

**CHENG SHIN RUBBER IND. CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWC24001567

To the Board of Directors and Shareholders of Cheng Shin Rubber Ind. Co., Ltd.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Cheng Shin Rubber Ind. Co., Ltd. and subsidiaries as at June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

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

### ***Basis for Qualified Conclusion***

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$33,202,486 thousand and NT\$36,155,966 thousand, constituting 23% and 25% of the consolidated total assets, and total liabilities of NT\$13,054,178 thousand and NT\$16,633,659 thousand,

constituting 22% and 28% of the consolidated total liabilities as at June 30, 2024 and 2023, and total net operating revenues of NT\$7,333,949 thousand, NT\$7,452,210 thousand, NT\$14,647,654 thousand and NT\$14,430,476 thousand, constituting 30%, 30%, 31% and 30% of consolidated total net operating revenue, and total comprehensive income of NT\$144,220 thousand, NT\$234,620 thousand, NT\$452,682 thousand and NT\$794,030 thousand, constituting 5%, 97%, 7% and 38% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

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Chou, Chien-Hung

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Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

August 12, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.

**CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023**  
(Expressed in thousands of New Taiwan dollars)

			June 30, 2024		December 31, 2023		June 30, 2023	
Assets		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 25,410,198	18	\$ 23,575,591	16	\$ 25,507,898	18
1120	Financial assets at fair value through other comprehensive income - current	6(2)	34,021	-	22,895	-	21,001	-
1136	Financial assets at amortised cost - current	6(3) and 8	2,603,951	2	2,073,637	2	429,008	-
1150	Notes receivable, net	6(4)	3,058,166	2	4,147,117	3	4,792,564	4
1170	Accounts receivable, net	6(4)	10,527,692	7	9,275,745	7	10,316,655	7
1180	Accounts receivable - related parties	7	75,344	-	66,401	-	47,478	-
130X	Inventories	6(5)	16,757,743	12	17,042,864	12	17,137,938	12
1410	Prepayments		878,219	1	732,017	-	849,050	1
1470	Other current assets		576,059	-	372,342	-	331,279	-
11XX	Current Assets		59,921,393	42	57,308,609	40	59,432,871	42
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	58,187	-	58,187	-	58,187	-
1535	Financial assets at amortised cost - non-current	6(3) and 8	12,027,343	8	9,160,974	7	3,348,360	2
1550	Investments accounted for under equity method	6(6)	172,541	-	179,373	-	187,569	-
1600	Property, plant and equipment, net	6(7)	64,457,510	45	66,977,367	48	70,855,923	50
1755	Right-of-use assets	6(8)	4,664,609	3	4,625,540	3	4,783,644	3
1760	Investment property, net	6(9)	712,988	1	673,845	-	692,522	1
1840	Deferred income tax assets	6(28)	1,835,248	1	2,303,446	2	2,322,401	2
1900	Other non-current assets	6(10)	274,189	-	298,577	-	359,880	-
15XX	Non-current assets		84,202,615	58	84,277,309	60	82,608,486	58
1XXX	Total assets		\$ 144,124,008	100	\$ 141,585,918	100	\$ 142,041,357	100

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**CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023**  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2024		December 31, 2023		June 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(11)	\$ 2,749,713	2	\$ 3,011,371	2	\$ 1,915,308	1
2110	Short-term notes and bills payable	6(12)	-	-	300,000	-	1,750,000	1
2130	Current contract liabilities	6(22)	685,825	-	541,845	-	723,960	1
2150	Notes payable		80,468	-	150,408	-	199,501	-
2170	Accounts payable		7,043,163	5	7,182,403	5	5,892,897	4
2200	Other payables	6(13)	10,729,012	7	4,262,273	3	8,671,410	6
2230	Current income tax liabilities	6(28)	931,842	1	1,819,876	2	1,068,621	1
2280	Current lease liabilities	7	158,956	-	143,772	-	143,367	-
2320	Long-term liabilities, current portion	6(15)(16)	3,751,383	3	1,822,121	2	6,374,578	5
2399	Other current liabilities, others	6(14)	583,769	-	545,873	-	327,312	-
21XX	<b>Current Liabilities</b>		<u>26,714,131</u>	<u>18</u>	<u>19,779,942</u>	<u>14</u>	<u>27,066,954</u>	<u>19</u>
	<b>Non-current liabilities</b>							
2530	Corporate bonds payable	6(15)	8,000,000	6	8,000,000	5	8,000,000	6
2540	Long-term borrowings	6(16)	19,246,837	13	23,750,894	17	21,403,031	15
2550	Provisions for liabilities - non-current		205,627	-	198,167	-	201,571	-
2570	Deferred income tax liabilities	6(28)	1,745,505	1	1,408,891	1	847,344	1
2580	Non-current lease liabilities	7	224,166	-	245,944	-	289,070	-
2600	Other non-current liabilities	6(17)	2,168,249	2	2,207,015	2	2,272,165	1
25XX	<b>Non-current liabilities</b>		<u>31,590,384</u>	<u>22</u>	<u>35,810,911</u>	<u>25</u>	<u>33,013,181</u>	<u>23</u>
2XXX	<b>Total Liabilities</b>		<u>58,304,515</u>	<u>40</u>	<u>55,590,853</u>	<u>39</u>	<u>60,080,135</u>	<u>42</u>
	<b>Equity</b>							
	<b>Equity attributable to owners of parent</b>							
	Share capital	6(18)						
3110	Share capital - common stock		32,414,155	23	32,414,155	23	32,414,155	23
	Capital surplus	6(19)						
3200	Capital surplus		98,372	-	70,044	-	67,756	-
	Retained earnings	6(20)						
3310	Legal reserve		17,893,214	13	17,172,449	12	17,172,449	12
3320	Special reserve		6,921,572	5	5,870,977	5	5,870,977	4
3350	Unappropriated retained earnings		33,147,577	23	36,826,502	26	33,279,718	24
	Other equity interest	6(21)						
3400	Other equity interest		( 5,235,540)	( 4)	( 6,921,572)	( 5)	( 7,415,600)	( 5)
31XX	<b>Equity attributable to owners of the parent</b>		<u>85,239,350</u>	<u>60</u>	<u>85,432,555</u>	<u>61</u>	<u>81,389,455</u>	<u>58</u>
36XX	Non-controlling interest		<u>580,143</u>	<u>-</u>	<u>562,510</u>	<u>-</u>	<u>571,767</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>85,819,493</u>	<u>60</u>	<u>85,995,065</u>	<u>61</u>	<u>81,961,222</u>	<u>58</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 144,124,008</u>	<u>100</u>	<u>\$ 141,585,918</u>	<u>100</u>	<u>\$ 142,041,357</u>	<u>100</u>

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three-month periods ended June 30				Six-month periods ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(22) and 7	\$ 24,346,068	100	\$ 24,623,334	100	\$ 47,968,422	100	\$ 48,151,979	100
5000 Operating costs	6(5)	( 18,006,261)	( 74)	( 18,694,724)	( 76)	( 35,679,896)	( 74)	( 37,198,692)	( 77)
5900 Net operating margin		<u>6,339,807</u>	<u>26</u>	<u>5,928,610</u>	<u>24</u>	<u>12,288,526</u>	<u>26</u>	<u>10,953,287</u>	<u>23</u>
Operating expenses	7								
6100 Selling expenses		( 1,439,175)	( 6)	( 1,448,594)	( 6)	( 2,819,492)	( 6)	( 2,792,325)	( 6)
6200 General and administrative expenses		( 895,790)	( 3)	( 893,258)	( 3)	( 1,841,110)	( 4)	( 1,682,614)	( 4)
6300 Research and development expenses		( 944,186)	( 4)	( 958,272)	( 4)	( 1,854,110)	( 4)	( 1,904,554)	( 4)
6450 Expected credit (loss) gain	12(2)	( 8,946)	-	2,485	-	13,983	-	( 55,217)	-
6000 Total operating expenses		( 3,288,097)	( 13)	( 3,297,639)	( 13)	( 6,500,729)	( 14)	( 6,434,710)	( 14)
6900 Operating profit		<u>3,051,710</u>	<u>13</u>	<u>2,630,971</u>	<u>11</u>	<u>5,787,797</u>	<u>12</u>	<u>4,518,577</u>	<u>9</u>
Non-operating income and expenses									
7100 Interest income	6(23)	256,248	1	194,653	1	477,755	1	338,439	1
7010 Other income	6(24)	268,086	1	162,861	-	438,565	1	286,881	-
7020 Other gains and losses	6(25)	( 222,714)	( 1)	238,140	1	( 66,035)	-	580,382	1
7050 Finance costs	6(26) and 7	( 236,630)	( 1)	( 305,389)	( 1)	( 479,092)	( 1)	( 607,571)	( 1)
7060 Share of profit (loss) of associates and joint ventures accounted for under equity method	6(6)	<u>455</u>	<u>-</u>	<u>( 6,195)</u>	<u>-</u>	<u>( 1,833)</u>	<u>-</u>	<u>( 2,057)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>65,445</u>	<u>-</u>	<u>284,070</u>	<u>1</u>	<u>369,360</u>	<u>1</u>	<u>596,074</u>	<u>1</u>
7900 Profit before income tax		3,117,155	13	2,915,041	12	6,157,157	13	5,114,651	10
7950 Income tax expense	6(28)	( 761,043)	( 3)	( 822,652)	( 3)	( 1,579,929)	( 4)	( 1,440,474)	( 3)
8200 Profit for the period		<u>\$ 2,356,112</u>	<u>10</u>	<u>\$ 2,092,389</u>	<u>9</u>	<u>\$ 4,577,228</u>	<u>9</u>	<u>\$ 3,674,177</u>	<u>7</u>

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CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three-month periods ended June 30				Six-month periods ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>									
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>									
8316 Unrealized gain on valuation of entity instruments at fair value through profit or loss	6(2)(21)	\$ 4,396	-	\$ 293	-	\$ 11,126	-	\$ 3,163	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		4,396	-	293	-	11,126	-	3,163	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>									
8361 Financial statements translation differences of foreign operations	6(21)	662,559	3	( 2,308,495)	( 10)	2,109,304	5	( 1,951,896)	( 4)
8399 Income tax relating to the components of other comprehensive (loss) income that will be reclassified to profit or loss	6(21)(28)	( 131,530)	( 1)	457,652	2	( 418,727)	( 1)	386,946	1
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss		531,029	2	( 1,850,843)	( 8)	1,690,577	4	( 1,564,950)	( 3)
8300 <b>Other comprehensive income (loss) for the period</b>		<u>\$ 535,425</u>	<u>2</u>	<u>( \$ 1,850,550)</u>	<u>( 8)</u>	<u>\$ 1,701,703</u>	<u>4</u>	<u>( \$ 1,561,787)</u>	<u>( 3)</u>
8500 <b>Total comprehensive income for the period</b>		<u>\$ 2,891,537</u>	<u>12</u>	<u>\$ 241,839</u>	<u>1</u>	<u>\$ 6,278,931</u>	<u>13</u>	<u>\$ 2,112,390</u>	<u>4</u>
Profit attributable to:									
8610 Owners of the parent		\$ 2,355,458	10	\$ 2,077,569	9	\$ 4,575,266	9	\$ 3,660,862	7
8620 Non-controlling interest		654	-	14,820	-	1,962	-	13,315	-
		<u>\$ 2,356,112</u>	<u>10</u>	<u>\$ 2,092,389</u>	<u>9</u>	<u>\$ 4,577,228</u>	<u>9</u>	<u>\$ 3,674,177</u>	<u>7</u>
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		\$ 2,885,971	12	\$ 247,250	1	\$ 6,261,298	13	\$ 2,116,239	4
8720 Non-controlling interest		5,566	-	( 5,411)	-	17,633	-	( 3,849)	-
		<u>\$ 2,891,537</u>	<u>12</u>	<u>\$ 241,839</u>	<u>1</u>	<u>\$ 6,278,931</u>	<u>13</u>	<u>\$ 2,112,390</u>	<u>4</u>
Earnings per share (in dollars)	6(29)								
9750 Basic earnings per share		<u>\$ 0.73</u>		<u>\$ 0.64</u>		<u>\$ 1.41</u>		<u>\$ 1.13</u>	
9850 Diluted earnings per share	6(29)	<u>\$ 0.73</u>		<u>\$ 0.64</u>		<u>\$ 1.41</u>		<u>\$ 1.13</u>	

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent												
		Capital surplus				Retained earnings			Other equity interest					
		Share capital -	Treasury	Gain on sale	Donated				Financial	Unrealised				
		common stock	stock	of assets	assets	Legal reserve	Special reserve	Unappropriated	statements	gains from		Non-controlling	Total equity	
			transactions		received			retained earnings	differences of	financial assets		interest		
		Notes							foreign	measured at				
									operations	through other				
										comprehensive				
										income				
											Total			
<u>Six-month period ended June 30, 2023</u>														
			\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 15,181	\$ 16,665,921	\$ 7,588,138	\$ 32,946,205	(\$ 5,880,150)	\$ 9,173	\$ 83,811,199	\$ 575,616	\$ 84,386,815
			-	-	-	-	-	-	3,660,862	-	-	3,660,862	13,315	3,674,177
Other comprehensive (loss) income for the period	6(21)		-	-	-	-	-	-	-	( 1,547,786)	3,163	( 1,544,623)	( 17,164)	( 1,561,787)
Total comprehensive income (loss)			-	-	-	-	-	-	3,660,862	( 1,547,786)	3,163	2,116,239	( 3,849)	2,112,390
Appropriation and distribution of 2022 earnings:														
			-	-	-	-	506,528	-	( 506,528)	-	-	-	-	-
Reversal of special reserve			-	-	-	-	( 1,717,161)	1,717,161	-	-	-	-	-	-
Cash dividends	6(20)		-	-	-	-	-	( 4,537,982)	-	-	( 4,537,982)	-	( 4,537,982)	-
Dividends extinguished by prescription claimed by shareholders			-	-	-	( 1)	-	-	-	-	( 1)	-	-	( 1)
Balance at June 30, 2023			\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 15,180	\$ 17,172,449	\$ 5,870,977	\$ 33,279,718	(\$ 7,427,936)	\$ 12,336	\$ 81,389,455	\$ 571,767	\$ 81,961,222
<u>Six-month period ended June 30, 2024</u>														
			\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 17,468	\$ 17,172,449	\$ 5,870,977	\$ 36,826,502	(\$ 6,935,802)	\$ 14,230	\$ 85,432,555	\$ 562,510	\$ 85,995,065
			-	-	-	-	-	-	4,575,266	-	-	4,575,266	1,962	4,577,228
Other comprehensive income for the period	6(21)		-	-	-	-	-	-	-	1,674,906	11,126	1,686,032	15,671	1,701,703
Total comprehensive income			-	-	-	-	-	-	4,575,266	1,674,906	11,126	6,261,298	17,633	6,278,931
Appropriation and distribution of 2023 earnings:														
			-	-	-	-	720,765	-	( 720,765)	-	-	-	-	-
Special reverse			-	-	-	-	-	1,050,595	( 1,050,595)	-	-	-	-	-
Cash dividends	6(20)		-	-	-	-	-	-	( 6,482,831)	-	-	( 6,482,831)	-	( 6,482,831)
Capital surplus arising from donated assets			-	-	-	28,371	-	-	-	-	-	28,371	-	28,371
Dividends extinguished by prescription claimed by shareholders			-	-	-	( 43)	-	-	-	-	( 43)	-	-	( 43)
Balance at June 30, 2024			\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 45,796	\$ 17,893,214	\$ 6,921,572	\$ 33,147,577	(\$ 5,260,896)	\$ 25,356	\$ 85,239,350	\$ 580,143	\$ 85,819,493

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



**CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30 2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 6,157,157	\$ 5,114,651
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(27)	4,767,291	5,243,412
Depreciation on right-of-use assets	6(8)(27)	122,792	132,344
Depreciation on investment property	6(9)(27)	22,917	15,711
Amortization expense	6(10)(27)	39,868	46,426
Expected credit (reversal of interest) impairment	12(2)	( 13,983 )	55,217
Share of loss of associates and joint ventures accounted for using equity method	6(6)	1,833	2,057
Loss on disposal of property, plant and equipment	6(7)(25)	3,900	16,921
Interest expense	6(7)(26)	479,092	607,571
Interest income	6(23)	( 477,755 )	( 338,439 )
Deferred government grants revenue		( 97,929 )	( 94,983 )
Unrealized foreign exchange loss (gain) on foreign currency loans		124,345	( 701,799 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		1,088,951	( 1,356,417 )
Accounts receivable		( 1,239,467 )	( 834,338 )
Accounts receivable - related parties		( 8,943 )	25,057
Inventories		659,801	3,606,313
Prepayments		( 146,902 )	69,070
Other current assets		( 60,844 )	( 2,255 )
Other non-current assets		12,666	58,673
Changes in operating liabilities			
Contract liabilities - current		143,980	169,638
Notes payable		( 69,940 )	29,777
Accounts payable		( 139,240 )	( 1,270,761 )
Other payables		( 67,304 )	( 732,328 )
Other current liabilities		37,896	9,573
Accrued pension liabilities		( 31,693 )	1,716
Other non-current liabilities		( 15,595 )	( 3,146 )
Cash inflow generated from operations		11,292,894	9,869,661
Interest received		339,882	289,877
Interest paid		( 467,037 )	( 579,557 )
Income tax paid		( 2,082,634 )	( 1,989,096 )
Income tax refund received		1,320	72,405
Net cash flows from operating activities		9,084,425	7,663,290

(Continued)

**CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30	
		2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at amortised cost		(\$ 4,746,220 )	(\$ 950,504 )
Proceeds from repayments of financial assets at amortised cost		1,646,802	940,312
Acquisition of property, plant and equipment	6(7)(30)	( 1,220,601 )	( 1,730,889 )
Payment for capitalized interests	6(7)(26)(30)	-	( 1,850 )
Proceeds from disposal of property, plant and equipment		92,864	56,328
Proceeds from disposal of right-of-use assets		10,661	-
Acquisition of intangible assets	6(10)	( 10,790 )	( 8,472 )
(Increase) decrease in refundable deposits		( 11,190 )	6,064
Increase in other non-current liabilities		20,941	7,580
Net cash flows used in investing activities		( 4,217,533 )	( 1,681,431 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(11)(31)	2,103,728	1,984,454
Decrease in short-term borrowings	6(11)(31)	( 2,470,407 )	( 4,843,225 )
Increase in short-term notes and bills payable	6(12)(31)	-	2,000,000
Decrease in short-term notes and bills payable	6(12)(31)	( 300,000 )	( 1,750,000 )
Proceeds in long-term borrowings	6(16)(31)	-	5,209,774
Repayments in long-term borrowings	6(16)(31)	( 2,695,300 )	( 6,007,633 )
Increase (decrease) in guarantee deposits received	6(31)	42,782	( 10,072 )
Repayments of principal portion of lease liabilities	6(8)(31)	( 89,156 )	( 95,919 )
Capital surplus arising from donated assets		28,371	-
Dividends extinguished by prescription claimed by shareholders		( 43 )	( 1 )
Net cash flows used in financing activities		( 3,380,025 )	( 3,512,622 )
Effect of exchange rate changes on cash and cash equivalents		347,740	( 302,580 )
Net increase in cash and cash equivalents		1,834,607	2,166,657
Cash and cash equivalents at beginning of period	6(1)	23,575,591	23,341,241
Cash and cash equivalents at end of period	6(1)	<u>\$ 25,410,198</u>	<u>\$ 25,507,898</u>

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Cheng Shin Rubber Ind. Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in: (a) Processing, manufacturing and trading of bicycle tires, electrical vehicle tires, reclaimed rubber, various rubbers and resin and other rubber products; and (b) Manufacturing and trading of various rubber products and relevant rubber machinery. The Company has been listed on the Taiwan Stock Exchange starting December 1987.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on August 12, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows :

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation and basis of consolidation described below, the other significant accounting policies of the Group are in agreement with Note 4 in the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim financial reporting" as endorsed by the FSC.

B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2023.

- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30,2024	December 31,2023	June 30,2023	
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS International Co., Ltd.	Holding company	100	100	100	
CHENG SHIN RUBBER IND. CO., LTD.	CST Trading Ltd.	Holding company	100	100	100	
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS Trading Ltd.	Holding company	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	CHENG SHIN RUBBER USA, INC.	Import and export of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	CHENG SHIN RUBBER CANADA, INC.	Import and export of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS Tech Center Europe B.V.	Technical center	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	PT MAXXIS International Indonesia	Production and sales of various types of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	Maxxis Rubber India Private Limited	Production and sales of various types of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS (Taiwan) Trading CO., LTD.	Wholesale and retail of tires	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30,2024	December 31,2023	June 30,2023	
CHENG SHIN RUBBER IND. CO., LTD.	PT.MAXXIS TRADING INDONESIA	Large-amount trading of vehicles parts and accessories	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	Maxxis Europe B.V.	Import and export of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS RUBBER JAPAN CO., LTD.	Import and export of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	20	20	20	Note 4 、 5
MAXXIS International Co., Ltd.	TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	100	100	100	
MAXXIS International Co., Ltd.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Production and sales of various types of tires	60	60	60	Note 3
MAXXIS International Co., Ltd.	MAXXIS International (HK) Ltd.	Holding company	100	100	100	
MAXXIS International (HK) Ltd.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Production and sales of various types of tires	100	100	100	
MAXXIS International (HK) Ltd.	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	Production and sales of various types of tires	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30,2024	December 31,2023	June 30,2023	
MAXXIS International (HK) Ltd.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Research, development, testing and exhibition of tires and automobile accessory products and related products, and management of racing tracks	100	100	100	
MAXXIS International (HK) Ltd.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Production and sales of various types of tires	25	25	25	Note 2
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Holding company	100	100	100	
Cheng Shin International (HK) Ltd.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Production and sales of various types of tires	100	100	100	
Cheng Shin International (HK) Ltd.	CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Production, sales and maintenance of models	50	50	50	Note 6
Cheng Shin International (HK) Ltd.	CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	Production and sales of various types of tires	30	30	30	Note 1
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	Production and sales of various types of tires	70	70	70	Note 1

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30,2024	December 31,2023	June 30,2023	
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	KUNSHAN MAXXIS TIRE CO., LTD.	Retail of accessories for rubber tires	100	100	100	
MAXXIS Trading Ltd.	MAXXIS Holdings (BVI) Co., Ltd.	Holding company	100	100	100	Note 5
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Retail of accessories for rubber tires	95	95	95	
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Production and sales of various types of tires	40	40	40	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN LOGISTIC (XIAMEN) CO., LTD.	International container transportation business	49	49	49	Note 6
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Production and sales of various types of tires	75	75	75	Note 2
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	XIAMEN ESTATE CO., LTD.	Construction and trading of employees' housing	100	100	100	
MAXXIS Holdings (BVI) Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Production and sales of various types of tires	100	100	100	Note 5
MAXXIS Holdings (BVI) Co., Ltd.	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Production and sales of various types of tires	100	100	100	Note 5
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	80	80	80	Note 4 、 5



Note 1: Cheng Shin International (HK) Ltd. and Cheng Shin Tire & Rubber (China) Co., Ltd. collectively hold 100% equity interest in Cheng Shin Tire & Rubber (Chongqing) Co., Ltd.

Note 2: Maxxis International (HK) Ltd. and Cheng Shin Rubber (Xiamen) Ind., Ltd. collectively hold 100% equity interest in Cheng Shin Rubber (Zhangzhou) Ind. Co., Ltd.

Note 3: Maxxis International Co., Ltd. and Cheng Shin Rubber (Xiamen) Ind., Ltd. collectively hold 100% equity interest in Cheng Shin Petrel Tire (Xiamen) Co., Ltd.

Note 4: The Company and CHENG SHIN RUBBER USA, INC. collectively hold 100% equity interest in MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.

Note 5: The financial statements of the entity as of June 30, 2024 and 2023, were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary

Note 6: The entity was included in the consolidated financial statements since the Group had the power to govern the financial and operating policies under the comprehensive assessment.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions:

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

None.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Employee 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.

(6) Income taxes

A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognized in other comprehensive income or equity while effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes as of June 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 4,526	\$ 4,150	\$ 4,369
Checking deposits	1,101,235	1,928,180	2,393,219
Demand deposits	17,748,309	17,344,858	15,412,879
Time deposits	6,556,128	4,298,403	7,697,431
	<u>\$ 25,410,198</u>	<u>\$ 23,575,591</u>	<u>\$ 25,507,898</u>
Interest rate range			
Time deposits	<u>1.25%~5.75%</u>	<u>1.12%~6.30%</u>	<u>1.05%~6.20%</u>

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(2) Financial assets at fair value through other comprehensive income

Items	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Equity instruments			
Listed stocks	\$ 8,665	\$ 8,665	\$ 8,665
Valuation adjustment	25,356	14,230	12,336
Total	<u>\$ 34,021</u>	<u>\$ 22,895</u>	<u>\$ 21,001</u>
Non-current items:			
Equity instruments			
Unlisted stocks	<u>\$ 58,187</u>	<u>\$ 58,187</u>	<u>\$ 58,187</u>

- A. The Group has elected to classify equity instruments investment that are considered to be steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$92,208 thousand, \$81,082 thousand and \$79,188 thousand as at June 30, 2024, December 31, 2023 and June 30, 2023, respectively.
- B. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	<u>\$ 4,396</u>	<u>\$ 293</u>

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Equity instruments at fair value through other comprehensive income Fair value change recognised in other comprehensive income	\$ 11,126	\$ 3,163

C. Information relating to credit risk of financial assets at fair value through other comprehensive loss/income is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Time deposits	\$ 2,593,953	\$ 2,069,758	\$ 429,088
Pledged time deposits	9,998	3,879	-
	<u>\$ 2,603,951</u>	<u>\$ 2,073,637</u>	<u>\$ 429,088</u>
Non-current items:			
Time deposits	\$ 12,001,500	\$ 9,108,335	\$ 3,297,140
Pledged time deposits	25,843	52,639	51,220
	<u>\$ 12,027,343</u>	<u>\$ 9,160,974</u>	<u>\$ 3,348,360</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Interest income	\$ 92,360	\$ 35,972
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Interest income	\$ 174,372	\$ 70,388

B. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$14,631,294 thousand, \$11,234,611 thousand and \$3,777,368 thousand, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 12(2).

D. The Group invests time deposits with financial institutions with sound reputation, and therefore do not expect the financial assets at amortized cost to breach.

E. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 3,778,335	\$ 5,209,793	\$ 4,841,139
Less: Discounted notes receivable	( 720,169)	( 1,062,676)	( 39,298)
Less: Loss allowance	-	-	( 9,277)
	<u>\$ 3,058,166</u>	<u>\$ 4,147,117</u>	<u>\$ 4,792,564</u>
Accounts receivable	\$ 10,590,532	\$ 9,348,922	\$ 10,409,995
Less: Loss allowance	( 62,840)	( 73,177)	( 93,340)
	<u>\$ 10,527,692</u>	<u>\$ 9,275,745</u>	<u>\$ 10,316,655</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Without past due	\$ 8,471,196	\$ 3,058,166	\$ 7,764,728	\$ 4,147,117
Up to 30 days	1,283,852	-	959,556	-
31 to 90 days	572,981	-	371,069	-
91 to 180 days	138,800	-	82,213	-
Over 180 days	123,703	-	171,356	-
	<u>\$ 10,590,532</u>	<u>\$ 3,058,166</u>	<u>\$ 9,348,922</u>	<u>\$ 4,147,117</u>
	June 30, 2023			
	Accounts receivable	Notes receivable		
Without past due	\$ 8,694,616	\$ 4,801,841		
Up to 30 days	965,393	-		
31 to 90 days	498,051	-		
91 to 180 days	148,015	-		
Over 180 days	103,920	-		
	<u>\$ 10,409,995</u>	<u>\$ 4,801,841</u>		

The above ageing analysis was based on past due date.

- B. As at June 30, 2024, December 31, 2023 and June 30, 2023, accounts receivable and notes receivable were all from contracts with customers. And as at January 1, 2023, the balance of receivables from contracts with customers amounted to \$13,048,576 thousand.
- C. As at June 30, 2024, December 31, 2023 and June 30, 2023, the Group had outstanding discounted notes receivable amounting to \$720,169 thousand, \$1,062,676 thousand and \$39,298 thousand, wherein the Group has no payment obligation when the drawers of the notes refuse to pay for the notes at maturity. Those discounted notes receivable were presented as a deduction item to notes receivable.
- D. As at December 31, 2023, the Group had outstanding discounted notes receivable amounting to \$49,761 thousand, wherein the Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as other payables.

E. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$3,058,166 thousand and \$10,527,692 thousand; \$4,147,117 thousand and \$9,275,745 thousand; \$4,792,564 thousand and \$10,316,655 thousand, respectively.

F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,488,625	(\$ 3,425)	\$ 5,485,200
Work in progress	2,372,184	-	2,372,184
Finished goods	6,970,885	( 108,515)	6,862,370
Buildings and land held for sale	2,001,101	-	2,001,101
Inventory in transit	36,888	-	36,888
	<u>\$ 16,869,683</u>	<u>(\$ 111,940)</u>	<u>\$ 16,757,743</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,158,471	(\$ 4,873)	\$ 5,153,598
Work in progress	1,913,027	-	1,913,027
Finished goods	7,688,819	( 103,454)	7,585,365
Buildings and land held for sale	1,998,307	-	1,998,307
Inventory in transit	392,567	-	392,567
	<u>\$ 17,151,191</u>	<u>(\$ 108,327)</u>	<u>\$ 17,042,864</u>
	June 30, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,255,866	(\$ 2,198)	\$ 5,253,668
Work in progress	2,264,918	-	2,264,918
Finished goods	7,666,479	( 11,151)	7,655,328
Buildings and land held for sale	1,980,996	-	1,980,996
Inventory in transit	83,028	-	83,028
	<u>\$ 17,251,287</u>	<u>(\$ 13,349)</u>	<u>\$ 17,237,938</u>

The cost of inventories recognized as expense for the period:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Cost of goods sold	\$ 17,997,803	\$ 18,720,026
Unallocated overheads	28,000	32,051
Others	( 19,542)	( 57,353)
	<u>\$ 18,006,261</u>	<u>\$ 18,694,724</u>

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Cost of goods sold	\$ 35,639,284	\$ 37,247,006
Unallocated overheads	73,114	74,233
Others	( 32,502)	( 122,547)
	<u>\$ 35,679,896</u>	<u>\$ 37,198,692</u>

For the three-month and six-month periods ended June 30, 2024 and 2023, the Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold due to the sale of scrap or inventories which were previously provided with allowance.

(6) Investments accounted for using the equity method

The carrying amount of the Group's interests in all individually immaterial joint ventures and the Group's share of the operating results are summarized below:

As at June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of the Group's individually immaterial joint ventures amounted to \$172,541 thousand, \$179,373 thousand and \$187,569 thousand, respectively.

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Share of profit (loss) of associates and joint ventures accounted for using the equity method	\$ 455	(\$ 6,195)
Total comprehensive income (loss)	<u>\$ 455</u>	<u>(\$ 6,195)</u>

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Share of loss of associates and joint ventures accounted for using the equity method	(\$ 1,833)	(\$ 2,057)
Total comprehensive loss	<u>(\$ 1,833)</u>	<u>(\$ 2,057)</u>

The recognition of gain on investments accounted for using the equity method was based on financial statements prepared by joint ventures and were not reviewed by independent auditors.

(7) Property, plant and equipment, net

Six-month period June 30, 2024						
	Beginning of period	Additions	Disposals	Transfers	Exchange rate differences	End of period
Cost						
Land	\$ 4,555,782	\$ -	\$ -	\$ -	(\$ 1,044)	\$ 4,554,738
Buildings and structures	50,920,979	22,064	( 28,470)	74,530	995,361	51,984,464
Machinery	107,053,947	90,632	( 398,218)	526,499	1,715,772	108,988,632
Testing equipment	4,239,333	5,252	( 12,865)	15,203	57,123	4,304,046
Transportation equipment	1,400,703	12,029	( 32,408)	2,400	32,794	1,415,518
Office equipment	1,098,747	10,720	( 13,951)	( 2,856)	25,932	1,118,592
Other facilities	33,932,740	555,809	( 3,126,781)	262,488	445,622	32,069,878
Unfinished construction and equipment under acceptance	2,696,828	567,207	-	( 879,125)	24,476	2,409,386
	<u>\$ 205,899,059</u>	<u>\$ 1,263,713</u>	<u>(\$ 3,612,693)</u>	<u>(\$ 861)</u>	<u>\$ 3,296,036</u>	<u>\$ 206,845,254</u>
Accumulated depreciation						
Buildings and structures	(\$ 26,121,916)	(\$ 999,222)	\$ 18,147	\$ 157	(\$ 570,577)	(\$ 27,673,411)
Machinery	( 76,424,701)	( 2,722,501)	312,346	49,744	( 1,185,184)	( 79,970,296)
Testing equipment	( 3,745,268)	( 95,368)	11,820	560	( 49,226)	( 3,877,482)
Transportation equipment	( 1,245,727)	( 29,391)	29,884	( 560)	( 29,003)	( 1,274,797)
Office equipment	( 1,030,220)	( 16,682)	12,576	-	( 21,799)	( 1,056,125)
Other facilities	( 30,171,719)	( 904,127)	3,124,780	( 49,901)	( 354,380)	( 28,355,347)
	<u>(\$ 138,739,551)</u>	<u>(\$ 4,767,291)</u>	<u>\$ 3,509,553</u>	<u>\$ -</u>	<u>(\$ 2,210,169)</u>	<u>(\$ 142,207,458)</u>
Accumulated impairment						
Machinery	(\$ 165,459)	\$ -	\$ 1,211	\$ -	(\$ 4,158)	(\$ 168,406)
Testing equipment	( 21)	-	-	-	-	( 21)
Transportation equipment	( 1,948)	-	617	-	( 49)	( 1,380)
Office equipment	( 45)	-	-	-	( 1)	( 46)
Other facilities	( 14,668)	-	4,548	-	( 313)	( 10,433)
	<u>(\$ 182,141)</u>	<u>\$ -</u>	<u>\$ 6,376</u>	<u>\$ -</u>	<u>(\$ 4,521)</u>	<u>(\$ 180,286)</u>
	<u>\$ 66,977,367</u>					<u>\$ 64,457,510</u>

Six-month period June 30, 2023						
	Beginning of period	Additions	Disposals	Transfers	Exchange rate differences	End of period
Cost						
Land	\$ 4,551,722	\$ -	\$ -	\$ -	(\$ 4,983)	\$ 4,546,739
Buildings and structures	51,889,036	17,046	( 9,229)	( 359,337)	( 755,458)	50,782,058
Machinery	108,464,923	350,442	( 144,094)	603,165	( 1,800,776)	107,473,660
Testing equipment	4,268,432	1,331	( 24,418)	91,542	( 69,949)	4,266,938
Transportation equipment	1,463,914	6,659	( 36,214)	3,054	( 28,237)	1,409,176
Office equipment	1,117,455	7,609	( 1,190)	( 5,954)	( 10,878)	1,107,042
Other facilities	34,368,432	425,745	( 732,834)	161,344	( 623,104)	33,599,583
Unfinished construction and equipment under acceptance	2,754,070	792,075	-	( 932,721)	( 30,094)	2,583,330
	<u>\$ 208,877,984</u>	<u>\$ 1,600,907</u>	<u>(\$ 947,979)</u>	<u>(\$ 438,907)</u>	<u>(\$ 3,323,479)</u>	<u>\$ 205,768,526</u>
Accumulated depreciation						
Buildings and structures	(\$ 24,684,137)	(\$ 1,028,168)	\$ 1,069	\$ 233,186	\$ 537,925	(\$ 24,940,125)
Machinery	( 73,047,665)	( 2,879,792)	91,007	-	1,389,071	( 74,447,379)
Testing equipment	( 3,653,145)	( 114,729)	23,334	-	57,371	( 3,687,169)
Transportation equipment	( 1,259,296)	( 33,783)	34,785	-	25,276	( 1,233,018)
Office equipment	( 1,008,456)	( 21,473)	1,059	-	10,800	( 1,018,070)
Other facilities	( 29,502,882)	( 1,165,467)	716,419	-	557,999	( 29,393,931)
	<u>(\$ 133,155,581)</u>	<u>(\$ 5,243,412)</u>	<u>\$ 867,673</u>	<u>\$ 233,186</u>	<u>\$ 2,578,442</u>	<u>(\$ 134,719,692)</u>
Accumulated impairment						
Machinery	(\$ 181,814)	\$ -	\$ 912	\$ -	\$ 4,810	(\$ 176,092)
Testing equipment	( 175)	-	-	-	5	( 170)
Transportation equipment	( 1,985)	-	-	-	57	( 1,928)
Office equipment	( 46)	-	-	-	1	( 45)
Other facilities	( 21,197)	-	6,145	-	376	( 14,676)
	<u>(\$ 205,217)</u>	<u>\$ -</u>	<u>\$ 7,057</u>	<u>\$ -</u>	<u>\$ 5,249</u>	<u>(\$ 192,911)</u>
	<u>\$ 75,517,186</u>					<u>\$ 70,855,923</u>

Note: The aforementioned property, plant and equipment are all for own use.



Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

As at June 30, 2024, the Group had no capitalization of interest.

	Six-month period ended June 30, 2024
Amount capitalized	\$ 1,850
Range of the interest rates for capitalization	3.03%~3.87%

(8) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings, business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 99 years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose covenants, but leased assets of land may not be used as security for borrowing purposes.
- B. Short-term leases comprise of forklift trucks and stacking machines. Low-value assets comprise of computers.
- C. The carrying amount of right-of-use assets and the depreciation expense are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	Book value	Book value	Book value
Land	\$ 4,368,624	\$ 4,270,849	\$ 4,389,244
Buildings and structures	183,114	215,447	260,430
Machinery	2,619	8,136	9,384
Transportation equipment	66,659	83,928	94,815
Office equipment	1,766	2,577	3,121
Other equipment	41,827	44,603	26,650
	<u>\$ 4,664,609</u>	<u>\$ 4,625,540</u>	<u>\$ 4,783,644</u>
	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023	
	Depreciation expense	Depreciation expense	
Land	\$ 25,453	\$ 26,071	
Buildings and structures	21,029	22,649	
Machinery	287	727	
Transportation equipment	10,783	12,315	
Office equipment	410	346	
Other equipment	3,499	2,819	
	<u>\$ 61,461</u>	<u>\$ 64,927</u>	
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023	
	Depreciation expense	Depreciation expense	
Land	\$ 50,852	\$ 51,872	
Buildings and structures	41,546	45,722	
Machinery	573	1,457	
Transportation equipment	22,089	27,113	
Office equipment	820	699	
Other equipment	6,912	5,481	
	<u>\$ 122,792</u>	<u>\$ 132,344</u>	

D. For the three-month and six-month periods ended June 30, 2024 and 2023, the additions to right-of-use assets amounted to \$5,327 thousand, \$82,555 thousand, \$74,870 thousand and \$100,297 thousand, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

<u>Items affecting profit or loss</u>	<u>Three-month period ended June 30, 2024</u>	<u>Three-month period ended June 30, 2023</u>
Interest expense on lease liabilities	\$ 2,745	\$ 2,747
Expense on short-term lease	8,953	3,247
Expense on leases of low-value assets	802	775
Expense on variable lease payments	25,485	33,050
	<u>\$ 37,985</u>	<u>\$ 39,819</u>
<u>Items affecting profit or loss</u>	<u>Six-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2023</u>
Interest expense on lease liabilities	\$ 5,668	\$ 5,369
Expense on short-term lease	17,517	7,813
Expense on leases of low-value assets	1,557	1,508
Expense on variable lease payments	53,280	88,140
	<u>\$ 78,022</u>	<u>\$ 102,830</u>

F. For the three-month and six-month periods ended June 30, 2024 and 2023, the Group's total cash outflow for leases amounted to \$75,791 thousand, \$79,686 thousand, \$167,178 thousand and \$198,749 thousand, respectively.

G. Variable lease payments

- (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to the stored amount of tires. For the aforementioned lease contracts, up to 26.53% and 37.48% of lease payments are on the basis of variable payment terms for the six-month periods ended June 30, 2024 and 2023 and are accrued based on the stored amount of tires. Variable payment terms are used for a variety of reasons. Various lease payments that depend on the stored amount of tires are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.
- (b) A 1% increase in the stored amount of tires with such variable lease contracts would increase total lease payments by approximately \$533 thousand and \$881 thousand for the six-month periods ended June 30, 2024 and 2023, respectively.

(9) Investment property, net

Six-month period ended June 30, 2024					
	Opening net book amount as at January 1	Additions	Transfer	Exchange rate differences	Closing net book amount as at June 30
Cost					
Land	\$ 336,421	\$ -	\$ -	\$ -	\$ 336,421
Buildings and structures	916,356	-	51,318	24,615	992,289
	<u>\$ 1,252,777</u>	<u>\$ -</u>	<u>\$ 51,318</u>	<u>\$ 24,615</u>	<u>\$ 1,328,710</u>
Accumulated depreciation					
Buildings and structures	(\$ 527,894)	(\$ 22,917)	\$ -	(\$ 13,873)	(\$ 564,684)
Accumulated impairment					
Land	(\$ 51,038)	\$ -	\$ -	\$ -	(\$ 51,038)
	<u>\$ 673,845</u>				<u>\$ 712,988</u>
Six-month period ended June 30, 2023					
	Opening net book amount as at January 1	Additions	Transfer	Exchange rate differences	Closing net book amount as at June 30
Cost					
Land	\$ 336,421	\$ -	\$ -	\$ -	\$ 336,421
Buildings and structures	465,245	-	467,660	( 25,791)	907,114
	<u>\$ 801,666</u>	<u>\$ -</u>	<u>\$ 467,660</u>	<u>(\$ 25,791)</u>	<u>\$ 1,243,535</u>
Accumulated depreciation					
Buildings and structures	(\$ 265,007)	(\$ 15,711)	(\$ 233,186)	\$ 13,929	(\$ 499,975)
Accumulated impairment					
Land	(\$ 51,038)	\$ -	\$ -	\$ -	(\$ 51,038)
	<u>\$ 485,621</u>				<u>\$ 692,522</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Rental income from investment property	<u>\$ 11,869</u>	<u>\$ 8,903</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 11,683</u>	<u>\$ 9,769</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Rental income from investment property	<u>\$ 23,029</u>	<u>\$ 17,700</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 22,917</u>	<u>\$ 15,711</u>

B. The fair value of the investment property held by the Group as at June 30, 2024, December 31, 2023 and June 30, 2023 was \$1,731,766 thousand, \$1,705,391 thousand and \$1,260,551 thousand, respectively, which were valued by independent appraisers. Valuations were made using the comparison method which is categorized within Level 3 in the fair value hierarchy.

C. The Company acquired the land in Shangmei Section, Dacun Township, Changhua County which is farming and pasturable land. The land will be registered under the Company after the classification of the land is changed. Currently, the land is under the name of related party, Mr. /Ms. Chiu. The Company plans to use the land for operational expansion. The Company holds the original ownership certificate of such land and signed a land trust agreement, which requires the nominal holder not to transfer the ownership of the land to others.

(10) Other non-current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Intangible assets	\$ 179,357	\$ 202,268	\$ 200,490
Others	94,832	96,309	159,390
	<u>\$ 274,189</u>	<u>\$ 298,577</u>	<u>\$ 359,880</u>

Movements in intangible assets:

Six-month period ended June 30, 2024						
	Opening net book amount as at January 1	Additions	Reductions	Transfer	Exchange rate differences	Closing net book amount as at June 30
Cost						
Computer software	\$ 745,752	\$ 10,790	(\$ 263)	\$ 1,561	\$ 17,911	\$ 775,751
Others	7,801	-	-	-	213	8,014
	<u>\$ 753,553</u>	<u>\$ 10,790</u>	<u>(\$ 263)</u>	<u>\$ 1,561</u>	<u>\$ 18,124</u>	<u>\$ 783,765</u>
Accumulated amortisation						
Computer software	(\$ 545,825)	(\$ 39,470)	\$ 263	\$ -	(\$ 13,366)	(\$ 598,398)
Others	( 5,460)	( 398)	-	-	( 152)	( 6,010)
	<u>(\$ 551,285)</u>	<u>(\$ 39,868)</u>	<u>\$ 263</u>	<u>\$ -</u>	<u>(\$ 13,518)</u>	<u>(\$ 604,408)</u>
	<u>\$ 202,268</u>					<u>\$ 179,357</u>
Six-month period ended June 30, 2023						
	Opening net book amount as at January 1	Additions	Reductions	Transfer	Exchange rate differences	Closing net book amount as at June 30
Cost						
Computer software	\$ 741,268	\$ 8,472	(\$ 19,503)	\$ 10,453	(\$ 10,312)	\$ 730,378
Others	7,947	-	-	-	( 227)	7,720
	<u>\$ 749,215</u>	<u>\$ 8,472</u>	<u>(\$ 19,503)</u>	<u>\$ 10,453</u>	<u>(\$ 10,539)</u>	<u>\$ 738,098</u>
Accumulated amortisation						
Computer software	(\$ 511,434)	(\$ 46,029)	\$ 19,503	\$ -	\$ 5,370	(\$ 532,590)
Others	( 4,768)	( 397)	-	-	147	( 5,018)
	<u>(\$ 516,202)</u>	<u>(\$ 46,426)</u>	<u>\$ 19,503</u>	<u>\$ -</u>	<u>\$ 5,517</u>	<u>(\$ 537,608)</u>
	<u>\$ 233,013</u>					<u>\$ 200,490</u>

Details of amortisation on intangible assets are as follows:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Operating costs	\$ 2,320	\$ 1,690
Selling expenses	2,547	3,902
Administrative expenses	7,417	9,364
Research and development expenses	7,775	7,169
	<u>\$ 20,059</u>	<u>\$ 22,125</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Operating costs	\$ 4,030	\$ 3,743
Selling expenses	5,067	8,088
Administrative expenses	15,287	20,504
Research and development expenses	15,484	14,091
	<u>\$ 39,868</u>	<u>\$ 46,426</u>

(11) Short-term borrowings

Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 2,749,713</u>	2.15% ~ 6.08%	None
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 3,011,371</u>	1.61% ~ 6.25%	None
Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 1,915,308</u>	5.85% ~ 6.19%	None

The abovementioned credit loan includes the guarantee of endorsement provided by the Company.

(12) Short-term notes and bills payable

As at June 30, 2024, the Group had no short-term notes and bills payable.

	December 31, 2023	June 30, 2023
Short-term notes and bills payable	<u>\$ 300,000</u>	<u>\$ 1,750,000</u>
Interest rate range	<u>1.56%</u>	<u>1.37%~1.55%</u>

(13) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Dividend payable	\$ 6,482,831	\$ -	\$ 4,537,992
Wages and salaries payable	1,181,199	1,390,784	1,126,318
Payable on machinery and equipment	337,215	294,103	301,011
Employee compensation payable	306,837	357,753	257,512
Compensation due to directors	219,730	150,392	169,071
Other accrued expenses	2,201,200	2,069,241	2,279,506
	<u>\$ 10,729,012</u>	<u>\$ 4,262,273</u>	<u>\$ 8,671,410</u>

(14) Other current liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Advance receipts	\$ 37,027	\$ 74,444	\$ 15,166
Refund liabilities	335,036	318,628	168,183
Others	211,706	152,801	143,963
	<u>\$ 583,769</u>	<u>\$ 545,873</u>	<u>\$ 327,312</u>

(15) Bonds payable

	June 30, 2024	December 31, 2023	June 30, 2023
Bonds payable -issued in 2018	\$ -	\$ -	\$ 2,500,000
Bonds payable -issued in 2021	8,000,000	8,000,000	8,000,000
	<u>8,000,000</u>	<u>8,000,000</u>	<u>10,500,000</u>
Less: Current portion	-	-	( 2,500,000)
	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>

A. In order to fulfil its capital and repay long-term and short-term loans, the Board of Directors of the Company has resolved to issue domestic unsecured bonds (“the bonds”). The bond issuance has been approved by FSC on July 27, 2021 and completed on August 5, 2021. The bonds were fully issued and total issuance amount was \$8 billion with a coupon rate of 0.60%. The issuance period of the bonds is 5 years, which is from August 5, 2021 to August 5, 2026. The terms are as follows:

(a) Interest accrued/paid:

The interest is accrued/ paid at a single rate annually from the issue date.

(b) Redemption:

The principal of the corporate bond will be redeemed at 50% of the total amount after four and five years from the issue date.

B. In order to meet operating capital requirements, repay debts and improve the financial structure, the Board of Directors of the Company has resolved to issue domestic unsecured bonds (“the bonds”). The bond issuance has been approved by FSC on July 16, 2018 and completed on July 25, 2018. The bonds were fully issued and total issuance amount was \$5 billion with a coupon rate of 0.87%. The issuance period of the bonds was 5 years, which is from July 25, 2018 to July 25, 2023. The terms are as follows:

(a) Interest accrued/paid:

The interest is accrued/ paid at a single rate annually from the issue date.

(b) Redemption:

The principal of the corporate bond will be redeemed at 50% of the total amount after four and five years from the issue date.

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2024
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38% ~ 6.14%	None	\$ 22,998,220
Less: Current portion				( 3,751,383)
				<u>\$ 19,246,837</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.25% ~ 6.19%	None	\$ 25,573,015
Less: Current portion				( 1,822,121)
				<u>\$ 23,750,894</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2023
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.25% ~ 6.17%	None	\$ 25,277,609
Less: Current portion				( 3,874,578)
				<u>\$ 21,403,031</u>

A. According to the borrowing contract, the Group shall calculate the financial ratios based on the audited annual consolidated financial statements. The financial ratios shall be maintained as follows: at least 100% for current ratio, no more than 200% for debt-to-equity ratio, at least 150% for debt-service coverage ratio. The financial ratios as assessed in the financial statements have met the abovementioned requirements as at December 31, 2023.

B The currencies and carrying amounts (in thousands of New Taiwan dollars) of the Group's long-term borrowings (including current portion) denominated in foreign currencies are as follows:

Currency	June 30, 2024	December 31, 2023	June 30, 2023
USD	\$ 6,116,825	\$ 7,453,639	\$ 10,863,189

(17) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' including commissioned managers service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standard Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$2,649 thousand, \$3,125 thousand, \$5,299 thousand and \$6,250 thousand for the three-month and six-month periods ended June 30, 2024 and 2023, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$11,136 thousand.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under defined contribution pension plans of the Company and MAXXIS (Taiwan) Trading Co., Ltd. for the three-month and six-month periods ended June 30, 2024 and 2023 were \$30,790 thousand, \$30,304 thousand, \$61,724 thousand and \$61,789 thousand, respectively.
- C. (a) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the six-month periods ended June 30, 2024 and 2023 ranged between 14% ~ 20%. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2024 and 2023, were \$143,792 thousand, \$144,046 thousand \$283,540 thousand and \$293,722 thousand, respectively.
- (b) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations. The pension costs under the defined contribution pension plan of the Group for the three-month and six-month periods ended June 30, 2024 and 2023 were \$13,176 thousand, \$13,487 thousand, \$26,497 thousand and \$25,735 thousand, respectively.



(18) Share capital

As at June 30, 2024, the Company's authorized capital and paid-in capital were both \$32,414,155 thousand, and all proceeds from shares issued have been collected.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of the remaining amount along with the unappropriated earnings shall be proposed by the Board of Directors and resolved by the shareholders. According to the appropriation of earnings proposed by the Board of Directors, at least 10% ~ 80% of the Company's accumulated distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributed.
- B. Where the Company accrues annual net income, no less than 2% of which shall be appropriated as employees' compensation and no higher than 3% of which shall be appropriated as directors' remuneration after offsetting accumulated deficit. The employees' compensation can be appropriated in the form of shares or cash whereas the directors' remuneration can only be appropriated in the form of cash. The appropriations require attendance of over two thirds of Board of Directors members and approval of over the half of the attendees. The resolution of the Board of Directors shall be reported at the shareholders' meeting. The recipients of aforementioned employees' compensation include eligible employees of subordinate companies who meet the requirements set out by the Board of Directors.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.  
(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. The Company recognized dividends distributed to shareholders amounting to \$4,537,982 thousand and \$3,889,699 thousand (\$1.4 (in dollars) per share and \$1.2 (in dollars) per share) for the years ended December 31, 2023 and 2022. On March 13, 2024, the Board of Directors that total dividends for the distribution of earnings for the year of 2023 was \$6,482,831 thousand at \$2 (in dollars) per share.

(21) Other equity items

2024			
	Currency translation	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	Total
At January 1	(\$ 6,935,802)	\$ 14,230	(\$ 6,921,572)
Valuation adjustment – Group	-	11,126	11,126
Currency translation differences:			
– Group	2,093,633	-	2,093,633
– Tax on Group	( 418,727)	-	( 418,727)
At June 30	(\$ 5,260,896)	\$ 25,356	(\$ 5,235,540)
2023			
	Currency translation	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	Total
At January 1	(\$ 5,880,150)	\$ 9,173	(\$ 5,870,977)
Valuation adjustment – Group	-	3,163	3,163
Currency translation differences:			
– Group	( 1,934,732)	-	( 1,934,732)
– Tax on Group	386,946	-	386,946
At June 30	(\$ 7,427,936)	\$ 12,336	(\$ 7,415,600)

(22) Operating revenue

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Revenue from contracts with customers	\$ 24,346,068	\$ 24,623,334
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Revenue from contracts with customers	\$ 47,968,422	\$ 48,151,979

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following geographical regions:

Three-month period ended June 30, 2024					
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,498,759	\$ 11,086,710	\$ 2,628,240	\$ 9,132,359	\$ 24,346,068
Three-month period ended June 30, 2023					
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,639,852	\$ 11,299,401	\$ 2,556,245	\$ 9,127,836	\$ 24,623,334

		Six-month period ended June 30, 2024				
		Taiwan	China	US	Others	Total
Revenue from external						
customer contracts		<u>\$ 2,873,203</u>	<u>\$ 21,358,237</u>	<u>\$ 5,223,145</u>	<u>\$ 18,513,837</u>	<u>\$ 47,968,422</u>
		Six-month period ended June 30, 2023				
		Taiwan	China	US	Others	Total
Revenue from external						
customer contracts		<u>\$ 3,262,299</u>	<u>\$ 21,879,160</u>	<u>\$ 4,950,553</u>	<u>\$ 18,059,967</u>	<u>\$ 48,151,979</u>
B. Contract liabilities						
The Group has recognised the following revenue-related contract liabilities:						
		June 30, 2024		December 31, 2023		
Contract liabilities:						
Advance sales receipts		\$	685,825	\$	521,460	
Customer loyalty programmes			-		20,385	
Total		\$	685,825	\$	541,845	
		June 30, 2023		January 1, 2023		
Contract liabilities:						
Advance sales receipts		\$	711,579	\$	527,661	
Customer loyalty programmes			12,381		26,661	
Total		\$	723,960	\$	554,322	
Revenue recognised that was included in the contract liability balance at the beginning of the period:						
		Three-month period ended June 30, 2024		Three-month period ended June 30, 2023		
Advance sales receipts		\$	11,613	\$	14,844	
Customer loyalty programmes			-		-	
		\$	11,613	\$	14,844	
		Six-month period ended June 30, 2024		Six-month period ended June 30, 2023		
Advance sales receipts		\$	363,206	\$	317,353	
Customer loyalty programmes			20,385		26,661	
		\$	383,591	\$	344,014	

(23) Interest income

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Interest income from bank deposits	\$ 163,888	\$ 158,681
Interest income from financial assets at amortised cost	92,360	35,972
	<u>\$ 256,248</u>	<u>\$ 194,653</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Interest income from bank deposits	\$ 303,383	\$ 268,051
Interest income from financial assets at amortised cost	174,372	70,388
	<u>\$ 477,755</u>	<u>\$ 338,439</u>

(24) Other income

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Grant revenue	\$ 61,634	\$ 81,186
Other income	206,452	81,675
	<u>\$ 268,086</u>	<u>\$ 162,861</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Grant revenue	\$ 125,418	\$ 162,448
Other income	313,147	124,433
	<u>\$ 438,565</u>	<u>\$ 286,881</u>

(25) Other gains and losses

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Net currency exchange (loss) gain	(\$ 151,869)	\$ 303,353
Loss on disposal of property, plant and equipment	( 42,339)	( 13,336)
Miscellaneous disbursement	( 28,506)	( 51,877)
	<u>(\$ 222,714)</u>	<u>\$ 238,140</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Net currency exchange (loss) gain	(\$ 1,336)	\$ 665,812
Loss on disposal of property, plant and equipment	( 3,900)	( 16,921)
Miscellaneous disbursement	( 60,799)	( 68,509)
	<u>(\$ 66,035)</u>	<u>\$ 580,382</u>

(26) Finance costs

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Interest expense:		
Bank borrowings	\$ 218,981	\$ 282,933
Corporate bonds	11,967	17,389
Provisions-discount	2,937	3,007
Lease liability-interest expense	2,745	2,747
	<u>\$ 236,630</u>	<u>\$ 306,076</u>
Less: Capitalisation of qualifying assets	-	( 687)
	<u>\$ 236,630</u>	<u>\$ 305,389</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Interest expense:		
Bank borrowings	\$ 443,746	\$ 563,496
Corporate bonds	23,803	34,588
Provisions-discount	5,875	5,968
Lease liability-interest expense	5,668	5,369
	<u>\$ 479,092</u>	<u>\$ 609,421</u>
Less: Capitalisation of qualifying assets	-	( 1,850)
	<u>\$ 479,092</u>	<u>\$ 607,571</u>

(27) Expenses by nature

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Employee benefit expense		
Wages and salaries	\$ 2,709,696	\$ 2,617,536
Labour and health insurance fees	197,369	186,807
Pension costs	190,407	190,962
Directors' remuneration	43,908	43,494
Other personnel expenses	192,273	186,072
	<u>\$ 3,333,653</u>	<u>\$ 3,224,871</u>
Raw materials and supplies used	<u>\$ 11,811,147</u>	<u>\$ 11,626,460</u>
Depreciation expense on property, plant and equipment	<u>\$ 2,388,431</u>	<u>\$ 2,582,419</u>
Depreciation expense on right-of-use assets	<u>\$ 61,461</u>	<u>\$ 64,927</u>
Depreciation expense on investment property	<u>\$ 11,683</u>	<u>\$ 9,769</u>
Amortisation expense on intangible assets	<u>\$ 20,059</u>	<u>\$ 22,125</u>

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Employee benefit expense		
Wages and salaries	\$ 5,429,336	\$ 5,082,911
Labour and health insurance fees	380,165	389,647
Pension costs	377,060	387,496
Directors' remuneration	86,523	72,090
Other personnel expenses	369,961	362,912
	<u>\$ 6,643,045</u>	<u>\$ 6,295,056</u>
Raw materials and supplies used	<u>\$ 22,596,612</u>	<u>\$ 23,380,050</u>
Depreciation expense on property, plant and equipment	<u>\$ 4,767,291</u>	<u>\$ 5,243,412</u>
Depreciation expense on right-of-use assets	<u>\$ 122,792</u>	<u>\$ 132,344</u>
Depreciation expense on investment property	<u>\$ 22,917</u>	<u>\$ 15,711</u>
Amortisation expense on intangible assets	<u>\$ 39,868</u>	<u>\$ 46,426</u>

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the three-month and six-month periods ended June 30, 2024 and 2023, employees' compensation was accrued at \$54,853 thousand, \$54,364 thousand, \$109,118 thousand and \$94,168 thousand, respectively; while directors' remuneration was accrued at \$39,082 thousand, \$38,735 thousand, \$77,746 thousand and \$67,095 thousand, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 2% and 1.425% of distributable profit of current year for the three-month periods ended March 31, 2024 and 2023, respectively.

Employees' compensation and directors' remuneration for 2023 amounting to \$189,803 thousand and \$135,235 thousand as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2023 financial statements. The employees' compensation for 2023 will be distributed in the form of cash. As of August 12, 2024, the employees' compensation for 2023 has not been distributed.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Three-month period ended June 30, 2024</u>	<u>Three-month period ended June 30, 2023</u>
Current tax:		
Current tax on profits for the period	\$ 741,166	\$ 893,932
Additional 5% tax on undistributed	-	86,897
Prior year income tax (over) under estimation	( 87,407)	35,906
Total current tax	<u>653,759</u>	<u>1,016,735</u>
Deferred tax:		
Origination and reversal of temporary differences	107,284	( 194,083)
Total current tax	<u>107,284</u>	<u>( 194,083)</u>
Income tax expense	<u>\$ 761,043</u>	<u>\$ 822,652</u>
	<u>Six-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2023</u>
Current tax:		
Current tax on profits for the period	\$ 1,281,251	\$ 1,276,960
Additional 5% tax on undistributed	-	86,897
Prior year income tax (over) under estimation	( 87,407)	89,758
Total current tax	<u>1,193,844</u>	<u>1,453,615</u>
Deferred tax:		
Origination and reversal of temporary differences	386,085	( 13,141)
Total current tax	<u>386,085</u>	<u>( 13,141)</u>
Income tax expense	<u>\$ 1,579,929</u>	<u>\$ 1,440,474</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Three-month period ended June 30, 2024</u>	<u>Three-month period ended June 30, 2023</u>
Generated during the period :		
Currency translation differences	(\$ 131,530)	\$ 457,652
	<u>Six-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2023</u>
Generated during the period :		
Currency translation differences	(\$ 418,727)	\$ 386,946

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(29) Earnings per share

Three-month period ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,355,458	3,241,416	\$ 0.73
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,355,458	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,236	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,355,458	3,243,652	\$ 0.73
Three-month period ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,077,569	3,241,416	\$ 0.64
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,077,569	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,380	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,077,569	3,243,796	\$ 0.64



Six-month period ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,575,266	3,241,416	\$ 1.41
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	4,575,266	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,952	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 4,575,266	3,245,368	\$ 1.41

Six-month period ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 3,660,862	3,241,416	\$ 1.13
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	3,660,862	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,981	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 3,660,862	3,245,397	\$ 1.13

(30) Supplemental cash flow information

Investing activities with partial cash payments :

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Purchase of property, plant and equipment	\$ 1,263,713	\$ 1,600,907
Add: Opening balance of payable on equipment	294,103	432,843
Less: Ending balance of payable on equipment	( 337,215)	( 301,011)
Cash paid during the period	\$ 1,220,601	\$ 1,732,739

### (31) Changes in liabilities from financing activities

2024								
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Dividends payable	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 3,011,371	\$ 300,000	\$ 25,573,015	\$ 8,000,000	\$ -	\$ 389,716	\$ 263,020	\$ 37,537,122
Changes in cash flow from financing activities	( 366,679)	( 300,000)	( 2,695,300)	-	-	( 89,156)	42,782	( 3,408,353)
Interest paid	-	-	-	-	-	( 5,668)	-	( 5,668)
Additions	-	-	-	-	6,482,831	69,299	-	6,552,130
Amortisation of interest expense	-	-	-	-	-	5,668	-	5,668
Impact of changes in foreign exchange rate	105,021	-	120,505	-	-	13,263	-	238,789
At June 30	\$ 2,749,713	\$ -	\$ 22,998,220	\$ 8,000,000	\$ 6,482,831	\$ 383,122	\$ 305,802	\$ 40,919,688

  

2023								
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Dividends payable	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 4,694,746	\$ 1,500,000	\$ 26,218,912	\$ 10,500,000	\$ 10	\$ 433,905	\$ 270,590	\$ 43,618,163
Changes in cash flow from financing activities	( 2,858,771)	250,000	( 797,859)	-	-	( 95,919)	( 10,072)	( 3,512,621)
Interest paid	-	-	-	-	-	( 5,369)	-	( 5,369)
Additions	-	-	-	-	4,537,982	89,064	-	4,627,046
Amortisation of interest expense	-	-	-	-	-	5,369	-	5,369
Impact of changes in foreign exchange rate	79,333	-	( 143,444)	-	-	5,387	-	( 58,724)
At June 30	\$ 1,915,308	\$ 1,750,000	\$ 25,277,609	\$ 10,500,000	\$ 4,537,992	\$ 432,437	\$ 260,518	\$ 44,673,864

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Toyo Tire & Rubber Co., Ltd.	Associate which invests in subsidiary by using the equity method
New Pacific IND. CD., LTD.	Investee accounted for using the equity method
MERIDA INDUSTRY CO., LTD.	The Company's director is the company's chairman
Maxxis (XiaMen) Trading CO., LTD.	The Company's president is the company's representative
Jye Luo Memory Co Ltd.	The Company's vice chairman is the company's representative
Lo, Ming-Ling	Spouse of the Company's president
Lo, Ming-I	Spouse of the Company's chairman
Lo, Tsai-Jen	The Company's vice chairman
Luo, Yuan-Yo	Relative of the Company's vice chairman within first degree of relationship
Lo, Yuan-Long	The Company's director
Chen, Po-Chia	Relative of the Company's president within first degree of relationship
Chen, Ping-Hao	Relative of the Company's chairman within first degree of relationship

(2) Significant related party transactions

A. Operating revenue

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Sales of goods:		
-Other related parties	\$ 94,015	\$ 66,604

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Sales of goods:		
-Other related parties	\$ 159,281	\$ 147,068

Prices and collection terms of abovementioned sales are the same with third parties, and the credit terms are between 60~90 days.

B. Receivables from related parties

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable:			
-Other related parties	\$ 75,344	\$ 66,401	\$ 47,478

C. Lease transactions - lessee

(a) The Group leases land from Lo, Ming-Ling, Lo, Ming-I, Lo, Tsai-Jen, Luo, Yuan-Yo, Lo, Yuan-Long, Chen, Po-Chia and Chen, Ping-Hao. Rental contracts are typically made for periods of 5 years. Rents are prepaid at the beginning of the year.

(b) Lease liabilities

i. Outstanding balance

	June 30, 2024	December 31, 2023	June 30, 2023
Key management personnel	\$ 54,166	\$ -	\$ -

ii. Interest expense

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Key management personnel	\$ 215	\$ -

	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Key management personnel	\$ 430	\$ -

(32) Key management compensation

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Short-term employee benefits	\$ 84,263	\$ 26,785
Post-employment benefits	488	580
	\$ 84,751	\$ 27,365
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Short-term employee benefits	\$ 167,710	\$ 153,553
Post-employment benefits	976	1,160
	\$ 168,686	\$ 154,713

## 8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	June 30, 2023	December 31, 2023	June 30, 2023	
Time deposits (shown as 'Financial assets at amortised cost - current')	\$ 9,998	\$ 3,879	\$ -	Customs guarantees
Time deposits (shown as 'Financial assets at amortised cost - non-current')	25,843	52,639	51,220	Customs guarantees, Performance guarantees and Import credit limit
	<u>\$ 35,841</u>	<u>\$ 56,518</u>	<u>\$ 51,220</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

The Company's former distributor, Khalid Saeed Al Hajri Company Ltd., claimed that the termination of its agency contract was in dispute and filed a claim for arbitration. On June 30, 2024, the arbitral tribunal decided, through the unanimous decision of the three arbitrators, to appoint an independent auditor mutually agreed upon by both parties to review the relevant documents regarding this dispute and to make inquiries on both parties, including calculating the amount of damages (if any). The independent auditor is required to submit a report to the arbitral tribunal within 90 days of being appointed. The examination costs are to be shared equally between both parties. The expenses to be borne by the Company have been paid. On May 26, 2024, the arbitral tribunal appointed the independent auditor, who has provided a list of documents and requested the Company and the opposing party to prepare the relevant materials.

### (2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	<u>\$ 2,087,872</u>	<u>\$ 2,061,794</u>	<u>\$ 2,264,473</u>

B. Amount of letter of credit that has been issued but not yet used:

	June 30, 2024	December 31, 2023	June 30, 2023
Amount of letter of credit that has been issued but not yet used	<u>\$ 18,634</u>	<u>\$ -</u>	<u>\$ -</u>

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

To repay loans and meet the working capital needs of Maxxis Rubber India Private Limited, the Group's Board of Directors resolved on August 12, 2024, to approve a capital increase for its subsidiary Maxxis Rubber India Private Limited. The planned cash injection is approximately INR 3,360,000 thousand.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the six-month period ended June 30, 2024, the Company's strategy was unchanged from 2023. The Company maintained the gearing ratios below 200%. The gearing ratios at June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Total liabilities	\$ 58,304,515	\$ 55,590,853	\$ 60,080,135
Total equity	\$ 85,819,493	\$ 85,995,065	\$ 81,961,222
Less : Intangible assets	( 179,357)	( 202,268)	( 200,490)
Tangible equity	\$ 85,640,136	\$ 85,792,797	\$ 81,760,732
Debt-equity ratio	68%	65%	73%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 92,208	\$ 81,082	\$ 79,188
Financial assets at amortised cost			
Cash and cash equivalents	\$ 25,410,198	\$ 23,575,591	\$ 25,507,898
Financial assets at amortised cost	14,631,294	11,234,611	3,777,368
Notes receivable, net	3,058,166	4,147,117	4,792,564
Accounts receivable (including related parties)	10,603,036	9,342,146	10,364,133
Guarantee deposits paid	87,628	76,438	73,105
	<u>\$ 53,790,322</u>	<u>\$ 48,375,903</u>	<u>\$ 44,515,068</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,749,713	\$ 3,011,371	\$ 1,915,308
Short-term notes and bills payable	-	300,000	1,750,000
Notes payable	80,468	150,408	199,501
Accounts payable	7,043,163	7,182,403	5,892,897
Other accounts payable	10,729,012	4,262,273	8,671,410
Corporate bonds payable (including current portion)	8,000,000	8,000,000	10,500,000
Long-term borrowings (including current portion)	22,998,220	25,573,015	25,277,609
Guarantee deposits received	305,802	263,020	260,518
	<u>\$ 51,906,378</u>	<u>\$ 48,742,490</u>	<u>\$ 54,467,243</u>
Lease liabilities (including current portion)	<u>\$ 383,122</u>	<u>\$ 389,716</u>	<u>\$ 432,437</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The material financing activities are reviewed by the Board of Directors in accordance with procedures required by relevant regulations and internal control system. During the implementation of financing plans, the Board of Directors is assisted in its oversight role by the internal audit department. Internal audit undertakes both regular and exceptional reviews of risk management controls and procedures, and reports the results to the Board of Directors.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency. Primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.
- ii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: TWD; other certain subsidiaries' functional currency: RMB, THB, VND, CAD, IDR, EUR, INR, JPY and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2024

		Sensitivity analysis					
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<b>(Foreign currency: functional currency)</b>							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : TWD	\$ 150,543	\$ 32.450	\$ 4,885,120	1%	\$ 48,851	\$	-
RMB : TWD	64,403	4.445	286,271	1%	2,863		-
EUR : TWD	18,634	34.710	646,786	1%	6,468		-
JPY : TWD	1,363,908	0.202	275,509	1%	2,755		-
USD : RMB	189,427	7.300	6,146,622	1%	61,466		-
EUR : RMB	34,139	7.809	1,184,999	1%	11,850		-
GBP : RMB	4,497	9.233	184,560	1%	1,846		-
USD : THB	105,812	36.596	3,434,727	1%	34,347		-
EUR : THB	3,959	39.145	137,463	1%	1,375		-
USD : VND	17,116	25,753.968	555,414	1%	5,554		-
USD : CAD	28,801	1.371	934,638	1%	9,346		-
USD : IDR	9,959	16,388.889	323,170	1%	3,232		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : TWD	\$ 20,957	32.450	\$ 680,055	1%	\$ 6,801	\$	-
USD : RMB	18,762	7.300	608,799	1%	6,088		-
USD : THB	12,539	36.596	407,024	1%	4,070		-
USD : VND	9,147	25,753.968	296,820	1%	2,968		-
USD : CAD	5,856	1.371	190,036	1%	1,900		-
USD : IDR	250,805	16,388.889	8,138,622	1%	81,386		-
USD : INR	140,000	83.462	4,543,004	1%	45,430		-

December 31, 2023

		Sensitivity analysis				
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : TWD	\$ 222,877	30.705	\$ 6,843,438	1%	\$ 68,434	\$ -
RMB : TWD	30,675	4.327	132,731	1%	1,327	-
EUR : TWD	6,897	33.980	234,360	1%	2,344	-
JPY : TWD	954,270	0.217	207,077	1%	2,071	-
USD : RMB	140,452	7.096	4,312,493	1%	43,125	-
EUR : RMB	20,992	7.853	713,307	1%	7,133	-
GBP : RMB	3,737	9.048	146,306	1%	1,463	-
USD : THB	50,485	34.052	1,550,642	1%	15,506	-
EUR : THB	3,582	37.684	121,756	1%	1,218	-
USD : VND	7,031	24,564.000	215,887	1%	2,159	-
USD : CAD	26,224	1.323	804,909	1%	8,049	-
USD : IDR	11,196	15,507.576	343,773	1%	3,438	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : TWD	\$ 19,695	30.705	\$ 604,735	1%	\$ 6,047	\$ -
USD : RMB	25,901	7.096	795,274	1%	7,953	-
USD : THB	15,854	34.052	486,954	1%	4,870	-
USD : VND	10,229	24,564.000	314,081	1%	3,141	-
USD : CAD	7,638	1.323	234,438	1%	2,344	-
USD : IDR	256,894	15,507.576	7,887,930	1%	78,879	-
USD : INR	147,350	83.121	4,524,367	1%	45,244	-



June 30, 2023

			Sensitivity analysis			
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD : TWD	\$ 159,679	31.140	\$ 4,972,404	1%	\$ 49,724	\$ -
RMB : TWD	471,001	4.282	2,016,826	1%	20,168	-
EUR : TWD	15,261	33.810	515,974	1%	5,160	-
JPY : TWD	921,859	0.215	198,200	1%	1,982	-
USD : RMB	117,438	7.272	3,656,867	1%	36,569	-
EUR : RMB	24,879	7.896	841,176	1%	8,412	-
GBP : RMB	4,276	9.197	168,396	1%	1,684	-
USD : THB	52,499	35.322	1,635,554	1%	16,356	-
EUR : THB	3,310	38.351	111,963	1%	1,120	-
USD : VND	6,768	23,770.922	210,756	1%	2,108	-
USD : CAD	22,425	1.326	698,191	1%	6,982	-
USD : IDR	9,388	14,971.154	292,342	1%	2,923	-
Financial liabilities						
Monetary items						
USD : TWD	\$ 15,844	31.140	\$ 493,382	1%	\$ 4,934	\$ -
USD : RMB	20,975	7.272	653,134	1%	6,531	-
USD : THB	16,626	35.322	517,966	1%	5,180	-
USD : VND	25,534	23,770.992	795,129	1%	7,951	-
USD : CAD	6,608	1.326	205,737	1%	2,057	-
USD : IDR	254,082	14,971.154	7,912,114	1%	79,121	-
USD : INR	149,800	82.034	4,664,788	1%	46,648	-

- iv. The exchange (loss) gain including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2024 and 2023 amounted to (\$151,869) thousand, \$303,352 thousand (\$1,336) thousand and \$665,812 thousand, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group diversifies its portfolio to manage its price risk arising from investments in equity securities.
- ii. Shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity investments at fair value through other comprehensive income and gain or loss for the six-month periods ended June 30, 2024 and 2023 would have increased/decreased by \$922 thousand and \$792 thousand, respectively.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the six-month periods ended June 30, 2024 and 2023, the Group's borrowings at variable rate were denominated in the TWD, USD and RMB.
- ii. The Group's borrowings are measured at amortised cost. The rate of borrowings are referred market interest rates and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. As at June 30, 2024 and 2023, if interest rates on TWD, USD and RMB denominated borrowings at that date had been 0.1% higher/lower with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2024 and 2023 would have been \$12,831 thousand and \$14,411 thousand higher/lower, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and financial assets at amortised cost based on the agreed terms, and the contract cash flows of financial instruments at fair value through profit or loss and at fair value through other comprehensive income.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard receiving and payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 30 days.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As at June 30, 2024, December 31, 2023 and June 30, 2023, the Group has no written-off financial assets that are still under recourse procedures.
- vii. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of receivables (including notes and accounts receivable); accounts receivable that are significantly past due are assessed individually for their expected credit losses. As at June 30, 2024, December 31, 2023 and June 30, 2023, the provision matrix is as follows:

<u>June 30, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 1.88%	\$ 11,529,362	\$ 12,551
Up to 30 days	0.01% ~ 6.48%	1,283,852	12,474
31 to 90 days	0.01% ~ 4.79%	572,981	6,947
91 to 180 days	0.01% ~ 21.11%	138,800	8,112
Over 180 days	0.02% ~100.00%	123,703	22,756
		<u>\$ 13,648,698</u>	<u>\$ 62,840</u>
<u>December 31, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 1.12%	\$ 11,911,845	\$ 10,721
Up to 30 days	0.01% ~ 2.45%	959,556	11,612
31 to 90 days	0.01% ~ 9.43%	371,069	5,455
91 to 180 days	0.01% ~ 53.04%	82,213	4,398
Over 180 days	0.02% ~100.00%	171,356	40,991
		<u>\$ 13,496,039</u>	<u>\$ 73,177</u>
<u>June 30, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 0.39%	\$ 13,496,457	\$ 20,719
Up to 30 days	0.01% ~ 3.16%	965,393	9,773
31 to 90 days	0.01% ~ 18.92%	498,051	15,575
91 to 180 days	0.01% ~ 35.28%	148,015	24,126
Over 180 days	0.01% ~100.00%	103,920	32,424
		<u>\$ 15,211,836</u>	<u>\$ 102,617</u>

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for receivables are as follows:

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 73,177	\$ 73,177
Reserve for impairment	- (	13,983)	( 13,983)
Write-offs	- (	1,694)	( 1,694)
Others	-	3,837	3,837
Effect of exchange rate changes	-	1,503	1,503
At June 30	<u>\$ -</u>	<u>\$ 62,840</u>	<u>\$ 62,840</u>

  

	2023		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 9,277	\$ 38,364	\$ 47,641
Provision for impairment	-	55,217	55,217
Write-offs	- (	5)	( 5)
Others	-	2,124	2,124
Effect of exchange rate changes	- (	2,360)	( 2,360)
At June 30	<u>\$ 9,277</u>	<u>\$ 93,340</u>	<u>\$ 102,617</u>

ix. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	June 30, 2024			
		Lifetime		
		Significant	Impairment	
	12 months	increase in	of credit	Total
	credit risk			
Financial assets at amortised cost	\$ 14,631,294	\$ -	\$ -	\$ 14,631,294
	December 31, 2023			
		Lifetime		
		Significant	Impairment	
	12 months	increase in	of credit	Total
	credit risk			
Financial assets at amortised cost	\$ 11,234,611	\$ -	\$ -	\$ 11,234,611
	June 30, 2023			
		Lifetime		
		Significant	Impairment	
	12 months	increase in	of credit	Total
	credit risk			
Financial assets at amortised cost	\$ 3,777,368	\$ -	\$ -	\$ 3,777,368

Based on assessment, the default possibility of the Group's financial assets at amortised cost is remote, and thus loss allowances as of June 30, 2024, December 31, 2023 and June 30, 2023 were all immaterial.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>June 30, 2024</u>					
<u>Non-derivative financial liabilities</u>	<u>Less than three months</u>	<u>Between three and six months</u>	<u>Between six months and 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Short-term borrowings	\$1,595,057	\$ 966,690	\$ 222,679	\$ -	\$ 2,784,426
Notes and accounts payable	7,123,631	-	-	-	7,123,631
Other payables	10,339,961	74	189,948	199,029	10,729,012
Lease liability	39,714	38,995	88,532	230,917	398,158
Guarantee deposits received	2,029	2,194	12,407	289,172	305,802
Long-term borrowings	418,387	1,441,454	2,530,181	20,218,158	24,608,180
Bonds payable	48,000	-	-	8,072,000	8,120,000

<u>December 31, 2023</u>					
Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	\$2,390,736	\$ 36,223	\$ 628,938	\$ -	\$ 3,055,897
Short-term notes and bills payable	300,000	-	-	-	300,000
Notes and accounts payable	7,332,806	5	-	-	7,332,811
Other payables	3,871,015	15,130	186,212	189,916	4,262,273
Lease liability	39,935	39,004	74,099	254,636	407,674
Guarantee deposits received	10,843	584	12,508	239,085	263,020
Long-term borrowings	440,185	188,848	1,945,872	25,099,330	27,674,235
Bonds payable	-	-	48,000	8,072,000	8,120,000
<u>June 30, 2023</u>					
Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	\$1,304,967	\$ 631,843	\$ -	\$ -	\$ 1,936,810
Short-term notes and bills payable	1,750,000	-	-	-	1,750,000
Notes and accounts payable	6,092,398	-	-	-	6,092,398
Other payables	8,338,054	63	141,929	191,364	8,671,410
Lease liability	41,314	38,914	73,790	300,410	454,428
Guarantee deposits received	691	1,841	14,332	243,654	260,518
Long-term borrowings	3,452,127	350,589	900,349	23,013,083	27,716,148
Bonds payable	2,569,750	-	-	8,120,000	10,689,750

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortised cost, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

June 30, 2024				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,038,715	\$ -
December 31, 2023				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,017,233	\$ -
June 30, 2023				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 10,500,000	\$ -	\$ 10,557,173	\$ -

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date, the interest rate of par value was equivalent to market interest rate.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of assets and liabilities is as follows:

June 30, 2024				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 34,021	\$ -	\$ 58,187	\$ 92,208
December 31, 2023				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 22,895	\$ -	\$ 58,187	\$ 81,082
June 30, 2023				
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 21,001	\$ -	\$ 58,187	\$ 79,188

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. For Level 1, the Group used market quoted prices as their fair values according to the characteristics of instruments. Listed shares and balanced mutual fund use closing price as their fair values.
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- iii. Level 2: When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

E. For the six-month periods ended June 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.

F. There was no movement in Level 3 for the six-month periods ended June 30, 2024 and 2023.



### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: please refer to table 1.
- B. Provision of endorsements and guarantees to others: please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: please refer to Notes 6(25) and 12(2), 12(3).
- J. Significant inter-company transactions during the reporting periods: please refer to table 6.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

#### (3) Information on investments in Mainland China

- A. Basic information: please refer to table 8.
- B. Ceiling on investments in Mainland China: please refer to table 8.
- C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:  
Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area for the six-month period ended June 30, 2024: please refer to tables 4, 5 and 6.

#### (4) Major shareholders information

Major shareholders information: Please refer to table 9.

### 14. SEGMENT INFORMATION

#### (1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. Business organization is divided into Cheng Shin (Taiwan), MAXXIS (Taiwan) Trading, Cheng Shin (Xiamen), Cheng Shin (China), Petrel (Xiamen), Cheng Shin (Thailand) and other segments based on the nature of each company. The Group's revenue is mainly from manufacturing and sales of bicycle tires, electrical vehicle tires, reclaimed rubber, etc.

## (2) Measurement of segment information

The Group's segment profit (loss) is measured with the profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4.

## (3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Three-month period ended June 30, 2024						
	CHENG SHIN RUBBER IND. CO., LTD. and MAXXIS (Taiwan) Trading CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	\$ 3,335,855	\$ 3,627,640	\$ 5,842,281	\$ 2,013,457	\$ 5,576,219	\$ 20,395,452
Revenue from inter-segment revenue	2,271,968	301,571	189,572	281,467	636,587	3,681,165
Total segment revenue	\$ 5,607,823	\$ 3,929,211	\$ 6,031,853	\$ 2,294,924	\$ 6,212,806	\$ 24,076,617
Geographical regions						
Taiwan	\$ 2,292,829	\$ 66,442	\$ 20,113	\$ 19,664	\$ 16,976	\$ 2,416,024
China	125,470	2,844,013	4,543,955	1,585	4,332,259	11,847,282
US	1,450,459	38,132	4,619	287,141	110,657	1,891,008
Others	1,739,065	980,624	1,463,166	1,986,534	1,752,914	7,922,303
Total	\$ 5,607,823	\$ 3,929,211	\$ 6,031,853	\$ 2,294,924	\$ 6,212,806	\$ 24,076,617
Segment income	\$ 1,005,380	\$ 259,253	\$ 884,578	\$ 166,703	\$ 1,087,375	\$ 3,403,289

Three-month period ended June 30, 2023						
	CHENG SHIN RUBBER IND. CO., LTD. and MAXXIS (Taiwan) Trading CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	\$ 3,218,995	\$ 3,230,916	\$ 6,403,715	\$ 2,324,357	\$ 5,721,802	\$ 20,899,785
Revenue from inter-segment revenue	2,192,777	435,254	118,345	242,564	608,772	3,597,712
Total segment revenue	\$ 5,411,772	\$ 3,666,170	\$ 6,522,060	\$ 2,566,921	\$ 6,330,574	\$ 24,497,497
Geographical regions						
Taiwan	\$ 2,367,870	\$ 53,934	\$ 31,278	\$ 69,453	\$ 21,771	\$ 2,544,306
China	102,540	2,639,893	4,960,127	2,500	4,410,818	12,115,878
US	1,322,685	52,401	7,280	245,482	68,397	1,696,245
Others	1,618,677	919,942	1,523,375	2,249,486	1,829,588	8,141,068
Total	\$ 5,411,772	\$ 3,666,170	\$ 6,522,060	\$ 2,566,921	\$ 6,330,574	\$ 24,497,497
Segment income	\$ 963,924	\$ 126,993	\$ 805,455	\$ 110,464	\$ 1,007,444	\$ 3,014,280

Six-month period ended June 30, 2024						
	CHENG SHIN RUBBER IND. CO., LTD. and MAXXIS (Taiwan) Trading CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	\$ 6,304,885	\$ 6,827,602	\$ 12,097,991	\$ 4,231,501	\$ 10,776,217	\$ 40,238,196
Revenue from inter-segment revenue	4,190,467	565,666	347,679	517,875	1,207,496	6,829,183
Total segment revenue	<u>\$ 10,495,352</u>	<u>\$ 7,393,268</u>	<u>\$ 12,445,670</u>	<u>\$ 4,749,376</u>	<u>\$ 11,983,713</u>	<u>\$ 47,067,379</u>
Geographical regions						
Taiwan	\$ 4,429,605	\$ 117,967	\$ 34,632	\$ 26,372	\$ 35,374	\$ 4,643,950
China	198,467	5,448,186	8,828,338	1,585	8,283,955	22,760,531
US	2,605,030	74,618	6,985	613,147	194,284	3,494,064
Others	3,262,250	1,752,497	3,575,715	4,108,272	3,470,100	16,168,834
Total	<u>\$ 10,495,352</u>	<u>\$ 7,393,268</u>	<u>\$ 12,445,670</u>	<u>\$ 4,749,376</u>	<u>\$ 11,983,713</u>	<u>\$ 47,067,379</u>
Segment income	<u>\$ 1,995,933</u>	<u>\$ 396,076</u>	<u>\$ 1,842,754</u>	<u>\$ 648,855</u>	<u>\$ 2,074,842</u>	<u>\$ 6,958,460</u>

Six-month period ended June 30, 2023						
	CHENG SHIN RUBBER IND. CO., LTD. and MAXXIS (Taiwan) Trading CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONA L (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	\$ 6,445,887	\$ 6,529,030	\$ 12,541,542	\$ 4,349,815	\$ 10,924,373	\$ 40,790,647
Revenue from inter-segment revenue	4,092,214	781,767	234,029	401,866	1,286,318	6,796,194
Total segment revenue	<u>\$ 10,538,101</u>	<u>\$ 7,310,797</u>	<u>\$ 12,775,571</u>	<u>\$ 4,751,681</u>	<u>\$ 12,210,691</u>	<u>\$ 47,586,841</u>
Geographical regions						
Taiwan	\$ 4,656,384	\$ 104,152	\$ 65,890	\$ 78,993	\$ 44,010	\$ 4,949,429
China	157,184	5,249,662	9,596,543	4,754	8,513,972	23,522,115
US	2,346,839	106,603	8,590	453,887	136,136	3,052,055
Others	3,377,694	1,850,380	3,104,548	4,214,047	3,516,573	16,063,242
Total	<u>\$ 10,538,101</u>	<u>\$ 7,310,797</u>	<u>\$ 12,775,571</u>	<u>\$ 4,751,681</u>	<u>\$ 12,210,691</u>	<u>\$ 47,586,841</u>
Segment income	<u>\$ 1,780,054</u>	<u>\$ 133,331</u>	<u>\$ 1,105,765</u>	<u>\$ 203,237</u>	<u>\$ 1,704,428</u>	<u>\$ 4,926,815</u>

(4) Reconciliation for segment income

A. A reconciliation of income after adjustment and total segment income from continuing operations is provided as follows:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Adjusted revenue from reportable segments	\$ 24,076,617	\$ 24,497,497
Adjusted revenue from other operating segments	4,316,147	4,120,293
Total operating segments	28,392,764	28,617,790
Elimination of inter-segment revenue	( 4,046,696)	( 3,994,456)
Total consolidated operating revenue	<u>\$ 24,346,068</u>	<u>\$ 24,623,334</u>
Geographical regions		
Geographical regions from reportable segments	\$ 24,076,617	\$ 24,497,497
Geographical regions from other operating segments		
Taiwan	105,511	77,551
China	338,535	355,764
US	2,221,453	2,254,238
Others	1,650,648	1,432,740
Total geographical regions	28,392,764	28,617,790
Elimination of inter-segment revenue	( 4,046,696)	( 3,994,456)
Total consolidated operating revenue	<u>\$ 24,346,068</u>	<u>\$ 24,623,334</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Adjusted revenue from reportable segments	\$ 47,067,379	\$ 47,586,841
Adjusted revenue from other operating segments	8,458,031	8,153,814
Total operating segments	55,525,410	55,740,655
Elimination of inter-segment revenue	( 7,556,988)	( 7,588,676)
Total consolidated operating revenue	<u>\$ 47,968,422</u>	<u>\$ 48,151,979</u>
Geographical regions		
Geographical regions from reportable segments	\$ 47,067,379	\$ 47,586,841
Geographical regions from other operating segments		
Taiwan	173,851	156,117
China	667,141	689,325
US	4,453,685	4,410,381
Others	3,163,354	2,897,991
Total geographical regions	55,525,410	55,740,655
Elimination of inter-segment revenue	( 7,556,988)	( 7,588,676)
Total consolidated operating revenue	<u>\$ 47,968,422</u>	<u>\$ 48,151,979</u>

B. A reconciliation of adjusted current income before tax and the income before tax from continuing operations is provided as follows:

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Adjusted income from reportable segments before income tax	\$ 3,403,289	\$ 3,014,280
Adjusted loss from other operating segments before income tax	( 283,545)	( 126,961)
Total operating segments	3,119,744	2,887,319
(Loss) income from elimination of inter-segment revenue	( 2,589)	27,722
Income from continuing operations before income tax	<u>\$ 3,117,155</u>	<u>\$ 2,915,041</u>
	Six-month period ended June 30, 2024	Six-month period ended June 30, 2023
Adjusted income from reportable segments before income tax	\$ 6,958,460	\$ 4,926,815
Adjusted (loss) income from other operating segments before income tax	( 744,228)	140,632
Total operating segments	6,214,232	5,067,447
(Loss) income from elimination of inter-segment revenue	( 57,075)	47,204
Income from continuing operations before income tax	<u>\$ 6,157,157</u>	<u>\$ 5,114,651</u>

CHENG SHIN RUBBER IND. CO., LTD.  
Loans to others  
Six-month period ended June 30, 2024

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. ( Note 1 )	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party ( Note 2, 3, 4 )	Ceiling on total loans granted ( Note 5, 6, 7 )	Footnote
					June 30, 2024	June 30, 2024 ( Note 9 )							Item	Value			
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	\$ 3,245,000	\$ 3,245,000	\$ 1,622,500	3.62238%-3.64284%	Note 8	\$ -	Operating capital	\$ -	None	\$ -	\$ 8,523,935	\$ 34,095,740	Note 10
1	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	565,760	-	-	-	Note 8	-	Operating capital	-	None	-	5,154,917	8,591,528	Note 10
2	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	897,400	889,000	750,761	2.60%	Note 8	-	Operating capital	-	None	-	6,794,068	11,323,446	Note 10
3	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	2,271,500	2,271,500	2,076,800	3.52238%-3.54741%	Note 8	-	Operating capital	-	None	-	3,375,332	5,062,999	Note 10

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:  
(1) The Company is ‘0’.  
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Limit on loans granted by CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD. and XIAMEN CHENG SHIN ENTERPRISE CO., LTD. to a single party is 60% of above Companies' net assets.

Note 3: Limit on loans granted by MAXXIS International (Thailand) Co., Ltd.to a single party is 40% of above Companies' net assets.

Note 4: Limit on loans granted by the Company to a single party is 10% of its net assets.

Note 5: Limit on loans granted by CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD. and XIAMEN CHENG SHIN ENTERPRISE CO., LTD. to others is 100% of above Companies' net assets.

Note 6: Limit on loans granted by MAXXIS International (Thailand) Co., Ltd. to others is 60% of above Companies' net assets.

Note 7: Limit on loans granted by the Company to others is 40% of its net assets.

Note 8: Fill in purpose of loan when nature of loan is for short-term financing.

Note 9: The amount of ending balance was equal to the limit on loans as approved by the Board of Directors.

Note 10: The transactions were eliminated when preparing the consolidated financial statements.

CHENG SHIN RUBBER IND. CO., LTD.

Provision of endorsements and guarantees to others

Six-month period ended June 30, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 2

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2024	Outstanding endorsement/ guarantee amount at June 30, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	Subsidiary	\$ 42,619,675	\$ 6,850,426	\$ 6,592,280	\$ 4,544,008	\$ -	\$ 7.73	\$ 59,667,545	Y	N	N	Note 2, 3
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Subsidiary	42,619,675	6,369,686	5,084,915	4,094,984	-	5.97	59,667,545	Y	N	N	Note 2, 3

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Ceiling on the Company’s total endorsements/guarantees to others is 70% of the Company’s current net assets.

Limit on the Company’s endorsements/guarantees to a single party is 20% of the Company’s net assets.

Limit on the Company’s endorsements/guarantees to a foreign single affiliate company is 50% of the Company’s net assets.

Note 3: Outstanding endorsement/guarantee amount and draw down amount are translated at the spot exchange rates prevailing at June 30, 2024.

\$ 59,667,545

\$ 17,047,870

\$ 42,619,675

CHENG SHIN RUBBER IND. CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of June 30, 2024				Footnote
				Number of shares/ units	Book value	Ownership (%)	Fair value	
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account					
Cheng Shin Rubber Ind. Co., Ltd.	Other ordinary shares	-	Current financial assets at fair value through other comprehensive income	-	\$ 34,021	-	\$ 34,021	Note 2
Cheng Shin Rubber Ind. Co., Ltd.	Other ordinary shares	-	Non-current financial assets at fair value through other comprehensive income	-	58,187	-	58,187	Note 2

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

Note 2: Other marketable securities do not exceed 5% of the account.



CHENG SHIN RUBBER IND. CO., LTD.

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
Six-month period ended June 30, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

				Transaction		Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)	Footnote
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Subsidiary	(sales)	(\$ 2,196,862)	( 25.85)	Collect within 90 days after shipment of goods	Same	Same	\$ 1,248,636	43.38	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary	(sales)	( 246,034)	( 2.89)	Collect within 90 days after shipment of goods	Same	Same	125,894	4.37	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary	(sales)	( 1,657,392)	( 19.50)	Collect within 30 days	Same	Same	289,972	10.07	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent	(sales)	( 292,908)	( 3.96)	Collect within 60~90 days after shipment of goods	Same	Same	248,854	12.21	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	( 208,147)	( 2.82)	Collect within 60~90 days after shipment of goods	Same	Same	89,850	4.41	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	( 388,394)	( 26.00)	Collect within 60~90 days after shipment of goods	Same	Same	151,803	20.73	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Same ultimate parent	(sales)	( 133,742)	( 8.95)	Collect within 60~90 days after shipment of goods	Same	Same	46,287	6.32	Note 3
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	( 249,322)	( 4.39)	Collect within 60~90 days after shipment of goods	Same	Same	116,799	18.67	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	( 152,036)	( 29.00)	Collect within 60~90 days after shipment of goods	Same	Same	45,289	23.88	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	( 161,358)	( 30.78)	Collect within 60~90 days after shipment of goods	Same	Same	60,615	31.96	Note 3
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent	(sales)	( 202,185)	( 2.28)	Collect within 60~90 days after shipment of goods	Same	Same	216,482	4.26	Note 3
Cheng Shin Rubber (Vietnam) IND Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	( 121,960)	( 3.96)	Collect within 90 days after shipment of goods	Same	Same	57,858	11.99	Note 3
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	( 386,261)	( 8.13)	Collect within 90 days after shipment of goods	Same	Same	184,277	9.76	Note 3
PT MAXXIS International Indonesia	Cheng Shin Rubber Ind. Co., Ltd.	Ultimate parent	(sales)	( 121,887)	( 7.38)	Advance collection	Same	Same	3,014	0.69	Note 2 、 3

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2: The transaction terms are to be determined through negotiation between both parties.

Note 3: The transactions were eliminated when preparing the consolidated financial statements.

CHENG SHIN RUBBER IND. CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
June 30, 2024

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts
					Amount	Action taken		
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Subsidiary (Note 3)	\$ 1,249,385	Note 2	\$ -	-	\$ 325,551	\$ -
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary (Note 3)	125,894	1.50	-	-	41,375	-
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary (Note 3)	291,924	Note 2	-	-	289,972	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent (Note 3)	293,487	Note 2	-	-	43,849	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent (Note 3)	141,168	Note 2	-	-	40,460	-
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 3)	151,848	Note 2	-	-	76,851	-
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 3)	116,927	Note 2	-	-	47,564	-
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent (Note 3)	216,482	1.21	-	-	27,364	-
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent (Note 3)	184,277	1.84	-	-	58,474	-

Note 1: Subsequent collection is the amount collected as of August 2, 2024.

Note 2: The amount comprises accounts receivable and other receivables and thus, the turnover rate is not calculated.

Note 3: The transactions were eliminated when preparing the consolidated financial statements.

CHENG SHIN RUBBER IND. CO., LTD.  
Significant inter-company transactions during the reporting periods  
Six-month period ended June 30, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 4)	Transaction terms	Percentage of consolidated total operating revenues or total assets(%) (Note 3)
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Sales	\$ 2,196,862	Collect within 90 days after shipment of goods	4.58
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Accounts receivable	1,248,636	Collect within 90 days after shipment of goods	0.87
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Accrued expenses	247,825	Payment within 45 days after receipt of goods	0.17
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	1	Sales	246,034	Collect within 90 days after shipment of goods	0.51
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Sales	1,657,392	The term is 30 days after monthly billing	3.46
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Accounts receivable	289,972	The term is 30 days after monthly billing	0.20
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	1	Other receivables	1,622,500	Pay interest quarterly	1.13
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	3	Sales	292,908	Collect within 60~90 days after shipment of goods	0.61
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	3	Accounts receivable	248,854	Collect within 60~90 days after shipment of goods	0.17
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	3	Sales	208,147	Collect within 60~90 days after shipment of goods	0.43
2	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	388,394	Collect within 60~90 days after shipment of goods	0.81
3	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD	3	Other receivables	750,761	Pay interest quarterly	0.52
4	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	249,322	Collect within 60~90 days after shipment of goods	0.52
5	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Sales	202,185	Collect within 60~90 days after shipment of goods	0.42
5	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Accounts receivable	216,482	Collect within 60~90 days after shipment of goods	0.45

CHENG SHIN RUBBER IND. CO., LTD.  
Significant inter-company transactions during the reporting periods  
Six-month period ended June 30, 2024

Table 6

							Expressed in thousands of NTD (Except as otherwise indicated)
Transaction							
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 4)	Transaction terms	Percentage of consolidated total operating revenues or total assets(%) (Note 3)
6	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Sales	\$ 386,261	Collect within 90 days after shipment of goods	0.81
6	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	3	Other receivables	2,076,800	Pay interest quarterly	1.44

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the year to consolidated total operating revenues for income statement accounts.

Note 4: Transaction amounts account for at least NT\$200 million.

Table 7

CHENG SHIN RUBBER IND. CO., LTD.											
Information on investees											
Six-month period ended June 30, 2024											
Expressed in thousands of NTD											
(Except as otherwise indicated)											
Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2024			Net profit (loss) of the investee for the six-month period ended June 30, 2024	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2024	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS International Co., Ltd.	Cayman Islands	Holding company	\$ 912,218	\$ 912,218	35,050,000	100.00	\$ 44,971,628	\$ 1,346,461	\$ 1,337,349	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CST Trading Ltd.	British Virgin Islands	Holding company	2,103,073	2,103,073	72,900,000	100.00	32,100,321	1,625,680	1,600,131	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS Trading Ltd.	British Virgin Islands	Holding company	7,669,780	7,669,780	237,811,720	100.00	12,794,691	1,166,575	1,140,342	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	U.S.A	Import and export of tires	551,820	551,820	1,800,000	100.00	3,413,827	42,294	42,293	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Canada	Import and export of tires	32,950	32,950	1,000,000	100.00	896,266	36,916	36,916	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	NEW PACIFIC INDUSTRY COMPANY LIMITED	Taiwan	Processing and sales of various anti-vibration rubber and hardware	50,001	50,001	5,000,000	50.00	172,541	( 3,666)	( 1,833)	Note 2
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS Tech Center Europe B.V.	Netherlands	Technical centre	41,260	41,260	1,000,000	100.00	59,973	( 37,870)	( 37,870)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Indonesia	Production and sales of various types of tires	6,103,279	6,103,279	199,992,500	100.00	28,550	( 545,760)	( 545,760)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	India	Production and sales of various types of tires	7,055,387	7,055,387	1,686,986,327	100.00	-	( 251,517)	( 253,549)	Subsidiary Note 3, 5
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Taiwan	Wholesale and retail of tires	100,000	100,000	10,000,000	100.00	491,590	170,080	170,080	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS TRADING INDONESIA	Indonesia	Large-amount trading of vehicles parts and accessories	30,235	30,235	9,990	100.00	38,491	( 2,760)	( 2,760)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Europe B.V.	Netherlands	Import and export of tires	66,110	66,110	2,000,000	100.00	60,821	( 58)	( 58)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS RUBBER JAPAN CO., LTD.	Japan	Import and export of tires	13,820	13,820	5,000	100.00	9,355	( 1,073)	( 1,073)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Mexico	Import and export of tires	593	593	-	20.00	370	( 611)	( 122)	Note 3, 4

CHENG SHIN RUBBER IND. CO., LTD.

Information on investees  
Six-month period ended June 30, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2024			Net profit (loss) of the investee for the six-month period ended June 30, 2024	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2024	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
MAXXIS International Co., Ltd	MAXXIS International (HK) Ltd.	Hong Kong	Holding company	\$ -	\$ -	226,801,983	100.00	\$ 37,511,492	\$ 1,263,060	\$ 1,263,060	Sub-subsidiary Note 3
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Hong Kong	Holding company	-	-	246,767,840	100.00	31,938,644	1,616,089	1,616,089	Sub-subsidiary Note 3
MAXXIS Trading Ltd.	MAXXIS Holdings (BVI) Co., Ltd.	British Virgin Islands	Holding company	7,669,780	7,669,780	237,811,720	100.00	13,113,026	1,166,623	1,166,623	Sub-subsidiary Note 3
MAXXIS Holdings (BVI) Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Thailand	Production and sales of truck and automobile tires	5,724,372	5,724,372	65,000,000	100.00	8,438,331	536,377	515,855	Sub-subsidiary Note 3
MAXXIS Holdings (BVI) Co., Ltd.	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Vietnam	Production and sales of various types of tires	1,945,408	1,945,408	62,000,000	100.00	4,671,516	630,036	624,324	Sub-subsidiary Note 3
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Mexico	Import and export of tires	2,596	2,456	-	80.00	1,481	( 611)	( 489)	Note 3, 4

Note 1: Including investment income (loss) used to offset against sidestream and upstream transactions.

Note 2: Joint ventures are accounted for under the equity method.

Note 3: The transactions were eliminated when preparing the consolidated financial statements.

Note 4: The Group collectively holds 100% of share ownership in the investee, of which 20% is directly held and 80% is indirectly held through CHENG SHIN RUBBER USA, INC.

Note 5: The Company continusly provides financial support the investee accounted for using the equity method, and transferred the credit balance fo long-term investments to 'other non-current liabilities.'

The transaction was eliminated when preparing the consolidated financial statements.

CHENG SHIN RUBBER IND. CO., LTD.

Information on investments in Mainland China  
Six-month period ended June 30, 2024

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 6)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as	Net income of investee for the six-month period ended June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income	Book value of	Accumulated	Footnote
				as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	of June 30, 2024			(loss) recognised by the Company for the six-month period ended June 30, 2024 (Note 2)	investments in Mainland China as of June 30, 2024	amount of investment income remitted back to Taiwan as of June 30, 2024	
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	A. Cover and tubes of tires and cover and tubes of bicycle tires B. Reclaimed rubber, adhesive, tape and other rubber products C. Plastic machinery, molds and its accessory products	\$ 5,678,750	2	\$ 910,834	\$ -	\$ -	\$ 910,834	\$ 884,542	100.00	\$ 886,237	\$ 26,782,105	\$ 20,191,877	(Note 3,5,7)
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	A. Cover and tubes of tires and cover and tubes of bicycle tires B. Reclaimed rubber, adhesive, tape and other rubber products C. Plastic machinery, molds and its accessory products	7,301,250	2	2,385,506	-	-	2,385,506	1,583,097	100.00	1,564,280	29,775,089	25,034,437	(Note 4,7)
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Plastic machinery, molds and its accessory products	275,825	2	68,602	-	-	68,602	( 7,941)	50.00	( 3,970)	320,924	478,714	(Note 7)
CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	A. Cover and tubes of tires and cover and tubes of bicycle tires B. Reclaimed rubber, adhesive, tape and other rubber products C. Plastic machinery, molds and its accessory products	3,245,000	2	-	-	-	-	99,745	100.00	98,866	6,084,846	1,548,045	(Note 4,7)
KUNSHAN MAXXIS TIRE CO., LTD	Retail of accessories for rubber tires	22,225	2	-	-	-	-	1,656	100.00	1,656	56,895	-	(Note 7)
TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	584,100	2	-	-	-	-	36,486	100.00	36,486	616,348	757,407	(Note 7)
CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	A. Radial tire and other various tire products B. Reclaimed rubber and other rubber products C. Plastic machinery, molds and its accessory products	4,218,500	2	-	-	-	-	67,646	100.00	67,565	11,335,041	4,245,663	(Note 3,7)
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	A. Radial tire and other various tire products B. Reclaimed rubber and other rubber products C. Plastic machinery, molds and its accessory products	1,460,250	2	-	-	-	-	228,798	100.00	218,073	8,591,528	7,259,056	(Note 7)

CHENG SHIN RUBBER IND. CO., LTD.  
Information on investments in Mainland China  
Six-month period ended June 30, 2024

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 6)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee for the six-month period ended June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2024 (Note 2)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024	Footnote
CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	A. Research, development and testing of tires and automobiles accessory products and display of related products	\$ 649,000	2	\$ -	\$ -	\$ -	\$ -	(\$ 36,816)	100.00	(\$ 36,816)	\$ -	\$ -	
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	B. Management of racing tracks Distribution of rubber and components of tires	200,025	2	-	-	-	-	( 3,658)	95.00	( 3,475)	84,655	-	(Note 7)
CHENG SHIN LOGISTIC (XIAMEN) CO., LTD.	International container transportation business	64,060	2	-	-	-	-	11,991	49.00	5,876	144,161	-	(Note 7)
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	A. Tires and tubes B. Reclaimed rubber, adhesive, tape and other rubber products C. Plastic machinery, molds and its accessory products	4,222,750	2	-	-	-	-	746,115	100.00	746,115	9,547,621	1,014,708	(Note 5, 7)
XIAMEN ESATE CO., LTD.	Construction and trading of employees' housing	1,689,100	2	-	-	-	-	( 6,272)	100.00	( 6,272)	2,129,934	-	(Note 7)

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Including investment income (loss) used to offset against sidestream and upstream transactions.

Note 3: The Company and Cheng Shin Rubber (Xiamen) Ind., Ltd. directly and indirectly holds 60% and 40% of the share ownership in Cheng Shin Petrel Tire (Xiamen) Co., Ltd., respectively.

Note 4: The Company and Cheng Shin Tire & Rubber (China) Co., Ltd. directly and indirectly holds 30% and 70% of share ownership in Cheng Shin Tire & Rubber (Chongqing) Co., Ltd., respectively.

Note 5: Cheng Shin Rubber (Xiamen) Ind., Ltd. and MAXXIS International (HK) Ltd. directly and indirectly holds 75% and 25% of share ownership in Cheng Shin Rubber (Zhangzhou) Ind Co., Ltd, respectively.

Note 6: Paid-in capital was converted at the exchange rate of NTD32.45: USD 1 and NTD 4.445: RMB 1 prevailing on June 30, 2024.

Note 7: Investment income (loss) was recognised based on the financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.



CHENG SHIN RUBBER IND. CO., LTD.  
Ceiling on investments in Mainland China  
Six-month period ended June 30, 2024

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024 (Note 1)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 2)	
Cheng Shin Rubber Ind. Co., Ltd.	\$ 3,988,105	\$	21,835,605	\$	-

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024 was USD\$122,900 thousand and the total investment amount approved by the Investment Commission, MOEA, was USD\$672,900 thousand.

Note 2: According to ‘Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area’, the Company acquired the operations headquarters certification issued by the Industrial Development Bureau, Ministry of Economic Affairs, R.O.C. and thus, the investments amount in Mainland China is unlimited.

CHENG SHIN RUBBER IND. CO., LTD.

Major shareholders information

June 30, 2024

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Luo, Ming-Han	370,176,378	11.42
Luo Jye Memory Co Ltd.	324,430,630	10.00
Chen, Yun Hwa	179,358,531	5.53

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were held by registered and the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio including the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets.

For the information of reported share equity of insider, please refer to Market Observation Post System.