991	-	1,828	-
Current portion of long-term borrowings (Notes 16, 28 and 29)	109,233	4	133,611	5
Other current liabilities (Note 18)	43,184	2	64,444	2
Total current liabilities	523,985	20	777,810	27
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16, 28 and 29)	261,303	10	495,178	17
Deferred tax liabilities (Notes 4 and 23)	-	-	4,590	-
Lease liabilities - non-current (Notes 4 and 14)	2,699	-	2,081	-
Net defined benefit liabilities (Notes 4 and 19)	4,787	-	5,845	-
Other non-current liabilities	100	-	100	-
Total non-current liabilities	268,889	10	507,794	17
Total liabilities	792,874	30	1,285,604	44
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 20)				
Share capital	1,030,865	39	1,030,865	35
Capital surplus	150,532	6	150,532	5
Retained earnings				
Legal reserve	113,668	4	96,923	3
Special reserve	31,293	1	44,054	2
Unappropriated earnings	515,624	20	359,046	12
Total retained earnings	660,585	25	500,023	17
Other equity	-	-	(31,293)	(1)
Treasury Shares	(11,780)	-	(11,780)	-
Total equity	1,830,202	70	1,638,347	56
TOTAL	$ 2,623,076	100	$ 2,923,951	100

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

Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	$ 1,193,076	100	$ 1,347,635	100
OPERATING COSTS (Notes 9, 22 and 28)	791,631	66	975,146	72
GROSS PROFIT	401,445	34	372,489	28
OPERATING EXPENSES (Notes 8 and 22)				
Selling and marketing expenses	42,362	3	64,287	5
General and administrative expenses	79,235	7	70,140	5
Research and development expenses	47,102	4	46,519	4
Expected credit gain	(754)	-	(604)	-
Total operating expenses	167,945	14	180,342	14
PROFIT FROM OPERATIONS	233,500	20	192,147	14
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 28)				
Interest income	7,964	1	3,022	-
Other income	6	-	46	-
Other gains and losses	18,644	1	64,366	5
Finance costs	(10,402)	(1)	(12,341)	(1)
Total non-operating income and expenses	16,212	1	55,093	4
PROFIT BEFORE INCOME TAX	249,712	21	247,240	18
INCOME TAX EXPENSE (Notes 4 and 23)	53,120	4	42,367	3
NET PROFIT FROM CONTINUING OPERATIONS	196,592	17	204,873	15
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 11)	77,142	6	(39,483)	(3)
NET PROFIT FOR THE YEAR	273,734	23	165,390	12
OTHER COMPREHENSIVE INCOME (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(739)	-	2,579	-

(Continued)

Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Income tax related to items that will not be reclassified subsequently to profit or loss	$ 148	-	$ (516)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	31,313	3	15,951	1
Income tax related to items that may be reclassified subsequently to profit or loss	(20)	-	(3,190)	-
Other comprehensive income for the year, net of income tax	30,702	3	14,824	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 304,436	26	$ 180,214	13
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 273,734	23	$ 165,390	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 304,436	26	$ 180,214	13
EARNINGS PER SHARE (Note 24)				
From continuing and discontinued operations				
Basic	$ 1.92		$ 2.00	
Diluted	$ 1.91		$ 1.99	
From continuing operations				
Basic	$ 2.67		$ 1.62	
Diluted	$ 2.66		$ 1.61	

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

(Concluded)

Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company								
			Retained Earnings				Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	$ 1,030,865	$ 150,532	$ 94,185	$ 40,336	$ 228,753	$ 363,274	$ (44,054)	$ (11,780)	$ 1,488,837
Appropriation of 2021 earnings (Note 20)									
Legal reserve	-	-	2,738	-	(2,738)	-	-	-	-
Special reserve	-	-	-	3,718	(3,718)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(30,704)	(30,704)	-	-	(30,704)
	-	-	2,738	3,718	(37,160)	(30,704)	-	-	(30,704)
Net profit for the year ended December 31, 2022	-	-	-	-	165,390	165,390	-	-	165,390
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	2,063	2,063	12,761	-	14,824
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	167,453	167,453	12,761	-	180,214
BALANCE AT DECEMBER 31, 2022	1,030,865	150,532	96,923	44,054	359,046	500,023	(31,293)	(11,780)	1,638,347
Appropriation of 2022 earnings (Note 20)									
Legal reserve	-	-	16,745	-	(16,745)	-	-	-	-
Reversal of special reserve	-	-	-	(12,761)	12,761	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(112,581)	(112,581)	-	-	(112,581)
	-	-	16,745	(12,761)	(116,565)	(112,581)	-	-	(112,581)
Net profit for the year ended December 31, 2023	-	-	-	-	273,734	273,734	-	-	273,734
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	(591)	(591)	31,293	-	30,702
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	273,143	273,143	31,293	-	304,436
BALANCE AT DECEMBER 31, 2023	$ 1,030,865	$ 150,532	$ 113,668	$ 31,293	$ 515,624	$ 660,585	$ -	$ (11,780)	$ 1,830,202

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

Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	$ 249,712	$ 247,240
Income (loss) before income tax from discontinued operations	87,769	(47,789)
Income before income tax	337,481	199,451
Adjustments for:		
Depreciation expense	99,671	135,068
Amortization expense	4,673	5,478
Expected credit loss recognized (reversed)	(3,057)	585
Net loss (gain) on fair value changes of financial asset at fair value through profit and loss	(42)	66
Finance costs	10,503	13,037
Interest income	(11,063)	(3,962)
Dividend income	(6)	(46)
Loss (gain) on disposal of property, plant and equipment	(15,034)	1,390
Gain on disposal of subsidiary	(214,201)	-
Inventory loss	18,124	19,180
Changes in operating assets and liabilities		
Notes receivable	334	2,542
Accounts receivable	73,569	142,263
Other receivables	17,844	(17,003)
Inventories	79,827	(56,102)
Other current assets	4,780	(3,704)
Contract liabilities	(10,502)	13,893
Notes payable	3,160	(3,187)
Accounts payable	(43,260)	(96,781)
Other payables	37,228	8,060
Other current liabilities	(20,748)	24,421
Net defined benefit liabilities	(1,797)	(1,374)
Cash generated from operations	367,484	383,275
Interest received	11,063	3,962
Dividends received	6	46
Interest paid	(10,735)	(13,306)
Income tax paid	(40,881)	(1,497)
Net cash generated from operating activities	326,937	372,480
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(48,576)	(64,645)
Proceeds from disposal of property, plant and equipment	39,626	34,312
Payments for intangible assets	(438)	(876)
Increase in other financial assets	(1,265)	(1,019)
Increase in other non-current assets	(3,972)	-
Proceeds from disposal of subsidiary	477,784	-
Net cash generated from (used in) investing activities	463,159	(32,228)

(Continued)

Tsang Yow Industrial Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2023	**2022**
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	$ (80,000)	$ (121,520)
Proceeds from long-term borrowings	100,000	525,000
Repayment of long-term borrowings	(358,253)	(820,430)
Repayment of the principal portion of lease liabilities	(2,426)	(1,639)
Cash dividends	(112,581)	(30,704)
Net cash used in financing activities	(453,260)	(449,293)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	64,696	13,318
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	401,532	(95,723)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	458,717	554,440
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 860,249	$ 458,717

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

(Concluded)

1. GENERAL INFORMATION

Tsang Yow Industrial Co., Ltd. (the "Company") was incorporated in January 1985, and mainly engages in the business activities below:

a. Manufacturing and wholesale of other machinery (automatic transmission and drivetrain systems).

b. Manufacturing and wholesale of ships and parts.

c. Manufacturing and wholesale of automobiles and parts.

d. Manufacturing and wholesale of other machinery and devices (automatic transmission and drivetrain systems).

The Company's shares have been listed on the Taiwan Stock Exchange since May 2014.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 7, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations would not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of Preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 12, and Tables 4 and 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company’s foreign operations (including subsidiaries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company’s entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, work in progress and finished goods and are stated at the lower of weighted-average cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Property, Plant, and Equipment

Property, plant and equipment are initially measured at cost and subsequently measure at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land, which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units or the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL and financial assets at amortized cost.

i Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27 Financial Instruments.

ii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable at amortized cost, accounts receivable (including related parties), other receivables and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable and accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for notes receivable and account receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default without taking into account any collateral held by the Group:

i Internal or external information shows that the debtor is unlikely to pay its creditors.

ii Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods comes from sales of automatic transmission components. Sales of automatic transmission components are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable is recognized concurrently.

Revenue is measured at the fair value of the consideration received or receivable, less estimated returns, discounts, and other similar discounts. Returns and discounts are recognized at reasonable estimates of the monetary amount of future returns based on the past experience and other relevant factors.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Revenue from processing on order is recognized as the Company fulfills their obligation over time.

l. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

<u>The Group as lessee</u>

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in fixed payments and a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

m. Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

n. Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities are recognized as employee benefits expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest) is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group’s defined benefit plans.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act of the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revisions affect only that year or in the year of the revisions and future years if the revisions affect both current and future years.

Key sources of estimation uncertainty

a. Estimated impairment of financial assets

   The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 8. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

   The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 618	$ 570
Checking accounts and demand deposits	152,244	289,024
Cash equivalents		
Time deposits with original maturities of 3 months or less	707,387	169,123
	$ 860,249	$ 458,717

a. The market rate intervals of cash equivalents at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Time deposits (%)	2.68-5.65	1.45-4.80

b. The Group interacts with a variety of financial institutions with sound credit ratings to disperse credit risk; hence, the probability of default is expected to be low.

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2023	2022
Financial assets - current		
Mandatorily classified as at FVTPL		
Non-derivative financial assets - domestic listed shares	$ 485	$ 443

8. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE, NET

	December 31	
	2023	2022
Note receivable - operating		
At amortized cost	$ -	$ 2,489
Accounts receivable - operating		
At amortized cost		
Gross carrying amount (including related parties)	$ 206,114	$ 436,363
Less: Allowance for impairment loss	975	5,389
	$ 205,139	$ 430,974

The credit period for sales of goods is 15-205 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer’s current financial position, economic condition of the industry in which the customer operates and industry outlook. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group’s different customer base.

The Group writes off receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of receivables based on the Group's provision matrix:

December 31, 2023

	Not Past Due	Past Due 1-30 Days	Past Due 31-90 Days	Past Due Over 91 Days	Total
Expected credit loss rate (%)	-	-	1-2	9-100	
Gross carrying amount	$ 150,165	$ 41,282	$ 11,915	$ 2,752	$ 206,114
Loss allowance (lifetime ECLs)	-	-	(139)	(836)	(975)
Amortized cost	$ 150,165	$ 41,282	$ 11,776	$ 1,916	$ 205,139

December 31, 2022

	Not Past Due	Past Due 1-30 Days	Past Due 31-90 Days	Past Due Over 91 Days	Total
Expected credit loss rate (%)	-	1	5-25	50-100	
Gross carrying amount	$ 381,257	$ 42,049	$ 8,421	$ 7,125	$ 438,852
Loss allowance (lifetime ECLs)	-	(405)	(1,373)	(3,611)	(5,389)
Amortized cost	$ 381,257	$ 41,644	$ 7,048	$ 3,514	$ 433,463

The movements of the loss allowance of receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 5,389	$ 4,867
Impairment losses recognized (reversed)	(3,057)	585
Amounts written off	-	(106)
Foreign exchange translation differences	(55)	43
Less: Disposal of subsidiaries	1,302	-
Balance at December 31	$ 975	$ 5,389

9. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 181,041	$ 240,296
Work in progress	128,776	168,993
Raw materials	41,388	84,775
Supplies	17,846	46,011
	$ 369,051	$ 540,075

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 1,005,888	$ 1,407,247
Inventory write-downs	12,034	15,013
Inventory obsolescence losses	6,631	5,331
Income from sale of scraps	(11,722)	(15,663)
Gains from physical counts	(541)	(1,164)
Less: From discontinued operations	222,664	435,859
	$ 789,626	$ 974,905

10. OTHER FINANCIAL ASSETS

	December 31	
	2023	2022
Pledged time deposits (Note 29)	$ 10,181	$ 10,140
Refundable deposits	2,960	1,736
	$ 13,141	$ 11,876
Current	$ 9,681	$ 9,640
Non-current	3,460	2,236
	$ 13,141	$ 11,876

The market rate intervals of pledged time deposits at the end of the reporting period were as follows:

	December 31	
	2023	2022
Time deposits (%)	1.58-3.05	1.33-1.45

The Group interacts with a variety of financial institutions with sound credit ratings to disperse credit risk; hence, the probability of default is expected to be low.

11. DISCONTINUED OPERATIONS

In consideration of the overall strategic assessment and efficient recovery of investment resources for an investee company in mainland China, the board of directors resolved to dispose of all the equity interests of Wuxi Tsang Yow Auto Parts Co., Ltd. ('Wuxi Tsang Yow') for not less than RMB105,000 thousand on May 26, 2023. The sale contract was signed with unrelated parties on May 31, 2023. The equity transaction was completed in July 2023, with the final disposal proceeds amounting to RMB111,000 thousand fully received. Subsidiary Business International Corp. ('Business') repatriated all funds to subsidiary Giant Finance Inc. ('Giant') in November 2023, which, in turn, repatriated the funds to the Company in December 2023. Business and Giant completed the liquidation process in the fiscal year 2023.

Due to compliance with the provisions of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the above transactions classified Wuxi Tsang Yow, Business, and Giant as discontinued operations. To align with the presentation of discontinued operations in the comprehensive income statement for the period from January 1 to December 31, 2023, the Company reclassified the profit and loss items of discontinued operations for the period from January 1 to December 31, 2022, to make the information of the two periods more relevant.

The profit and loss details, as well as the cash flow statement, for the discontinued operations are as follows:

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 179,866	$ 443,308
Operating cost	222,664	435,859
Gross profit (loss)	(42,798)	7,449
Selling and marketing expenses	4,406	6,412
General and administrative expenses	11,904	24,328
Research and development expenses	11,509	14,060
Expected credit loss (gain)	(2,303)	1,189
Net operating loss	(68,314)	(38,540)
Interest income	3,099	940
Other gains and losses	(4,438)	(9,493)
Finance costs	(101)	(696)
Net loss before tax	(69,754)	(47,789)
Income tax expense (benefit)	10,627	(8,306)
Net loss for the period	(80,381)	(39,483)
Gain on disposal (Note 25)	157,523	-
Profit (loss) from discontinued operations	$ 77,142	$ (39,483)
Profit (loss) from discontinued operations attributable to		
Owners of the Company	$ 77,142	$ (39,483)
Cash flows		
Operating activities	$ 38,747	$ 38,514
Investing activities	491,312	(1,312)
Financing activities	-	(41,574)
Net cash inflow (outflow)	$ 530,059	$ (4,372)

12. SUBSIDIARIES

The subsidiaries in the consolidated financial statements were as follows:

			Proportion of Ownership (%)	
Investor	Investee	Nature of Activities	December 31, 2023	December 31, 2022
The company	Giant	General investment business and international trade (Notes 1 and 3)	-	100
	All-Aspect International Corp. (AAI)	General investment business and international trade (Notes 1 and 3)	-	100
	YORU Tech SDN. BHD. (Malaysia)	Note 2	55	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31, 2023	Proportion of Ownership (%) December 31, 2022
Giant	Business	General investment business and international trade (Notes 1 and 3)	-	100
Business	Wuxi Tsang Yow (Note 11)	Development, production, distribution and provision of after-sales service for parts used in auto transmission device and related parts, molds used in automobiles and scooters, fixtures, fine blanking dies, precision cavity molds, mold standard parts and hardware parts (Note 1)	-	100

(Concluded)

Note 1: The financial statements of subsidiaries included in the consolidated financial statements have all been audited by certified accountants.

Note 2: On August 29, 2023, the board of directors approved the establishment of YORU Tech SDN. BHD., a joint venture in Malaysia, by the Company. The planned investment amount will be USD 6.6 million, with a 55% ownership stake. The registration process has been completed. As of the end of this year, the Company has invested USD 110,000, and the verification process is not yet complete. It is recorded as other non-current assets.

Note 3: In November 2023, the board of directors approved to liquidate Giant, Business, and AAI. The liquidation process was completed from November to December 2023.

13. PROPERTY, PLANT AND EQUIPMENT

a. The movement in costs and accumulated depreciation are as follows:

For the year ended December 31, 2023

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Equipment to be Accepted and Unfinished Construction	Total
Cost						
Balance at January 1, 2023	$ 317,004	$ 705,063	$ 1,111,901	$ 182,667	$ 17,816	$ 2,334,451
Additions	-	-	14,613	33,983	(7,259)	41,337
Disposals	-	-	(25,465)	(44,235)	-	(69,700)
Effect of foreign currency exchange differences	-	(3,520)	(9,047)	(1,032)	-	(13,599)
Disposal of subsidiaries	-	(151,884)	(416,268)	(42,698)	-	(610,850)
Balance at December 31, 2023	$ 317,004	$ 549,659	$ 675,734	$ 128,685	$ 10,557	$ 1,681,639
Accumulated depreciation						
Balance at January 1, 2023	$ -	$ 288,162	$ 611,329	$ 84,923	$ -	$ 984,414
Depreciation expense	-	14,388	63,189	19,571	-	97,148
Disposals	-	-	(23,810)	(21,298)	-	(45,108)
Effect of foreign currency exchange differences	-	(2,749)	(6,498)	(746)	-	(9,993)
Disposal of subsidiaries	-	(118,408)	(305,228)	(30,106)	-	(453,742)
Balance at December 31, 2023	$ -	$ 181,393	$ 338,982	$ 52,344	$ -	$ 572,719
Carrying amount at December 31, 2023	$ 317,004	$ 368,266	$ 336,752	$ 76,341	$ 10,557	$ 1,108,920

For the year ended December 31, 2022

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Equipment to be Accepted and Unfinished Construction	Total
Cost						
Balance at January 1, 2022	$ 317,004	$ 702,668	$ 1,230,425	$ 172,457	$ 34,172	$ 2,456,726
Additions	-	-	7,873	75,331	(16,375)	66,829
Disposals	-	-	(135,409)	(65,979)	-	(201,388)
Effect of foreign currency exchange differences	-	2,395	9,012	858	19	12,284
Balance at December 31, 2022	$ 317,004	$ 705,063	$ 1,111,901	$ 182,667	$ 17,816	$ 2,334,451
Accumulated depreciation						
Balance at January 1, 2022	$ -	$ 267,942	$ 649,321	$ 91,140	$ -	$ 1,008,403
Depreciation expense	-	18,543	90,895	23,607	-	133,045
Disposals	-	-	(135,283)	(30,403)	-	(165,686)
Effect of foreign currency exchange differences	-	1,677	6,396	579	-	8,652
Balance at December 31, 2022	$ -	$ 288,162	$ 611,329	$ 84,923	$ -	$ 984,414
Carrying amount at December 31, 2022	$ 317,004	$ 416,901	$ 500,572	$ 97,744	$ 17,816	$ 1,350,037

b. Property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings of plants	50 years
Landscape engineering and fences	7-15 years
Machinery and equipment	3-15 years
Other equipment	3-15 years

Refer to Note 29 for the carrying amount of property, plant and equipment pledged as collateral for borrowings.

c. Investing activities that affect both cash and non-cash items

	For the Year Ended December 31	
	2023	**2022**
Increase in property, plant and equipment	$ 41,337	$ 66,829
Increase (decrease) in prepayments for equipment	4,763	(4,747)
Interest capitalization	(234)	(390)
Decrease in payables for machinery and equipment	2,710	2,953
Cash paid for purchase of property, plant and equipment	$ 48,576	$ 64,645

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount of right-of-use assets		
Land	$ -	$ 11,411
Transportation equipment	5,753	3,886
	$ 5,753	$ 15,297

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 4,207	$ 4,349
Right-of-use assets depreciation expense		
Land	$ 183	$ 369
Transportation equipment	2,340	1,654
	$ 2,523	$ 2,023

The land of the right-of-use assets, located in mainland China, is amortized on a straight-line basis over the lease term of 50 years to 2054.

Except for Note 11 and the additions and recognition of depreciation expenses, there were no significant subleases or impairment of the right-of-use assets of the Group in 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 2,991	$ 1,828
Non-current	$ 2,699	$ 2,081

Range of discount rates (%) for lease liabilities was as follows:

	December 31	
	2023	2022
Transportation equipment	1.37-1.84	1.37-1.38

c. Other leasing information

	For the Year Ended December 31	
	2023	2022
Expenses relating to low-value asset leases	$ 265	$ 292
Total cash outflow for leases	$ 2,761	$ 1,981

The Group’s leases of photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. Other assets

	December 31	
	2023	**2022**
Current		
Excess business tax paid	$ 3,974	$ 9,987
Prepaid expenses	3,339	2,335
Prepayments to supplies	878	1,000
Others	2,507	4,247
	$ 10,698	$ 17,569
Non-Current		
Prepayment for investment (Note 12)	$ 3,972	$ -
Other	592	592
	$ 4,564	$ 592

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	**2022**
Unsecured borrowings	$ 20,000	$ 100,000

The annual interest rates of short-term borrowings were as follows:

	December 31	
	2023	**2022**
Unsecured borrowings in bank (%)	1.65	1.40-1.55

b. Long-term borrowings

	December 31	
	2023	**2022**
Secured borrowings (Note 28)	$ 312,337	$ 467,143
Unsecured borrowings	58,199	161,646
	370,536	628,789
Less: Current portion	109,233	133,611
Long-term borrowings	$ 261,303	$ 495,178

Details are as follows:

Borrowings	Due Date	Major Terms	Rate of Annual Interest (%)	December 31 2023	December 31 2022
Secured borrowings					
First Commercial Bank	2025.12	It is amortized every six months in 12 installments, starting in June 2020.	1.84	$ 71,000	$ 170,000
E.SUN Bank	2033.11	It is amortized in 156 monthly installments, starting in December 2020.	1.88	81,848	89,302
Mega International Commercial Bank	2028.11	It is amortized in 120 monthly installments, starting in December 2018.	1.85	73,750	88,750
The Shanghai Commercial & Saving Bank, Ltd.	2028.03	It is amortized in 40 quarterly installments, starting in June 2018.	1.90	76,364	89,091
The Shanghai Commercial & Saving Bank, Ltd.	2024.10	It is amortized in 20 quarterly installments, starting in January 2020, and it was paid off in full ahead of schedule in November 2023.	1.90	-	20,000
The Shanghai Commercial & Saving Bank, Ltd.	2027.08	It began in August 2022 with a grace period of one year and is amortized in 16 quarterly installments, starting in November 2023.	1.90	9,375	10,000
Unsecured borrowings					
Mega International Commercial Bank	2026.11	Revolving credit line	1.80	-	40,000
E.SUN Bank	2024.09	It is amortized in 36 monthly installments, starting in October 2021.	1.78	27,945	64,646
E.SUN Bank	2025.12	It is amortized in 36 monthly installments, starting in January 2023.	1.73	30,254	45,000
Taipei Fubon Bank	2023.06	It is amortized in 30 monthly installments, starting in January 2021.	1.81	-	12,000
				$ 370,536	$ 628,789

17. NOTES AND ACCOUNTS PAYABLE

	December 31 2023	December 31 2022
Notes payable	$ 10,869	$ 7,709
Accounts payable (including related parties)	$ 145,855	$ 285,653

The aforementioned amounts are all incurred due to business operations. The credit terms for purchasing raw materials range from 30 days to 120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31 2023	December 31 2022
Other payables		
Payables for salaries or bonuses	$ 42,770	$ 49,898
Payables for annual leave	8,762	10,441
Payables for machinery and equipment	3,599	6,309

(Continued)

	December 31	
	2023	2022
Payable for compensation of employees and remuneration of directors (Note 22)	$ 22,218	$ 18,312
Others	28,461	40,206
	$ 105,810	$ 125,166
Non-related parties	$ 105,446	$ 125,166
Related parties	364	-
	$ 105,810	$ 125,166
Other current liabilities		
Refund liabilities	$ 666	$ 904
Other advances receipts	42,022	63,234
Others	496	306
	$ 43,184	$ 64,444

(Concluded)

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Wuxi Tsang Yow, a subsidiary of the Group, contributes to the pension insurance funds managed by relevant government departments based on local wages in accordance with the local laws and regulations. It is also a defined contribution pension plan. The remaining subsidiaries have not yet formulated a pension plan.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 10,791	$ 14,079
Fair value of plan assets	(6,004)	(8,234)
Net defined benefit liabilities	$ 4,787	$ 5,845

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 16,363	$ (6,565)	$ 9,798
Net interest expense (income)	110	(42)	68
Recognized in profit or loss	110	(42)	68
Remeasurement			
Return on plan assets	-	(796)	(796)
Actuarial gain - experience adjustments	(941)	-	(941)
Actuarial gain - changes in financial assumptions	(842)	-	(842)
Recognized in other comprehensive income	(1,783)	(796)	(2,579)
Contributions from the employer	-	(1,442)	(1,442)
Benefits paid	(611)	611	-
Balance at December 31, 2022	14,079	(8,234)	5,845
Net interest expense (income)	148	(81)	67
Recognized in profit or loss	148	(81)	67
Remeasurement			
Return on plan assets	-	(84)	(84)
Actuarial loss - experience adjustments	727	-	727
Actuarial loss - changes in financial assumptions	96	-	96
Recognized in other comprehensive loss	823	(84)	739
Contributions from the employer	-	(1,864)	(1,864)
Benefits paid	(4,259)	4,259	-
Balance at December 31, 2023	$ 10,791	$ (6,004)	$ 4,787

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management.

However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
Discount rate (%)	1.3	1.4
Expected rate of salary increase (%)	1.5	1.5

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (246)	$ (330)
0.25% decrease	$ 254	$ 341
Expected rate of salary increase		
0.25% increase	$ 246	$ 330
0.25% decrease	$ (239)	$ (321)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 5,796	$ 2,133
Average duration of the defined benefit obligation	10 years	11 years

20. EQUITY

a. Ordinary shares

	December 31	
	2023	2022
Number of authorized shares (in thousands)	150,000	150,000
Amount of authorized shares	$ 1,500,000	$ 1,500,000
Number of issued and fully paid shares (in thousands)	103,087	103,087
Amount of issued and fully paid shares	$ 1,030,865	$ 1,030,865

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Additional paid-in capital - issuance of ordinary shares	$ 145,471	$ 145,471
Treasury shares traded	5,061	5,061
	$ 150,532	$ 150,532

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the Company’s total issued capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for the distribution of dividends and bonuses to shareholders.

In addition, in accordance with the Articles of the Company, the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash, and a report of such distribution should be submitted in the shareholders’ meeting.

The Company will consider the industry condition and the growth stage of the Company to meet capital needs and cash flow demands from shareholders in alignment with the long-term financial plan. Therefore, a certain percentage of distributable earnings will be provided for shareholder dividends, of which the cash dividends shall not be lower than 10% of all dividends to be paid out. The types and percentages of such dividends may be adjusted depending on the year’s profit and capital needs by the resolution of the shareholders’ meeting.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2022	**2021**	**2022**	**2021**
Legal reserve	$ 16,745	$ 2,738		
Special reserve (reversed)	$ (12,761)	$ 3,718		
Cash dividends to shareholders	$ 112,581	$ 30,704	$ 1.10	$ 0.30

The above appropriations for cash dividends were resolved by the Company's board of directors in March 2023 and March 2022, respectively; the other proposed appropriations were resolved by the shareholders in their meetings in May 2023 and June 2022, respectively.

The appropriations of earnings for 2023 were proposed by the Company's board of directors in March 2024. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 27,314	
Reversal of special reserve	$ (31,293)	
Cash dividends to shareholders	$ 137,144	$ 1.34

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held in May 2024.

d. Special reserve

A proportionate share of the special reserve relating to exchange differences on translating the financial statements of foreign operations will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserves should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS Accounting Standards, which was $19,782 thousand. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

e. Other equity items - exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ (31,293)	$ (44,054)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	-	15,951
Income tax related to exchange differences on translating the financial statements of foreign operations	-	(3,190)

(Continued)

	For the Year Ended December 31	
	2023	**2022**
Reclassification adjustment		
Disposal of foreign operations	$ 31,313	$ -
Income tax related to disposal of foreign operations	(20)	-
Balance at December 31	$ -	$ (31,293)

(Concluded)

f. Treasury shares

	Shares Transferred to Employees	
	In Thousands of Shares	**Amount**
Balance as of January 1, 2023 and December 31, 2023	740	$ 11,780
Balance as of January 1, 2022 and December 31, 2022	740	$ 11,780

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

21. REVENUE

	For the Year Ended December 31	
	2023	**2022**
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,367,612	$ 1,772,202
Income from processing	318	17,411
Income from sales of electricity	5,012	1,330
Less: Attributable to the discontinued operations	179,866	443,308
	$ 1,193,076	$ 1,347,635

a. Refer to Note 4 (k) for information related to contracts with customers.

b. Contract balances

	December 31, 2023	**December 31, 2022**	**January 1, 2022**
Notes and accounts receivable (Note 8)	$ 205,139	$ 433,463	$ 578,896
Contract liabilities			
Sale of goods	$ 7,885	$ 18,387	$ 4,494

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment There were no significant changes for the years ended December 31, 2023 and 2022.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2023	2022
From contract liabilities at the start of the year		
Sale of goods	$ 10,199	$ 3,682

c. Disaggregation of revenue

Refer to Note 33 for information on the disaggregation of revenue.

22. NET PROFIT

The details of net profit were as follows:

a. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net gain (loss) on disposal of property, plant and equipment	$ 15,034	$ (1,390)
Net foreign exchange gain (loss)	(12,716)	51,271
Grants	5,860	603
Compensation proceeds	671	-
Gain on disposal of investments (Note 25)	754	-
Others	4,603	4,389
Less: Attributable to the discontinued operations	(4,438)	(9,493)
	$ 18,644	$ 64,366

b. Financial costs

	For the Year Ended December 31	
	2023	2022
Interest on borrowings	$ 10,667	$ 13,377
Interest on lease liabilities	70	50
Less: Amount included in the cost of qualifying assets	234	390
Less: Attributable to the discontinued operations	101	696
	$ 10,402	$ 12,341

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Amount of capitalized interest	$ 234	$ 390
Capitalized rate (%)	1.54-1.96	0.90-1.61

c. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 97,148	$ 133,045
Right-of-use assets	2,523	2,023
Intangible assets	4,673	5,478
Less: Attributable to the discontinued operations	17,963	46,646
	$ 86,381	$ 93,900
An analysis of depreciation by function		
Operating costs	$ 83,867	$ 114,140
Operating expenses	15,804	20,928
Less: Attributable to the discontinued operations	17,904	46,517
	$ 81,767	$ 88,551
An analysis of amortization by function		
Operating costs	$ 896	$ 982
Operating expenses	3,777	4,496
Less: Attributable to the discontinued operations	59	129
	$ 4,614	$ 5,349

d. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 359,021	$ 379,806
Severance benefits	43,141	-
Post-employment benefits		
Defined contribution plans	14,980	21,838
Defined benefit plans (Note 19)	67	68
	15,047	21,906
Less: Attributable to the discontinued operations	123,491	90,035
	$ 293,718	$ 311,677
An analysis by function		
Operating costs	$ 290,771	$ 284,554
Operating expenses	126,438	117,158
Less: Attributable to the discontinued operations	123,491	90,035
	$ 293,718	$ 311,677

e. Compensation of employees and remuneration to directors

The Company accrued compensation of employees and remuneration of directors at rates no less than 3% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were been approved by the Company's board of directors in March 2024 and March 2023, respectively, were as follows:

	For the Year Ended December 31			
	2023		2022	
	Accrual Rate (%)	Amount Cash	Accrual Rate (%)	Amount Cash
Compensation of employees paid in cash	4.0	$ 14,812	5.4	$ 12,208
Remuneration of directors paid in cash	2.0	7,406	2.7	6,104

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

f. Net foreign exchange gain (loss)

	For the Year Ended December 31	
	2023	2022
Total foreign exchange gain	$ 44,907	$ 95,025
Total foreign exchange loss	(57,623)	(43,754)
Less: Attributable to discontinued operations	(15,492)	(12,410)
Net foreign exchange gain	$ 2,776	$ 63,681

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. The major components of income tax expense recognized in profit or loss:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 55,956	$ 41,276
Income tax on unappropriated earnings	1,531	-
Adjustments for prior years	(1,109)	555
	56,378	41,831
Deferred tax		
In respect of the current year	(3,258)	536
Income tax expense recognized in profit or loss	$ 53,120	$ 42,367

The reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 249,712	$ 247,240
Income tax expense calculated at the statutory rate	$ 51,283	$ 49,628
Income included for tax	4,047	270
Deferred tax effect of earnings of subsidiaries	(2,631)	(8,077)
Tax-exempt income	(1)	(9)
Income tax on unappropriated earnings	1,531	-
Adjustments for prior years	(1,109)	555
Income tax expense recognized in profit or loss	$ 53,120	$ 42,367

b. Income tax benefit (expense) recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
Remeasurement of defined benefit plan	$ 148	$ (516)
Translation of foreign operations	(20)	(3,190)
	$ 128	$ (3,706)

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 937	$ 431
Current tax liabilities		
Income tax payable	$ 78,158	$ 41,012

d. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income and Loss	Exchange Differences	Disposal of Subsidiary	Closing Balance
Deferred tax assets						
Temporary differences						
Defined benefit pension plan	$ 1,191	$ (354)	$ 148	$ -	$ -	$ 985
Exchange differences on translating the financial statements of foreign operations	20	-	(20)	-	-	-
Unrealized inventory loss	41,091	(5,582)	-	(67)	(11,131)	24,311

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income and Loss	Exchange Differences	Disposal of Subsidiary	Closing Balance
Unrealized exchange loss	$ -	$ 1,764	$ -	$ -	$ -	$ 1,764
Others	6,676	1,019	-	(16)	(1,923)	5,756
	48,978	(3,153)	128	(83)	(13,054)	32,816
Loss carryforwards	16,162	12,337	-	(104)	(28,395)	-
	$ 65,140	$ 9,184	$ 128	$ (187)	$ (41,449)	$ 32,816
Deferred tax liabilities						
Temporary differences						
Share of profit of subsidiaries	$ 2,631	$ (2,631)	$ -	$ -	$ -	$ -
Unrealized exchange gain	1,959	(1,959)	-	-	-	-
Others	-	-	-	-	-	-
	$ 4,590	$ (4,590)	$ -	$ -	$ -	$ -

(Concluded)

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income and Loss	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Defined benefit pension plan	$ 1,984	$ (277)	$ (516)	$ -	$ 1,191
Exchange differences on translating the financial statements of foreign operations	3,210	-	(3,190)	-	20
Unrealized inventory loss	43,240	(2,373)	-	224	41,091
Unrealized exchange loss	2,610	(2,610)	-	-	-
Others	5,587	1,054	-	35	6,676
	56,631	(4,206)	(3,706)	259	48,978
Loss carryforwards	9,696	6,457	-	9	16,162
	$ 66,327	$ 2,251	$ (3,706)	$ 268	$ 65,140
Deferred tax liabilities					
Temporary differences					
Share of profit of subsidiaries	$ 10,708	$ (8,077)	$ -	$ -	$ 2,631
Unrealized exchange gain	-	1,959	-	-	1,959
Others	386	(386)	-	-	-
	$ 11,094	$ (6,504)	$ -	$ -	$ 4,590

e. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

24. EARNINGS PER SHARE (EPS)

Earnings and weighted average number of ordinary shares outstanding used in the computation of EPS were as follows:

a. Net profit for the year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share	$ 273,734	$ 165,390
Less: Profit (loss) for the year from discontinued operations used in the computation of basic and diluted earnings (loss) per share from discontinued operations	77,142	(39,483)
Profit for the year used in the computation of basic and diluted earnings per share for continuing operations	$ 196,592	$ 204,873

b. Weighted average number of ordinary shares outstanding (in thousands)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic EPS	102,347	102,347
Effect of potentially dilutive shares		
Compensation of employees	557	560
Weighted average number of ordinary shares used in the computation of diluted EPS	102,904	102,907

The Company may settle the compensation of employees in cash or shares; thus, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted EPS, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the number of shares to be distributed to employees is resolved in the following year.

25. DISPOSAL OF SUBSIDIARIES

a. As stated in Note 12, the liquidation process of AAI and Giant was completed in December 2023, and the Group lost control of them.

1) Consideration received

	AAI	Giant
Total consideration received	$ 33,603	$ 553,515

2) Analysis of assets on the date control was lost

	AAI	Giant
Current assets		
Cash and cash equivalents	$ 33,603	$ 553,515
Net assets disposed of	$ 33,603	$ 553,515

3) Gain on disposal of the subsidiaries

	AAI	Giant
Consideration received	$ 33,603	$ 553,515
Net assets disposed of	(33,603)	(553,515)
The accumulated translation differences arising from the reclassification of the net assets of subsidiaries upon loss of control over the subsidiaries from equity	754	(56,678)
Gain (loss) on disposals	$ 754	$ (56,678)

The loss from the disposal of Giant, as mentioned above, along with the explanation below (items b-3) regarding the gain from the disposal of Wuxi Tsang Yow, is included in the profit or loss from discontinued operations, as detailed in Note 11.

4) Net cash inflow on the disposals of the subsidiaries

	AAI	Giant
Consideration received in cash and cash equivalents	$ 33,603	$ 553,515
Less: Cash and cash equivalents balances disposed of	33,603	553,515
	$ -	$ -

b. As mentioned in Note 11, the subsidiary Business of the Group completed the sale of equity transaction about Wuxi Tsang Yow in July 2023 and lost control of it. The disposal information is as follows:

1) Consideration received

	Wuxi Tsang Yow
Total consideration received	$ 493,073

2) Analysis of assets and liabilities on the date control was lost

	Wuxi Tsang Yow
Current assets	
Cash and cash equivalents	$ 15,289
Notes receivable	2,193
Net accounts receivable	157,980
Other accounts receivable	1,105
Inventory	72,382
Other current assets	2,128
Non-current assets	
Property, plant, and equipment	159,853
Right-of-use assets	11,165
Intangible assets	583
Deferred tax assets	41,449

(Continued)

	Wuxi Tsang Yow
Current liabilities	
Accounts payable	$ (98,224)
Other payables	(54,817)
Other current liabilities	(521)
Net assets disposed	$ 310,565

(Concluded)

3) Gain on disposal of the subsidiary

	Wuxi Tsang Yow
Consideration received	$ 493,073
Net assets disposed of	(310,565)
The accumulated translation differences arising from the reclassification of the net assets of subsidiary upon loss of control over the subsidiary from equity	31,693
Gain on disposal	$ 214,201

4) Net cash inflow on the disposal of the subsidiary

	Wuxi Tsang Yow
Consideration received in cash and cash equivalents	$ 493,073
Less: Cash and cash equivalents balance disposed of	15,289
	$ 477,784

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The group's overall strategy remains unchanged from the last 2 years.

The Group is not subject to any externally imposed capital requirements.

27. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets at FVTPL				
Domestic listed stocks	$ 485	$ -	$ -	$ 485
December 31, 2022				
Financial assets at FVTPL				
Domestic listed stocks	$ 443	$ -	$ -	$ 443

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
FVTPL		
Mandatorily classified at FVTPL	$ 485	$ 443
Financial assets at amortized cost (Note 1)	1,078,530	922,987
Financial liabilities		
Measured at amortized cost (Note 2)	653,070	1,147,317

Note 1: Including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, other financial assets, etc.

Note 2: Including short-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties) and long-term borrowings (including current portion).

d. Financial risk management objectives and policies

The Group’s major financial instruments include notes receivable and accounts receivable, other financial assets, notes payable, accounts payable, borrowings and lease liabilities. The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports, which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The treasury function reports quarterly to the Group’s management.

1) Market risk

The Group’s activities expose it primarily to the financial risk of change in foreign currency exchange rate:

a) Foreign currency risk

The Group had foreign currency trades, which exposed the Group to foreign currency risk, and the carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated upon consolidation) at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the function currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign exchange rate. The sensitivity analysis included only the outstanding foreign currency-denominated monetary items and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. The scope of the sensitivity analysis includes bank deposits, accounts receivable, and accounts payable. A positive number below indicates an increase in pre-tax profit associated with New Taiwan dollars weakening 1% against the relevant currency. For a 1% strengthening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balance below would be negative.

	Influence of USD	
	For the Year Ended December 31	
	2023	**2022**
Profit or loss	$ 3,789	$ 3,531

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 500	$ 500
Financial liabilities	5,690	3,909
Cash flow interest rate risk		
Financial assets	865,686	463,718
Financial liabilities	390,536	728,789

Sensitivity analysis

The sensitivity analysis below shows the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $4,752 thousand and would have decreased/increased by $2,651 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits and borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group is continuously monitoring and spreading the aggregate transactions to each credit – qualified counterparty. Credit exposure is controlled by counterpart limits that are reviewed and approved by the group annually.

The Group is exposed to credit risk from a relatively concentrated number of customers who mostly engage in similar business activities with similar economic characteristics. Credit risk concentration occurs when the impact of the economy and other factors on customers' abilities to fulfill their contract obligations is also similar. The accounts receivable balances of customers with credit risk concentration were as follows:

	December 31	
	2023	**2022**
Company A	$ 34,843	$ 11,836
Group B	29,019	70,633
Company C	26,116	44,111
Company D	25,864	13,551
Company E	22,859	23,640
Group F	8,870	188,352
	$ 147,571	$ 352,123

3) Liquidity risk

The ultimate responsibility for the Group's liquidity risk management lies with the board of directors, which has established an appropriate liquidity risk management framework to meet the Group's financing and liquidity management needs.

Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed-upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay and includes cash flows of the interests and principal.

	Repayment on Demand or Less than 1 Month	1-3 Months	3 Months-1 Years	1-5 Years
December 31, 2023				
Non-derivative financial liabilities				
Variable interest rate liabilities	$ -	$ 40,195	$ 95,017	$ 272,537
Lease liabilities	276	551	2,231	2,849
Non-interest-bearing liabilities	59,743	180,462	22,329	-
	$ 60,019	$ 221,208	$ 119,577	$ 275,386
December 31, 2022				
Non-derivative financial liabilities				
Variable interest rate liabilities	$ -	$ 133,932	$ 109,050	$ 513,882
Lease liabilities	156	311	1,401	2,099
Non-interest-bearing liabilities	102,017	298,025	18,846	-
	$ 102,173	$ 432,268	$ 129,297	$ 515,981

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the year.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.:

a. Related party name and category

Related Party Name	Related Party Category
Su, Chi-Tse	Chairman
Sun Forging Industrial Co., Ltd. (Sun)	Related party in substance
Jin Shiang Forging Co., Ltd. (Jin Shiang)	Related party in substance
Linesoon Industrial Co., Ltd. (Linesoon)	Related party in substance

b. Operating revenues

Related Party Category	For the Year Ended December 31 2023	2022
Related party in substance	$ 3,814	$ 3,250

The Group did not sell similar goods to non-related parties, so there was no transaction price of the same kind available for comparison. The payment term is not significantly different from that for non-related parties, which is net 60 days at the end of each month.

c. Purchase of goods

Related Party Category	For the Year Ended December 31 2023	2022
Related party in substance	$ 34,380	$ 40,613

The Group did not buy the same kind of goods from non-related parties, so there was no related transaction price available for comparison. The payment term is the same as that for non-related parties, which is net 60 to 120 days at the end of each month.

d. Receivables from related parties and payables to related parties

	December 31 2023	2022
Accounts receivable - related parties		
Related party in substance	$ 553	$ 1,965
Accounts payable - related parties		
Related party in substance	$ 12,499	$ 10,017

The outstanding accounts payable to related parties were unsecured and settled in cash. The outstanding accounts receivable from related parties were unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for accounts receivable from related parties.

e. Disposal of property, plant and equipment

	For the Year Ended December 31 2023	2022
Gain on disposal of property, plant and equipment		
Related party in substance	$ 781	$ -

f. Remuneration of key management personnel

The amounts of the remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 27,659	$ 25,572
Post-employment benefits	385	378
	$ 28,044	$ 25,950

The remuneration of directors and other key management was determined by the remuneration committee based on the performance of individuals and market trends.

g. Guarantee

Part of the Group's financial loan facilities are jointly guaranteed by the chairman.

The information is as follows:

Related Party Category	**December 31** **2023**	**2022**
Chairman		
Amount guaranteed	$ 1,055,000	$ 1,147,130
Less: Amount utilized	151,948	350,396
	$ 903,052	$ 796,734

29. ASSETS PLEDGED AS COLLATERAL

The Group provided the following assets as collateral for borrowings, tariff guarantee for imported raw material and issuance of acceptance bills:

	December 31 **2023**	**2022**
Property, plant and equipment	$ 674,953	$ 686,070
Other financial assets (current and non-current)	10,181	10,140
	$ 685,134	$ 696,210

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments of the Group as of December 31, 2023 and 2022 were as follows:

As of December 31, 2023 and 2022, the unrecognized commitments for acquisition of property, plant, and equipment were $16,205 thousand and $5,865 thousand, respectively.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	Foreign Currency Amount	**Exchange Rate**		**Carrying Amount**
December 31, 2023				
Financial assets				
Monetary items				
USD	$ 12,370	30.705	(USD:NTD)	$ 379,821

(Continued)

	Foreign Currency Amount	Exchange Rate		Carrying Amount
Financial liabilities				
Monetary items				
USD	$ 31	30.705	(USD:NTD)	$ 952
December 31, 2022				
Financial assets				
Monetary items				
USD	14,790	30.71	(USD:NTD)	454,201
USD	2,123	6.9646	(USD:CNY)	65,197
Financial liabilities				
Monetary items				
USD	84	30.71	(USD:NTD)	2,580
USD	5,331	6.9646	(USD:CNY)	163,715

(Concluded)

The Group is mainly exposed to the USD. The below information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign currency exchange gains and losses are as follows:

Functional Currency	Functional Currency to Presentation Currency		Net Exchange Gains (Losses)
2023			
NTD	1	(NTD:NTD)	$ 2,776
CNY	4.4240	(CNY:NTD)	1,719
USD	31.16	(USD:NTD)	(17,211)
			$ (12,716)
2022			
NTD	1	(NTD:NTD)	$ 63,681
CNY	4.4094	(CNY:NTD)	(12,410)
			$ (51,271)

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held: Table 3

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: None

10) Information on investees: Table 4

11) Other: Intercompany relationships and significant intercompany transactions : Table 5

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 7

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 7

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None

e) The highest balance, the end of year balance, the interest rate range, and total current year interest with respect to financing of funds: Table 1

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8

33. SEGMENT INFORMATION

a. Operational segment information

Following the regular review by key operational decision-makers for resource allocation and performance assessment, it is noted that during this period, Wuxi Tsang Yow, Business, and Giant have ceased operations and are now classified as discontinued operations. For detailed information, refer to Note 11. Operational decision-makers consider the Group as a single operational department for organizational management and resource allocation; hence, there is no need to disclose financial information for individual operational departments.

b. Revenue from major products

The following is an analysis of the Group's revenue from its major products and services:

	For the Year Ended December 31	
	2023	**2022**
Automatic transmission components for automobiles	$ 994,184	$ 1,332,898
Clutch parts for heavy-duty trucks	132,088	166,591
Drivetrain parts for industrial machinery	61,545	102,340
Marine automatic transmission components	-	33,091
Automatic transmission components for air conditioner compressors	16,528	40,983
New energy vehicle motors	39,548	79
Processing	318	17,411
Others	128,731	97,550
Less: Attributable to the discontinued operations	179,866	443,308
	$ 1,193,076	$ 1,347,635

c. Geographical information

The Group's main operating sites are in Taiwan and mainland China, and the revenue is listed as follows, depending on client's locations.

	Revenue from External Clients			
	For the Year Ended December 31			
	2023		2022	
	Amount	**As a % of the Operating Revenue**	**Amount**	**As a % of the Operating Revenue**
The Americas	$ 845,660	62	$ 1,006,531	56
Asia	241,912	18	486,001	27
Others	285,370	20	298,411	17
	1,372,942	100	1,790,943	100
Less: Attributable to the discontinued operations	179,866		443,308	
	$ 1,193,076		$ 1,347,635	

The locations of the Group's non-current assets are listed as follows:

Non-current assets	For the Year Ended December 31 2023	2022
Taiwan	$ 1,130,559	$ 1,185,645
China	-	191,661
	$ 1,130,559	$ 1,377,306

Non-current assets exclude financial instruments and deferred tax assets.

d. Information on major customers

The revenues from a single customer that account for over 10% of the Group's net revenues are as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	**As a % of the Operating Revenue**	**Amount**	**As a % of the Operating Revenue**
Client A	$ 186,756	14	$ 281,806	16
Client B	178,429	13	283,787	16
Client C	174,477	13	266,093	15
Less: Attributable to the discontinued operations	155,389		345,717	
	$ 384,273		$ 485,969	

TABLE 1

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 3)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-Term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
0	The Company	Giant	Other receivables - related party	Y	$ 122,820 (USD 4,000)	$ -	$ -	-	Note 1	$ -	Short-term operating capital turnover	$ -	-	$ -	$ 732,081	$ 732,081
0	The Company	Wuxi Tsang Yow	Other receivables - related party	Y	92,115 (USD 3,000)	-	-	3.5	Note 1	-	Short-term operating capital turnover	-	-	-	732,081	732,081
1	Giant	Wuxi Tsang Yow	Other receivables - related party	Y	39,917 (USD 1,300)	-	-	3.5	Note 1	-	Short-term operating capital turnover	-	-	-	-	-
2	Business	Wuxi Tsang Yow	Other receivables - related party	Y	92,115 (USD 3,000)	-	-	3.5	Note 1	-	Short-term operating capital turnover	-	-	-	-	-

Note 1: There is need for short-term financial.

Note 2: 1. The Company

The total limit of loans to others shall be 40% of the Company’s net shareholder’s equity; the limit of loans to an affiliate shall not exceed 40% of the Company’s net worth; the limit of loans to an enterprise shall not exceed 10% of the Company’s non-shareholder’s equity.

2. Giant, Business (the settlement has been liquidated from November to December 2023)

The total limit of loans to others shall be 40% of its net shareholder’s equity; the limit of loans to an affiliate shall not exceed 40% of its net worth; the limit of loans to an enterprise shall not exceed 20% of its net shareholder’s equity.

Note 3: It was written off when the consolidated financial statements were prepared.

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement /Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed /Guaranteed During the Year	Outstanding Endorsement /Guarantee at the End of the Year	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Wuxi Tsang Yow	Subsidiaries	$ 878,497	$ 92,115 (USD 3,000)	$ -	$ -	$ -	-	$ 1,464,162	Y	N	Y

Note: The limit on endorsement/guarantee given on behalf of a single overseas enterprise shall not exceed 60% of the equity of the Company. The maximum total amount of endorsement/guarantee shall not exceed 80% of the equity of the Company.

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Stock							
	Highwealth Construction Corp.	-	Financial assets at FVTPL - current	13,311	$ 485	-	$ 485	

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of Shares	%	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 2)	Note
				December 31, 2023	December 31, 2022						
The Company	Giant	Samoa	Reinvestment and interactional trading	$ -	$ 449,023	-	-	$ -	$ 154,490	$ 154,794	Notes 1 and 2
	AAI	British Virgin Island	Reinvestment and interactional trading	-	1,621	-	-	-	1,179	1,179	Note 2
									$ 155,669	$ 155,973	
	YORU Tech SDN. BHD.	Malaysia	Manufacturing and selling of semiconductor and medical-related components	-	-	-	55	-	$ -	$ -	Note 3
Giant	Business	Samoa	Reinvestment and interactional trading	-	463,429	-	-	-	$ 169,653	$ 169,653	Note 2

Note 1: Unrealized gross losses have been realized.

Note 2: It has been written off when the consolidated financial statements were prepared.

Note 3: The company was established and registered in September 2023 and its capital was not verified at the end of the year.

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

BUSINESS RELATION AND IMPORTANT TRANSACTIONS BETWEEN PARENT COMPANY AND SUBSIDIARIES AND AMONG SUBSIDIARIES AND AMOUNT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

NO.	Name of Trader	Counterparty	Relation with Trader	Transaction detail（Note 3）			
				Account Title	Amount	Transaction Conditions	% of Total Consolidated Revenue or Total Assets
0	The Company	Wuxi Tsang Yow	Parent company to a subsidiary	Sales revenue	$ 16,091	Note 1	1
			Parent company to a subsidiary	Interest income	230	Note 2	-
2	Business	Wuxi Tsang Yow	A subsidiary to another subsidiary	Interest income	1,201	Note 2	-
3	Giant	Wuxi Tsang Yow	A subsidiary to another subsidiary	Interest income	323	Note 2	-
4	Wuxi Tsang Yow	The Company	A subsidiary to Parent company	Sales revenue	2,286	Note 1	-

Note 1: The transaction prices for sales revenue and payment terms are not significantly different from those for general contracts, and the payment term is about one to four months.

Note 2: Interest is accrued at an annual interest rate of 3.5%-5%.

Note 3: It was written off when the consolidated financial statements were prepared.

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Wuxi Tsang Yow	Research and development, design, and production of transmissions and accessories; hardware parts; sales of self-produced products; and provision of after-sales services	$ 392,246 (USD 12,000)	Indirectly investment in mainland China through companies registered in the third area.	$ 293,538 (USD 9,043)	$ -	$ 293,538 (USD 9,043)	$ -	$ (46,056)	-	$ (45,752)	$ -	$ 493,073	Note 4

Investor	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Notes 1 and 2)
The Company	$ -	$ 467,399 (USD 14,484)	$ 1,098,121

Note 1: The limit of Company's investment in China is as follows: $1,830,202×60%＝$1,098,121

Note 2: As per the Principles for the Review of Investments or Technical Cooperation in mainland China stipulated by the Investment Commission dated August 29, 2008, if the paid-in capital is NT$80 million or more, the limit is 60% of the net worth.

Note 3: Recognized based on the audited financial reports of the investee company by the Company's certified public accountant for the same period and offset upon preparation of the consolidated financial statements.

Note 4: The Company signed a sale-of-share agreement with unrelated parties on May 31, 2023. The sale plan was completed with the equity transfer and change of registration in July 2023.

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Relation between The Company and counterparty	Transaction Type	Amount	Payment Terms	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
					Unit Price	Comparison with Normal Transactions	Ending Balance	%	
Wuxi Tsang Yow	Subsidiaries	Sales	$ 16,091	T/T 140 days	General Transactions	General Transactions	$ -	-	$ -
		Purchase	2,286	T/T 60 days	General Transactions	General Transactions	-	-	-

Tsang Yow Industrial Co., Ltd and Its Subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Linesoon Investment Co., Ltd.	19,955,314	19.35
Rich Pool Investment Co., Ltd.	7,961,779	7.72
Golden Top Investment Co., Ltd.	7,427,058	7.20

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered with registration of dematerialized securities completed as a result of different bases of preparation.