China Motor Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
China Motor Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China Motor Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

The financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT$8,280,338 thousand and NT$7,243,252 thousand, respectively, representing 16% and 15%, respectively, of the consolidated total assets, and combined total liabilities of these non-significant subsidiaries were NT$3,300,542 thousand and NT$2,680,090 thousand, respectively, representing 24% and 23%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined comprehensive income of these non-significant subsidiaries were NT$412,527 thousand and NT$67,077 thousand, respectively, representing 27% and 4%, respectively, of the consolidated total comprehensive income. As disclosed in Note 15 to the consolidated financial statements, as of March 31, 2024 and 2023, the amounts of investments accounted for using the equity method were NT$14,686,888 thousand and NT$12,281,757 thousand, respectively, and for the three months ended March 31, 2024 and 2023, the comprehensive income of these equity-method investments were NT$406,811 thousand and NT$535,806 thousand, respectively, which were calculated on the basis of financial statements that have not been reviewed.

Qualified Conclusion

Based on our reviews, except for adjustments and the reports of other auditors (refer to the other matter paragraph), if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries, the investments accounted for using the equity method and the relevant information as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

In the consolidated financial statements of China Motor Corporation and its subsidiaries, the financial statements of Kian Shen Corporation and its subsidiaries as of and for the three months ended March 31, 2024 and 2023 were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included for Kian Shen Corporation and its subsidiaries, is based solely on the report of the other auditors. The total assets of Kian Shen Corporation and its subsidiaries were NT$5,810,160 thousand and NT$5,777,555 thousand, respectively, representing 11% and 12%, respectively, of consolidated total assets as of March 31, 2024 and 2023. The amounts of operating revenue of the subsidiary were NT$308,541 thousand and NT$455,055 thousand, respectively, representing 3% and 5%, respectively, of consolidated total operating revenue for the three months ended March 31, 2024 and 2023.

The engagement partners on the reviews resulting in this independent auditors' review report are You-Cheng Hsin and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2024

Notice to Readers

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 5,421,513	10	$ 5,088,929	10	$ 6,728,466	14
Financial assets at fair value through profit or loss (Note 7)	59,006	-	103,437	-	122,827	-
Financial assets at amortized cost (Notes 9, 10 and 31)	269,891	1	269,891	-	276,217	1
Financial assets for hedging (Note 11)	502,099	1	309,924	1	195,163	-
Notes and accounts receivable, net (Notes 12 and 23)	1,561,985	3	1,821,436	4	1,297,402	3
Trade receivables from related parties (Notes 23 and 30)	1,636,181	3	1,085,374	2	1,540,002	3
Other receivables	128,541	-	89,501	-	138,800	-
Inventories (Note 13)	3,918,462	8	4,481,452	9	3,546,377	8
Prepayments (Note 30)	889,257	2	794,161	2	1,186,526	3
Other current assets	369,432	1	381,480	1	203,498	-
Total current assets	14,756,367	29	14,425,585	29	15,235,278	32
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (Note 7)	576,778	1	579,093	1	575,721	1
Financial assets at fair value through other comprehensive income (Note 8)	153,237	-	125,121	-	258,464	1
Financial assets at amortized cost (Notes 9 and 10)	107,818	-	107,791	-	206,637	-
Investments accounted for using the equity method (Note 15)	25,201,558	49	24,524,164	49	21,745,683	46
Property, plant and equipment (Notes 16, 30 and 31)	8,151,131	16	7,722,091	15	6,077,977	13
Right-of-use assets (Notes 17 and 30)	153,969	-	144,224	-	337,693	1
Investment properties (Notes 18 and 31)	1,273,069	2	1,275,894	2	1,280,488	3
Intangible assets under development	786,150	2	793,573	2	543,686	1
Deferred tax assets	322,816	1	351,544	1	320,806	1
Other non-current assets	250,104	-	315,376	1	326,585	1
Total non-current assets	36,976,630	71	35,938,871	71	31,673,740	68
TOTAL	$ 51,732,997	100	$ 50,364,456	100	$ 46,909,018	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 19)	$ 455,000	1	$ 560,000	1	$ 42	-
Short-term bills payable	599,804	1	19,992	-	49,974	-
Notes and accounts payable	3,160,527	6	3,240,350	6	2,113,645	4
Trade payables to related parties (Note 30)	592,841	1	789,352	2	581,318	1
Dividends payable	3,341,129	7	19,418	-	2,269,036	5
Other payables (Notes 16 and 20)	2,660,660	5	3,209,673	6	2,269,956	5
Current tax liabilities (Note 4)	1,046,368	2	780,094	2	511,151	1
Lease liabilities (Notes 17 and 30)	58,553	-	55,809	-	71,908	-
Current portion of long-term borrowings (Note 19)	34,375	-	51,563	-	34,375	-
Other current liabilities (Notes 7, 11, 23, 30 and 32)	818,292	2	798,684	2	739,112	2
Total current liabilities	12,767,549	25	9,524,935	19	8,640,517	18
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 19)	-	-	-	-	34,375	-
Deferred tax liabilities	912,538	2	966,783	2	734,165	2
Lease liabilities (Notes 17 and 30)	98,783	-	91,179	-	269,758	1
Net defined benefit liabilities (Note 4)	162,849	-	221,553	1	172,575	-
Credit balance of investments accounted for using the equity method (Note 15)	-	-	-	-	1,948,914	4
Other non-current liabilities	64,812	-	62,292	-	54,285	-
Total non-current liabilities	1,238,982	2	1,341,807	3	3,214,072	7
Total liabilities	14,006,531	27	10,866,742	22	11,854,589	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 22)						
Ordinary shares	5,536,203	11	5,536,203	11	5,536,203	12
Capital surplus	7,452,285	15	7,452,065	15	6,683,334	14
Retained earnings						
Legal reserve	10,004,698	19	10,004,698	20	10,004,698	22
Special reserve	1,025,833	2	1,025,833	2	1,025,833	2
Unappropriated earnings	10,354,289	20	12,411,153	24	8,374,466	18
Total retained earnings	21,384,820	41	23,441,684	46	19,404,997	42
Other equity						
Exchange differences on translating the financial statements of foreign operations	(546,632)	(1)	(599,707)	(1)	(541,803)	(1)
Unrealized valuation gain on financial assets at fair value through other comprehensive income	90,744	-	44,372	-	146,453	-
Gain (loss) on hedging instruments (Note 11)	36,598	-	(55,258)	-	9,390	-
Total other equity	(419,290)	(1)	(610,593)	(1)	(385,960)	(1)
Total equity attributable to owners of the Corporation	33,954,018	66	35,819,359	71	31,238,574	67
NON-CONTROLLING INTERESTS (Notes 14 and 22)	3,772,448	7	3,678,355	7	3,815,855	8
Total equity	37,726,466	73	39,497,714	78	35,054,429	75
TOTAL	$ 51,732,997	100	$ 50,364,456	100	$ 46,909,018	100

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

(With Deloitte & Touche review report dated May 9, 2024)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)				
Net sales	$ 12,042,098	98	$ 8,890,594	98
Other operating revenue	213,575	2	185,676	2
Total operating revenue	12,255,673	100	9,076,270	100
OPERATING COSTS (Notes 13, 21, 24 and 30)				
Cost of goods sold	10,217,477	83	7,483,515	82
Other operating costs	93,635	1	71,894	1
Total operating costs	10,311,112	84	7,555,409	83
GROSS PROFIT	1,944,561	16	1,520,861	17
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	(32,839)	-	(30,072)	-
REALIZED GROSS PROFIT	1,911,722	16	1,490,789	17
OPERATING EXPENSES (Notes 21, 24 and 30)				
Selling and marketing expenses	251,937	2	207,173	2
General and administrative expenses	286,346	2	239,487	3
Research and development expenses	486,063	4	363,756	4
Total operating expenses	1,024,346	8	810,416	9
PROFIT FROM OPERATIONS	887,376	8	680,373	8
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates and joint ventures (Note 15)	646,317	5	1,084,533	12
Interest income	25,136	-	30,662	-
Other income	2,671	-	8,107	-
Net foreign exchange gain	39,925	1	15,364	-
Gain (loss) on financial instruments at fair value through profit or loss	17,685	-	(41,510)	-
Expected credit gain (loss) (Note 10)	30	-	(34)	-
Interest expense (Note 30)	(225)	-	(2,079)	-
Other expense (Note 33)	(97,025)	(1)	(5,017)	-
Total non-operating income and expenses	634,514	5	1,090,026	12

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	$ 1,521,890	13	$ 1,770,399	20
INCOME TAX EXPENSE (Notes 4 and 25)	217,599	2	172,998	2
NET PROFIT FOR THE PERIOD	1,304,291	11	1,597,401	18
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income (Note 22)	28,116	-	(17,201)	-
Gain on hedging instruments (Notes 11 and 22)	105,631	1	7,847	-
Share of other comprehensive income of associates accounted for using the equity method (Notes 15 and 22)	28,428	-	33,298	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 25)	(21,987)	-	(1,852)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Note 22)	28,804	-	7,341	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method (Notes 15 and 22)	65,830	1	18,405	-
Other comprehensive income for the period, net of income tax	234,822	2	47,838	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 1,539,113	13	$ 1,645,239	18
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,251,757	10	$ 1,480,226	17
Non-controlling interests	52,534	1	117,175	1
	$ 1,304,291	11	$ 1,597,401	18

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,445,020	12	$ 1,516,346	17
Non-controlling interests	94,093	1	128,893	1
	$ 1,539,113	13	$ 1,645,239	18
EARNINGS PER SHARE (Note 26)				
Basic	$ 2.29		$ 2.71	
Diluted	$ 2.29		$ 2.71	

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

(With Deloitte & Touche review report dated May 9, 2024) (Concluded)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											
	Ordinary Shares			Retained Earnings			Other Equity					
	Number of Shares (In Thousands)	Amounts	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	553,620	$ 5,536,203	$ 6,638,276	$ 10,004,698	$ 1,025,833	$ 9,519,133	$ (555,831)	$ 135,015	$ 25,537	$ 32,328,864	$ 3,718,084	$ 36,046,948
Appropriation of the 2022 earnings												
Cash dividends distributed by the Corporation	-	-	-	-	-	(2,214,481)	-	-	-	(2,214,481)	-	(2,214,481)
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	45,058	-	-	(420,321)	-	-	-	(375,263)	-	(375,263)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(35,928)	(35,928)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	4,806	4,806
Net profit for the three months ended March 31, 2023	-	-	-	-	-	1,480,226	-	-	-	1,480,226	117,175	1,597,401
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	(1,634)	14,028	22,981	745	36,120	11,718	47,838
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	1,478,592	14,028	22,981	745	1,516,346	128,893	1,645,239
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	11,543	-	(11,543)	-	-	-	-
Basis adjustment to gain on hedging instruments	-	-	-	-	-	-	-	-	(16,892)	(16,892)	-	(16,892)
BALANCE AT MARCH 31, 2023	553,620	$ 5,536,203	$ 6,683,334	$ 10,004,698	$ 1,025,833	$ 8,374,466	$ (541,803)	$ 146,453	$ 9,390	$ 31,238,574	$ 3,815,855	$ 35,054,429
BALANCE AT JANUARY 1, 2024	553,620	$ 5,536,203	$ 7,452,065	$ 10,004,698	$ 1,025,833	$ 12,411,153	$ (599,707)	$ 44,372	$ (55,258)	$ 35,819,359	$ 3,678,355	$ 39,497,714
Appropriation of the 2023 earnings												
Cash dividends distributed by the Corporation	-	-	-	-	-	(3,321,722)	-	-	-	(3,321,722)	-	(3,321,722)
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	220	-	-	-	-	-	-	220	-	220
Net profit for the three months ended March 31, 2024	-	-	-	-	-	1,251,757	-	-	-	1,251,757	52,534	1,304,291
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	57	53,075	59,416	80,715	193,263	41,559	234,822
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	1,251,814	53,075	59,416	80,715	1,445,020	94,093	1,539,113
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	13,044	-	(13,044)	-	-	-	-
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	-	11,141	11,141	-	11,141
BALANCE AT MARCH 31, 2024	553,620	$ 5,536,203	$ 7,452,285	$ 10,004,698	$ 1,025,833	$ 10,354,289	$ (546,632)	$ 90,744	$ 36,598	$ 33,954,018	$ 3,772,448	$ 37,726,466

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

(With Deloitte & Touche review report dated May 9, 2024)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,521,890	$ 1,770,399
Adjustments for:		
Depreciation expense	187,136	172,768
Amortization expense	46,642	31,597
Expected credit loss recognized (reversed)	(2,701)	251
Net loss (gain) on fair value change of financial instruments at fair value through profit or loss	(17,685)	41,510
Interest expense	225	2,079
Interest income	(25,136)	(30,662)
Share of profit of associates and joint ventures accounted for using the equity method	(646,317)	(1,084,533)
Loss (gain) on disposal of property, plant and equipment	1,180	(3,899)
Impairment loss (gain on reversal) of non-financial assets	923	(4,850)
Unrealized gain on transactions with associates	32,839	30,072
Unrealized gain (loss) on foreign currency exchange	(9,212)	12,303
Gain on lease modifications	(20)	-
Changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	53,412	(10,984)
Notes and accounts receivable	265,544	(645)
Trade receivables from related parties	(550,568)	(174,116)
Other receivables	(2,299)	13,310
Inventories	575,692	696,497
Prepayments	(92,773)	170,775
Other current assets	12,932	1,778
Notes and accounts payable	(80,372)	(416,317)
Trade payables to related parties	(196,430)	(206,670)
Other payables	(511,369)	(494,197)
Other current liabilities	86,285	67,354
Net defined benefit liabilities	(58,704)	(12,167)
Cash generated from operations	591,114	571,653
Income tax paid	(3,306)	(2,362)
Net cash generated from operating activities	587,808	569,291
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from refund of the capital reduction of financial assets at fair value through other comprehensive income	-	19,409
Acquisition of financial assets at amortized cost	-	(26,487)
Proceeds from repayment of principal of financial assets at amortized cost	-	46,982
Acquisition of investments accounted for using the equity method	-	(1,923,363)
Acquisition of subsidiaries	-	(1,299)

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
Acquisition of property, plant and equipment	$ (586,516)	$ (81,426)
Proceeds from disposal of property, plant and equipment	3,302	9,366
Acquisition of intangible assets	(15,683)	(14,197)
Increase in other non-current assets	(16,609)	(26,405)
Interest received	20,343	28,967
Net cash used in investing activities	(595,163)	(1,968,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(105,000)	(160,000)
Increase in short-term bills payable	579,812	49,974
Repayment of long-term borrowings	(17,188)	-
Repayment of the principal portion of lease liabilities	(15,296)	(18,271)
Increase in other non-current liabilities	2,520	3,888
Interest paid	(381)	(2,101)
Net cash generated from (used in) financing activities	444,467	(126,510)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	29,735	8,519
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	466,847	(1,517,153)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5,355,555	8,425,546
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 5,822,402	$ 6,908,393

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at March 31, 2024 and 2023:

	March 31	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	$ 5,421,513	$ 6,728,466
Cash and cash equivalents included in financial assets for hedging	400,889	179,927
Cash and cash equivalents in the consolidated statements of cash flows	$ 5,822,402	$ 6,908,393

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

(With Deloitte & Touche review report dated May 9, 2024) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

China Motor Corporation (the "Corporation") is principally engaged in the manufacture and sale of automobiles and its related parts and components, and the Corporation's shares have been listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as the "Group") were approved by the Corporation's board of directors on May 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) did not have a material impact on the Group's accounting policies.

b. 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 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
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 to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

c. Presentation reclassification

The Group complies with the IFRS Accounting Standards Q&A regulations updated by the Taiwan Stock Exchange on January 5, 2024. The Group considers the bank deposits repatriated for restricted purpose for the use of substantial investments and financial investments in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. do not change the nature of the deposit as the entity can access those amounts on demand. The Group concludes that the presentation of cash and cash equivalents is more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows. The financial assets at amortized cost were reclassified to cash and cash equivalents with a carrying amount of $48,615 thousand and $81,560 thousand on March 31, 2023 and January 1, 2023. The impact on cash flows for the three months ended March 31, 2023 was as follows:

	Adjustments
Increase in net cash used in investing activities	$ (32,945)
Net decrease in cash and cash equivalents	$ (32,945)

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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. Basis of consolidation

1) Principles for preparing the consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

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 Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

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.

2) Subsidiaries included in the consolidated financial statements

			Combined Shareholding Ratio (%)			
Investor	**Investee**	**Main Business**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**	**Note**
China-Motor Corporation (parent)	Kian Shen Corporation ("Kian Shen")	Production of frame of heavy-duty car and mold	43.87	43.87	43.87	a)
	Hwa Wei Holdings Corporation Ltd. ("Hwa Wei")	Overseas investment in production and service industries	100.00	100.00	100.00	
	China Engine Corporation ("China Engine")	Manufacture of automobile engine and parts	52.10	52.10	52.10	
	Sino Diamond Motors Corporation ("Sino Diamond Motors")	Sales and providing after-sales service of vehicle	100.00	100.00	100.00	
	Alliance Investment & Management Co., Ltd. ("Alliance Investment & Management")	Investment	100.00	100.00	100.00	
	China Motor Investment Co., Ltd. (CMI)	Investment	100.00	100.00	100.00	
	COC Tooling & Stamping Co., Ltd. (COC)	Production of mold, fixture and gauge of vehicle	49.76	49.76	49.76	b)
Kian Shen	Kian Shen Investment Co., Ltd. ("Kian Shen Investment")	Overseas investment in production and service industries	43.87	43.87	43.87	a)
Sino Diamond Motors	Hwa-Yu Corporation Ltd. ("Hwa-Yu")	Overseas investment in production and service industries	100.00	100.00	100.00	
	Brilliant Insight International Consultancy Service Co., Ltd. ("Brilliant Insight International")	Consulting and servicing business	100.00	100.00	100.00	
	Greentrans Corporation ("Greentrans")	Automatic control equipment engineering and sales of motorcycle, bicycle and parts	100.00	100.00	100.00	d)
	Ling Wei Motor Co., Ltd. ("Ling Wei")	Sales of second-hand vehicle	100.00	100.00	100.00	
	MG Motor Taiwan Co., Ltd.("MG Motor")	Sales of vehicle	100.00	100.00	100.00	
	Looplus Service Technology Inc. ("Looplus Service")	Information software service and rental industry	45.00	45.00	45.00	c)

(Continued)

Investor	Investee	Main Business	Combined Shareholding Ratio (%) March 31, 2024	December 31, 2023	March 31, 2023	Note
Alliance Investment & Management	Greentrans Investment Co., Ltd. ("Greentrans Investment")	Investment	100.00	100.00	100.00	
COC	Y. M. Hi-Tech Industry Ltd. ("Y. M. Hi-Tech")	Steel plate cutting	42.30	42.30	42.30	b)
Kian Shen Investment	Kian Shen Investment Hong Kong Co., Limited (KSIHK)	Investment	43.87	43.87	43.87	a)
Hwa-Yu	Hwa-Lin Investments Ltd. ("Hwa-Lin")	Overseas investment in production and service industries	100.00	100.00	100.00	
	Fujian Rui Hua Consulting Co., Ltd. ("Fujian Rui Hua")	Consulting and servicing business	100.00	100.00	100.00	
Greentrans Investment	Jiangsu Greentrans Automotive Parts Co., Ltd. ("Jiangsu Greentrans")	Production and sales of parts of electronic motorcycle	100.00	100.00	100.00	

(Concluded)

a) The Group held 43.87% equity interest in Kian Shen. Kian Shen is a listed company and 56.13% of its shares were held by numerous shareholders unrelated to the Group. Owing to the Group's substantial influence on Kian Shen, an absolute number of voting rights and the relative size of other shareholdings, Kian Shen and its subsidiaries were considered a subsidiary of the Group.

b) The Group held 49.76% equity in COC. However, since the Corporation controls more than half of the board members and holds relative majority of shares, COC and its subsidiaries were considered a subsidiary of the Group.

c) The Group held a 45% equity interest in Looplus Service. However, in March 2023, the Group invested $13,300 thousand in convertible preference shares and acquired more than half of the seats and voting rights on the board of directors. Given the fact that the voting rights have exceeded 50%, the Group gained control over Looplus Service, and classified it as a subsidiary of the Group. For more information on the equity transactions mentioned above, refer to Note 27.

d) In response to organizational restructuring and specialization, Greentrans resolved to transfer the battery rental business to Sino Diamond Motors in December 2023.

For the relationships between the Corporation and its controlled entities as of March 31, 2024, refer to Table 9.

All the subsidiaries listed above are non-significant subsidiaries. Except for Kian Shen and its subsidiaries, their financial statements have not been reviewed.

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- 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:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period 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.

2) Retirement benefits

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

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash			
Cash on hand	$ 1,112	$ 972	$ 1,028
Checking accounts and demand deposits	3,317,163	3,720,944	3,166,936
	3,318,275	3,721,916	3,167,964
Cash equivalents			
Time deposits	2,003,238	1,367,013	1,755,900
Repurchase agreements	100,000	-	1,804,602
	2,103,238	1,367,013	3,560,502
	$ 5,421,513	$ 5,088,929	$ 6,728,466

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	$ 52,211	$ 99,200	$ 118,353
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	6,795	4,237	4,474
	$ 59,006	$ 103,437	$ 122,827
Financial assets - non-current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic unlisted shares	$ 576,778	$ 579,093	$ 575,721
Financial liabilities (included in other current liabilities)			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 3,881	$ 14,900	$ 3,910

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

March 31, 2024

Transaction	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	USD/NTD	2024.04.03-2024.05.14	USD5,000/NTD153,130
Sell	RMB/USD	2024.04.03-2024.05.14	RMB35,391/USD5,000

December 31, 2023

Transaction	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	JPY/NTD	2024.01.25-2024.03.22	JPY320,000/NTD68,386
Buy	USD/NTD	2024.01.05-2024.05.14	USD23,800/NTD736,680
Sell	RMB/USD	2024.01.05-2024.05.14	RMB169,117/USD23,800

March 31, 2023

Transaction	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	USD/NTD	2023.04.13-2023.06.14	USD15,100/NTD453,339
Sell	RMB/USD	2023.04.17-2023.06.14	RMB89,562/USD13,200

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in equity instruments at FVTOCI			
Domestic investments			
Listed shares	$ 1,078	$ 1,135	$ 1,263
Unlisted shares	28,261	25,676	26,562
	29,339	26,811	27,825
Foreign investments			
Unlisted shares	123,898	98,310	230,639
	$ 153,237	$ 125,121	$ 258,464

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Pledged deposits (Note 31)	$ 269,891	$ 269,891	$ 276,217
Less: Allowance for impairment loss	-	-	-
	$ 269,891	$ 269,891	$ 276,217
Non-current			
Bonds	$ 100,004	$ 100,007	$ 200,014
Preference shares	9,900	9,900	9,900
	109,904	109,907	209,914
Less: Allowance for impairment loss	(2,086)	(2,116)	(3,277)
	$ 107,818	$ 107,791	$ 206,637

a. The rates of pledged deposits ranged from 0.35%-1.565%, 0.35%-1.565% and 0.82%-1.405% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. The coupon rates of bonds ranged from 0.47%, 0.47% and 0.47%-0.86% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

c. The coupon rate of preference shares was 1.50% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023.

d. Refer to Note 10 for information relating to the credit risk management and impairment.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as financial assets at amortized cost.

	March 31, 2024	December 31, 2023	March 31, 2023
Gross carrying amount	$ 379,795	$ 379,798	$ 486,131
Less: Allowance for impairment loss	(2,086)	(2,116)	(3,277)
Amortized cost	$ 377,709	$ 377,682	$ 482,854

The Group invests only in debt instruments that have higher credit ratings and low credit risk after impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information of debtors and makes an assessment whether there has been a significant increase in the credit risk since initial recognition.

The Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries. The Group's current credit risk grading mechanism is as follows:

Credit Rating	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs
No rating	The preference shares do not have credit rating	Lifetime ECLs - not credit-impaired

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were as follows:

March 31, 2024

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.00%-0.30%	$ 369,895
No rating	18.3396%	9,900

December 31, 2023

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.00%-0.30%	$ 369,898
No rating	18.3396%	9,900

March 31, 2023

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.00%-0.30%	$ 476,231
No rating	29.0545%	9,900

The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	Credit Rating	
	Performing (12-month ECLs)	No Rating (Lifetime ECLs - Not Credit-impaired)
Balance at January 1, 2024	$ 300	$ 1,816
Change in exchange rates or others	(30)	-
Balance at March 31, 2024	$ 270	$ 1,816
Balance at January 1, 2023	$ 366	$ 2,877
Derecognition	(66)	-
Change in exchange rates or others	100	-
Balance at March 31, 2023	$ 400	$ 2,877

The investments in principal guaranteed notes of $22,495 thousand expired and were redeemed during the three months ended March, 31, 2023, with consequential reductions in the loss allowance for investments rated as performing of $66 thousand.

11. FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Cash flow hedges - spot rate	$ 400,889	$ 266,626	$ 179,927
Cash flow hedges - foreign exchange forward contracts	101,210	43,298	15,236
	$ 502,099	$ 309,924	$ 195,163
Financial liabilities (included in other current liabilities)			
Cash flow hedges - foreign exchange forward contracts	$ 51,941	$ 107,619	$ 15,206

The Group's hedging strategy is to enter into foreign exchange forward contracts and to buy foreign currency banknotes at the spot rate to avoid exchange rate exposure from its foreign currency receipts and payments and to manage exchange rate exposure of its forecasted foreign currency denominated purchases. Those transactions are designated as cash flow hedges. Basis adjustments are made to the initial carrying amounts of non-financial hedged items when the anticipated purchases take place.

For the hedges of highly probable forecasted purchases, the critical terms (i.e., the notional amount, period and subject) of the foreign exchange forward contracts are corresponded to their hedged items. The Group performs a qualitative assessment and expects that the value of the foreign exchange forward contracts and the value of the corresponding hedged items will be systematically changed in the opposite direction in respond to movements in the underlying exchange rate.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts and foreign currency banknote, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships. During the three months ended March 31, 2024 and 2023, hedging instruments at fair value and transferred to initial carrying amount of hedged items are detailed in Note 22(d).

The following tables summarize the information relating to the hedges of foreign currency risk.

March 31, 2024

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate (Note)	Line Item	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
						Assets	Liabilities	
Cash flow hedges								
Forecast purchases - spot rate	JPY/NTD	JPY680,613/NTD147,426	2024.05.21-2024.06.27	0.2100-0.2193	Financial assets for hedging	$ 143,950	$ -	$ (2,902)
Forecast purchases - spot rate	RMB/NTD	RMB58,289/NTD253,731	2024.06.14	4.3529 (RMB1:NTD)	Financial assets for hedging	256,939	-	2,567
Forecast purchases - foreign exchange forward contracts	USD/NTD	USD67,400/NTD2,053,637	2024.07.02-2024.08.13	30.2600-30.7350 (USD1:NTD)	Financial assets for hedging	101,210	-	80,968
Forecast purchases - foreign exchange forward contracts	RMB/USD	RMB476,910/USD67,400	2024.07.02-2024.08.13	7.0706-7.0825 (RMB1:USD)	Other current liabilities	-	(51,941)	(41,553)
						$ 502,099	$ (51,941)	$ 39,080

Note: JPY1:NTD, unless stated otherwise.

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedges		
Forecast purchases	$ (39,080)	$ 39,080

December 31, 2023

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate (Note)	Line Item	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
						Assets	Liabilities	
Cash flow hedges								
Forecast purchases - spot rate	JPY/NTD	JPY112,953/NTD24,579	2024.03.14	0.2176	Financial assets for hedging	$ 24,533	$ -	$ (36)
Forecast purchases - spot rate	RMB/NTD	RMB55,949/NTD247,358	2024.03.12	4.421 (RMB1:NTD)	Financial assets for hedging	242,093	-	(4,212)
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY473,000/NTD100,923	2024.04.17-2024.05.21	0.2132-0.2136	Financial assets for hedging	1,090	-	872
Forecast purchases - foreign exchange forward contracts	USD/NTD	USD153,800/NTD4,762,938	2024.04.04-2024.08.13	30.26-31.805 (USD1:NTD)	Other current liabilities	-	(104,561)	(83,649)
Forecast purchases - foreign exchange forward contracts	RMB/USD	RMB994,805/USD139,400	2024.04.04-2024.08.13	7.0665-7.2394 (USD1:RMB)	Financial assets for hedging	42,208	-	33,766
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY905,000/NTD198,165	2024.01.26-2024.03.28	0.2185-0.2193	Other current liabilities	-	(2,969)	(2,375)
Forecast purchases - foreign exchange forward contracts	RMB/USD	RMB101,796/USD14,400	2024.06.04	7.0692 (USD1:RMB)	Other current liabilities	-	(89)	(71)
						$ 309,924	$ (107,619)	$ (55,705)

Note: JPY1:NTD, unless stated otherwise.

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedges		
Forecast purchases	$ 55,705	$ (55,705)

March 31, 2023

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate (Note)	Line Item	Carrying Amount Assets	Carrying Amount Liabilities	Change in Value Used for Calculating Hedge Ineffectiveness
Cash flow hedges								
Forecast purchases - spot rate	JPY/NTD	JPY184,266/NTD42,535	2023.06.14-2023.06.16	0.2307-0.2309	Financial assets for hedging	$ 42,160	$ -	$ (653)
Forecast purchases - spot rate	RMB/NTD	RMB31,040/NTD137,429	2023.06.05-2023.06.29	4.3610-4.4596 (RMB1:NTD)	Financial assets for hedging	137,538	-	87
Forecast purchases - spot rate	USD/NTD	USD8/NTD227	2023.06.05	30.2180 (USD1:NTD)	Financial assets for hedging	229	-	2
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY399,000/NTD90,669	2023.04.14-2023.06.14	0.2270-0.2274	Financial assets for hedging	875	-	700
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY394,000/NTD91,918	2023.04.14-2023.06.16	0.2310-0.2372	Other current liabilities	-	(1,536)	(1,315)
Forecast purchases - foreign exchange forward contracts	USD/NTD	USD48,200/NTD1,446,266	2023.04.13-2023.06.14	29.3700-30.2050 (USD1:NTD)	Financial assets for hedging	14,361	-	11,489
Forecast purchases - foreign exchange forward contracts	RMB/USD	RMB301,011/USD44,400	2023.04.17-2023.06.14	6.7287-6.8183 (RMB1：USD)	Other current liabilities	-	(13,670)	(10,936)
						$ 195,163	$ (15,206)	$ (626)

Note: JPY1:NTD, unless stated otherwise.

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedges		
Forecast purchases	$ 626	$ (626)

Comprehensive Income Impact	Hedging Gains Recognized in OCI For the Three Months Ended March 31 2024	2023
Cash flow hedges		
Forecast purchases	$ 105,631	$ 7,847

The Group had signed component purchasing contracts with the suppliers in Japan and China, and also signed foreign exchange forward contracts with the banks and purchased foreign currency banknotes at the spot rate to avoid exchange rate risk associated with its forecasted purchases. When the forecasted purchases take place, the amount originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

12. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2024	December 31, 2023	March 31, 2023
At amortized cost			
Notes and accounts receivable	$ 1,580,658	$ 1,842,778	$ 1,313,329
Less: Allowance for impairment loss	(18,673)	(21,342)	(15,927)
	$ 1,561,985	$ 1,821,436	$ 1,297,402

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default records of the customer and the customer's current financial position. 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 aging of receivables was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Not past due	$ 1,556,996	$ 1,831,491	$ 1,293,135
1-60 days past due	14,779	3,375	2,807
61-90 days past due	12	21	3,637
Over 90 days past due	8,871	7,891	13,750
Gross carrying amount	1,580,658	1,842,778	1,313,329
Loss allowance (Lifetime ECLs)	(18,673)	(21,342)	(15,927)
Amortized cost	$ 1,561,985	$ 1,821,436	$ 1,297,402

The movements of the loss allowance of notes and accounts receivable were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 21,342	$ 15,709
Add: Net remeasurement of loss allowance (reversed)	(2,671)	217
Foreign exchange gains and losses	2	1
Balance at March 31	$ 18,673	$ 15,927

13. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise	$ 109,529	$ 34,579	$ 39,473
Finished goods	790,752	1,538,424	664,459
Work in progress	420,297	369,702	435,344
Raw materials	2,502,878	2,474,616	2,344,995
Materials in transit	95,006	64,131	62,106
	$ 3,918,462	$ 4,481,452	$ 3,546,377

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2024 and 2023 were $10,217,477 thousand and $7,483,515 thousand, respectively.

14. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The remaining 56.13% interest in Kian Shen is dispersed and held by shareholders unrelated to the Group as of March 31, 2024, December 31, 2023 and March 31, 2023.

Refer to Tables 5 and 6 for the information on the place of incorporation and principal place of business of Kian Shen and its subsidiaries.

The summarized financial information below represents amounts before intragroup eliminations.

Kian Shen and its subsidiaries

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	$ 2,463,790	$ 2,470,696	$ 2,126,324
Non-current assets	3,346,370	3,281,090	3,651,231
Current liabilities	(629,494)	(575,914)	(619,422)
Non-current liabilities	(273,822)	(391,556)	(324,635)
Equity	$ 4,906,844	$ 4,784,316	$ 4,833,498
Equity attributable to:			
Owners of Kian Shen	$ 2,152,632	$ 2,098,879	$ 2,120,456
Non-controlling interests of Kian Shen	2,754,212	2,685,437	2,713,042
	$ 4,906,844	$ 4,784,316	$ 4,833,498

	For the Three Months Ended March 31	
	2024	2023
Revenue	$ 308,541	$ 455,055
Profit for the period	$ 48,487	$ 192,811
Other comprehensive income for the period	74,041	20,876
Total comprehensive income for the period	$ 122,528	$ 213,687
Profit attributable to:		
Owners of Kian Shen	$ 21,271	$ 84,586
Non-controlling interests of Kian Shen	27,216	108,225
	$ 48,487	$ 192,811
Total comprehensive income attributable to:		
Owners of Kian Shen	$ 53,753	$ 93,744
Non-controlling interests of Kian Shen	68,775	119,943
	$ 122,528	$ 213,687
Net cash inflow (outflow) from:		
Operating activities	$ (7,494)	$ 63,264
Investing activities	29,318	(31,539)
Financing activities	(17,200)	(70,046)
Foreign exchange adjustments	23,553	5,897
Net cash inflow (outflow)	$ 28,177	$ (32,424)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in associates	$ 18,252,252	$ 17,681,856	$ 14,515,211
Investments in joint ventures	6,949,306	6,842,308	7,230,472
	$ 25,201,558	$ 24,524,164	$ 21,745,683
Credit balance of long-term equity investment			
Investments in associates	$ -	$ -	$ (1,948,914)

a. Investments in associates

Associate	March 31, 2024	December 31, 2023	March 31, 2023
Material associates			
Yulon	$ 9,407,679	$ 9,116,613	$ 7,738,146
Associates that are not individually material	8,844,573	8,565,243	4,828,151
	$ 18,252,252	$ 17,681,856	$ 12,566,297

1) Material associates

In June 2023, the Corporation subscribed a total additional amount of $317,424 thousand for new shares issued by Yulon at a percentage different from its existing ownership percentage, resulting in a decrease in its continuing interest from 16.80% to 16.13%.

The Group's proportion of shareholding and voting rights in Yulon was 16.13%, 16.13% and 16.80%, respectively on March 31, 2024, December 31, 2023 and March 31, 2023.

The Group exercises significant influence over Yulon and applies the equity method of accounting because the Group had a representation on the board of directors of Yulon even though the Group holds less than 20% of interest in Yulon.

Refer to Table 5 for the nature of activities, principal places of business and countries of incorporation of the aforementioned associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Name of Associate	March 31, 2024	December 31, 2023	March 31, 2023
Yulon	$ 11,671,145	$ 12,819,407	$ 12,536,926

The summarized financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with IFRS Accounting Standards, and reflects the adjustments made when the equity method of accounting was applied.

Yulon and its subsidiaries

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	$ 285,067,273	$ 288,248,644	$ 277,850,754
Non-current assets	102,866,753	99,495,182	89,517,756
Current liabilities	(271,601,131)	(273,704,673)	(265,020,296)
Non-current liabilities	(24,705,322)	(25,286,903)	(26,542,262)
Equity	91,627,573	88,752,250	75,805,952
Non-controlling interests	(29,902,870)	(28,837,754)	(26,304,154)
	$ 61,724,703	$ 59,914,496	$ 49,501,798
Proportion of the Group's ownership	16.13%	16.13%	16.80%

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Equity attributable to the Group	$ 9,956,195	$ 9,664,208	$ 8,316,302
Unrealized gain from side stream transactions	(4,941)	(4,941)	(4,941)
Cross-shareholdings	(543,575)	(542,654)	(573,215)
Carrying amount	$ 9,407,679	$ 9,116,613	$ 7,738,146

(Concluded)

	For the Three Months Ended March 31	
	2024	2023
Operating revenue	$ 20,749,925	$ 19,052,226
Net profit for the period	$ 1,635,131	$ 2,193,754
Other comprehensive income	1,282,121	241,771
Total comprehensive income for the period	$ 2,917,252	$ 2,435,525

2) Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net profit for the period	$ 277,032	$ 514,753
Other comprehensive income	35,137	23,567
Total comprehensive income for the period	$ 312,169	$ 538,320

All the associates are accounted for using the equity method.

Investments in associates that are not individually material are accounted for using the equity method although the Group holds less than 20% interest because the Group exercises significant influence on their major transactions or has representations on their board of directors.

The Group is the single largest shareholder of several associates. The Group's holding is less than 50% of the voting rights in the investees but the Group considered its holding of voting rights relative to the size and dispersion of the other shareholdings, which are not widely dispersed, and concluded that it has neither the ability to direct the relevant activities of the investees nor the control over the investees. The management of the Group considered the Group as exercising significant influence over the investees and, therefore, classified them as associates accounted for using the equity method.

Tokio Marine Newa Insurance recognized the after-tax losses from pandemic insurance during the year ended December 31, 2022. As of March 31, 2023, the balance of long-term equity investments was a negative amount of $1,948,914 thousand. The Group reclassified the amount to credit balance of long-term equity investment.

In June and March 2023, the Group subscribed for a total additional amount of $2,885,044 thousand and $1,923,362 thousand, respectively, of new shares in Tokio Marine Newa Insurance at a percentage different from its existing ownership percentage, resulting in an increase of its continuing interest from 21.19% to 24.04%.

b. Investments in joint ventures

	March 31, 2024	December 31, 2023	March 31, 2023
Joint ventures that are not individually material	$ 6,949,306	$ 6,842,308	$ 7,230,472

Aggregate information of joint ventures that are not individually material:

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net profit of the period	$ 240,689	$ 383,869
Other comprehensive loss	(103,129)	(9,443)
Total comprehensive income for the period	$ 137,560	$ 374,426

All the joint ventures are accounted for using the equity method.

Except for the financial statements of Yulon and Guangzhou NTN-Yulon Drivertrain Co., Ltd. for the three months ended March 31, 2024 and 2023 and the financial statements of Tokio Marine Newa Insurance and Xiamen King-Long Kian-Shen Frame Co., Ltd. for the three months ended March 31, 2023, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' financial statements that have not been reviewed. As of March 31, 2024 and 2023, the amounts of investments accounted for using the equity method were NT$14,686,888 thousand and NT$12,281,757 thousand, respectively, and for the three months ended March 31, 2024 and 2023, the comprehensive income of these equity-method investments were NT$406,811 thousand and NT$535,806 thousand, respectively, which were calculated on the basis of financial statements that have not been reviewed.

16. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2024	December 31, 2023	March 31, 2023
Assets used by the Group			
Land	$ 3,586,040	$ 3,297,740	$ 2,035,804
Land improvements	16,205	16,208	13,872
Buildings	760,255	768,979	778,095
Machinery	2,507,908	2,470,428	2,312,502
Other equipment	416,493	411,225	344,129
Construction in progress	864,230	757,511	593,575
	$ 8,151,131	$ 7,722,091	$ 6,077,977

Except for the acquisition of the farmland and depreciation recognized, the Group did not have significant disposal or impairment of property, plant and equipment during the three months ended March 31, 2024 and 2023.

In August 2023, the Corporation's board of directors resolved to acquire the land adjacent to the Yangmei factory and to apply to the government approval for an industrial park with related expenditures of $2,277,000 thousand in response to operational needs and future business planning. As of March 31, 2024, farmland acquisitions amounted to $1,550,236 thousand. The Group shall not be registered as nominee due to legal factors, so the farmland is temporarily registered in the name of key management personnel who have signed an agreement confirming the Group's ownership of the farmland.

Acquisitions of property, plant and equipment included payables for equipment, and the related reconciliations were as follows:

	For the Three Months Ended March 31	
	2024	**2023**
Increase in property, plant and equipment	$ 542,395	$ 19,746
Decrease in equipment payables (included in other payables)	44,121	61,680
	$ 586,516	$ 81,426

Except for tooling (included in machinery), which is depreciated on an expected production quantity basis, the above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Category	**Useful Life**
Land improvements	3-20 years
Buildings	2-60 years
Machinery	2-24 years
Other equipment	2-40 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 31.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Carrying amount			
Land	$ 92,856	$ 82,827	$ 242,150
Buildings	55,298	54,108	84,929
Other equipment	5,815	7,289	10,614
	$ 153,969	$ 144,224	$ 337,693

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	$ 26,255	$ 2,177
Depreciation charge for right-of-use assets		
Land	$ 4,170	$ 6,829
Buildings	10,275	10,351
Other equipment	1,474	1,883
	$ 15,919	$ 19,063

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Current	$ 58,553	$ 55,809	$ 71,908
Non-current	$ 98,783	$ 91,179	$ 269,758

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.20%-1.88%	1.20%-1.87%	1.20%-1.41%
Buildings	1.37%-1.88%	1.37%-1.87%	1.37%-1.87%
Other equipment	0.95%-1.89%	0.95%-1.87%	0.95%-1.87%

c. Material leasing activities and terms

The Group leases land and buildings for the use of plants, and offices with lease terms of 2 to 20 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	$ 5,142	$ 3,679
Expenses relating to low-value asset leases	$ 378	$ 474
Total cash outflow for leases	$ 21,389	$ 23,636

The Group's leases of certain equipment qualify as short-term leases and 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.

18. INVESTMENT PROPERTIES

	March 31, 2024	December 31, 2023	March 31, 2023
Investment properties	$ 1,273,069	$ 1,275,894	$ 1,280,488

Except for depreciation recognized, the Group did not have any significant addition, disposal, or impairment of investment properties during the three months ended March 31, 2024 and 2023.

The investment properties held by the Group are depreciated using the straight-line method over their estimated useful lives of 10 to 60 years.

The fair values of investment properties of the Group were $2,324,715 thousand and $2,118,742 thousand as of December 31, 2023 and 2022, respectively. The management of the Group had assessed and determined that there were no significant changes in the fair values as of March 31, 2024 and 2023, as compared to that as of December 31, 2023 and 2022, respectively.

The Group has freehold interests in all of its investment properties. The investment properties pledged as deposits for certain projects are set out in Note 31.

19. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Line of credit borrowings	$ 455,000	$ 560,000	$ 42

The ranges of interest rates on credit borrowings were 1.79%-1.88%, 1.75%-1.88% and 2.75%-3.13% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured borrowings			
Line of credit borrowings	$ 34,375	$ 51,563	$ 68,750
Less: Current portions	(34,375)	(51,563)	(34,375)
Long-term borrowings	$ -	$ -	$ 34,375

The aforementioned long-term borrowings are repayable in installments at varying amounts before April 15, 2023. The Group had signed medium-term loan contracts with banks for non-revolving credit facilities. However, on September 1, 2021, the Group entered into a contract to extend the repayment date to July 31, 2024, and will gradually repay the borrowings from October 15, 2023. As of March 31, 2024, December 31, 2023 and March 31, 2023, the annual interest rates were 1.6%, 1.475% and 1.475%, respectively.

20. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payables for salaries or bonuses	$ 676,036	$ 1,248,543	$ 564,303
Payables for taxes	551,956	398,582	361,126
Payables for warranties	363,961	330,632	300,027
Payables for license fee	261,491	176,110	45,416
Provisions for employee benefits	106,573	147,910	93,896
Payables for advertisement	36,410	143,283	14,508
Payables for equipment	31,097	75,218	89,533
Payables for development	30,320	27,340	178,978
Others	602,816	662,055	622,169
	$ 2,660,660	$ 3,209,673	$ 2,269,956

21. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were $4,007 thousand and $4,066 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

22. EQUITY

a. Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	1,800,000	1,800,000	1,800,000
Amount of shares authorized	$ 18,000,000	$ 18,000,000	$ 18,000,000
Number of shares issued and fully paid (in thousands)	553,620	553,620	553,620
Shares issued and fully paid	$ 5,536,203	$ 5,536,203	$ 5,536,203

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

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Conversion of bonds	$ 5,183,923	$ 5,183,923	$ 5,183,923
Issuance of ordinary shares	1,184,920	1,184,920	1,184,920
Others	4,666	4,666	4,666
May only be used to offset a deficit			
Changes in percentage of ownership interest in subsidiaries (Note 2)	2,225	2,225	2,225
Share of changes in capital surplus of associates	1,076,551	1,076,331	307,600
	$ 7,452,285	$ 7,452,065	$ 6,683,334

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

Note 2: Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years and paying taxes, then for setting aside as legal reserve 10% of the remaining profit. If there is remaining profit, the profit shall be utilized for setting aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings to be distributed in the form of cash shall be authorized and resolved by the Corporation's board of directors as the basis for proposing a distribution plan and reported to the shareholders' in their meeting according to the Company Act; if such retained earnings will be distributed in the form of new shares to be issued by the Corporation, the distribution shall be resolved by the shareholders' in their meeting for the distribution of earnings. For the policies on distribution of compensation of employees and remuneration of directors, refer to Note 24(e).

The operating environment of the Corporation is considered a mature and steady industry. In determining the amount of dividends to be distributed, the Corporation takes its future capital expenditures and related factors into account and also seeks to uphold the shareholders' interests while realizing the Corporation's long-term financial plan. Dividends are distributed at no less than 40% of profits after tax. Dividends are paid in the form of cash or shares. The Corporation's policy is that cash dividends should be at least 20% of total dividends.

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

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2023	2022	2023	2022
Legal reserve	$ 510,650	$ -		
Cash dividends	3,321,722	2,214,481	$ 6.0	$ 4.0

The above 2023 and 2022 appropriations for cash dividends were resolved by the Corporation's board of directors in March 2024 and March 2023, respectively. The other proposed appropriations for 2022 were resolved by the shareholders in their meeting in May 2023. The other proposed appropriations for 2023 will be resolved by the shareholders in their meeting to be held in May 2024.

Information on the appropriations of earnings proposed and resolved by the Corporation's board of directors and resolved in the shareholders' meetings is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ (599,707)	$ (555,831)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	15,584	4,110
Share from associates and joint ventures accounted for using the equity method	37,491	9,918
Other comprehensive income recognized for the period	53,075	14,028
Balance at March 31	$ (546,632)	$ (541,803)

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 44,372	$ 135,015
Recognized for the period		
Unrealized gain (loss) - equity instruments	28,116	(17,201)
Share from associates accounted for using the equity method	31,300	40,182
Other comprehensive income recognized for the period	59,416	22,981
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal by associates	(13,044)	(11,543)
Balance at March 31	$ 90,744	$ 146,453

3) Gain (loss) on hedging instruments

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ (55,258)	$ 25,537
Recognized for the period		
Gain (loss) on changes in the fair value of hedging instruments		
Foreign currency risk - spot rate	(7,822)	13,958
Foreign currency risk - foreign exchange forward contracts	91,466	(7,963)
Share from joint ventures accounted for using the equity method	(2,929)	(5,250)
Other comprehensive income recognized for the period	80,715	745
Transferred to initial carrying amount of hedged items	11,141	(16,892)
Balance at March 31	$ 36,598	$ 9,390

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 3,678,355	$ 3,718,084
Acquisition of non-controlling interests	-	4,806
Attributable to non-controlling interests:		
Share of profit for the period	52,534	117,175
Other comprehensive income recognized for the period		
Exchange differences on translating the financial statements of foreign operations	13,220	3,231
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	28,339	8,487
Other comprehensive income recognized for the period	41,559	11,718
Cash dividends distributed by subsidiaries	-	(35,928)
Balance at March 31	$ 3,772,448	$ 3,815,855

23. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods		
Revenue from the sale of vehicles	$ 10,453,699	$ 7,245,869
Revenue from the sale of components	1,588,399	1,644,725
	12,042,098	8,890,594
Service revenue	171,889	151,546
Other revenue	41,686	34,130
	$ 12,255,673	$ 9,076,270

Contract Balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes and accounts receivable (Note 12)	$ 1,561,985	$ 1,821,436	$ 1,297,402	$ 1,294,631
Trade receivables from related parties (Note 30)	$ 1,636,181	$ 1,085,374	$ 1,540,002	$ 1,365,803
Contract liabilities (included in other current liabilities)	$ 174,167	$ 188,236	$ 265,328	$ 203,185

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payments.

24. NET PROFIT

Net profit included the following:

a. Finance costs

Information on capitalized interest is as follows:

	For the Three Months Ended March 31	
	2024	2023
Capitalized interest amount	$ 6,076	$ -
Capitalization rate	1.7%	-

b. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 135,885	$ 124,282
Operating expenses	51,251	48,486
	$ 187,136	$ 172,768
An analysis of amortization by function		
Operating costs	$ 1,707	$ 1,687
Operating expenses	21,829	18,458
	$ 23,536	$ 20,145
An analysis of amortization in intangible assets by function		
Research and development expenses	$ 23,106	$ 11,452

c. Rental income and operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2024	2023
Rental income from investment properties	$ 17,180	$ 18,994
Direct operating expenses from investment properties generating rental income	$ 3,826	$ 5,476

d. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits		
Defined contribution plans	$ 21,249	$ 19,458
Defined benefit plans	4,007	4,066
	25,256	23,524
Short-term benefits	924,184	804,511
	$ 949,440	$ 828,035
An analysis of employee benefits expenses by function		
Operating costs	$ 471,429	$ 404,609
Operating expenses	478,011	423,426
	$ 949,440	$ 828,035

e. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrued compensation of employees and remuneration of directors at rates of no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the three months ended March 31, 2024 and 2023 are as follows:

Amount

	For the Three Months Ended March 31	
	2024	**2023**
Compensation of employees	$ 5,479	$ 5,887
Remuneration of directors	$ 6,401	$ 5,824

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.

The compensation of employees and remuneration of directors for the year ended December 31, 2023, which was resolved by the Corporation's board of directors in March 2024, is as follows:

Amount

	For the Year Ended December 31, 2023
	Cash
Compensation of employees	$ 51,550
Remuneration of directors	30,550

Due to the net loss before income tax for the year ended December 31, 2022, the Corporation did not accrue compensation of employees and remuneration of directors.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2023.

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

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	$ 266,946	$ 111,452
Adjustments for the prior years	-	(10,690)
	266,946	100,762
Deferred tax		
In respect of the current period	(49,347)	72,236
Income tax expense recognized in profit or loss	$ 217,599	$ 172,998

The corporate tax rate applicable to subsidiaries in China is 25%. Tax rates applicable to other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive loss

	For the Three Months Ended March 31	
	2024	2023
Deferred tax		
In respect of the current period		
Cash flow hedges	$ (21,987)	$ (1,852)

c. Income tax assessments

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

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	$ 2.29	$ 2.71
Diluted earnings per share	$ 2.29	$ 2.71

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2024	**2023**
Profit of the Corporation	$ 1,251,757	$ 1,480,226

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share		
Weighted average number of ordinary shares	553,620	553,620
Adjustment for shares held by associates	(7,910)	(8,239)
	545,710	545,381
Effect of potentially dilutive ordinary shares		
Compensation of employees	359	92
Weight average number of ordinary shares used in the computation of diluted earnings per share	546,069	545,473

When calculating earnings per share (EPS), the Corporation considers the shares held by associates as the treasury shares to reduce the outstanding shares.

The Corporation may settle the compensation of employees in cash or shares; therefore, the Corporation 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 earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. BUSINESS COMBINATIONS

a. Subsidiary acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Looplus Service	Information software service and rental industry	March 21, 2023	53.28	$ 13,300

The Group held a 45% equity interest in Looplus Service. However, in March 2023, the Group invested $13,300 thousand in convertible preference shares and acquired more than half of the seats and voting rights on the board of directors. Given the facts that the voting rights have exceeded 50%, therefore, the Group has control over Looplus Service, and classified it as a subsidiary of the Group.

b. Assets acquired and liabilities assumed at the date of acquisition

	Looplus Service
Current assets	
Cash and cash equivalents	$ 12,001
Trade and other receivables	50
Other current assets	1,234
Non-current assets	
Property, plant and equipment	7,792
Other non-current assets	5,350
Current liabilities	
Short-term borrowings	(42)
Other payables	(2,268)
Other current liabilities	(81)
Non-current liabilities	
Other non-current liabilities	(2,000)
	$ 22,036

c. Non-controlling interests

The non-controlling interest recognized at the acquisition date was measured based on the proportion of identifiable net assets owned.

d. Net cash outflow on the acquisition of subsidiary

	Looplus Service
Cash outflow from acquisitions of convertible preference shares	$ 13,300
Less: Cash and cash equivalent balances acquired	(12,001)
	$ 1,299

28. 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 stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in the future.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Group's management believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Mutual funds	$ 52,211	$ -	$ -	$ 52,211
Domestic unlisted shares	-	-	576,778	576,778
Derivative financial instruments	-	-	6,795	6,795
	$ 52,211	$ -	$ 583,573	$ 635,784
Financial assets at FVTOCI				
Domestic listed shares	$ 1,078	$ -	$ -	$ 1,078
Domestic unlisted shares	-	-	28,261	28,261
Foreign unlisted shares	-	-	123,898	123,898
	$ 1,078	$ -	$ 152,159	$ 153,237
Financial assets for hedging				
Non-derivative financial instruments	$ 400,889	$ -	$ -	$ 400,889
Derivative financial instruments	-	-	101,210	101,210
	$ 400,889	$ -	$ 101,210	$ 502,099
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 3,881	$ 3,881
Financial liabilities for hedging				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 51,941	$ 51,941

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Mutual funds	$ 99,200	$ -	$ -	$ 99,200
Domestic unlisted shares	-	-	579,093	579,093
Derivative financial instruments	-	-	4,237	4,237
	$ 99,200	$ -	$ 583,330	$ 682,530
Financial assets at FVTOCI				
Domestic listed shares	$ 1,135	$ -	$ -	$ 1,135
Domestic unlisted shares	-	-	25,676	25,676
Foreign unlisted shares	-	-	98,310	98,310
	$ 1,135	$ -	$ 123,986	$ 125,121
Financial assets for hedging				
Non-derivative financial instruments	$ 266,626	$ -	$ -	$ 266,626
Derivative financial instruments	-	-	43,298	43,298
	$ 266,626	$ -	$ 43,298	$ 309,924
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 14,900	$ 14,900
Financial liabilities for hedging				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 107,619	$ 107,619

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Mutual funds	$ 118,353	$ -	$ -	$ 118,353
Domestic unlisted shares	-	-	575,721	575,721
Derivative financial instruments	-	-	4,474	4,474
	$ 118,353	$ -	$ 580,195	$ 698,548

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	$ 1,263	$ -	$ -	$ 1,263
Domestic unlisted shares	-	-	26,562	26,562
Foreign unlisted shares	-	-	230,639	230,639
	$ 1,263	$ -	$ 257,201	$ 258,464
Financial assets for hedging				
Non-derivative financial instruments	$ 179,927	$ -	$ -	$ 179,927
Derivative financial instruments	-	-	15,236	15,236
	$ 179,927	$ -	$ 15,236	$ 195,163
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 3,910	$ 3,910
Financial liabilities for hedging				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 15,206	$ 15,206

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2024

Financial Assets	Equity Instruments at FVTPL	Derivative Financial Instruments at FVTPL	Equity Instruments at FVTOCI	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 579,093	$ 4,237	$ 123,986	$ 43,298	$ 750,614
Recognized in profit or loss	(2,315)	2,558	-	-	243
Recognized in other comprehensive income	-	-	28,173	57,912	86,085
Balance at March 31	$ 576,778	$ 6,795	$ 152,159	$ 101,210	$ 836,942

Financial Liabilities	Derivative Financial Instruments at FVTPL	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 14,900	$ 107,619	$ 122,519
Recognized in profit or loss	(11,019)	-	(11,019)
Recognized in other comprehensive income	-	(55,678)	(55,678)
Balance at March 31	$ 3,881	$ 51,941	$ 55,822

For the three months ended March 31, 2023

Financial Assets	Equity Instruments at FVTPL	Derivative Financial Instruments at FVTPL	Equity Instruments at FVTOCI	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 603,474	$ 12,631	$ 293,720	$ 43,359	$ 953,184
Recognized in profit or loss	(27,753)	(8,157)	-	-	(35,910)
Recognized in other comprehensive loss	-	-	(17,110)	(28,123)	(45,233)
Proceeds from refund of the capital reduction	-	-	(19,409)	-	(19,409)
Balance at March 31	$ 575,721	$ 4,474	$ 257,201	$ 15,236	$ 852,632

Financial Liabilities	Derivative Financial Instruments at FVTPL	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 8,985	$ 33,482	$ 42,467
Recognized in profit or loss	(5,075)	-	(5,075)
Recognized in other comprehensive income	-	(18,276)	(18,276)
Balance at March 31	$ 3,910	$ 15,206	$ 19,116

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Derivative financial instruments: The fair values of foreign exchange forward contracts of future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b) Domestic unlisted securities to which the market approach was applied: The fair values of domestic unlisted shares were determined with reference to the share prices of listed companies with similar businesses as the Corporation. The material unobservable inputs were as follows:

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Operating income ratio	0.27-7.76 times	0.35-7.76 times	0.37-6.46 times
P/B ratio	0.28-3.03 times	0.35-3.03 times	0.40-8.40 times
Discount rate for lack of marketability	32.28%	32.28%	32.28%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair values of the shares would have increased (decreased) as follows:

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Operating income ratio			
0.1 time increase	$ 128,736	$ 49,485	$ 21,605
0.1 time decrease	$ (128,736)	$ (49,485)	$ (21,605)
P/B ratio			
0.1 time increase	$ 63,670	$ 64,114	$ 78,922
0.1 time decrease	$ (63,670)	$ (64,114)	$ (78,922)

c. Categories of financial instruments

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 635,784	$ 682,530	$ 698,548
Financial assets for hedging	502,099	309,924	195,163
Financial assets at amortized cost (Note 1)	9,192,397	8,543,947	10,331,412
Financial assets at FVTOCI	153,237	125,121	258,464
Financial liabilities			
Amortized cost (Note 2)	7,533,695	7,898,991	5,099,461
FVTPL (included in other current liabilities)			
Held for trading	3,881	14,900	3,910
Financial liabilities for hedging (included in other current liabilities)	51,941	107,619	15,206

Note 1: The balances include financial assets measured at amortized cost which comprised cash and cash equivalents, notes and accounts receivable (related parties included), other receivables, guarantee deposits (included in other non-current assets) and long-term receivables (included in other non-current assets).

Note 2: The balances included financial liabilities measured at amortized cost which comprise short-term borrowings, short-term bills payable, notes and accounts payable (related parties included), other payables, long-term borrowings (current portion of long-term borrowings included) and deposits received (included in other non-current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, borrowings and lease liabilities. Financial risks include market risk, credit risk, and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

a) Foreign currency risk

Holding foreign currency-denominated assets and liabilities exposes the Group to adverse fluctuations of cash flows and the reduction of foreign currency assets due to the changes in foreign currency rate. The Group avoids cash flow risk resulting from the changes in adverse foreign currency rate by using derivative contracts.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar (USD), Japanese Yen (JPY) and Renminbi (RMB).

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

	USD to NTD	
	For the Three Months Ended March 31	
	2024	**2023**
Profit or loss	$ (5,597)	$ (6,703)

	JPY to NTD	
	For the Three Months Ended March 31	
	2024	**2023**
Profit or loss	$ 370	$ 417
Equity	$ (1,439)	$ (2,236)

	RMB to NTD	
	For the Three Months Ended March 31	
	2024	2023
Profit or loss	$ (11,250)	$ (2,563)
Equity	$ (23,592)	$ (14,713)

b) Interest rate risk

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

	March 31, 2024	December 31, 2023	March 31, 2023
Cash flow interest rate risk			
Financial assets	$ 6,092,293	$ 5,625,446	$ 7,184,610
Financial liabilities	1,089,179	631,555	118,766
Fair value interest rate risk			
Lease liabilities	157,336	146,988	341,666

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity rate of 0.25% is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased by $3,127 thousand and $4,416 thousand, respectively.

The Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in variable rate asset instruments.

c) Other price risk

The Group was exposed to equity price risk on its investments in listed securities and mutual funds.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased by $2,611 thousand and $5,918 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2024 and 2023 would have increased/decreased by $54 thousand and $63 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

The amounts of financial assets will be potentially impacted if the counterparties of the Group or third parties fail to perform their obligations in financial instrument contracts. The impact includes the concentrated degrees, composition parts and contracts amounts of the financial instruments and other receivables. The Group believes credit risk is low because the counterparties are creditworthy banks, brokers and dealers.

3) Liquidity risk

The Group has sufficient operating capital to meet cash requirements for settlement of derivative transactions. Thus, liquidity risk is low. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized unsecured and secured financing facilities (including bills and letters) of $10,990,342 thousand, $11,986,590 thousand and $6,742,955 thousand, respectively.

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

Related Party Name	Related Party Category
Mitsubishi Motors Corporation (Mitsubishi Motors Corp.)	Investor that has significant influence over the Group
Tai Yuen Textile Co., Ltd.	Investor that has significant influence over the Group
Le Wen Investment Co., Ltd.	Investor that has significant influence over the Group
Yulon Management Company Ltd. (Yulon Management)	Subsidiary of investor that has significant influence over the Group
Mitsubishi Motors Philippines Corporation	Subsidiary of investor that has significant influence over the Group
Mitsubishi Motors Thailand	Subsidiary of investor that has significant influence over the Group
Mitsubishi Motors Vietnam	Subsidiary of investor that has significant influence over the Group
Shye Shyang Mechanical Industrial Co., Ltd.	The Group is its key management personnel
Fuzhou Samuel Mechanical and Electrical Co., Ltd.	The Group is its key management personnel
Uni-Calsonic Corp.	Associate
Yulon Motor Co., Ltd. (Yulon)	Associate
Fortune Motors Co., Ltd. (Fortune Motors)	Associate
ROC Spicer Ltd. (ROC-Spicer)	Associate
Uni Auto Parts Manufacture Co., Ltd. (Uni Auto Parts Manufacture)	Associate
Shung Ye Motor Co., Ltd. (Shung Ye Motor)	Associate
Hua-Chuang Automobile Information Technical Center Co., Ltd.	Associate

(Continued)

Related Party Name	Related Party Category
Hangzhou Haitec Company (Hangzhou Haitec)	Associate
Yulon IT Solutions Inc. (Yulon IT Solutions)	Associate
Sinjang Co., Ltd.	Associate
Sin Gan Co., Ltd.	Associate
Tokio Marine Newa Insurance Co., Ltd.	Associate
Hong Shuo Cultural Enterprises, Co., Ltd.	Associate
Hsiang Shuo Enterprises	Associate
Sinqual Technology Co., Ltd.	Associate
Yufong Property Management Co., Ltd.	Associate
Taiwan Acceptance Corporation	Associate
Yue Sheng Industrial Co., Ltd.	Associate
Luxgen Motor Co., Ltd.	Associate
Yulon Nissan Motor Co., Ltd.	Associate
Y-Teks Co., Ltd.	Associate
YES-Energy Service Co., Ltd.	Associate
Yue Ki Industrial Co., Ltd. (Yue Ki Industrial)	Associate
Carplus Auto Leasing Corporation	Associate
Fortune HS Leasing Co., Ltd.	Associate
Yu Rich Financial Services Company	Associate
ROC-Keeper Industrial Ltd.	Associate
Fu-Lun Motors Co., Ltd.	Associate
Carnival Industrial Corporation	Associate
Shung Yi Motor Co., Ltd. (Shung Yi Motor)	Associate
Feng Jan Motor Co., Ltd.	Associate
H.K. Manpower Service Co., Ltd.	Associate
Chuang Jie New Energy Vehicle (HZ) Limited	Associate
YES Charging Service Co., Ltd	Associate
Looplus Service Technology Inc. (Looplus Service)	Associate (associate before March 2023; subsidiary since March 2023)
Guangzhou NTN-Yulon Drivertrain Co., Ltd.	Joint venture
Xiangyang NTN-Yulon Drivertrain Co., Ltd.	Joint venture
Fujian Benz Automotive Co., Ltd.	Joint venture
Fuzhou Fushiang Motor Industrial Co., Ltd.	Joint venture
Xiamen King-Long Kian-Shen Frame	Joint venture
China Engine (Fujian)	Joint venture
Yuanchuang Industrial Investment Consulting Co., Ltd.	Substantive related party
Vivianwu Journalism Award Foundation	Substantive related party

(Concluded)

b. Operating transactions

1) Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Sales	Associates		
	Fortune Motors	$ 4,608,406	$ 4,579,234
	Shung Yi Motor	1,329,628	529,165
	Others	1,997,099	1,226,368
		7,935,133	6,334,767
	Investors and subsidiaries of the investors that have significant influence over the Group	28,035	18,090
	Others	5,501	4,209
		$ 7,968,669	$ 6,357,066

2) Purchases of goods

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Purchases	Associates	$ 464,787	$ 450,211
	Investors that have significant influence over the Group	230,955	134,386
	The Group is its key management personnel	68,125	64,069
		$ 763,867	$ 648,666

3) Technical services expense

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Cost of goods sold and selling and marketing expenses	Investors that have significant influence over the Group	$ 35,074	$ 33,800

4) Operating expenses

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	For the Three Months Ended March 31 2023
Selling and marketing expenses, general and administrative expenses and research and development expenses	Subsidiaries of investors that have significant influence over the Group	$ 34,655	$ 14,239
	Others	9,881	6,776
		$ 44,536	$ 21,015

5) Contract liabilities

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Other current liabilities	Associates	$ 49	$ 9,537	$ 31,166

6) Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables from related parties	Associates			
	Fortune Motors	$ 1,113,665	$ 740,171	$ 1,142,673
	Shung Ye Motor	210,192	238,819	219,056
	Others	305,628	97,929	166,479
		1,629,485	1,076,919	1,528,208
	Investors and subsidiaries of investors that have significant influence over the Group	4,419	6,269	9,462
	Others	2,277	2,186	2,332
		$ 1,636,181	$ 1,085,374	$ 1,540,002

7) Payables to related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Trade payables to related parties	Associates			
	Uni Auto Parts Manufacture	$ 94,633	$ 123,904	$ 104,476
	ROC-Spicer	73,575	83,910	82,813
	Yue Ki Industrial	73,568	99,782	84,034
	Fortune Motors	66,444	56,325	54,388
	Yulon	38,461	53,023	63,615
	Others	102,265	143,550	84,902
		448,946	560,494	474,228
	Investors and subsidiaries of investors that have significant influence over the Group			
	Mitsubishi Motors Corp.	64,034	77,061	34,660
	Yulon Management	20,876	84,047	21,236
	Others	12,053	9,919	1,941
		96,963	171,027	57,837
	The Group is its key management personnel	44,092	55,020	46,314
	Others	2,840	2,811	2,939
		$ 592,841	$ 789,352	$ 581,318

8) Prepayments

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments	Associates			
	Hangzhou Haitec	$ 102,952	$ 59,282	$ 55,293
	Others	578	260	1,231
		103,530	59,542	56,524
	Investors that have significant influence over the Group	166	2,916	64,228
		$ 103,696	$ 62,458	$ 120,752

9) Acquisition of property, plant and equipment

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	2023
Property, plant and equipment	Associates	$ 26,150	$ -
	The Group is its key management personnel	16,135	-
		$ 42,285	$ -

10) Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	2023
Acquisitions of right-of-use assets	Associates		
	Yulon IT Solutions	$ -	$ 969

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities	Associates	$ 329	$ 1,535	$ 3,860

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2024	2023
Interest expense	Associates	$ 5	$ 13

The outstanding payables to related parties were not guaranteed and would be paid in cash. The Group received from some related parties were guaranteed. For the three months ended March 31, 2024 and 2023, no loss allowance was recognized for trade receivables from related parties.

The prices and payment terms for the Group’s transactions with related parties are the same as that for third parties. For lease contracts entered into with related parties, rental prices were determined by reference to the market, and had general payment terms.

The Group leased right-of-use of cabinet and official vehicles from its associates during the three months ended March 31, 2024 and 2023. The lease terms of the contracts were 1 to 3 years. The rental rate is based on the market rental rate of similar assets, and fixed lease payments were made on a monthly basis.

The Group signed a contract with Mitsubishi Motors Corporation, refer to Note 32 for the details.

c. Remuneration of key management personnel

The remuneration of directors and key executives for the three months ended March 31, 2024 and 2023 was as follows:

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	$ 28,599	$ 27,802
Post-employment benefits	281	281
	$ 28,880	$ 28,083

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for borrowings, tariff from importing vehicle and materials, escrows and government tenders:

	March 31, 2024	December 31, 2023	March 31, 2023
Investment properties	$ 585,523	$ 587,434	$ 589,287
Pledged deposits (Note 9)	269,891	269,891	276,217
Property, plant and equipment	53,601	53,949	55,688
	$ 909,015	$ 911,274	$ 921,192

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of March 31, 2024 were as follows:

a. The Group issued guarantee notes of $14,187,741 thousand, which were pledged as collateral for loans from banks and other financial institutions and government grants; unused letters of credit amounted to $17,955 thousand.

b. The Group entered into agreements with Mitsubishi Motors Corp. and SAIC Motor International Co., Ltd. (SAIC) as stated below:

Project	Content	Date of Agreement/ Expiry Date	Agreement Price	Payment
Technical royalty	Technical cooperation and manufacture of Delica and other car models	2006.3.1-2025.4.8	Royalty was agreed to be the basis of the FOB price of automobiles sold and manufactured parts repaired	Paid every 6 months within 90 days
Technical royalty	Technical cooperation and manufacture of Outlander and other car models	2005.7.1-2025.9.7	Royalty was agreed to be the fixed amount of automobiles sold per unit and the basis of the FOB price of manufactured parts repaired	Paid every 6 months within 60-90 days
License fee	Vehicles produced in technical cooperation with SAIC	2022.2.15-2032.2.14	Deducting the FOB price of the parts supplied by SAIC from the factory price of the vehicles sold, with a 5% payment.	Paid every year within 90-120 days

c. According to Rule No. 1090261416 issued by the Land Administration Department of the Taoyuan City Government on October 19, 2020, the Group's land in Dayuan which was recognized under property, plant and equipment is within the scope of the "Taoyuan Aerotropolis Urban Plan First Stage in Expropriated Zone". The land will be expropriated, and the Group will obtain approval offset land compensation. The related compensation and relief fund the Group received as a result of the aforementioned land expropriation case since September 2021. As of March 31, 2024, the Group has not completed the related handover procedures with the Taoyuan City Government. As a result, the related compensation and relief payments should be recognized in advance receipts amounted to $494,461 thousand, $362,483 thousand and $322,230 thousand (included in other current liabilities) as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

33. SIGNIFICANT LOSSES FROM DISASTERS

A fire broke out in a warehouse rented by the Corporation in Pingzhen District on February 22, 2024. The warehouse is mainly used for storing materials. This incident did not significantly affect the Corporation's production. The Corporation fully cooperated with the fire department to complete relevant disaster relief and protection. The amount of losses from disasters was $92,838 thousand (included in non-operating income and expenses - other expense).

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 300,782	4.408	$ 1,325,848
USD	18,481	32.00	591,390
JPY	944,744	0.2115	199,813
Non-monetary items			
Investments accounted for using the equity method			
RMB	789,678	4.408	3,480,902
EUR	116,442	34.46	4,012,589

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 115,883	4.327	$ 501,424
USD	21,074	30.705	647,080
Non-monetary items			
Investments accounted for using the equity method			
RMB	782,856	4.327	3,387,420
EUR	116,761	33.98	3,967,523
Foreign currency liabilities			
Monetary items			
JPY	498,400	0.2172	108,252
RMB	28,376	4.327	122,785

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 137,777	4.431	$ 610,490
USD	20,678	30.45	629,660
Non-monetary items			
Investments accounted for using the equity method			
RMB	834,894	4.431	3,699,413
EUR	119,520	33.15	3,962,101
Financial assets at FVTOCI			
RMB	37,716	4.431	167,121
Foreign currency liabilities			
Monetary items			
RMB	48,890	4.431	216,632

For the three months ended March 31, 2024 and 2023, net foreign exchange gain were $39,925 thousand and $15,364 thousand, respectively. It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions.

35. SEPARATELY DISCLOSED ITEMS

Except for those listed in Notes 7, 11 and 29, and Tables 1 to 9, there were no other separately disclosed items.

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were vehicle manufacturing, channel and others.

The following was an analysis of the Group's revenue and results by reportable segment:

	Segment Revenues		Segment Income or Loss	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2024	2023	2024	2023
Vehicle manufacturing	$ 11,834,257	$ 8,803,931	$ 1,582,254	$ 1,874,244
Channel	533,320	507,022	64,518	(4,466)
Others	16,302	10,989	(2,371)	(3,412)
Adjustments and eliminations	(128,206)	(245,672)	(1,294)	(122)
	$ 12,255,673	$ 9,076,270	1,643,107	1,866,244
Administration cost and remunerations of directors			(109,414)	(101,338)
Other non-operating income and expenses, net			(11,803)	5,493
Profit before income tax			$ 1,521,890	$ 1,770,399

Intersegment transactions are determined by reference to market prices.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and remunerations to directors, interest income, other income, net foreign exchange gain, gain (loss) on financial instruments at fair value through profit or loss, expected credit gain (loss), interest expense, other expense and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

CHINA MOTOR CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
MARCH 31, 2024
(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	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Sino Diamond Motors (Note 2)	Ling Wei	Other receivables	Yes	$ 50,000	$ 50,000	$ 50,000	1.88	Short-term financing	$ -	Working capital	$ -	Promissory note	$ 50,000	$ 974,125	$ 974,125
		Looplus Service	Other receivables	Yes	9,200	9,200	9,200	1.88	Short-term financing	-	Working capital	-	Promissory note	9,200	974,125	974,125

Note 1: The amount is 40% of the total shareholders' equity of the latest financial statements of Sino Diamond Motors.

Note 2: Eliminated during the preparation of the consolidated financial statements.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name/Issuer of Marketable Security	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China Motor Corporation	Shares							
	Shye Shyang Mechanical Industrial	Corporate director	Financial assets at FVTPL - non-current	9,009	$ 576,778	10.53	$ 576,778	
	Taiwan Aerospace	-	Financial assets at FVTOCI - non-current	811	15,331	0.60	15,331	
	NORM Pacific Automation Corp.	-	Financial assets at FVTOCI - non-current	128	1,854	0.45	1,854	
	Carnival	-	Financial assets at FVTOCI - non-current	95	1,078	0.05	1,078	
	Com2B (Cayman) Corp.	-	Financial assets at FVTOCI - non-current	2,000	-	4.44	-	
	Corporate bonds							
	YAGEO Corporation	-	Financial assets at amortized cost - non-current	-	99,734	-	-	
Alliance Investment & Management	Shares							
	Advancision Corporation	-	Financial assets at FVTOCI - non-current	6,327	36,784	15.07	36,784	
	T-Car Inc.	-	Financial assets at FVTOCI - non-current	1,275	26,103	4.05	26,103	
	Solidlite Corporation	-	Financial assets at FVTOCI - non-current	789	4,731	3.60	4,731	
	Site information service	-	Financial assets at FVTOCI - non-current	65	5,164	0.54	5,164	
	Phalanx Biotech Group	-	Financial assets at FVTOCI - non-current	216	1,181	0.30	1,181	
	Preference shares							
	Rock Financial Risk Service Co., Ltd.	-	Financial assets at amortized cost - non-current	330	8,084	-	-	
Ling Wei	Beneficiary certificates							
	Prudential Financial Money Market Fund	-	Financial assets at FVTPL - current	1,138	18,567	-	18,567	
Kian Shen	Beneficiary certificates							
	FSITC Money Market Fund	-	Financial assets at FVTPL - current	1,901	30,015	-	30,015	
Brilliant Insight International	Beneficiary certificates							
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	259	3,629	-	3,629	
Hwa Wei	Shares							
	South East (Fujian) Motor	-	Financial assets at FVTOCI - non-current	46,108	61,011	1.66	61,011	
Sino Diamond Motors	Convertible preference shares							
	Looplus Service	Subsidiary	Financial assets at FVTPL - non-current	887	13,825	-	13,825	Note 2

Note 1: Refer to Tables 5 and 6 for the information of investments in subsidiaries and associates.

Note 2: Eliminated during the preparation of the consolidated financial statements.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Seller/Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 1)	
China Motor Corporation	Fortune Motors	Investee accounted for using the equity method	Sale	$ (4,510,798)	(42)	Payment collected 15-90 days after the goods have been delivered	$ -	-	$ 1,109,443	41	
	MG Motor (Note 2)	Subsidiary	Sale	(3,548,098)	(33)	Payment collected 13-30 days after the goods have been delivered	-	-	201,368	7	
	Shung Ye Motor	Investee accounted for using the equity method	Sale	(858,485)	(8)	Payment collected 15-75 days after the goods have been delivered	-	-	181,921	7	
	Feng Jan Motor	Associate	Sale	(842,174)	(8)	Payment collected 3-18 days after the goods have been delivered	-	-	156,130	6	
	Uni Auto Parts Manufacture	Investee accounted for using the equity method	Purchase	147,368	2	Payment made within 45 days after the month of delivery	-	-	(94,633)	(3)	
	Mitsubishi Motors Corp.	Director of CMC	Purchase	129,048	2	Payment made within 7 workdays after the shipping date	-	-	(64,034)	(2)	
	ROC-Spicer	Investee accounted for using the equity method	Purchase	121,260	2	Payment made within 45 days after the month of delivery	-	-	(73,575)	(2)	
	Kian Shen (Note 2)	Subsidiary	Purchase	112,888	2	Payment made within 45 days after the month of delivery	-	-	(70,382)	(2)	
MG Motor	Shung Yi Motor	Associate	Sale	(1,319,298)	(32)	Payment collected 9 days after the invoice date	-	-	44,345	24	
	China Motor Corporation (Note 2)	Parent company	Purchase	3,548,098	98	Payment made 13-30 days after the goods have been delivered	-	-	(201,368)	(84)	
Kian Shen	China Motor Corporation (Note 2)	Parent company	Sale	(112,888)	(37)	Payment collected within 45 days after the month of delivery	-	-	70,382	36	
Sino Diamond Motors	Shung Ye Motor	Investee accounted for using the equity method	Sale	(142,540)	(32)	Payment collected 7-45 days after the goods have been delivered	-	-	28,271	3	
	Mitsubishi Motors Corp.	Director of CMC	Purchase	101,907	32	Payment made within 7 workdays after the shipping date	-	-	-	-	

Note 1: The proportion of the individual company’s total purchases (sales) or total receivables (payables).

Note 2: Eliminated during the preparation of the consolidated financial statements.

TABLE 4

CHINA MOTOR CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
China Motor Corporation	Fortune Motors	Investee accounted for using the equity method	$ 1,109,443	19.57	$ -	-	$ 1,109,186	$ -
	MG Motor	Subsidiary	201,368	118.55	-	-	201,368	-
	Shung Ye Motor	Investee accounted for using the equity method	181,921	16.98	-	-	181,921	-
	Feng Jan Motor	Associate	156,130	34.87	-	-	156,130	-
Sino Diamond Motors	China Motor Corporation	Parent company	184,694 (Note)	-	-	-	184,694	-

Note: The ending balance is primarily consisted of other receivables.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Product	Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
China Motor Corporation	Yulon (Note 4)	Miaoli, Taiwan	Manufacture and sale of vehicles	$ 4,153,009	$ 4,153,009	171,382,445	16.13	$ 9,412,620	$ 866,442	$ 128,595	Investee accounted for using the equity method
	Kian Shen (Note 6)	Taoyuan, Taiwan	The production of frame of heavy duty car and mold	344,800	344,800	32,201,367	43.87	2,396,834	48,487	21,404	Subsidiary
	Fortune Motors	Taipei, Taiwan	Sales and providing of after-sales service of vehicle	2,132,826	2,132,826	132,116,729	41.93	5,127,822	269,007	112,795	Investee accounted for using the equity method
	Sino Diamond Motors (Note 6)	Taipei, Taiwan	Sales and providing of after-sales service of vehicle	2,192,724	2,192,724	151,067,030	100.00	2,456,045	333,571	332,754	Subsidiary
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	10,002,447	10,002,447	288,504,465	24.04	1,618,215	494,947	118,985	Investee accounted for using the equity method
	Alliance Investment & Management (Note 6)	Taipei, Taiwan	Investment	190,030	190,030	82,000,000	100.00	345,352	(2,402)	(2,402)	Subsidiary
	Mercedes-Benz Vans Hong Kong Ltd.	Hong Kong	Investment	2,011,363	2,011,363	46,565,750	32.45	4,012,589	617,546	200,394	Investee accounted for using the equity method
	ROC-Spicer	Taoyuan, Taiwan	Manufacture and sales of automobile parts	683,032	683,032	147,990	29.60	599,456	26,308	7,657	Investee accounted for using the equity method
	CMI (Note 6)	Samoa	Investment	1,402	1,402	40,000	100.00	96,477	198	198	Subsidiary
	COC (Note 6)	Taoyuan, Taiwan	The production of mold, fixture and gauge of vehicle	412,125	412,125	33,564,678	49.76	884,163	57,188	28,310	Subsidiary
	Hwa Wei (Note 6)	British Virgin Islands	Overseas investment on production and service industries	1,202	1,202	40,000	40.00	62,693	132	53	Subsidiary
	Uni Auto Parts Manufacture	Miaoli, Taiwan	The production of mold, fixture and gauge of vehicle	109,813	109,813	13,032,137	15.00	356,436	20,535	3,076	Investee accounted for using the equity method
	Shung Ye Motor (Notes 1 and 3)	Taipei, Taiwan	Sales and providing of after-sales service of vehicle	587,791	587,791	49,332,552	39.99	246,279	26,423	10,567	Investee accounted for using the equity method
	China Engine (Note 6)	Taoyuan, Taiwan	Manufacture of automobile engine and parts	469,322	469,322	21,999,750	52.10	215,510	(3,739)	(1,948)	Subsidiary
	Uni-Calsonic	Miaoli, Taiwan	Manufacture and sale of automobile parts	105,806	105,806	6,083,525	31.20	167,415	5,955	1,856	Investee accounted for using the equity method
	Yue Ki Industrial	Hsinchu, Taiwan	Manufacture and sales of car components	109,396	109,396	2,936,222	15.08	83,672	283	20	Investee accounted for using the equity method
	Tai-Ya Investment	Hong Kong	Investment	81,005	81,005	2,288,459	29.60	80,265	1,114	330	Investee accounted for using the equity method
Kian Shen	Kian Shen Investment (Note 6)	British Virgin Islands	Investment	328,888	328,888	10,296,105	100.00	4,077,450	48,414	-	Subsidiary
Kian Shen Investment	KSIHK (Note 6)	Hong Kong	Investment	US$ 25,907 thousand	US$ 25,907 thousand	25,907,000	100.00	RMB 924,998 thousand	RMB 11,103 thousand	-	Subsidiary
Alliance Investment & Management	Greentrans Investment (Note 6)	Samoa	Investment	344,369	344,369	11,200,000	100.00	218,161	(2,502)	-	Subsidiary
Sino Diamond Motors	Hua-Yu (Note 6)	Samoa	Overseas investment on production and service industries	1,012,979	1,012,979	21,932,942	100.00	415,732	10,790	-	Subsidiary
	China Engine (Note 6)	Taoyuan, Taiwan	Manufacture of automobile engine and parts	9	9	250	-	3	(3,739)	-	Subsidiary
	Brilliant Insight International (Note 6)	Taoyuan, Taiwan	Consulting and service	22,000	22,000	2,200,000	100.00	20,138	(1,982)	-	Subsidiary
	Shung Ye Motor (Note 2)	Taipei, Taiwan	Sales and providing of after-sales service of vehicle	180	180	12,368	0.01	75	26,423	-	Investee accounted for using the equity method
	Fortune Motors	Taipei, Taiwan	Sales and providing of after-sales service of vehicle	24	24	1,000	-	22	269,007	-	Investee accounted for using the equity method
	Looplus Service (Notes 5 and 6)	Hsinchu, Taiwan	Information software service and rental industry	34,984	34,984	2,249,000	44.98	(3,961)	(3,342)	-	Subsidiary
	Ling Wei (Note 6)	Taipei, Taiwan	Sales of second-hand vehicle	43,780	43,780	3,808,397	100.00	44,169	1,192	-	Subsidiary
	Greentrans (Note 6)	Taipei, Taiwan	Automatic control equipment engineering and sales of motorcycle, bicycle and parts	47,561	47,561	4,900,000	100.00	60,071	9,701	-	Subsidiary
	MG Motor (Note 6)	Taipei, Taiwan	Sales of vehicle	250,000	250,000	25,000,000	100.00	570,515	260,805	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Product	Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Hua-Yu	Hwa-Lin (Note 6)	British Virgin Islands	Overseas investment on production and service industries	US$ 23,919 thousand	US$ 23,919 thousand	20,082,942	100.00	$ 320,447	$ 9,896	$ -	Subsidiary
Brilliant Insight International	Looplus Service (Notes 5 and 6)	Hsinchu, Taiwan	Information software service and rental industry	16	16	1,000	0.02	(2)	(3,342)	-	Subsidiary
CMI	Hwa Wei (Note 6)	British Virgin Islands	Overseas investment on production and service industries	1,428,503	1,428,503	60,000	60.00	94,039	132	-	Subsidiary
COC	Y. M. Hi-Tech (Note 6)	Taoyuan, Taiwan	Steel plate cutting	46,250	46,250	4,250,000	85.00	83,945	1,290	-	Subsidiary

Note 1: During preparation of the consolidated financial statements, loss on disposal of $22,538 thousand from intra-group transaction had been eliminated.

Note 2: During preparation of the consolidated financial statements, gain on disposal of $31 thousand from intra-group transaction had been eliminated.

Note 3: During preparation of the consolidated financial statements, sidestream transaction between subsidiary and investee accounted for using the equity method of $1,776 thousand had been eliminated.

Note 4: During preparation of the consolidated financial statements, sidestream transaction between subsidiary and investee accounted for using the equity method of $4,941 thousand had been eliminated.

Note 5: The Group held a 45% equity interest in Looplus Service. However, in March 2023, the Group invested $13,300 thousand in convertible preference shares and acquired more than half of the seats and voting rights on the board of directors. Given the facts that the voting rights have exceeded 50%, therefore, the Group has control over Looplus Service, and classified it as a subsidiary of the Group.

Note 6: Eliminated during the preparation of the consolidated financial statements.

(Concluded)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of March 31, 2024 (Note 1)	Accumulated Repatriation of Investment Income as of March 31, 2024 (Note 1)
					Outward	Inward						
South East (Fujian) Motor	Manufacture and sales of industrial automation products	$ 13,232,000 (US$ 138,000 thousand and RMB 2,000,000 thousand)	Indirect investment in mainland China through a company registered in a third region	$ 1,104,000 (US$ 34,500 thousand)	$ -	$ -	$ 1,104,000 (US$ 34,500 thousand)	$ -	1.66	$ -	$ 61,011	$ 832,736 (US$ 26,023 thousand)
China Engine (Fujian)	Manufacture and sales of engines and engine parts	480,000 (US$ 15,000 thousand)	Indirect investment in mainland China through a company registered in a third region	240,000 (US$ 7,500 thousand)	-	-	240,000 (US$ 7,500 thousand)	-	38.03	-	184,437	-
Fujian Benz Automotive	Sales of industrial automation products	9,890,020 (EUR 287,000 thousand)	Indirect investment in mainland China through a company registered in a third region	1,604,664 (EUR 46,566 thousand)	-	-	1,604,664 (EUR 46,566 thousand)	1,235,806 (EUR 36,177 thousand)	16.23	200,519 (EUR 5,870 thousand)	2,905,150 (EUR 84,305 thousand)	4,352,332 (EUR 126,301 thousand)
Guangzhou NTN-YULON Drivertrain	Sales and manufacture of vehicles' components	400,000 (US$ 12,500 thousand)	Indirect investment in mainland China through a company registered in a third region	160,000 (US$ 5,000 thousand)	-	-	160,000 (US$ 5,000 thousand)	56,950 (RMB 13,044 thousand)	17.55	22,780 (RMB 5,218 thousand)	1,106,991 (RMB 251,132 thousand)	1,712,953 (RMB 388,601 thousand)
Fuzhou Fushiang Motor Industrial	Sales and manufacture of vehicles' components	568,960 (US$ 17,780 thousand)	Indirect investment in mainland China through a company registered in a third region	90,720 (US$ 2,835 thousand)	-	-	90,720 (US$ 2,835 thousand)	9,869 (RMB 2,260 thousand)	15.35	3,454 (RMB 791 thousand)	385,425 (RMB 87,438 thousand)	241,342 (RMB 54,751 thousand)
Xiangyang NTN-YULON Drivertrain	Sales and manufacture of vehicles' components	1,088,000 (US$ 34,000 thousand)	Indirect investment in mainland China through a company registered in a third region	-	-	-	-	31,381 (RMB 7,187 thousand)	17.55	12,553 (RMB 2,875 thousand)	971,769 (RMB 220,456 thousand)	156,987 (RMB 35,614 thousand)
Xiamen King-Long Kian-Shen Frame	Sales and manufacture of vehicles' components	423,168 (RMB 96,000 thousand)	Indirect investment in mainland China through a company registered in a third region	48,864 (US$ 1,527 thousand)	-	-	48,864 (US$ 1,527 thousand)	3,018 (RMB 691 thousand)	21.94	1,509 (RMB 346 thousand)	288,095 (RMB 63,357 thousand)	62,153 (RMB 14,100 thousand)
Jiangsu Greentrans Automotive Parts (Note 4)	Manufacture and sales of parts of electronic motorcycles	358,400 (US$ 11,200 thousand)	Indirect investment in mainland China through a company registered in a third region	358,400 (US$ 11,200 thousand)	-	-	358,400 (US$ 11,200 thousand)	(2,503)	100.00	(2,503)	218,146	-
Fujian Spicer	Manufacture of vehicles' key components, drive axle assembly and engine parts series products	902,785 (RMB 204,806 thousand)	Direct investment in mainland China	345,760 (US$ 10,805 thousand)	-	-	345,760 (US$ 10,805 thousand)	74,979	29.00	21,744	544,185	324,539 (RMB 73,625 thousand)
Shenyang Spicer	Manufacture and sale of automobile transmission, mechanical transmission, shafts and components	378,766 (RMB 85,927 thousand)	Indirect investment in mainland China through a company registered in a third region	85,248 (US$ 2,664 thousand)	-	-	85,248 (US$ 2,664 thousand)	2,295 (US$ 73 thousand)	20.67	474 (US$ 15 thousand)	84,311 (US$ 2,635 thousand)	-
Fujian Rui Hua (Note 4)	Consultation and services	54,400 (US$ 1,700 thousand)	Indirect investment in mainland China through a company registered in a third region	54,400 (US$ 1,700 thousand)	-	-	54,400 (US$ 1,700 thousand)	892	100.00	892	66,813	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024 (Note 1)	Investment Amount Authorized by the Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of the Investment Stipulated by Investment Commission, MOEA
$5,092,696 (US$109,001 thousand and EUR46,566 thousand)	$6,218,121 (US$179,814 thousand and EUR13,467 thousand)	$20,372,411

Note 1: Converted at the exchange rates on March 31, 2024: US$1=NT$32.00, RMB1=NT$4.408, EUR1=NT$34.46.

Note 2: Converted at the average exchange rates for the three months ended March 31, 2024: US$1=NT$31.448, RMB1=NT$4.366, EUR1=NT$34.16.

Note 3: Except for Guangzhou NTN-YULON Drivertrain Co., Ltd., the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associate's and joint ventures' financial statements that have not been reviewed.

Note 4: Eliminated during the preparation of the consolidated financial statements.

(Concluded)

TABLE 7

CHINA MOTOR CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Company Name	Related Party	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
0	China Motor Corporation	MG Motor	Subsidiary	Sales revenue	$ 3,548,098	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	28.95
				Guarantee deposits received	350,000	The prices and payment terms were based on agreements.	0.68
		Kian Shen	Subsidiary	Accounts receivable	201,368	The prices and payment terms were based on agreements.	0.39
				Cost of goods sold	112,888	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	0.92

Note 1: This table includes transactions for amounts over one hundred million.

Note 2: Eliminated during the preparation of the consolidated financial statements.

TABLE 8

CHINA MOTOR CORPORATION

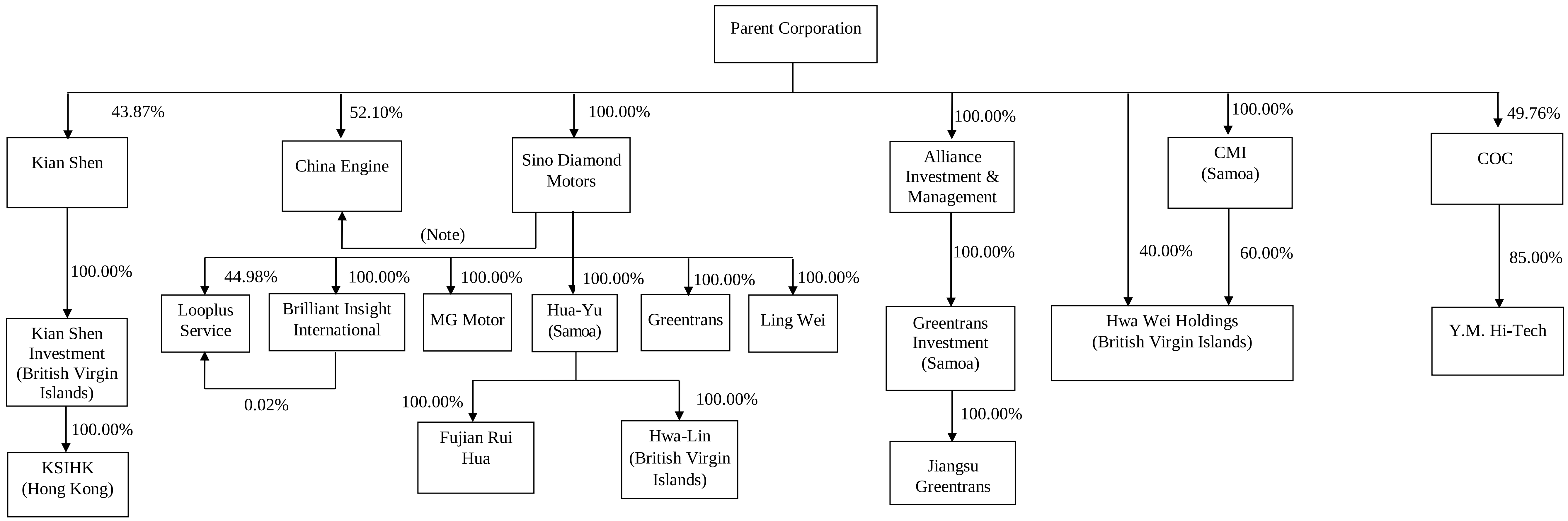
INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Ownership Percentage (%)
Tai Yuen Textile., Ltd	139,435,815	25.19
Mitsubishi Motors Corp.	77,507,309	14.00
Yulon Motor Co., Ltd	44,592,177	8.05
Diamond Hosiery & Thread Co., Ltd	37,438,652	6.76

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 and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

FRAMEWORK OF INTERCOMPANY INVESTMENT RELATIONSHIPS AND PERCENTAGE OF SHARES HELD
MARCH 31, 2024



Note: Since Sino Diamond Motors only holds 250 shares of China Engine, the percentage of ownership is not disclosed.