

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
WITH
REVIEW REPORT OF INDEPENDENT AUDITORS

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

Independent Auditors' Review Report

To TYC BROTHER INDUSTRIAL CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of TYC BROTHER INDUSTRIAL CO., LTD. (the "Company") and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, of changes in equity and of cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as discussed in the following paragraph, we conducted our reviews in accordance with the International Standard on Review Engagements No. 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 Opinion

As explained in Note IV.3 to the consolidated financial statements, the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$7,498,098 thousand and NT\$6,495,870 thousand, constituting 27% and 24% of the consolidated total assets, and total liabilities of NT\$3,043,285 thousand and NT\$3,317,240 thousand, constituting 16% and 19% of the consolidated total liabilities as of June 30, 2025 and 2024, and total comprehensive income (loss) of NT\$(307,559) thousand, NT\$28,507 thousand, NT\$(257,749) thousand, and NT\$64,561 thousand, constituting 37%, 5%, 85%, and 5% of the consolidated total comprehensive income for the three-months and six-months periods then ended. In addition, as explained in Note VI.7, the balance of investments accounted for using equity method as of June 30, 2025 and 2024 amounting to NT\$2,080,213 thousand and NT\$2,120,872 thousand, respectively, the

share of profit or loss of associates and joint ventures accounted for using equity method recognized for the three months and six months ended June 30, 2025 and 2024 amounting to NT\$32,339 thousand, NT\$39,029 thousand, NT\$66,500 thousand, and NT\$59,600 thousand, respectively, the share of other comprehensive income of associates and joint ventures accounted for using equity method amounting to NT\$(157,452) thousand, NT\$6,462 thousand, NT\$(131,357) thousand, and NT\$32,358 thousand, respectively, which were based on the financial statements of those investee companies not reviewed by independent auditors. Besides, the information on the aforementioned subsidiaries and investee companies disclosed in Note 13 to the consolidated financial statements was not reviewed by independent auditors either.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and the investee companies accounted for using equity method been reviewed by independent accountants as described in the preceding paragraph, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Quintain Steel Company Ltd.. and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance as of and for the three months and six month period ended June 30, 2025 and 2024, and its consolidated cash flows for the six months then ended 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.

Hu, Tzu-Ren

Hung, Kuo-Sen

Ernst & Young, Taiwan

August 7, 2025

Notice to Readers :

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

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

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

ASSETS			30-Jun-25		31-Dec-24		30-Jun-24	
Code	ITEMS	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	IV/VI.1	\$1,244,845	5	\$1,540,242	6	\$1,700,993	6
1110	Financial assets at fair value through profit or loss, current	IV	507	-	-	-	82	-
1136	Financial assets measured at amortized cost, current	IV/VI.3.16	62,873	-	90,514	-	134,052	-
1150	Notes receivable, net	IV/VI.4.16	9,977	-	6,874	-	16,316	-
1160	Notes receivable-related parties, net	IV/VI.4.16/VII	1,769	-	4,107	-	4,307	-
1170	Accounts receivable, net	IV/VI.5.16/VIII	3,402,516	12	3,885,517	14	4,211,054	15
1180	Accounts receivable-related parties, net	IV/VI.5.16/VII	52,343	-	67,531	-	56,583	-
1200	Other receivables	IV/VII	337,992	1	405,367	2	449,070	3
130x	Inventories	IV/VI.6/VIII	5,500,260	20	5,496,707	20	5,442,686	20
1479	Other current assets - others		423,766	2	360,900	2	328,756	1
11xx	Total current assets		11,036,848	40	11,857,759	44	12,343,899	45
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income, non-current	IV/VI.2	151,481	1	167,628	1	199,118	1
1550	Investments accounted for under the equity method	IV/VI.7	2,080,213	8	2,163,163	8	2,120,872	8
1600	Property, plant and equipment	IV/VI.8/VIII	8,640,265	31	8,541,802	31	8,426,509	31
1755	Right-of-use asset	IV/VI.17	1,737,381	6	1,892,012	7	1,945,009	7
1780	Intangible assets	IV	55,067	-	57,286	-	58,952	-
1840	Deferred tax assets	IV/VI.21	808,622	3	582,845	2	498,205	2
1915	Prepayment for equipments		1,744,579	6	1,880,706	7	1,669,128	6
1960	Prepayment for investments	IV/VI.9	1,381,104	5	-	-	-	-
1995	Other non-current assets-others		131,584	-	76,194	-	91,598	-
15xx	Total non-current assets		16,730,296	60	15,361,636	56	15,009,391	55
1xxx	Total assets		\$27,767,144	100	\$27,219,395	100	\$27,353,290	100

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

Chairman :

Manager :

Accounting officer :

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT.)
June 30, 2025, December 31, 2024, and June 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY			30-Jun-25		31-Dec-24		30-Jun-24	
Code	ITEMS	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	IV/VI.10	\$2,010,206	7	\$2,033,171	8	\$2,293,756	8
2110	Short-term notes and bills payable	IV/VI.11	99,930	-	39,968	-	59,927	-
2120	Financial liabilities at fair value through profit or loss, current	IV	174	-	7,598	-	-	-
2150	Notes payable		333,288	1	339,701	1	382,131	2
2170	Accounts payable		2,408,218	8	2,468,962	9	2,568,995	9
2180	Accounts payable-related parties	VII	474,169	2	493,095	2	479,511	2
2200	Other payables		2,465,514	9	1,758,879	7	1,642,177	6
2230	Current tax liabilities	IV	171,203	1	238,636	1	323,101	1
2280	Lease liabilities, current	IV/VI.17	236,850	1	284,589	1	265,109	1
2322	Current portion of long-term liabilities	IV/VI.12	726,827	3	645,152	2	797,191	3
2399	Other current liabilities		617,228	2	595,884	2	620,514	2
21xx	Total current liabilities		9,543,607	34	8,905,635	33	9,432,412	34
	Non-current liabilities							
2540	Long-term borrowings	IV/VI.12	8,212,812	30	6,114,817	23	6,031,069	22
2570	Deferred tax liabilities	IV/VI.21	92,075	1	104,850	-	67,735	-
2580	Lease liabilities, non-current	IV/VI.17	622,837	2	1,450,573	5	1,541,114	6
2640	Net defined benefit liabilities, non-current	IV/VI.13	71,799	-	74,565	-	106,087	1
2670	Other non-current liabilities-others		74,500	-	81,620	-	65,082	-
25xx	Total non-current liabilities		9,074,023	33	7,826,425	28	7,811,087	29
2xxx	Total liabilities		18,617,630	67	16,732,060	61	17,243,499	63
	Equity attributable to the parent company							
3100	Capital							
3110	Common stock	IV/VI.14	3,128,979	11	3,128,979	12	3,128,979	11
3120	Preferred stock		300,000	1	300,000	1	300,000	1
3200	Capital surplus		2,582,680	9	2,582,447	9	2,580,579	9
3300	Retained earnings	IV/VI.14						
3310	Legal reserve	IV/VI.14	1,186,997	4	1,030,881	4	1,030,881	4
3320	Special reserve		159,777	1	269,742	1	269,742	1
3350	Unappropriated earnings		2,063,852	8	3,016,955	11	2,657,814	10
3400	Other equity							
3410	Exchange differences resulting from translating the financial statements of foreign operat	IV/VI.20	(457,410)	(2)	(96,830)	-	(122,749)	-
3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income		(99,331)	-	(62,947)	-	(41,143)	-
3500	Treasury stock		(5,996)	-	(5,996)	-	(5,996)	-
31xx	Total equity attributable to the parent company	IV/VI.14	8,859,548	32	10,163,231	38	9,798,107	36
36xx	Non-controlling interests		289,966	1	324,104	1	311,684	1
3xxx	Total equity	IV/VI.14	9,149,514	33	10,487,335	39	10,109,791	37
	Total liabilities and equity		\$27,767,144	100	\$27,219,395	100	\$27,353,290	100

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

Chairman :

Manager :

Accounting officer :

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three month ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code	ITEMS	Notes	For the three months ended June 30, 2025		For the three months ended June 30, 2024		For the six months ended June 30, 2025		For the six months ended June 30, 2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	IV/VI.15/VII	\$4,323,675	100	\$5,187,834	100	\$9,236,420	100	\$10,304,004	100
5000	Operating costs	IV/VI.6.17.18/VII	(3,474,119)	(80)	(3,612,339)	(70)	(6,919,754)	(75)	(7,185,816)	(70)
5900	Gross profit		849,556	20	1,575,495	30	2,316,666	25	3,118,188	30
5910	Unrealized profit on sales		42	-	-	-	(5,144)	-	-	-
5920	Realized profit on sales		-	-	-	-	5,208	-	-	-
5950	Net gross profit		849,598	20	1,575,495	30	2,316,730	25	3,118,188	30
6000	Operating expenses	IV/VI.17.18								
6100	Sales and marketing expenses		(341,207)	(8)	(507,866)	(10)	(846,527)	(9)	(980,584)	(9)
6200	General and administrative expenses		(345,582)	(8)	(234,096)	(5)	(641,465)	(7)	(488,334)	(5)
6300	Research and development expenses		(113,613)	(3)	(118,599)	(2)	(216,925)	(2)	(217,158)	(2)
6450	Expected credit impairment losses		14,572	-	(4,215)	-	13,223	-	(7,796)	-
	Subtotal	IV/VI.16	(785,830)	(19)	(864,776)	(17)	(1,691,694)	(18)	(1,693,872)	(16)
6900	Operating income		63,768	1	710,719	13	625,036	7	1,424,316	14
7000	Non-operating income and expenses									
7010	Other income	VI.19	40,750	1	29,369	1	62,958	1	52,523	-
7020	Other gains and losses	VI.19	(454,327)	(11)	58,300	1	(432,660)	(5)	228,483	2
7050	Finance costs	VI.19	(85,866)	(2)	(89,980)	(2)	(165,884)	(2)	(180,603)	(2)
7060	Share of profit of associates and joint ventures accounted for using the equity method	IV/VI.7	32,339	1	39,029	1	66,500	1	59,600	1
	Subtotal		(467,104)	(11)	36,718	1	(469,086)	(5)	160,003	1
7900	Net income before income tax		(403,336)	(10)	747,437	14	155,950	2	1,584,319	15
7950	Income tax expense	IV/VI.21	65,778	2	(160,708)	(3)	(45,798)	(1)	(347,797)	(3)
8200	Net income		(337,558)	(8)	586,729	11	110,152	1	1,236,522	12
8300	Other comprehensive income (loss)	IV/VI.20								
8310	Items that will not be reclassified subsequently to profit or loss									
8316	Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		(18,665)	-	(18,266)	-	(36,384)	-	(33,837)	-
8360	Item that may be reclassified subsequently to profit or loss									
8361	Exchange differences resulting from translating the financial statements of foreign operations		(400,408)	(9)	35,292	1	(304,173)	(3)	134,561	1
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		(196,814)	(5)	8,078	-	(164,196)	(2)	40,448	-
8399	Income tax related to items that may be reclassified subsequently		115,831	3	(9,146)	-	90,145	1	(34,922)	-
	Total other comprehensive income (loss), net of tax		(500,056)	(11)	15,958	1	(414,608)	(4)	106,250	1
8500	Total comprehensive income (loss)		<u>\$(837,614)</u>	<u>(19)</u>	<u>\$602,687</u>	<u>12</u>	<u>\$(304,456)</u>	<u>(3)</u>	<u>\$1,342,772</u>	<u>13</u>
8600	Net income attributable to:									
8610	Stockholders of the parent		\$(342,288)	(8)	\$573,868	11	\$91,742	1	\$1,202,011	12
8620	Non-controlling interests		4,730	-	12,861	-	18,410	-	34,511	-
			<u>\$(337,558)</u>	<u>(8)</u>	<u>\$586,729</u>	<u>11</u>	<u>\$110,152</u>	<u>1</u>	<u>\$1,236,522</u>	<u>12</u>
8700	Total comprehensive income attributable to:									
8710	Stockholders of the parent		\$(824,276)	(18)	\$592,184	12	\$(305,222)	(3)	\$1,307,861	13
8720	Non-controlling interests		(13,338)	-	10,503	-	766	-	34,911	-
			<u>\$(837,614)</u>	<u>(18)</u>	<u>\$602,687</u>	<u>12</u>	<u>\$(304,456)</u>	<u>(3)</u>	<u>\$1,342,772</u>	<u>13</u>
	Earnings per share (NTD)									
9750	Earnings per share-basic	IV/VI.22	<u>\$ (1.29)</u>		<u>\$1.65</u>		<u>\$0.10</u>		<u>\$3.66</u>	
9850	Earnings per share-diluted	IV/VI.22	<u>\$ (1.29)</u>		<u>\$1.64</u>		<u>\$0.10</u>		<u>\$3.65</u>	

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

Chairman :

Manager :

Accounting officer :

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six month ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

ITEMS		Equity attributable to the parent company										Non-controlling interests	Total equity
		Capital		Capital surplus	Retained Earnings			Other equity		Treasury stock	Total		
		Common stock	Preferred stock		Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				
Code		3110	3120	3200	3310	3320	3350	3410	3420	3500	31XX	36XX	3XXX
A1	Balance as of 1 January 2024	\$3,128,979	\$300,000	\$2,580,384	\$924,137	\$153,990	\$2,364,095	\$ (262,436)	\$ (7,306)	\$ (5,996)	\$9,175,847	\$338,773	\$9,514,620
	Appropriation and distribution of 2023 retained earnings												
B1	Legal reserve	-	-	-	106,744	-	(106,744)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	115,752	(115,752)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(625,796)	-	-	-	(625,796)	-	(625,796)
B7	Preferred share dividends	-	-	-	-	-	(60,000)	-	-	-	(60,000)	-	(60,000)
D1	Net income for the SIX months ended June 30, 2024	-	-	-	-	-	1,202,011	-	-	-	1,202,011	34,511	1,236,522
D3	Other comprehensive income (loss) for the SIX months ended June 30, 2024	-	-	-	-	-	-	139,687	(33,837)	-	105,850	400	106,250
D5	Total comprehensive income (loss)	-	-	-	-	-	1,202,011	139,687	(33,837)	-	1,307,861	34,911	1,342,772
O1	Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(62,000)	(62,000)
T1	Others	-	-	195	-	-	-	-	-	-	195	-	195
Z1	Balance as of June 30, 2024	\$3,128,979	\$300,000	\$2,580,579	\$1,030,881	\$269,742	\$2,657,814	\$ (122,749)	\$ (41,143)	\$ (5,996)	\$9,798,107	\$311,684	\$10,109,791
A1	Balance as of 1 January 2025	\$3,128,979	\$300,000	\$2,582,447	\$1,030,881	\$269,742	\$3,016,955	\$ (96,830)	\$ (62,947)	\$ (5,996)	\$10,163,231	\$324,104	\$10,487,335
	Appropriation and distribution of 2024 retained earnings												
B1	Legal reserve	-	-	-	156,116	-	(156,116)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(938,694)	-	-	-	(938,694)	-	(938,694)
B7	Preferred share dividends	-	-	-	-	-	(60,000)	-	-	-	(60,000)	-	(60,000)
B17	Reversal of special reserve	-	-	-	-	(109,965)	109,965	-	-	-	-	-	-
D1	Net income for the six months ended June 30, 2025	-	-	-	-	-	91,742	-	-	-	91,742	18,410	110,152
D3	Other comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	(360,580)	(36,384)	-	(396,964)	(17,644)	(414,608)
D5	Total comprehensive income (loss)	-	-	-	-	-	91,742	(360,580)	(36,384)	-	(305,222)	766	(304,456)
O1	Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(34,904)	(34,904)
T1	Others	-	-	233	-	-	-	-	-	-	233	-	233
Z1	Balance as of June 30, 2025	\$3,128,979	\$300,000	\$2,582,680	\$1,186,997	\$159,777	\$2,063,852	\$ (457,410)	\$ (99,331)	\$ (5,996)	\$8,859,548	\$289,966	\$9,149,514

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

Chairman :

Manager :

Accounting officer :

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six month ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Code	ITEMS	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Code	ITEMS	For the six months ended June 30, 2025	For the six months ended June 30, 2024
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$155,950	\$1,584,319	B00010	Acquisition of financial assets at fair value through other comprehensive income	(20,237)	(7,064)
A20000	Adjustments for:			B00040	Acquisition of financial assets measured at amortized cost	(1,479)	(64,702)
A20010	Income and expense adjustments:			B00050	Proceeds from disposal of financial assets measured at amortized cost	20,087	75,439
A20100	Depreciation	904,593	819,759	B01800	Acquisition of investments accounted for using the equity method	(49,426)	(51,297)
A20200	Amortization	14,175	16,415	B02000	Increase in prepayment for investments	(1,381,104)	-
A20300	Expected credit impairment losses	(13,223)	7,796	B02700	Acquisition of property, plant and equipment	(1,614,139)	(1,141,659)
A20900	Interest expense	165,884	180,603	B02800	Proceeds from disposal of property, plant and equipment	2,145	1,373
A21200	Interest income	(15,591)	(17,525)	B03700	Increase in refundable deposits	(2,588)	(456)
A21300	Dividend income	(900)	(720)	B04500	Acquisition of intangible assets	(12,724)	(18,136)
A22300	Share of profit (loss) of associates and joint ventures accounted for using the equity method	(66,500)	(59,600)	B06700	Increase in other non-current assets	(1,678)	(10,797)
A22500	(Gains) on disposal and scrap of property, plant and equipment	634	(683)	BBBB	Net cash used in investing activities	(3,061,143)	(1,217,299)
A23900	Unrealized profit on sales	5,144	-				
A24000	Realized (profit) on sales	(5,208)	-	CCCC	Cash flows from financing activities:		
A29900	Other items	-	(765)	C00100	Increase in short-term borrowings	592,155	582,723
A30000	Changes in operating assets and liabilities:			C00200	Decrease in short-term borrowings	(422,672)	(601,096)
A31115	Financial assets mandatorily measured at fair value through profit or loss	(507)	427	C00500	Increase in short-term notes and bills payable	410,000	80,000
A31130	Notes receivable	(3,117)	(5,757)	C00600	Decrease in short-term notes and bills payable	(350,038)	(179,998)
A31140	Notes receivable-related parties	2,338	(1,573)	C01600	Proceeds from long-term borrowings	2,644,256	1,156,076
A31150	Accounts receivable	495,872	(827,112)	C01700	Repayment of long-term borrowings	(417,127)	(941,270)
A31160	Accounts receivable-related parties	15,554	9,314	C03000	Increase in guaranteed deposit	410	13,070
A31180	Other receivables	25,769	(268,700)	C03100	Decrease in guaranteed deposit	(2,391)	(101)
A31200	Inventories	(3,553)	(194,812)	C04020	Cash payment for the principal portion of the lease liabilities	(143,910)	(128,566)
A31240	Other current assets	(62,866)	(46,120)	C05800	Changes in non-controlling interests	(34,904)	(32,000)
A32110	Financial liabilities held for sale	(7,424)	-	C09900	Collection of overdue dividends	233	195
A32130	Notes payable	(6,413)	86,417	CCCC	Net cash provided by (used in) financing activities	2,276,012	(50,967)
A32150	Accounts payable	(60,744)	261,643				
A32160	Accounts payable-related parties	(18,926)	(10,793)	DDDD	Effect of exchange rate changes on cash and cash equivalents	(368,647)	168,298
A32180	Other payable	(293,555)	(165,331)	EEEE	Net increase (decrease) in cash and cash equivalents	(295,397)	(157,211)
A32230	Other current liabilities	21,344	114,083	E00100	Cash and cash equivalents at the beginning of the year	1,540,242	1,858,204
A32240	Net defined benefit pension liabilities	(2,766)	(34,314)	E00200	Cash and cash equivalents at end of the year	\$1,244,845	\$1,700,993
A32990	Other non-current liabilities	1,124	(929)				
A33000	Cash generated from operations	1,247,088	1,446,042				
A33100	Interest received	15,591	17,525				
A33200	Dividends received	24,096	41,045				
A33300	Interest paid	(176,582)	(190,030)				
A33500	Income tax paid	(251,812)	(371,825)				
AAAA	Net cash provided by operating activities	858,381	942,757				

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

Chairman :

Manager :

Accounting officer :

English Translation of Financial Statements Originally Issued in Chinese
TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

I. HISTORY AND ORGANIZATION

TYC BROTHER INDUSTRIAL CO., LTD. (the “Company”) was incorporated under the laws of the Republic of China on Taiwan (the “ROC”) on 9 September 1986. The Company’s registered office and the main business location is at No.72-2, Xinle Rd., Tainan City Taiwan (R.O.C). The Company’s main profitable business projects are the manufacture, trading, import and export of automobiles, motorcycles and other automobile parts and supplies. The Company became a listed company on the Taiwan Stock Exchange on 6 October 1997.

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

The consolidated financial statements of the Company and subsidiaries (hereinafter referred to as the “Group”) June 30, 2025 and 2024 for the six months ended June 30, 2025 and 2024 were authorized for issue in accordance with a resolution of the board of directors on August 7, 2025.

III. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

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

The Group applied for the first-time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

2. As of the date the financial statements are authorized for issue, standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 17 “Insurance Contracts”	January 1, 2023
2	“Classification and Measurement of Financial Instruments” (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
3	Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
4	“Contracts Referencing Nature-dependent Electricity” (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

The amendments will be adopted since the annual periods beginning on or after January 1, 2026, and there is no significant impact based on the Group’s assessment.

3. As of the date the financial statements are authorized for issue, standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are not endorsed by FSC, and not yet adopted by the Group are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
3	Disclosure Initiative – “Subsidiaries without Public Accountability” (IFRS 19)	January 1, 2027

IFRS 18 “Presentation and Disclosure in Financial Statements”

The primary changes of the new standard are as follows:

- a) Increasing comparability of the income statements

Items in the statement of profit or loss will need to be classified into categories: operating, investing, financing, income taxes and discontinued operations. The first three categories are new, to improve the structure of income statements. The standard also requires entities to provide newly defined subtotals (including operating profit). The standard improves the income statement’s structure and newly defined subtotals, which makes companies' financial performance easier to compare and provides a consistent starting point for investors' analysis

- b) Enhancing transparency of management performance measurement
 Explanations on requiring entities to disclose specific indicators related to income statements (management-defined performance measures (MPM)).
- c) Useful summary of financial information
 The standard sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. The standard also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date. The Group is assessing the potential impacts from new or amended standards or interpretations. The relevant impacts will be disclosed upon completion of the assessment. The other new or amended standards or interpretations have no significant impact on the Group.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of Compliance

The Group's consolidated financial statements for the six months ended June 30, 2025 and 2024 were prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

2. Basis of preparation

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

3. Basis of consolidation

Preparation principle of consolidated financial statement

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

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

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

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

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

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

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

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

If the Group loses control of a subsidiary, it:

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

The consolidated entities are as follows:

Investor Company	Investee Company	Major business	Percentage of ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	TI YUAN INVESTMENT CO., LTD. (TI YUAN)	Marketable securities trading business	100.00%	100.00%	100.00%	
The Company	TI FU INVESTMENT CO., LTD. (TI FU)	Marketable securities trading business	100.00%	100.00%	100.00%	
The Company	CONTEK CO., LTD. (CONTEK)	Reinvestment holding activities	100.00%	100.00%	100.00%	
The Company	SUPRA-ATOMIC CO., LTD. (SUPRA-ATOMIC)	Reinvestment holding activities	100.00%	100.00%	100.00%	
The Company	BESTE MOTOR CO., LTD. (BESTE)	Reinvestment holding activities	100.00%	100.00%	100.00%	
The Company	INNOVA HOLDING CORP. (INNOVA)	Reinvestment holding activities	100.00%	100.00%	100.00%	
The Company	JUOKU TECHNOLOGY CO., LTD. (JUOKU TECHNOLOGY)	Manufacturing and sale of automobile parts	72.10%	72.10%	72.10%	
The Company	TYC VIETNAM INDUSTRIAL CO., LTD. (TYCVN)	Manufacture and sale of automobile lights	60.00%	60.00%	60.00%	
TI FU	DBM REFLEX OF TAIWAN CO., LTD. (DBM)	Manufacture tooling mold and international trading business	50.00%	50.00%	50.00%	
SUPRA-ATO MIC	SPARKING CO., LTD. (SPARKING)	Reinvestment holding activities	100.00%	100.00%	100.00%	
SUPRA-ATO MIC	UNIMOTOR INDUSTRIAL CO., LTD. (UNIMOTOR)	Reinvestment holding activities	100.00%	100.00%	100.00%	
SUPRA-ATO MIC	EUROLITE CO., LTD. (EUROLITE)	Reinvestment holding activities	100.00%	100.00%	100.00%	
SUPRA-ATO MIC	EUROPILOT CO., LTD. (EUROPILOT)	Reinvestment holding activities	100.00%	100.00%	100.00%	
SUPRA-ATO MIC	MOTOR-CURIO CO., LTD. (MOTOR-CURIO)	Reinvestment holding activities	100.00%	100.00%	100.00%	
JUOKU TECHNOLOGY	TSM TECH CO., LTD. (TSM)	Reinvestment holding activities	100.00%	100.00%	100.00%	

Investor Company	Investee Company	Major business	Percentage of ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
INNOVA	GENERA CORPORATION (GENERA)	Sale of automobile lights and parts	100.00%	100.00%	100.00%	
INNOVA	W&W REAL PROPERTY, INC. (W&W)	Sale of and rental of real estate	100.00%	100.00%	100.00%	
INNOVA	TYC AMERICAS AUTO PARTS COMPANY LLC(TYCAAP)	Manufacturing, processing and trading of automobile components.	100.00%	100.00%	100.00%	
UNIMOTOR	TYC CHANGZHOU PRECISION MOLD CO., LTD. (CHANGZHOU TYC PRECISION)	Manufacture of precision molds and sale of products.	100.00%	100.00%	100.00%	(Note 1)
EUROLITE	T.I.T. INTERNATIONAL CO., LTD. (T.I.T.)	Manufacture and sale of lighting fixtures and daily-use products for automobile	99.98%	99.98%	99.98%	
EUROPILOT	TYC EUROPE B.V. (TYC EUROPE)	Sales of automobile lights	100.00%	100.00%	100.00%	
SPARKING	TYC KUNSHAN AUTO PARTS CO., LTD. (KUN SHAN TYC)	Manufacture, process and assemble of various high-efficiency energy-saving lamps and accessories	100.00%	100.00%	100.00%	(Note 2)

Note 1: CHANGZHOU TAMAO PRECISION INDUSTRY CO.,LTD. has been renamed to TYC CHANGZHOU PRECISION MOLD CO., LTD. in June 2025.

Note 2: KUN SHAN TYC HIGH PERFORMANCE CO., LTD. has been renamed to TYC KUNSHAN AUTO PARTS CO., LTD. in May 2025.

Among the aforementioned subsidiaries included in the consolidated financial statements, the financial statements of part of the subsidiaries were not reviewed by independent auditors. The total assets of those subsidiaries as of June 30, 2025 and 2024 amounted to NT\$7,498,098 thousand and NT\$6,495,870 thousand, respectively, and the total liabilities amounted to NT\$3,043,285 thousand and NT\$3,317,240 thousand, respectively. The total comprehensive income (loss) for the three months and six months ended June 30, 2025 and 2024 amounted to NT\$(307,559) thousand, NT\$28,507 thousand, NT\$(257,749) thousand, and NT\$64,561 thousand, respectively.

4. Aside from the accounting policies as follows, the accounting policies adopted in the consolidated financial statements for the six months ended June 30, 2025 and 2024 are the same as those adopted in the consolidated financial statements for the year ended December 31, 2024. Please refer to the consolidated financial statements for the year ended December 31, 2024 for the summarized explanations of other accounting policies:

a. Post-Employment Benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

b. Income taxes

Income tax expenses for the interim period are accrued and disclosed by the tax rate applied to the expected total earnings for the current period, that is to apply the estimated average annual effective income tax rate expected for the full financial year to the pretax income of the interim period. Estimate to the average annual effective tax rate only includes current income tax expenses. Deferred income tax is recognized and measured in accordance with IAS 12 "Income Taxes," which is as that of the annual financial statements. When there are changes in tax rate in the interim period, the effects on deferred income tax resulting from the tax rate change are recognized in profit or loss, other comprehensive income or directly in equity.

V. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgments, estimates and assumptions adopted in the consolidated financial statements for the six months ended June 30, 2025 and 2024 are the same as those in the consolidated financial statements for the year ended December 31, 2024. Please refer to the financial statements for the year ended December 31, 2024.

VI. CONTENTS OF SIGNIFICANT ACCOUNTS

1. Cash and cash equivalents

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Cash on hand and petty cash	\$8,044	\$4,037	\$6,294
Saving account	1,133,092	1,403,678	1,600,280
Time deposits	58,500	79,470	28,420
Investments in bonds with repurchase agreements - corporate bonds	45,209	53,057	65,999
Total	<u>\$1,244,845</u>	<u>\$1,540,242</u>	<u>\$1,700,993</u>

2. Financial assets at fair value through other comprehensive income

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Equity instrument investments measured at fair value through other comprehensive income - non-current			
Listed companies' stocks	\$94,087	\$110,234	\$132,948
Unlisted companies' stocks	57,394	57,394	66,170
Total	<u>\$151,481</u>	<u>\$167,628</u>	<u>\$199,118</u>

The Group's financial assets measured at fair value through other comprehensive income were not pledged as collateral.

The dividend income arising from the investments in equity instruments at fair value through other comprehensive income recognized for the six months ended June 30, 2025 and 2024 amounted to NT\$900 thousand and NT\$720 thousand, respectively, which are all relevant to the investments that are still held at the balance sheet date.

3. Financial assets measured at amortized cost

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Time deposits	<u>\$62,873</u>	<u>\$90,514</u>	<u>\$134,052</u>
Current	<u>\$62,873</u>	<u>\$90,514</u>	<u>\$134,052</u>

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6. (16) for more details on loss allowance and Note 12 for more details on credit risk.

4. Notes receivables and notes receivables-related parties

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Notes receivable	\$10,006	\$6,889	\$16,375
Less: allowance for doubtful accounts	(29)	(15)	(59)
Subtotal	9,977	6,874	16,316
Notes receivables - related parties	1,769	4,107	4,307
Total	<u>\$11,746</u>	<u>\$10,981</u>	<u>\$20,623</u>

Notes receivables were not pledged as collateral.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6. (16) for more details on loss allowance and Note 12 for more details on credit risk.

5. Accounts receivables and accounts receivables-related parties

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Accounts receivable - measured at fair value through other comprehensive income (Note)	\$424,066	\$591,767	\$365,119
Accounts receivable - measured at amortized cost	3,254,303	3,583,491	4,094,180
Less: allowance for doubtful accounts	(275,853)	(289,741)	(248,245)
Subtotal	2,978,450	3,293,750	3,845,935
Accounts receivable - related parties	52,627	68,181	60,853
Less: allowance for doubtful accounts	(284)	(650)	(4,270)
Subtotal	52,343	67,531	56,583
Total	\$3,454,859	\$3,953,048	\$4,267,637

(Note): The Group has assessed the operating model for accounts receivable and determined appropriate classification. Some accounts receivables are habitual and sold to banks without recourse. The operating model involves selling and collecting contractual cash flows; hence they are measured at fair value through other comprehensive income.

Please refer to Note 8 for more details on accounts receivables, which are all arising from operation, under pledge.

Trade receivables are generally on 30–120-day terms. Accounts receivables amounted to NT\$3,730,996 thousand, NT\$4,243,439 thousand, and NT\$4,520,152 thousand as at June 30, 2025, December 31, 2024, and June 30, 2024, respectively. Please refer to Note 6.(16) for more details on allowance for doubtful accounts for the three months ended June 30, 2025 and 2024 and please refer to Note 12 for credit risk.

6. Inventories

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Raw materials	\$1,083,679	\$1,080,658	\$994,715
Work in process	275,385	239,687	421,408
Finished goods	3,620,973	3,649,248	2,958,438
Merchandise	520,223	527,114	1,068,125
Total	\$5,500,260	\$5,496,707	\$5,442,686

For the three months ended June 30, 2025 and 2024, the cost of inventories recognized as expenses amounted to NT\$3,474,119 thousand, and NT\$3,612,339 thousand, respectively, including inventory valuation losses of NT\$3,869 thousand and NT\$10,897 thousand recognized for the three months ended June 30, 2025, respectively.

For the six months ended June 30, 2025 and 2024, the cost of inventories recognized as expenses amounted to NT\$6,919,754 thousand, and NT\$7,185,816 thousand, respectively, including inventory valuation losses of NT\$20,427 thousand and NT\$4,448 thousand recognized for the six months ended June 30, 2025, respectively.

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

7. Investments accounted for under the equity method

Details are as follows:

Investee Company	Jun. 30, 2025		Dec. 31, 2024		Jun. 30, 2024	
	Amount	Percentage of ownership	Amount	Percentage of ownership	Amount	Percentage of ownership
Investments in the associates:						
I YUAN PRECISION INDUSTRIAL CO., LTD	\$255,474	18.17%	\$254,938	18.17%	\$261,037	18.17%
JNS AUTO PARTS LIMITED	158,233	20.00%	158,595	20.00%	176,812	20.00%
CHIN-LI-MA HIGHT PERFORMANCE LUMINAIRE CO., LTD.	-	30.00%	-	30.00%	-	30.00%
JNS (THAI) AUTOTECH CO., LTD.	100,723	30.00%	51,297	30.00%	51,297	30.00%
HANGZHOU SUNNYTECH CO., LTD.	5,607	30.00%	8,851	30.00%	9,417	30.00%
ATECH INTERNATIONAL CO., LTD.	36,399	25.00%	37,562	25.00%	37,550	25.00%
Subtotal	<u>556,436</u>		<u>511,243</u>		<u>536,113</u>	
Investment in jointly controlled entities:						
PT ASTRA JUOKU INDONESIA	278,038	50.00%	311,514	50.00%	269,606	50.00%
TYC CZ CORPORATION (Note 1)	1,245,739	50.00%	1,340,406	50.00%	1,315,153	50.00%
Subtotal	<u>1,523,777</u>		<u>1,651,920</u>		<u>1,584,759</u>	
Total	<u>\$2,080,213</u>		<u>\$2,163,163</u>		<u>\$2,120,872</u>	

Note 1: VARROC TYC CORPORATION has been renamed to TYC CZ CORPORATION on May 14, 2025.

(1) Investments in the associates

The Group's investments in the associates are not individually material. The aggregate financial information of the Group's investments in associates was as follows:

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Profit from continuing operations	\$4,184	\$9,403	\$12,727	\$18,975
Other comprehensive income (post-tax)	(16,778)	1,716	(13,568)	4,749
Total comprehensive income (loss)	<u>\$(12,594)</u>	<u>\$11,119</u>	<u>\$(841)</u>	<u>\$23,724</u>

The associates had no contingent liabilities or capital commitments as at June 30, 2025, December 31, 2024, and June 30, 2024.

(2) Investments in joint venture

① Information on the material joint venture of the Group:

Company name: TYC CZ CORPORATION (TYC CZ BVI)

Nature of relationship with the joint venture: TYC CZ BVI engages in reinvestment holding activities. Its subsidiary, TYC CHANGZHOU AUTO PARTS CO., LTD. (VARROC TYC) engages in manufacturing and sales of lighting fixtures and daily-use products for automobiles.

Principal place of business (country of incorporation) : CHINA

Fair value of the investment in the joint venture when there is a quoted market price for the investment: VARROC TYC is an unlisted entity.

Reconciliation of the joint venture's aggregate financial information presented to the carrying amount of the Group's interest in the joint venture:

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Current assets	\$3,468,975	\$3,475,705	\$3,214,091
Non-current assets	2,615,892	2,703,386	2,641,635
Current liabilities	(3,534,178)	(3,391,222)	(3,016,228)
Non-current liabilities	(59,212)	(107,057)	(209,192)
Equity	2,491,477	2,680,812	2,630,306
Proportion of the Group's ownership	50%	50%	50%
Subtotal	1,245,739	1,340,406	1,315,153
Adjustments for elimination of inter-company transactions	-	-	-
Carrying amount of the investment	<u>\$1,245,739</u>	<u>\$1,340,406</u>	<u>\$1,315,153</u>

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Cash and cash equivalents	\$364,840	\$306,228	\$358,345
Current financial liabilities excluding trade and other payables and provisions	(658,201)	(689,570)	(424,498)
Non-current financial liabilities excluding trade and other payables and provisions	-	-	(141,351)

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Operating revenues	\$1,197,551	\$906,413	\$2,107,475	\$1,793,205
Depreciation	67,425	59,974	128,445	118,025
Amortization	69,703	62,677	143,397	107,851
Interest income	1,135	2,212	1,600	4,473
Interest expense	6,172	6,762	11,968	13,399
Income tax (benefit)	(8,271)	(9,397)	(21,048)	(18,483)
Profit from continuing operations	29,103	37,790	45,454	32,861
Other comprehensive income	(291,876)	21,881	(234,788)	69,161
Total comprehensive income	(262,773)	59,671	(189,334)	102,022

The joint venture had no contingent liabilities or capital commitments as at June 30, 2025, December 31, 2024, and June 30, 2024. VARROC TYC cannot distribute its profits until it obtains consent from the two venture partners.

②The Group's investments in PT ASTRA JUOKU INDONESIA are not individually material. The aggregate financial information of the Group's investments in PT ASTRA JUOKU INDONESIA was as follows:

③

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Profit from continuing operations	\$13,604	\$10,730	\$31,046	\$24,194
Other comprehensive income (post-tax)	(23,924)	(4,027)	(23,874)	(55)
Total comprehensive income	<u><u>\$ (10,320)</u></u>	<u><u>\$ 6,703</u></u>	<u><u>\$ 7,172</u></u>	<u><u>\$ 24,139</u></u>

The joint venture had no contingent liabilities or capital commitments as at June 30, 2025, December 31, 2024, and June 30, 2024. PT ASTRA JUOKU INDONESIA cannot distribute its profits until it obtains the consent from the two venture partners.

- (3) The investments accounted for using equity method as of June 30, 2025 and 2024 amounted to NT\$2,080,213 thousand and NT\$2,120,872 thousand, respectively. Share of profit or loss of associates and joint ventures accounted for using equity method for the three months and six months ended June 30, 2025 and 2024 amounted to NT\$32,339 thousand, NT\$39,029 thousand, NT\$66,500 thousand, and NT\$59,600 thousand, respectively. Share of other comprehensive income of associates and joint ventures accounted for using equity method for the three months and six months ended June 30, 2025 and 2024 amounted to NT\$(157,452) thousand, NT\$6,462 thousand, NT\$(131,357) thousand, and NT\$32,358 thousand, respectively. Those were recognized based on the financial statements of the investees not reviewed by independent auditors.

8. Property, plant and equipment

Owner occupied property, plant and equipment

	Land	Land and improvement	Buildings	Machinery and equipment	Molding equipment	Electrical equipment	Transportatio n equipment	Miscellaneous equipment	Construction in progress	Total
Cost:										
Jan. 1, 2025	\$1,340,545	\$14,343	\$4,276,058	\$2,615,005	\$9,949,201	\$316,044	\$242,270	\$1,271,864	\$9,662	\$20,034,992
Addition	88,941	-	17,740	42,464	597,455	1,473	2,425	249,004	17,605	1,017,107
Disposal	-	-	(2,825)	(110,829)	(481,166)	(543)	(2,902)	(8,159)	-	(606,424)
Other changes	-	-	2,135	-	37	-	-	799	(2,971)	-
Exchange differences	(20,016)	(218)	(147,645)	(47,690)	(16,236)	(1,273)	(2,864)	(22,997)	(497)	(259,436)
Jun. 30, 2025	<u>\$1,409,470</u>	<u>\$14,125</u>	<u>\$4,145,463</u>	<u>\$2,498,950</u>	<u>\$10,049,291</u>	<u>\$315,701</u>	<u>\$238,929</u>	<u>\$1,490,511</u>	<u>\$23,799</u>	<u>\$20,186,239</u>
Jan. 1, 2024	\$1,100,141	\$14,105	\$3,911,770	\$2,542,571	\$9,884,280	\$306,502	\$234,157	\$1,173,468	\$175,120	\$19,342,114
Addition	227,138	-	18,133	38,356	537,480	5,796	1,990	32,914	46,077	907,884
Disposal	-	-	-	(44,565)	(632,079)	-	(5,844)	(39,106)	-	(721,594)
Other changes	-	-	218,798	39	-	-	-	38	(218,875)	-
Exchange differences	7,913	(59)	40,827	9,704	(1,924)	(239)	240	8,948	4,774	70,184
Jun. 30, 2024	<u>\$1,335,192</u>	<u>\$14,046</u>	<u>\$4,189,528</u>	<u>\$2,546,105</u>	<u>\$9,787,757</u>	<u>\$312,059</u>	<u>\$230,543</u>	<u>\$1,176,262</u>	<u>\$7,096</u>	<u>\$19,598,588</u>
Depreciation and impairment:										
Jan. 1, 2025	\$-	\$10,746	\$1,816,659	\$2,091,508	\$6,247,322	\$237,647	\$161,140	\$928,168	\$-	\$11,493,190
Depreciation	-	403	74,627	64,737	568,358	7,640	8,445	58,992	-	783,202
Impairment	-	-	-	-	2,372	-	-	-	-	2,372
Disposal	-	-	(2,589)	(110,510)	(480,554)	(543)	(2,708)	(8,035)	-	(604,939)
Exchange differences	-	(218)	(52,392)	(35,966)	(14,700)	(1,216)	(2,355)	(21,004)	-	(127,851)
Jun. 30, 2025	<u>\$-</u>	<u>\$10,931</u>	<u>\$1,836,305</u>	<u>\$2,009,769</u>	<u>\$6,322,798</u>	<u>\$243,528</u>	<u>\$164,522</u>	<u>\$958,121</u>	<u>\$-</u>	<u>\$11,545,974</u>
Jan. 1, 2024	\$-	\$9,694	\$1,657,325	\$2,009,090	\$6,224,519	\$223,675	\$152,665	\$878,986	\$-	\$11,155,954
Depreciation	-	412	65,912	71,955	518,814	6,408	9,193	41,674	-	714,368
Disposal	-	-	-	(44,233)	(632,079)	-	(5,486)	(39,106)	-	(720,904)
Exchange differences	-	(60)	11,455	6,532	(2,229)	(244)	337	6,870	-	22,661
Jun. 30, 2024	<u>\$-</u>	<u>\$10,046</u>	<u>\$1,734,692</u>	<u>\$2,043,344</u>	<u>\$6,109,025</u>	<u>\$229,839</u>	<u>\$156,709</u>	<u>\$888,424</u>	<u>\$-</u>	<u>\$11,172,079</u>
Net carrying amount:										
Jun. 30, 2025	<u>\$1,409,470</u>	<u>\$3,194</u>	<u>\$2,309,158</u>	<u>\$489,181</u>	<u>\$3,726,493</u>	<u>\$72,173</u>	<u>\$74,407</u>	<u>\$532,390</u>	<u>\$23,799</u>	<u>\$8,640,265</u>
Dec. 31, 2024	<u>\$1,340,545</u>	<u>\$3,597</u>	<u>\$2,459,399</u>	<u>\$523,497</u>	<u>\$3,701,879</u>	<u>\$78,397</u>	<u>\$81,130</u>	<u>\$343,696</u>	<u>\$9,662</u>	<u>\$8,541,802</u>
Jun. 30, 2024	<u>\$1,335,192</u>	<u>\$4,000</u>	<u>\$2,454,836</u>	<u>\$502,761</u>	<u>\$3,678,732</u>	<u>\$82,220</u>	<u>\$73,834</u>	<u>\$287,838</u>	<u>\$7,096</u>	<u>\$8,426,509</u>

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

Items	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Construction in progress and prepayment for equipment	\$12,078	\$9,330
The interest rate interval of borrowing cost capitalization	1.82%~2.05%	1.61%~1.79%

The material components of the Group's building that have different useful lives are the main buildings and factories, which are depreciated based on the useful lives of 60 years and 35 years, respectively.

The material components of equipment are mainly processing equipment, and are depreciated based on the useful lives of 10 years.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

9. Prepayment for investments

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Prepayment for investments	\$1,381,104	\$-	\$-

The board of directors resolved on January 3, 2025 to acquire 50% of the shares of the joint venture held by VarrocCorp Holding BV. The payment will be made within this period, and is recognized as prepayment for investments.

10. Short-term borrowings

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Unsecured bank loans	\$792,742	\$885,521	\$1,287,806
Secured bank loans	1,217,464	1,147,650	1,005,950
Total	\$2,010,206	\$2,033,171	\$2,293,756
Interest rate interval	1.83%~6.48%	1.83%~6.48%	1.83%~7.39%

Land, buildings and structures, part of the accounts receivables and inventories are pledged as collaterals for the secured bank loans. Please refer to Note 8 for details about guarantees.

11. Short-term notes and bills payables

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Commercial paper payables	\$100,000	\$40,000	\$60,000
Less: discounts on commercial paper payables	(70)	(32)	(73)
Total	\$99,930	\$39,968	\$59,927
Interest rate interval	1.98%	1.99%	1.88%

12. Long-term borrowings

(1) Details of long-term borrowings are as follows:

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Secured loans	\$1,807,119	\$1,746,846	\$1,366,535
Credit loans	7,132,520	5,013,123	5,461,725
Subtotal	8,939,639	6,759,969	6,828,260
Less: current portion	(726,827)	(645,152)	(797,191)
Total	<u>\$8,212,812</u>	<u>\$6,114,817</u>	<u>\$6,031,069</u>
Loan period	105.12.27~ 128.12.19~	105.12.27~ 120.12.27	105.12.27~ 120.12.27
Interest rate interval	<u>1.34%~7.00%</u>	<u>1.34%~7.00%</u>	<u>1.33%~7.00%</u>

(2) W&W REAL PROPERTY, INC.'s financial ratios shall be calculated based on the information recorded in the borrower's latest certified financial report or audit report and shall comply with the financial ratios as follows: Debt service coverage ratio shall be no less than 1.35. from the execution date of and for the duration of the contract signed with California Bank & Trust (CBT).

(3) W&W REAL PROPERTY, INC.'s financial ratios shall be calculated based on the information recorded in the borrower's latest certified financial report or audit report and shall comply with the financial ratios as follows: Debt service coverage ratio shall be no less than 1.1, from the execution date of and for the duration of the contract signed with First Commercial Bank., LTD. (FCB).

(4) In 2019, the Group financed with designated banks in accordance with the "Project Loan Guidelines to Welcoming Overseas Taiwanese Businesses Return to Invest in Taiwan", and entered into contract terms and normative matters, and completed them in accordance with the approval letter.

(5) Please refer to Note 8 for information on collaterals pledged for the aforementioned long-term borrowings.

13. Post-Employment Benefits

Defined contribution plan

Expenses under the defined contribution plan for the three months ended June 30, 2025 and 2024 were NT\$22,182 thousand and NT\$21,452 thousand, respectively. Expenses under the defined contribution plan for the six months ended June 30, 2025 and 2024 were NT\$42,689 thousand and NT\$41,371 thousand, respectively.

Defined benefit plan

Expenses under the defined benefit plan for the three months ended June 30, 2025 and 2024 were NT\$882 thousand and NT\$924 thousand, respectively. Expenses under the defined benefit plan for the six months ended June 30, 2025 and 2024 were NT\$1,838 thousand and NT\$1,842 thousand, respectively.

14. Equity

(1) Common stock

As of June 30, 2025, December 31, 2024, and June 30, 2024, TYC BROTHER INDUSTRIAL CO., LTD.'s authorized and issued capital was both NT\$4,000,000 thousand with a par value at NT\$10 per share, accounting to 400,000 thousand common shares. Its ordinary share capital amounted to \$3,128,979 with 312,898 thousand common shares. It also issued preferred shares capital in the amount of \$300,000, divided into 30,000 thousand shares.

Preferred stock

On 25 March 2021, the Company's board of directors resolved to increase capital by issuing preference shares A, which was approved by the FSC under a letter dated 26 May 2021. The record date of capital increase was set as 5 August 2021. The Company was expected to issue 30,000 thousand shares with a par value of NT\$10 per share at the issue price of NT\$50 per share. The rights and obligations of this issue are as follows:

- A. Maturity date: No maturity date. The preferred shareholders have no rights to request the Company to buy back preferred share A. The Company has the right to buy back all or part of the preferred share A as of five years after the issue date. The preferred shares still outstanding will retain the aforementioned rights and obligations. If the Company pays out dividends in the year of buyback, the dividend amount will be prorated based on the outstanding days.
- B. Dividends: The dividend yield of the preferred share A is 4% (annual rate), (5-year interest rate swap (IRS) rate, 0.64275% + fixed rate, 3.35725%) and calculated at the issue price per share. The five-year IRS rate will be reset on the next business day five years after the issue date and every five years thereafter. The record date of the reset is two business days of financial institutions in Taipei prior to the reset date. The five-year IRS rate is the arithmetic means of the offer prices of Reuter's TAIFXIRS and COSMOS3 at 11 a.m. on the record date of the reset (business day of financial institutions in Taipei). If the aforesaid offer prices are unavailable on the record date of the reset, the five-year IRS rate shall be determined by the Company based on the principle of good faith and reasonable market conditions.
- C. Dividend payment: The dividends of preferred share A are fully distributed in cash every year. After the financial statements are adopted in an annual general meeting, the board of directors shall authorize the chairman to set the record date for paying the preferred share dividends of the previous year. The number of dividends issued in the year of issue and in the year of redemption is calculated based on the actual number of days of issue in the current year.

- D. The Company shall apply the current year's earnings, if any, to pay for taxes as stipulated by laws and regulations, offset accumulated losses of previous years, and allocate 10% as legal reserve pursuant to laws and regulations. Special reserve shall be set aside or reversed from net shareholders' equity reduction in current or accumulative in prior years in accordance with related regulations. The remaining earnings along with the accumulated unappropriated earnings in prior years as shareholders' bonus shall be appropriated as preferred share dividends in accordance with Article 7-1, Articles of Incorporation.
- E. The Company has discretion over the distribution of preferred stock dividends. If the Company does not generate any or sufficient profits during the year for the distribution of preferred stock dividends, it may resolve not to pay out the dividends and preferred stockholders have no rights to object. The board of directors shall propose a surplus earnings distribution in accordance with Article 32-1, Articles of Incorporation to be adopted by the annual general meeting. After the surplus earnings distribution is adopted, the distributable amount of preferred share and common shares shall be distributed to preferred shares first.
- F. The preferred shares A issued are non-cumulative. That is, the undistributed dividends or shortages in dividends distributed shall not be accumulated and paid in subsequent years when profits are generated.
- G. Participating privilege: The shareholders of preferred share A are not entitled to cash-settled or share dividends derived from earnings or capital reserve.
- H. Distribution of residual property: Shareholders of preferred share A have a higher claim to the Company's residual properties than common stockholders. Different types of preferred shares issued by the Company grant holders the same rights to claims, and the shareholders of preferred share A stay subordinate to general creditors. The amount that the shareholders of preferred share A are entitled to is capped at the product of the number of outstanding preferred shares at the time of distribution and issuance price.
- I. Voting rights: Shareholders of preferred share A have neither voting nor election rights. However, they may be elected as directors. They have voting rights in preferred shareholders' meetings or with respect to agendas associated with the rights and obligations of preferred shareholders in shareholders' meetings.
- J. Conversion to ordinary shares: Preferred share A is non-convertible.
- K. Capital reserve issued at preferred share A premium shall not be used as capital during the issuance of the preferred share.
- L. For cash offering of new shares, the shareholders of preferred share A have the same preemptive rights as the common shareholders.

(2) Capital surplus

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Issuance of shares			
Common stock	\$1,023,509	\$1,023,509	\$1,023,509
Preferred stock	1,195,878	1,195,878	1,195,878
Subtotal	2,219,387	2,219,387	2,219,387
Treasury stock transactions	28,891	28,891	28,891
Bond conversion	239,469	239,469	239,469
Share of changes in net assets of associate and joint ventures accounted for using the equity method	73,530	73,530	73,530
Adjustments for dividends paid to subsidiaries from parent company	16,623	16,623	14,743
Other	4,780	4,547	4,559
Total	\$2,582,680	\$2,582,447	\$2,580,579

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

(3) Treasury stock

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Company's shares held by the subsidiary, TI FU INVESTMENT CO., LTD., was both NT\$5,996 thousand, accounting to 940 thousand shares. These shares held by TI FU INVESTMENT CO. LTD. were acquired for the operation before the amendment of the Company Act on 12 November 2001.

(4) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, the current year's net income, after deducting payment of taxes and making up losses for preceding years, shall appropriate 10% as legal reserve, except for when accumulated legal reserve has reached the Company's paid-in capital, the rest shall be appropriated or reserved as special reserve as legally required. If there is still a remaining balance, together with the accumulated undistributed earnings, the Company shall distribute it according to the distribution plan of special dividends (not less than 50% of the available surplus for the current year, of which the cash dividend shall not be less than 10%). The board of directors shall draft a distribution proposal and submit it to the shareholders meeting for a resolution of distribution.

According to the Company Act, the Company needs to set aside amount to legal reserve unless such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on June 30, 2021 issued Order No.

Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The appropriations of earnings for 2024 and 2023 were resolved at the general shareholders’ meeting on June 19, 2025 and June 18, 2024, respectively. The proposals were as follows:

			Appropriation of earnings		Dividend per share (NT\$)	
			2024	2023	2024	2023
Legal reserve			\$156,116	\$106,744		
Special reserve			(109,965)	115,752		
Common	stock	-cash	938,694	625,796	NT\$3.0	NT\$2.0
dividend					per share	per share
Preferred	stock	-cash	60,000	60,000	NT\$2.0	NT\$2.0
dividend					per share	per share

Please refer to Note 6.(18) for relevant information on estimation basis and recognized amount of employees’ compensations and remunerations to directors.

(6) Non-controlling interests

	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Beginning balance	\$324,104	\$338,773
Profit (loss) attributable to non-controlling interests	18,410	34,511
Other comprehensive income attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	(17,644)	400
Dividends distributed by subsidiaries	(34,904)	(32,000)
Others	-	(30,000)
Ending balance	<u>\$289,966</u>	<u>\$311,684</u>

15. Operating revenue

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Revenue from contracts with customers				
Sale of goods	<u>\$4,323,675</u>	<u>\$5,187,834</u>	<u>\$9,236,420</u>	<u>\$10,304,004</u>

Please refer to Note 14 for information on details of revenue.

16. Expected credit losses / (gains)

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Operating expense - expected credit losses(gains)				
Notes receivables	\$15	\$18	\$14	\$33
Accounts receivables	<u>(14,587)</u>	<u>4,197</u>	<u>(13,237)</u>	<u>7,763</u>
Total	<u>\$ (14,572)</u>	<u>\$4,215</u>	<u>\$ (13,223)</u>	<u>\$7,796</u>

Please refer to Note 12 for more details on credit risk.

The credit risk of financial assets at amortized cost is assessed as low as of June 30, 2025 and 2024 (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Group transacts with are financial institutions with good credit, no allowance for losses has been provided for the six months ended June 30, 2025 and 2024.

The Group measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at June 30, 2025, December 31, 2024, and June 30, 2024 is as follows:

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

As at June 30, 2025

	Not yet due (Note)	Overdue				Carrying amount
		<=90 days	91-180 days	181-270 days	>=271 days	
Gross carrying amount	\$2,993,645	\$462,946	\$63,871	\$4,859	\$217,450	\$3,742,771
Loss ratio	0%~1%	1%~10%	20%~55%	100%	100%	
Lifetime expected credit losses	(7,236)	(26,651)	(19,970)	(4,859)	(217,450)	(276,166)
Carrying amount	<u>\$2,986,409</u>	<u>\$436,295</u>	<u>\$43,901</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,466,605</u>

As at December 31, 2024

	Not yet due (Note)	Overdue				Carrying amount
		<=90 days	91-180 days	181-270 days	>=271 days	
Gross carrying amount	\$3,550,205	\$461,908	\$15,236	\$4,010	\$223,076	\$4,254,435
Loss ratio	0%~1%	1%~10%	40%~50%	100%	100%	
Lifetime expected credit losses	(31,039)	(26,037)	(6,244)	(4,010)	(223,076)	(290,406)
Carrying amount	<u>\$3,519,166</u>	<u>\$435,871</u>	<u>\$8,992</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,964,029</u>

As at June 30, 2024

	Not yet due (Note)	Overdue				Carrying amount
		<=90 days	91-180 days	181-270 days	>=271 days	
Gross carrying amount	\$4,112,844	\$197,571	\$6,963	\$1,317	\$222,139	\$4,540,834
Loss ratio	0%~1%	1%~5%	50%~55%	80%~90%	100%	
Lifetime expected credit losses	(20,082)	(5,490)	(3,725)	(1,138)	(222,139)	(252,574)
Carrying amount	<u>\$4,092,762</u>	<u>\$192,081</u>	<u>\$3,238</u>	<u>\$179</u>	<u>\$-</u>	<u>\$4,288,260</u>

Note: The Group's note receivables are not overdue.

The movement in the provision for impairment of note receivables and accounts receivables for the six months ended June 30, 2025 and 2024 is as follows:

	Notes receivables	Accounts receivables
Jan. 1, 2025	\$15	\$290,391
Addition (reversal)	14	(13,237)
Write-off due to uncollectibility	-	(1,017)
Jun. 30, 2025	<u>\$29</u>	<u>\$276,137</u>
	Notes receivables	Accounts receivables
Jan. 1, 2024	\$26	\$244,752
Addition	33	7,763
Jun. 30, 2024	<u>\$59</u>	<u>\$252,515</u>

17. Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land, buildings machinery and equipment, transportation equipment and other equipment. The lease terms range from 3 to 50 years.

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

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Land	\$981,885	\$990,194	\$989,672
Buildings	754,672	901,613	955,019
Transportation equipment	746	94	190
Office equipment	78	111	128
Total	<u>\$1,737,381</u>	<u>\$1,892,012</u>	<u>\$1,945,009</u>

For the six months ended June 30, 2025 and 2024, the Group's additions to right-of-use assets amounting to NT\$36,765 thousand and NT\$32,063 thousand, respectively.

(b) Lease liabilities

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Current	\$236,850	\$284,589	\$265,109
Non-current	622,837	1,450,573	1,541,114
Total	<u>\$859,687</u>	<u>\$1,735,162</u>	<u>\$1,806,223</u>

Please refer to Note 6.19(3) for the interest on lease liabilities recognized for the six months ended June 30, 2025 and 2024 and refer to Note 12. (5) Liquidity Risk Management for the maturity analysis for lease liabilities as at June 30, 2025 and 2024.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Land	\$667	\$697	\$1,364	\$1,382
Buildings	59,019	53,732	119,883	103,879
Transportation equipment	59	52	116	104
Office equipment	14	13	28	26
Total	<u>\$59,759</u>	<u>\$54,494</u>	<u>\$121,391</u>	<u>\$105,391</u>

C. Income and costs relating to leasing activities

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
The expenses relating to short-term leases	\$739	\$2,248	\$1,750	\$5,699
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	323	264	633	549

D. Cash outflow relating to leasing activities

For the six months ended June 30, 2025 and 2024, the Group's total cash outflows for leases amounting to NT\$173,148 thousand and NT\$169,715 thousand, respectively.

18. The Group's aggregate information on personnel, depreciation and amortization expenses is as follows:

Function Character	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense						
Salaries	\$238,434	\$260,917	\$499,351	\$246,109	\$281,445	\$527,554
Insurances	27,367	32,650	60,017	26,922	29,100	56,022
Pensions	9,781	13,283	23,064	9,887	12,489	22,376
Other personnel expenses	14,964	6,901	21,865	15,534	7,067	22,601
Depreciations	359,610	108,573	468,183	324,492	91,667	416,159
Amortization	3,669	3,273	6,942	4,428	5,087	9,515

Function Character	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense						
Salaries	\$486,612	\$542,001	\$1,028,613	\$485,592	\$561,892	\$1,047,484
Insurances	54,385	68,093	122,478	53,591	60,606	114,197
Pensions	19,563	24,964	44,527	19,602	23,611	43,213
Other personnel expenses	30,273	14,280	44,553	30,984	14,101	45,085
Depreciations	693,058	211,535	904,593	640,938	178,821	819,759
Amortization	7,377	6,798	14,175	8,158	8,257	16,415

According to the Articles of Incorporation, 2% of profit of the current year is distributable as employees' compensation, of which the proportion distributed to basic employees shall not be lower than 50%, and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The amount distributable as basic employees' compensation shall not be lower than 1%. The Company may have the profit distributable as employees' compensation in the form of shares or in cash, and employees of affiliated company meeting certain specific requirements may be entitled to receive the employees' compensation. The requirements and distribution are authorized to the board of directors for determination. The distribution shall be resolved by the board of directors and reported to the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit level for the three months ended June 30, 2025, the Company reversed NT\$(12,000) thousand of employees' compensation and NT\$(5,500) thousands of remunerations to directors, and recognized both NT\$0 thousand of employees' compensation and remunerations to directors as salaries expenses for the six months ended June 30, 2025. Based on the profit level for the three months ended June 30, 2024, the Company accrued NT\$9,000 thousand of employees' compensation and NT\$4,500 thousand of remunerations to directors, and recognized NT\$18,000 thousand of employees' compensation and NT\$9,000 thousand remunerations as salaries expenses for the six months ended June 30, 2024.

A resolution was approved at a Board of Directors meeting held on 13 March 2025 to distribute NT\$46,000 thousand and NT\$24,000 thousand in cash as employee's compensation and remuneration to directors, respectively, which are not significantly different from the amounts of expenses recognized in the financial statements for the year ended December 31, 2024.

19. Non-operating income and expenses

(1) Other income

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Rent income	\$2,127	\$2,297	\$4,354	\$4,339
Interest income	13,211	10,003	15,591	17,525
Dividend income	900	720	900	720
Other income - other	24,512	16,349	42,113	29,939
Total	<u>\$40,750</u>	<u>\$29,369</u>	<u>\$62,958</u>	<u>\$52,523</u>

(2) Other gains and losses

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Gains (losses) on disposal of property, plant and equipment	\$(712)	\$277	\$(623)	\$683
Foreign exchange gains (losses), net	(586,743)	68,639	(450,798)	250,682
Gains (losses) on financial assets or liabilities at fair value through profit or loss	9,067	(7,758)	(2,021)	(17,382)
Other income (losses)	124,061	(2,858)	20,782	(5,500)
Total	<u>\$(454,327)</u>	<u>\$58,300</u>	<u>\$(432,660)</u>	<u>\$228,483</u>

(3) Finance costs

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Interest on borrowings from bank	\$(74,300)	\$(72,869)	\$(139,029)	\$(145,702)
Interest on lease liabilities	(11,566)	(17,111)	(26,855)	(34,901)
Total	<u>\$(85,866)</u>	<u>\$(89,980)</u>	<u>\$(165,884)</u>	<u>\$(180,603)</u>

20. Components of other comprehensive income (loss)

For the three months ended June 30, 2025

	Arising during the period	Income tax profit (expense)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gains (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$(18,665)	\$-	\$(18,665)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(400,408)	76,468	(323,940)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(196,814)	39,363	(157,451)
Total	<u><u>\$(615,887)</u></u>	<u><u>\$115,831</u></u>	<u><u>\$(500,056)</u></u>

For the three months ended June 30, 2024

	Arising during the period	Income tax profit (expense)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gains (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$(18,266)	\$-	\$(18,266)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	35,292	(7,530)	27,762
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	8,078	(1,616)	6,462
Total	<u><u>\$25,104</u></u>	<u><u>\$(9,146)</u></u>	<u><u>\$15,958</u></u>

For the six months ended June 30, 2025

	Arising during the period	Income tax profit (expense)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gains (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$(36,384)	\$-	\$(36,384)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(304,173)	57,306	(246,867)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(164,196)	32,839	(131,357)
Total	<u>\$(504,753)</u>	<u>\$90,145</u>	<u>\$(414,608)</u>

For the six months ended June 30, 2024

	Arising during the period	Income tax profit (expense)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gains (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income	\$(33,837)	\$-	\$(33,837)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	134,561	(26,832)	107,729
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	40,448	(8,090)	32,358
Total	<u>\$141,172</u>	<u>\$(34,922)</u>	<u>\$106,250</u>

21. Income tax

The major components of income tax expense (benefit) are as follows:

Income tax expense recognized in profit or loss

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Current income tax expense (benefit):				
Current income tax	\$96,186	\$180,821	\$234,508	\$344,130
Adjustments to current income tax in prior years	(6,513)	(8,472)	(6,513)	(8,472)
Deferred tax expense (benefit):				
Deferred tax expense (benefit) related to origination and reversal of temporary differences	(153,327)	(11,231)	(179,826)	13,421
Other components of deferred tax expense (profit)	(2,124)	(410)	(2,371)	(1,282)
Total income tax expense	<u>\$(65,778)</u>	<u>\$160,708</u>	<u>\$45,798</u>	<u>\$347,797</u>

Income tax relating to components of other comprehensive income

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Deferred tax expense (benefit):				
Exchange differences on translation of foreign operations	\$(76,468)	\$7,530	\$(57,306)	\$26,832
Share of other comprehensive income of associates and joint ventures accounted for using equity method	<u>(39,363)</u>	<u>1,616</u>	<u>(32,839)</u>	<u>8,090</u>
Income tax relating to components of other comprehensive income	<u>\$(115,831)</u>	<u>\$9,146</u>	<u>\$(90,145)</u>	<u>\$34,922</u>

The assessment of income tax returns

As at June 30, 2025, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	2023
Subsidiary – JUOKU TECHNOLOGY	2023
Subsidiary – DBM	2023
Subsidiary – TI YUAN	2023
Subsidiary – TI FU	2023

22. Earnings per share

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

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
(1) Basic earnings (losses) per share				
Profit (loss) attributable to owners of the parent company (in thousand NT\$)	\$(342,288)	\$573,868	\$91,742	\$1,202,011
Preferred stock dividends (in thousand NT\$)	(60,000)	(60,000)	(60,000)	(60,000)
Profit (loss) attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>(402,288)</u>	<u>513,868</u>	<u>31,742</u>	<u>1,142,011</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>311,958</u>	<u>311,958</u>	<u>311,958</u>	<u>311,958</u>
Basic earnings (losses) per share (NT\$)	<u>\$ (1.29)</u>	<u>\$ 1.65</u>	<u>\$ 0.10</u>	<u>\$ 3.66</u>

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
(2) Diluted earnings (losses) per share				
Profit (loss) attributable to owners of the parent company (in thousand NT\$)	\$(342,288)	\$573,868	\$91,742	\$1,202,011
Preferred stock dividends (in thousand NT\$)	(60,000)	(60,000)	(60,000)	(60,000)
Profit (loss) attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>(402,288)</u>	<u>513,868</u>	<u>31,742</u>	<u>1,142,011</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	311,958	311,958	311,958	311,958
Effect of dilution:				
Employees' compensation — stock (in thousands)	<u>-</u>	<u>251</u>	<u>257</u>	<u>510</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>311,958</u>	<u>312,209</u>	<u>312,215</u>	<u>312,468</u>
Diluted earnings (losses) per share (NT\$)	<u>\$(1.29)</u>	<u>\$1.64</u>	<u>\$0.10</u>	<u>\$3.65</u>

During the reporting date and the date the financial statement was prepared, no other transactions affected the common shares and dilutive potential ordinary shares.

VII. RELATED PARTIES TRANSACTIONS

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

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationships of the related parties</u>
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	The Group is director of the Company
I YUAN PRECISION INDUSTRIAL CO., LTD	Associate
JNS AUTO PARTS LIMITED	Associate
KUNSHAN ATECH AUTOPARTS MANUFACTURING CO., LTD.	Associate
TYC CHANGZHOU AUTO PARTS CO., LTD. (Note)	Joint Venture
PT ASTRA JUOKU INDONESIA	Joint Venture
FORTOP INDUSTRIAL CO., LTD.	Substantive related party
BUILDUP INTERNATIONAL TRADING CO., LTD.	Substantive related party
DBM REFLEX ENTERPRISES INC.	Substantive related party

Note: VARROC TYC AUTO LAMPS CO.,LTD. has been renamed to TYC CHANGZHOU AUTO PARTS CO., LTD. in May 2025.

Significant related party transactions

(1) Sales

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Joint Venture				
PT ASTRA JUOKU INDONESIA	\$17,385	\$19,663	\$46,008	\$41,021
TYC CHANGZHOU AUTO PARTS CO., LTD.	10,419	22,050	20,999	39,290
Subtotal	27,804	41,713	67,007	80,311
Associate	-	-	914	-
Other related party				
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	13,208	15,769	24,625	29,585
Other	5,001	3,761	9,760	7,473
Subtotal	18,209	19,530	34,385	37,058
Total	\$46,013	\$61,243	\$102,306	\$117,369

The Group sold products to some related parties who were single manufacturers, therefore the price could not be compared. The payment term was T/T 150 days. The sales price of some related parties is equivalent to that of non-related parties, and the terms of collection are every other month, payable between 1 to 3 months, which is equivalent to ordinary transactions.

(2) Purchases

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Joint Venture	\$3,866	\$5,728	\$10,199	\$9,346
Associate				
I YUAN PRECISION INDUSTRIAL CO., LTD	68,293	67,312	133,664	137,034
Other	2,846	2,139	5,989	4,783
Subtotal	71,139	69,451	139,653	141,817
Other related party				
FORTOP INDUSTRIAL CO., LTD.	229,032	237,015	483,917	478,826
BUILDUP INTERNATIONAL TRADING CO., LTD.	61,685	66,541	125,712	135,145
Other	3,971	4,738	10,363	10,698
Subtotal	294,688	308,294	619,992	624,669
Total	\$369,693	\$383,473	\$769,844	\$775,832

The Group purchases goods from some related parties. The bargaining method for purchases is the same as that of non-related parties. The payment terms are the next month of the purchase, payable between 1 to 3 months, which is equivalent to ordinary transactions. The purchase price and payment terms of other related parties are equivalent to those of ordinary transactions.

(3) Notes receivables - related parties

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Joint venture	\$1,440	\$3,410	\$3,943
Other related parties	329	697	364
Total	\$1,769	\$4,107	\$4,307

(4) Accounts receivables - related parties

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Joint Venture			
PT ASTRA JUOKU INDONESIA	\$17,387	\$24,064	\$19,715
TYC CHANGZHOU AUTO PARTS CO., LTD.	13,115	22,851	15,908
Others	989	-	-
Subtotal	<u>31,491</u>	<u>46,915</u>	<u>35,623</u>
Associate	<u>-</u>	<u>728</u>	<u>-</u>
Other related party			
BRITEVIEW AUTOMOTIVE LIGHTING CO., LTD.	19,598	18,988	24,027
Other	1,538	1,550	1,203
Subtotal	<u>21,136</u>	<u>20,538</u>	<u>25,230</u>
Total	52,627	68,181	60,853
Less: allowance for doubtful accounts	(284)	(650)	(4,270)
Net	<u>\$52,343</u>	<u>\$67,531</u>	<u>\$56,583</u>

(5) Other receivables – related parties

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Joint Venture			
TYC CHANGZHOU AUTO PARTS CO., LTD.	\$-	\$1,580	\$-
PT ASTRA JUOKU INDONESIA	6,491	13,368	9,682
Subtotal	<u>6,491</u>	<u>14,948</u>	<u>9,682</u>
Associate	93	9,468	10
Other related parties	65	-	68
Total	<u>\$6,649</u>	<u>\$24,416</u>	<u>\$9,760</u>

(6) Fund financing

Funds financed to related parties are as follows: (recognized as other receivables)

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Joint Venture			
TYC CHANGZHOU AUTO PARTS CO., LTD.	<u>\$182,970</u>	<u>\$195,932</u>	<u>\$309,400</u>

(7) Accounts payables - related parties

	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024
Joint Venture	\$4,009	\$4,974	\$663
Associate			
I YUAN PRECISION INDUSTRIAL CO., LTD	97,989	139,798	103,938
Other	1,495	1,209	1,362
Subtotal	99,484	141,007	105,300
Other related party			
FORTOP INDUSTRIAL CO., LTD.	328,808	302,107	334,930
Other	41,868	45,007	38,618
Subtotal	370,676	347,114	373,548
Total	\$474,169	\$493,095	\$479,511

(8) Property transactions

Acquisition of property, plant and equipment

	Consideration of acquisition			
	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Other related party				
BUILDUP INTERNATIONAL TRADING CO., LTD.	\$96,830	\$-	\$96,830	\$-

The prices of property transactions with related parties are negotiated by referring to market prices by both parties.

(9) Key management personnel compensation

	For the three months ended Jun. 30, 2025	For the three months ended Jun. 30, 2024	For the six months ended Jun. 30, 2025	For the six months ended Jun. 30, 2024
Short-term employee benefits	\$12,352	\$10,554	\$25,408	\$22,272
Post-employment benefits	162	161	323	321
Total	\$12,514	\$10,715	\$25,731	\$22,593

VIII. ASSETS PLEDGED AS SECURITY

The following table lists assets of the Group pledged as collateral:

Item	Carrying amount			Purpose of pledge
	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2024	
Property, plant and equipment - Land	\$458,772	\$476,102	\$474,414	Bank borrowings
Property, plant and equipment - Buildings	1,504,847	1,058,470	1,022,388	Bank borrowings
Refundable deposits	-	23,511	23,511	Collateral for land lease
Inventories	512,750	573,825	567,875	Bank borrowings
Accounts receivables	1,328,548	1,315,587	1,399,027	Bank borrowings
Total	<u>\$3,804,917</u>	<u>\$3,447,495</u>	<u>\$3,487,215</u>	

IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENT

As at June 30, 2025, the Group is involved in the following activities that are not shown in the financial statements:

1. In order to assist the subsidiary T.I.T. INTERNATIONAL CO., LTD. in obtaining loan credit line, the Company issued a Stand-by L/C USD 1,000 thousand as a guarantee as of June 30, 2025.
2. According to “The Regulations Governing the Establishment and Management of Bonded Warehouses”, the Company paid guarantee payable of bonded warehouse registration in the amount of NT\$ 8,500 thousand as of June 30, 2025.

X. SIGNIFICANT DISASTER LOSS

None.

XI. SIGNIFICANT SUBSEQUENT EVENTS

None.

XII. OTHER

1. Categories of financial instruments

Financial Assets

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	<u>\$507</u>	<u>\$-</u>	<u>\$82</u>
Financial assets at fair value through other comprehensive income:			
Investments in equity instruments	151,481	167,628	199,118
Accounts receivables	<u>424,066</u>	<u>591,767</u>	<u>365,119</u>
Subtotal	<u>575,547</u>	<u>759,395</u>	<u>564,237</u>
Financial assets at amortized cost			
Cash and cash equivalents (excluding cash on hand)	1,236,801	1,536,205	1,694,699
Financial assets measured at amortized cost	62,873	90,514	134,052
Notes receivables (related parties included)	11,746	10,981	20,623
Accounts receivables (related parties included)	3,030,793	3,361,281	3,902,518
Other receivables	337,992	405,367	449,070
Refundable deposits	<u>34,248</u>	<u>58,136</u>	<u>62,176</u>
Subtotal	<u>4,714,453</u>	<u>5,462,484</u>	<u>6,263,138</u>
Total	<u><u>\$5,290,507</u></u>	<u><u>\$6,221,879</u></u>	<u><u>\$6,827,457</u></u>

Financial liabilities

	<u>Jun. 30, 2025</u>	<u>Dec. 31, 2024</u>	<u>Jun. 30, 2024</u>
Financial liabilities measured at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	<u>\$174</u>	<u>\$7,598</u>	<u>\$-</u>
Financial liabilities measured at amortized cost:			
Short-term borrowings and short-term notes and bills payable	2,110,136	2,073,139	2,353,683
Payables	5,683,299	5,060,637	5,072,814
Long-term borrowings (current portion included)	8,939,639	6,759,969	6,828,260
Lease liabilities	859,687	1,735,162	1,806,223
Guarantee deposit (under the account of other non-current liabilities-others)	<u>67,611</u>	<u>75,855</u>	<u>58,120</u>
Subtotal	<u>17,660,372</u>	<u>15,704,762</u>	<u>16,119,100</u>
Total	<u><u>\$17,660,546</u></u>	<u><u>\$15,712,360</u></u>	<u><u>\$16,119,100</u></u>

2. Financial risk management objectives and policies

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

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

3. Market risk

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

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependence between risk variables.

Foreign currency risk

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

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

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

- a. When NTD strengthens/weakens against USD by 1%, the profit or loss for the six months ended June 30, 2025 and 2024 will decrease/increase by NT\$2,836 thousand and NT\$4,079 thousand, respectively.
- b. When NTD strengthens/weakens against EUR by 1%, the profit or loss for the six months ended June 30, 2025 and 2024 will decrease/increase by NT\$9,186 thousand and NT\$13,938 thousand, respectively.

Interest rate risk

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

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit or loss for the six months ended June 30, 2025 and 2024 to decrease/ increase by NT\$4,847 thousand and NT\$3,681 thousand, respectively.

Equity price risk

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

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

4. Credit risk management

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

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

As at June 30, 2025, December 31, 2024, and June 30, 2024, accounts receivables from top ten customers represented 34%, 43% and 38% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

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

5. Liquidity risk management

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

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Jun. 30, 2025					
Borrowings	\$4,215,824	\$6,463,243	\$238,855	\$420,117	\$11,338,039
Short-term notes and bills payable	100,000	-	-	-	100,000
Payables	5,683,299	-	-	-	5,683,299
Lease liabilities (Note)	270,492	442,812	118,741	127,420	959,465
Dec. 31, 2024					
Borrowings	\$2,779,374	\$5,751,663	\$561,258	\$19,902	\$9,112,197
Short-term notes and bills payable	40,000	-	-	-	40,000
Payables	5,060,637	-	-	-	5,060,637
Lease liabilities (Note)	330,012	505,563	233,750	709,124	1,778,449
Jun. 30, 2023					
Borrowings	\$3,218,087	\$4,741,751	\$404,017	\$409,181	\$8,773,036
Short-term notes and bills payable	60,000	-	-	-	60,000
Payables	5,072,814	-	-	-	5,072,814
Lease liabilities (Note)	324,575	566,711	281,366	756,518	1,929,170

Note : Information about the maturities of lease liabilities is provided in the table below:

	Maturities				
	Less than 5 years	5 to 10 years	10 to 15 years	Over 15 years	Total
Jun. 30, 2025	\$832,045	\$120,640	\$3,600	\$3,180	\$959,465
Dec. 31, 2024	1,069,325	709,124	-	-	1,778,449
Jun. 30, 2024	1,172,652	416,841	339,677	-	1,929,170

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six months ended June 30, 2025 and 2024:

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (current portion included)	Guarantee deposit	Guarantee deposit	Total liabilities from financing activities
Jan. 1, 2025	\$2,033,171	\$39,968	\$6,759,969	\$1,735,162	\$75,855	\$10,644,125
Cash flows	169,483	59,962	2,227,129	(143,910)	(1,981)	2,310,683
Non-cash change	-	-	-	(656,956)	-	(656,956)
Foreign exchange movement	(192,448)	-	(47,459)	(74,609)	(6,263)	(320,779)
Jun. 30, 2025	<u>\$2,010,206</u>	<u>\$99,930</u>	<u>\$8,939,639</u>	<u>\$859,687</u>	<u>\$67,611</u>	<u>\$11,977,073</u>
Jan. 1, 2024	\$2,247,396	\$159,925	\$6,596,168	\$2,011,481	\$43,974	\$11,058,944
Cash flows	(18,373)	(99,998)	214,806	(128,566)	12,969	(19,162)
Non-cash change	-	-	-	(130,015)	-	(130,015)
Foreign exchange movement	64,733	-	17,286	53,323	1,177	136,519
Jun. 30, 2024	<u>\$2,293,756</u>	<u>\$59,927</u>	<u>\$6,828,260</u>	<u>\$1,806,223</u>	<u>\$58,120</u>	<u>\$11,046,286</u>

7. Fair value of financial instruments

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

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

- A. The carrying amount of cash and cash equivalents, trade receivables, accounts payable, and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities etc.) at the reporting date.

- C. Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities)
- D. Fair value of debt instruments without market quotations, bank loans, short-term notes and bills payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

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

The carrying amount of financial assets and liabilities at fair value through profit or loss approaches fair value.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Group.

8. Derivative financial instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments is not qualified for hedge accounting and is not yet settled as at June 30, 2025, December 31, 2024, and June 30, 2024 is as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Item (by contract)	Notional Amount	Contract Period
As at Jun. 30, 2025		
Forward currency contracts	Sell foreign currency USD 2,000 thousand	From June 23, 2025 to July 29, 2025
As at Dec. 31, 2024		
Forward currency contracts	Sell foreign currency USD 13,000 thousand	From October 17, 2024 to March 11, 2025
As at Jun. 30, 2024		
Forward currency contracts	Sell foreign currency USD 1,000 thousand	From June 26, 2024 to July 15, 2024

With regard to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

The aforementioned derivatives transaction counterparties are well-known domestic and foreign banks with good credit, so the credit risk is not high.

9. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

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

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

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

Level 3 - Unobservable inputs for the asset or liability

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

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

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

Jun. 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contracts	\$-	\$507	\$-	\$507
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income	94,087	-	57,394	151,481
Accounts receivables	-	424,066	-	424,066
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	-	174	-	174

Dec. 31, 2024

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income	\$110,234	\$-	\$57,394	\$167,628
Accounts receivables	-	591,767	-	591,767
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward currency contracts	-	7,598	-	7,598

Jun. 30, 2024

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Forward currency contracts	\$-	\$82	\$-	\$82
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income	132,948	-	66,170	199,118
Accounts receivables	-	365,119	-	365,119

Transfer between fair value hierarchy level 1 and level 2

For the six months ended June 30, 2025 and 2024, there was no transfer between fair value hierarchy level 1 and level 2 in the assets and liabilities measured at fair value on a recurring basis.

Information on significant unobservable inputs to valuation

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

As at June 30, 2025

	Valuation	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
	techniques				
Financial Assets:					
Financial assets at					
fair value through					
other					
comprehensive					
income, non-current					
stocks	Market	discount for	30%	The higher the	10% increase (decrease) in
	approach	lack of		discount for lack of	the discount for lack of
		marketability		marketability, the	marketability would result
				lower the fair value	in (decrease) increase in
				of the stocks	the Group's profit or loss
					by NT\$10,147 thousand

As at December 31, 2024

	Valuation	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
	techniques				
Financial Assets:					
Financial assets at					
fair value through					
other					
comprehensive					
income, non-current					
stocks	Market	discount for	30%	The higher the	10% increase (decrease) in
	approach	lack of		discount for lack of	the discount for lack of
		marketability		marketability, the	marketability would result
				lower the fair value	in (decrease) increase in
				of the stocks	the Group's profit or loss
					by NT\$7,277 thousand

As at June 30, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial Assets:					
Financial assets at fair value through other comprehensive income, non-current					
stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's profit or loss by NT\$5,597 thousand

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

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

10. Significant assets and liabilities denominated in foreign currencies

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

	Jun. 30, 2025		
	Foreign Currency	Exchange	NTD
Financial Assets			
Monetary items:			
USD	\$115,962	29.300	\$3,397,687
EUR	29,651	34.350	1,018,512
CNY	27,179	4.091	111,189
Financial liabilities			
Monetary items:			
USD	106,284	29.300	3,114,121
EUR	2,908	34.350	99,890
CNY	51,204	4.091	209,476

	Dec. 31, 2024		
	Foreign Currency	Exchange	NTD
Financial Assets			
Monetary items:			
USD	\$110,748	32.790	\$3,631,427
EUR	31,570	34.140	1,077,800
CNY	51,368	4.478	230,026
Financial liabilities			
Monetary items:			
USD	100,110	32.790	3,282,607
EUR	3,327	34.140	113,584
CNY	39,243	4.478	175,730

	Jun. 30, 2024		
	Foreign Currency	Exchange	NTD
Financial Assets			
Monetary items:			
USD	\$118,186	32.450	\$3,835,136
EUR	43,890	34.710	1,523,422
CNY	57,229	4.445	254,383
Financial liabilities			
Monetary items:			
USD	105,617	32.450	3,427,272
EUR	3,735	34.710	129,642
CNY	32,383	4.445	143,942

The Group has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the three months ended June 30, 2025 and 2024, the foreign exchange gains (losses) on monetary financial assets and financial liabilities were NT\$(586,743) thousand, NT\$68,639 thousand, respectively. For the six months ended June 30, 2025 and 2024, the foreign exchange gains (losses) on monetary financial assets and financial liabilities were NT\$(450,798) thousand, NT\$250,682 thousand, respectively.

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

11. Financial assets transfer information – Derecognition of transferred financial asset in its entirety

Part of the Group's trade receivables has signed non-recourse transfer contracts with financial institutions. In addition to the transfer of the rights of these trade receivables to the cash flow contracts, the Group is also not required to bear the credit risk of the inability to recover these trade receivables according to the contract (except for commercial disputes), which met the conditions for derecognizing financial assets.

The relevant transaction information is as follows:

Jun. 30, 2025			
Counterparty for the sale	Transferred amount	Advance amount	Interest rate range
Bank of America	\$418,545 (USD 14,285 thousand)	\$418,545 (USD 14,285 thousand)	5.56%~ 5.71%
Dec. 31, 2024			
Counterparty for the sale	Transferred amount	Advance amount	Interest rate range
Bank of America	\$407,834 (USD 12,438 thousand)	\$407,834 (USD 12,438 thousand)	4.41%~6.71%
Jun. 30, 2024			
Counterparty for the sale	Transferred amount	Advance amount	Interest rate range
Bank of America	\$474,577 (USD 14,625 thousand)	\$474,577 (USD 14,625 thousand)	6.38%~ 6.78%

12. Capital management

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

XIII. ADDITIONAL DISCLOSURES

(1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

- (a) Financing provided to others: Please refer to Attachment 2.
- (b) Endorsement/Guarantee provided to others: Please refer to Attachment 3.
- (c) Significant securities held in the end of the period (excluding subsidiaries, associates and joint ventures): None.
- (d) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
- (e) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock: Please refer to Attachment 5.
- (f) Names, locations and related information of investees (excluding investment in Mainland China): Please refer to Attachment 6.
- (g) Financial instruments and derivative transactions: Please refer to Note 12(8).
- (h) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 1.

(2) Investment in Mainland China:

- (a) For investee companies in Mainland China that the Group directly or indirectly has significant influence on, controls over, or jointly controlled over, the investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 7.
- (b) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1, Attachment 2, Attachment 3, Attachment 5, and Attachment 7.

XIV. SEGMENT INFORMATION

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

Taiwan Market: Responsible for all orders and production of lamps and molds in Taiwan.

Asian Market: Responsible for all orders and sales of lamps and molds in Asia.

U.S. Market: Responsible for the order and sales of all lighting products in the Americas.

European Market: Responsible for the order and sales of all lighting products in Europe.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

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

Segment information about profit and loss.

For the three months ended June 30, 2025

	Taiwan Market	Asian Market	U.S. Market	European Market	Adjustments and eliminations	Total
Revenue						
External customers	\$1,523,241	\$143,527	\$1,896,824	\$760,083	\$-	\$4,323,675
Inter-segment (Note)	2,169,847	124,850	-	-	(2,294,697)	-
Total revenue	<u>\$3,693,088</u>	<u>\$268,377</u>	<u>\$1,896,824</u>	<u>\$760,083</u>	<u>\$(2,294,697)</u>	<u>\$4,323,675</u>
Segment profit	<u>\$(428,009)</u>	<u>\$(59,354)</u>	<u>\$56,229</u>	<u>\$49,043</u>	<u>\$(21,245)</u>	<u>\$(403,336)</u>

For the three months ended June 30, 2024

	Taiwan Market	Asian Market	U.S. Market	European Market	Adjustments and eliminations	Total
Revenue						
External customers	\$1,836,841	\$150,513	\$2,412,769	\$787,711	\$-	\$5,187,834
Inter-segment (Note)	2,245,169	187,826	-	-	(2,432,995)	-
Total revenue	<u>\$4,082,010</u>	<u>\$338,339</u>	<u>\$2,412,769</u>	<u>\$787,711</u>	<u>\$(2,432,995)</u>	<u>\$5,187,834</u>
Segment profit	<u>\$732,028</u>	<u>\$1,667</u>	<u>\$92,482</u>	<u>\$53,625</u>	<u>\$(132,365)</u>	<u>\$747,437</u>

For the six months ended June 30, 2025

	Taiwan Market	Asian Market	U.S. Market	European Market	Adjustments and eliminations	Total
Revenue						
External customers	\$3,042,083	\$279,631	\$4,279,374	\$1,635,332	\$-	\$9,236,420
Inter-segment (Note)	4,843,123	285,976	-	-	(5,129,099)	-
Total revenue	<u>7,885,206</u>	<u>565,607</u>	<u>\$4,279,374</u>	<u>\$1,635,332</u>	<u>\$(5,129,099)</u>	<u>\$9,236,420</u>
Segment profit	<u>\$161,782</u>	<u>\$(87,170)</u>	<u>\$3,660</u>	<u>\$118,471</u>	<u>\$(40,793)</u>	<u>\$155,950</u>

For the six months ended June 30, 2024

	Taiwan Market	Asian Market	U.S. Market	European Market	Adjustments and eliminations	Total
Revenue						
External customers	\$3,501,663	\$282,828	\$4,887,570	\$1,631,943	\$-	\$10,304,004
Inter-segment (Note)	4,658,009	347,401	-	-	(5,005,410)	-
Total revenue	<u>8,159,672</u>	<u>630,229</u>	<u>\$4,887,570</u>	<u>\$1,631,943</u>	<u>\$(5,005,410)</u>	<u>\$10,304,004</u>
Segment profit	<u>\$1,552,181</u>	<u>\$(36,860)</u>	<u>\$208,346</u>	<u>\$134,011</u>	<u>\$(273,359)</u>	<u>\$1,584,319</u>

Note: Inter-segment revenue is eliminated on consolidation and recorded under the “adjustment and elimination” column.

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 1

Significant intercompany transactions between consolidated entities

No. (Note 1)	Related party	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Collection periods	Percentage accounting for total operating revenue or total assets (Note 3)
0	The Company	JUOKU TECHNOLOGY	1	Purchases	\$223,557	Credit on 90 days	2%
0	The Company	T.I.T.	1	Purchases	142,563	Credit on 60 days	2%
0	The Company	T.I.T.	1	Sales revenue	100,800	T/T150 days	1%
0	The Company	EUROPE	1	Sales revenue	1,293,000	T/T120 days	14%
0	The Company	EUROPE	1	Accounts receivables	444,309	T/T120 days	2%
0	The Company	GENERA	1	Sales revenue	3,105,686	T/T135 days	34%
0	The Company	GENERA	1	Accounts receivables	2,269,049	T/T135 days	8%

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

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

(Note 2) Transactions are categorized as follows:

1. The parent company to the subsidiary.
2. The subsidiary to the parent company.
3. The subsidiary to the subsidiary.

(Note 3) In calculation of percentage of transaction amounts accounting for total operating revenue or total assets, for the accounts of assets or liabilities, it is calculated by the ending balance divided by consolidated total assets; for the accounts of gains or losses, it is calculated by the ending accumulated amount divided by consolidated total operating revenue.

(Note 4) Whether the significant transactions are presented is determined by the Company's significance principle.

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 2

Financing provided to others

No. (Note 1)	Lender	Counterparty	Account	Related Party	Max. amount for the period (Note 9)	Ending balance	Actual usage amount	Interest rate interval	Nature of financing (Note 6)	Transaction amount (Note 7)	Reason for short-term financing (Note 8)	Loss allowance	Collateral		Limit of financing amount for individual counterparty	Limit of total financing amount	Note
													Item	Value			
0	The Company	BESTE	Other receivables	Y	\$87,750 (USD 3,000 thousand)	\$87,750 (USD 3,000 thousand)	\$2,925 (USD 100 thousand)	5.00%	2	\$-	Operating turnover	\$-	-	\$-	\$1,771,910 (Note 2)	\$3,543,819 (Note 3)	(Note 10)
0	The Company	TYC CHANGZH OU	Other receivables	Y	121,980 (CNY 30,000 thousand)	121,980 (CNY 30,000 thousand)	121,980 (CNY 30,000 thousand)	3.50%	2	-	Operating turnover	-	-	-	1,771,910 (Note 2)	3,543,819 (Note 3)	-
1	SUPRA-AT OMIC	TYC KUNSHAN	Other receivables	Y	26,325 (USD 900 thousand)	26,325 (USD 900 thousand)	26,325 (USD 900 thousand)	5.00%	2	-	Operating turnover	-	-	-	1,902,357 (Note 4)	1,902,357 (Note 5)	(Note 10)
2	CHANGZH OU TYC	TYC KUNSHAN	Other receivables	Y	12,198 (CNY 3,000 thousand)	12,198 (CNY 3,000 thousand)	12,198 (CNY 3,000 thousand)	3.50%	2	-	Operating turnover	-	-	-	340,511 (CNY 83,746 thousand) (Note 4)	340,511 (CNY 83,746 thousand) (Note 5)	(Note 10)
2	CHANGZH OU TYC	TYC CHANGZH OU	Other receivables	Y	60,990 (CNY 15,000 thousand)	60,990 (CNY 15,000 thousand)	60,990 (CNY 15,000 thousand)	3.50%	2	-	Operating turnover	-	-	-	68,102 (CNY 16,749 thousand) (Note 4)	136,204 (CNY 33,498 thousand) (Note 5)	-
3	GENERA	W & W	Other receivables	Y	58,500 (USD 2,000 thousand)	58,500 (USD 2,000 thousand)	58,500 (USD 2,000 thousand)	6.50%	2	-	Operating turnover	-	-	-	1,589,884 (USD 54,355 thousand) (Note 4)	1,589,884 (USD 54,355 thousand) (Note 5)	(Note 10)

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

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

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

(Note 2) Limit of financing amount for the parent company:

- (1) For those having business relationship with the Company: limit of financing amount for individual counterparty shall not exceed 20% of the lender's net worth of equity and the amount of business transaction amount. The business transaction amount is the amount of business transaction in recent year between the lender and the counterparty.
- (2) For those in need of short-term financing: limit of financing amount for individual counterparty shall not exceed 20% of the lender's net worth of equity.

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

(Note 4) Limit of financing amount for individual counterparty:

- (1) For those having business relationship with the Company: limit of financing amount for individual counterparty shall not exceed 20% of the lender's net worth of equity and the amount of business transaction amount. The business transaction amount is the amount of business transaction in recent year between the lender and the counterparty.
- (2) For those in need of short-term financing: limit of financing amount for individual counterparty shall not exceed 20% of the lender's net worth of equity.
- (3) Individual financing between foreign companies of which subsidiaries directly and indirectly hold 100% voting shares is not subject to the limit of 20% of the lender's net worth of the period, but is limited to 100% of net worth of equity.

(Note 5) Limit of total financing amount of subsidiaries shall not exceed 40% of the subsidiary's net worth of equity.

- (1) Individual financing between foreign companies of which subsidiaries directly and indirectly hold 100% voting shares is not subject to the limit of 40% of the lender's net worth of the period, but is limited to 100% of net worth of equity. °

(Note 6) The financing provided to others is coded as follows:

- (1) For those have business relationship with the Company are coded "1."
- (2) For those in need of short-term financing are coded "2".

(Note 7) If financing provided to others is coded "1" , the amount of business transactions should be filled in. The business transaction amount is the amount of business transaction in recent year between lender and the counterparty.

(Note 8) If financing provided to others is coded "2," the reasons for financing the loans and the use of the loans of the counterparty shall be specified, such as repayment, purchasing equipment, operating turnover, etc.

(Note 9) The maximum balance of financing provided to others in the current year.

(Note 10) The amounts have been eliminated in preparing the consolidated financial statements.

(Note 11) The exchange rate of the USD to the NTD is 1:29.25.

The exchange rate of the CNY to the NTD is 1:4.066.

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 3

Endorsement/Guarantee provided to others

No. Note 1	Endorser/ Guarantor	Endorsee/Guarantee		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Max. balance amount of guarantees and endorsements provided for others (Note 5)	Ending balance of guarantees and endorsements (Note 6)	Actual usage amount (Note 7)	Amount of property pledged for guarantee and endorsement	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 4)	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to the parent company	Endorsements/ guarantees provided to counterparties in the Mainland China
		Company Name	Relationship (Note 2)										
0	The Company	TYC KUNSHAN	(1).(2)	\$1,771,910	\$468,000 (USD 16,000 thousand)	\$468,000 (USD 16,000 thousand)	\$263,250 (USD 9,000 thousand)	None.	5%	\$3,543,819	Y	N	Y
0	The Company	W & W	(2)	1,771,910	217,867 (USD 7,448 thousand)	215,037 (USD 7,352 thousand)	215,037 (USD 7,352 thousand)	None.	2%	3,543,819	Y	N	N
0	The Company	T.I.T	(1) . (2)	1,771,910	438,750 (USD 15,000 thousand)	438,750 (USD 15,000 thousand)	117,000 (USD 4,000 thousand)	None.	5%	3,543,819	Y	N	N
0	The Company	GENERA	(1) 、 (2)	1,771,910	877,500 (USD 30,000 thousand)	877,500 (USD 30,000 thousand)	-	None	10%	3,543,819	Y	N	N

(Note 1) The “No.” column shall be filled as follows:

(1). The issuer is 0.

(2). The investees are sequentially numbered from 1.

(Note 2) There are 7 types of relationships between the endorser/guarantor and the endorsee/guarantee. Only numbers of types shall be indicated::

(1). Entities have business relations with the Company

(2). The Company directly or indirectly holds more than 50% of voting shares of the entity.

(3). Entity directly or indirectly owns more than 50% of voting shares of the Company.

(4). The parent directly or indirectly through subsidiaries holds more than 90% of voting shares of the entity.

(5). The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project

(6). All capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7). Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

(Note 3) The endorsement provided for an individual enterprise shall not exceed 20% of the net worth.

(Note 4) The total endorsement provided shall not exceed 40% of the net worth.

(Note 5) The maximum balance amount of guarantees and endorsements provided for others in current year.

(Note 6) The limitation/amount of guarantees and endorsements provided for others of the Company and subsidiaries approved by the board of directors.

(Note 7) Actual usage amount within the limitation on amount of guarantees and endorsements

(Note 8) The exchange rate of the USD to the NTD is 1: 29.25.

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 4

Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock

Purchasing (selling) company	Counterparty	Relationship	Transaction				The circumstances and reasons why the transaction conditions are different from those of normal transactions		Notes receivable (paid) and accounts payable		Note
			Purchases (sales)	Amount	Percentage accounting for total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage accounting for total notes and accounts receivables (payables)	
The Company	GENERA	Subsidiary of the Company	Sales	\$3,105,686	46%	T/T 135 days	The price is determined according to the US OEM price×0.24 as the reference price	Generally, payment is received 1 to 3 months after the end of the month. Due to the long distance of transportation, longer payment terms will be imposed.	Accounts receivables \$2,269,049	56%	(Note 1)
	TYC EUROPE	Subsidiary of the Company	Sales	1,293,000	19%	T/T 120 days	A single manufacturer and no other manufacturers to compare	Generally, payment is received 1 to 3 months after the end of the month. Due to the long distance of transportation, longer payment terms will be imposed.	Accounts receivables 444,309	11%	(Note 1)
	T.I.T.	Subsidiary of the Company	Sales	100,800	1%	T/T 150 days	Comparable to general customers		Accounts receivables 21,565	1%	(Note 1)
	JUOKU TECHNOLOGY	Subsidiary of the Company	Purchases	223,557	5%	Credit days on 90	Comparable to general customers		Accounts payables 186,151	7%	(Note 1)
	T.I.T.	Subsidiary of the Company	Purchases	142,563	3%	Credit days on 60	Comparable to general customers		Accounts payables 4,607	-%	(Note 1)
	FORTOP INDUSTRIAL CO., LTD.	Substantive related party of the Company	Purchases	460,502	11%	Credit days on 90	Comparable to general customers		Accounts payables 317,622	12%	-
	I YUAN PRECISION INDUSTRIAL CO., LTD.	Investee accounted for using equity method	Purchases	133,664	3%	Credit days on 90	Comparable to general customers		Accounts payables 97,989	4%	-

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 4 (Cont.)

Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock

Purchasing (selling) company	Counterparty	Relationship	Transaction				The circumstances and reasons why the transaction conditions are different from those of normal transactions		Notes receivable (paid) and accounts payable		Note
			Purchases (sales)	Amount	Percentage accounting for total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage accounting for total notes and accounts receivables (payables)	
JUOKU TECHNOLOGY	The Company	Parent company of the holding company	Sales	\$261,870	26%	T/T 90 days	None		Accounts receivables \$191,001	44%	(Note 1)
T.I.T.	The Company	Parent company of the holding company	Sales	141,413	38%	T/T 150 days	None		Accounts receivables 20,119	14%	(Note 1)
T.I.T.	The Company	Parent company of the holding company	Purchases	112,051	59%	T/T 60 days	None		Accounts payables 15,646	16%	(Note 1)
CHANGZHOU TYC	The Company	Parent company of the holding company	Sales	106,617	89%	Credit on 90 days	None		Accounts receivables 198,138	92%	(Note 1)
GENERA	The Company	Parent company of the holding company	Purchases	3,347,621	89%	T/T 135 days	None		Accounts payables 2,174,969	91%	(Note 1)
TYC EUROPE	The Company	Parent company of the holding company	Purchases	1,323,108	100%	T/T 120 days	None		Accounts payables 431,135	100%	(Note 1)

(Note 1) The amounts have been eliminated in preparing the consolidated financial statements.

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 5

Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock

Company with receivables	Counterparty	Relationship	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Receivables from related parties collected in subsequent period	Provision of loss allowance	Note
					Amount	Treatment			
The Company	GENERA	Subsidiary of the Company	\$2,269,049	2.97	\$221,141	Collection has been strengthened.	\$466,738	\$-	(Note 1)
	TYC EUROPE	Subsidiary of the Company	444,309	5.67	-	-	175,642	-	(Note 1)
	KUN SHAN TYC	Subsidiary of the Company	186,319	0.35	167,500	Collection has been strengthened.	-	-	(Note 1)
JUOKU TECHNOLOGY	The Company	Parent company of the holding company	191,001	2.90	-	-	26,867	-	(Note 1)

(Note 1) The amounts have been eliminated in preparing the consolidated financial statements.

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 6

Information on names, locations, etc. of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main business	Initial Investment amount		Ending balance			Profit or loss of investees in the current period	Gains or losses on investments recognized in the current period (Note 2)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Carrying amount (Note1)			
The Company	JUOKU TECHNOLOGY	Taiwan	Manufacturing, and sale of automobile parts	\$313,730	\$313,730	27,923,401	72.10%	\$447,826	\$36,155	\$26,068	(Note 5)
	TI YUAN	Taiwan	Marketable securities trading business	10,943	10,943	3,820	100.00%	40,294	(24)	(24)	(Note 5)
	TI FU	Taiwan	Marketable securities trading business	50,076	40,076	8,550	100.00%	92,668	11,698	11,698	(Note 3) (Note 5)
	SUPRA-ATOMIC	British Virgin Islands	Reinvestment holding activities	3,596,429	3,483,005	63,275,967	100.00%	1,653,385	37,425	37,425	(Note 5)
	BESTE	British Virgin Islands	Reinvestment holding activities	2,063,892	641,449	65,072,000	100.00%	2,627,563	(31,726)	(31,726)	(Note 5)
	CONTEK	British Virgin Islands	Reinvestment holding activities	73,690	73,690	2,436,000	100.00%	34,974	390	390	(Note 5)
	TI YUAN PRECISION INDUSTRIAL CO., LTD	Taiwan	Manufacturing, processing and sale of automobile parts	126,986	126,986	5,617,854	15.66%	217,322	2,215	402	(Note 4) Investee accounted for using equity method
	INNOVA	Delaware, U.S.A.	Reinvestment holding activities	1,225,326	981,456	7,049	100.00%	887,941	263	263	(Note 5)
	TYCVN	Vietnam	Manufacture and sale of automobile lights	88,740	88,740	-	60.00%	60,387	(7,367)	(4,420)	(Note 5)

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 6 (Cont.)

Information on names, locations, etc. of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main business	Initial Investment amount		Ending balance			Profit or loss of investees in the current period	Gains or losses on investments recognized in the current period (Note 2)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Carrying amount (Note1)			
JUOKU TECHNOLOGY	TSM	British Virgin Islands	Reinvestment holding activities	\$10,122	\$10,122	300,000	100.00%	\$5,088	\$(505)	\$(505)	(Note 5)
	PT ASTRA JUOKU INDONESIA	Indonesia	Manufacture and sale of automobile lights	276,640	276,640	1,126,500	50.00%	277,997	62,092	31,046	Joint venture
TI YUAN	TI YUAN PRECISION INDUSTRIAL CO., LTD	Taiwan	Manufacturing, processing and sale of automobile parts	38,152	38,152	900,914	2.51%	38,152	2,215	-	(Note 4) Investee accounted for using equity method
TIFU	DBM	Taiwan	Manufacture tooling mold and international trading business	25,500	25,500	3,000,000	50.00%	78,765	22,540	11,270	(Note 5)
SUPRA-ATOMIC	EUROPILOT	British Virgin Islands	Reinvestment holding activities	420,030 (USD 14,360 thousand)	420,030 (USD 14,360 thousand)	14,359,821	100.00%	1,035,838	88,189	88,189	(Note 5)
	MOTOR-CURIO	British Virgin Islands	Reinvestment holding activities	147,508 (USD 5,031 thousand)	116,795 (USD 3,993 thousand)	5,031,400	100.00%	259,144	14,265	14,265	(Note 5)
	SPARKING	British Virgin Islands	Reinvestment holding activities	1,430,793 (USD 48,916 thousand)	1,430,793 (USD 48,916 thousand)	30,915,717	100.00%	111,679	(63,263)	(63,263)	(Note 5)
	EUROLITE	British Virgin Islands	Reinvestment holding activities	607,172 (USD 20,758 thousand)	607,172 (USD 20,758 thousand)	10,984,582	100.00%	187,196	(3,064)	(3,064)	(Note 5)
	UNIMOTOR	British Virgin Islands	Reinvestment holding activities	201,445 (USD 6,887 thousand)	201,445 (USD 6,887 thousand)	6,887,000	100.00%	344,534	934	934	(Note 5)
EUROPILOT	TYC EUROPE	Holland	Sale automobile lights	420,030 (USD 14,360 thousand)	420,030 (USD 14,360 thousand)	120,000	100.00%	1,035,802	88,192	88,192	(Note 5)

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

Attachment 6 (Cont.)

Information on names, locations, etc. of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main business	Initial Investment amount		Ending balance			Profit or loss of investees in the current period	Gains or losses on investments recognized in the current period (Note 2)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Carrying amount (Note1)			
EUROLITE	T.I.T.	Thailand	Manufacture and sale of lighting fixtures and daily-use product for automobile	\$607,172 (USD 20,758 thousand)	\$607,172 (USD 20,758 thousand)	3,694,860	99.98%	\$187,132	\$(3,059)	\$(3,058)	(Note 5)
BESTE	TYC CZ CORPORATION	British Virgin Islands	Reinvestment holding activities	411,606 (USD 14,072 thousand)	411,606 (USD 14,072 thousand)	14,072,000	50.00%	1,245,738	45,454	22,727	Joint venture
CONTEK	ATECH INTERNATIONAL CO., LTD.	Cayman Islands	Reinvestment holding activities	73,125 (USD 2,500 thousand)	73,125 (USD 2,500 thousand)	2,500,000	25.00%	36,399	2,784	696	Investee accounted for using equity method
MOTOR-CURIO	JNS AUTOTECH (THAI) CO., LTD.	Thailand	Manufacture of automobile components	91,787 (USD 3,138 thousand)	47,385 (USD 1,620 thousand)	-	30.00%	100,723	-	-	Investee accounted for using equity method
INNOVA	GENERA	State of California, U.S.A.	Sale of automobile lights and parts	362,378 (USD 12,389 thousand)	362,378 (USD 12,389 thousand)	12,388,505	100.00%	1,589,884 (USD 54,355 thousand)	28,373 (USD 970 thousand)	28,373 (USD 970 thousand)	(Note 5)
	W&W	State of California, U.S.A.	Sale of and rental of real estate	29,250 (USD 1,000 thousand)	29,250 (USD 1,000 thousand)	1,000,000	100.00%	121,505 (USD 4,154 thousand)	4,943 (USD 169 thousand)	4,943 (USD 169 thousand)	(Note 5)
	TYC AMERICAS AUTO PARTS COMPANY LLC	Delaware, U.S.A	Manufacture, processing, and trading of automobile components	438,750 (USD 15,000 thousand)	213,525 (USD 7,300 thousand)	-	100.00%	295,571 (USD 10,105 thousand)	(57,184) (USD (1,955) thousand)	(57,184) (USD (1,955) thousand)	(Note 5)

(Note 1) The carrying amount of the investment using the equity method is the net amount after deducting the unrealized gains and losses of downstream transactions.

(Note 2) The investment income recognized didn't eliminate unrealized gain or loss on transactions between the Company and its investees.

(Note 3) The company treats shares of the Company held by the subsidiaries as treasury stocks. Therefore, carrying amount of the investment using the equity method is the net amount after deducting the treasury stocks.

(Note 4) Investment in I YUAN by TI YUAN INVESTMENT is combined under the investee accounted for using equity method with the parent company's financial assets at fair value through other comprehensive income. The parent company recognized gains or losses on investment by 18.17%.

(Note 5) The amounts have been eliminated in preparing the consolidated financial statements.

(Note 6) The exchange rate of the USD to the NTD is 1:29.25 º

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)
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Attachment 7
Investment in Mainland China

Investee company	Main business	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investments remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investee	Percentage of direct or indirect ownership of investment	Gains (losses) on investment (Note 2)	Ending carrying amount of investment	Gains on investment remitted back as of the end of the period
					Outflow	Inflow						
TYC CHANGZHOU AUTO PARTS CO., LTD.	Manufacture of automobile lights	\$789,750 (USD 27,000 thousand)	(1)TYC CZ ORPORATION	\$372,353 (USD 12,730 thousand)	\$-	\$-	\$372,353 (USD 12,730 thousand)	\$45,756	50%	\$22,878	\$1,245,687	\$490,347 (USD16,764 thousand)
TYC CHANGZHOU PRECISION MOLD CO., LTD. (Note 3)	Manufacture and sale of precision molds	189,160 (USD 6,467 thousand)	(1)UNIMOTOR INDUSTRIAL CO., LTD.	189,160 (USD 6,467 thousand)	-	-	189,160 (USD 6,467 thousand)	1,831	100%	1,831	343,575	53,615 (USD1,833 thousand)
HANGZHOU SUNNYTECH CO., LTD.	Industrial styling and product design	7,603 (CNY 1,870 thousand)	(1)SPARKING CO., LTD.	4,856 (USD 166 thousand)	-	-	4,856 (USD 166 thousand)	(8,873)	30%	(2,662)	5,607	-
JNS AUTO PARTS LIMITED	Manufacture of automobile parts	476,775 (USD 16,300 thousand)	(1)MOTOR-CURIO CO., LTD.	58,500 (USD 2,000 thousand)	-	-	58,500 (USD 2,000 thousand)	58,596	20%	11,719	157,710	88,628 (USD3,030 thousand)
TYC KUNSHAN AUTO PARTS CO., LTD. (Note 3)	Manufacture, process and assemble of various high-efficiency energy-saving lamps and accessories	877,500 (USD 30,000 thousand)	(1)SPARKING CO., LTD.	1,404,000 (USD 48,000 thousand)	-	-	1,404,000 (USD 48,000 thousand)	(60,600)	100%	(60,600)	106,039	-
CHIN-LI-MA HIGHT PERFORMANCE LUMINAIRE CO., LTD.	Design and manufacture high-efficiency energy-saving lamps	13,163 (USD 450 thousand)	(2) CHANGZHOU TYC	-	-	-	-	-	30%	-	-	-
KUNSHAN ATECH AUTOPARTS MANUFACTURING CO., LTD.	Manufacture of automobile parts	204,750 (USD 7,000 thousand)	(一)ATECH INTERNATIONAL CO., LTD.	51,188 (USD 1,750 thousand)	-	-	51,188 (USD 1,750 thousand)	(1,580) (USD (54) thousand)	25%	(410) (USD (14) thousand)	(3,686) (USD (126) thousand)	-
ATECH(JIANGSU) INDUSTRIAL TECHNOLOGY CO., LTD.	Manufacture of automobile parts	175,500 (USD 6,000 thousand)	(一)ATECH INTERNATIONAL CO., LTD.	21,938 (USD 750 thousand)	-	-	21,938 (USD 750 thousand)	4,154 (USD 142 thousand)	25%	1,053 (USD 36 thousand)	21,236 (USD 726 thousand)	-

TYC BROTHER INDUSTRIAL CO., LTD. AND SUBSIDIARIES
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Accumulated outward remittance for investment in Mainland China as of end of the period	Investment amount authorized by investment commission, MOEA	Upper limit on the amount of investment stipulated by investment commission, MOEA
\$2,448,810 (USD 78,720 thousand)	\$3,053,086 (USD 104,379 thousand)	(Note 4)

(Note 1) There are three methods of investment:

- (1) Indirectly investment in Mainland China through companies registered in a third region
- (2) Reinvest with Mainland China company's own funds
- (3) Others

(Note 2) Excluding the elimination of unrealized gains or losses among companies.

(Note 3) The amounts have been eliminated in preparing the consolidated financial statements.

(Note 4) According to 2008.8.22 "Regulations Governing Permission for Investment or Technical Cooperation in Mainland China" and the amendment to "Review Principles of Investment or Technical Cooperation in Mainland China", the cumulative amount of investors' investment in Mainland China according to the upper limit set for other enterprises: 60% of its net value or the consolidated net value, whichever is higher. However, enterprises for which the Industrial Development Bureau of the Ministry of Economic Affairs issued the certificate of compliance or the Taiwan subsidiaries of international enterprises shall not be subject to the restriction. The Company qualifies as business headquarters therefore the upper limit does not apply.

(Note 5) The exchange rate of the USD to the NTD is 1:29.25.

The exchange rate of the CNY to the NTD is 1:4.066.