

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

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

PWCR24002273

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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" 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\$34,748,695 thousand and NT\$36,284,527 thousand, constituting 24% and 25% of the consolidated total assets, and total liabilities of NT\$11,586,186 thousand and NT\$15,958,116 thousand, constituting 21% and 27% of the

consolidated total liabilities as at September 30, 2024 and 2023, and total net operating revenues of NT\$7,645,861 thousand, NT\$7,327,073 thousand, NT\$22,293,515 thousand and NT\$21,757,549 thousand, constituting 30%, 29%, 30% and 30% of consolidated total net operating revenue, and total comprehensive income (loss) of NT\$1,457,200 thousand, (NT\$12,480) thousand, NT\$1,909,882 thousand and NT\$781,550 thousand, constituting 35%, (0.3%), 18% and 13% of the consolidated total comprehensive income (loss) for the three-month and nine-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 September 30, 2024 and 2023, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-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.

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 2024

Wang, Yu-Chuan

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
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

Assets			September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 24,494,939	17	\$ 23,575,591	16	\$ 28,464,792	20
1120	Financial assets at fair value through other comprehensive income - current	6(2)	30,768	-	22,895	-	22,644	-
1136	Financial assets at amortised cost - current	6(3) and 8	4,567,442	3	2,073,637	2	517,632	-
1150	Notes receivable, net	6(4) and 8	2,757,569	2	4,147,117	3	4,967,403	4
1170	Accounts receivable, net	6(4)	10,741,358	7	9,275,745	7	10,609,146	7
1180	Accounts receivable - related parties	7	63,688	-	66,401	-	71,317	-
130X	Inventories	6(5)	17,410,045	12	17,042,864	12	16,136,434	11
1410	Prepayments		965,660	1	732,017	-	733,419	1
1470	Other current assets		415,680	-	215,069	-	280,262	-
11XX	Current Assets		61,447,149	42	57,151,336	40	61,803,049	43
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	12,728,606	9	9,160,974	7	3,808,565	3
1550	Investments accounted for under equity method	6(6)	175,720	-	179,373	-	175,600	-
1600	Property, plant and equipment, net	6(7)	64,043,902	44	66,977,367	48	70,307,307	49
1755	Right-of-use assets	6(8)	4,695,527	3	4,625,540	3	4,824,350	3
1760	Investment property, net	6(9)	714,177	1	673,845	-	693,323	1
1840	Deferred income tax assets	6(28)	1,409,261	1	2,303,446	2	1,902,294	1
1900	Other non-current assets	6(10)	511,250	-	455,850	-	446,230	-
15XX	Non-current assets		84,336,630	58	84,434,582	60	82,215,856	57
1XXX	Total assets		\$ 145,783,779	100	\$ 141,585,918	100	\$ 144,018,905	100

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

Liabilities and Equity			September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 2,975,045	2	\$ 3,011,371	2	\$ 2,578,069	2
2110	Short-term notes and bills payable	6(12)	-	-	300,000	-	1,500,000	1
2130	Current contract liabilities	6(22)	747,104	1	541,845	-	613,208	-
2150	Notes payable		115,097	-	150,408	-	105,005	-
2170	Accounts payable		7,516,471	5	7,182,403	5	6,971,905	5
2200	Other payables	6(13) and 8	4,618,682	3	4,262,273	3	4,559,427	3
2230	Current income tax liabilities	6(28)	748,930	1	1,819,876	2	1,510,141	1
2280	Current lease liabilities	7	158,084	-	143,772	-	144,894	-
2320	Long-term liabilities, current portion	6(15)(16)	7,840,000	5	1,822,121	2	1,052,106	1
2399	Other current liabilities, others	6(14)	603,393	-	545,873	-	335,514	-
21XX	Current Liabilities		25,322,806	17	19,779,942	14	19,370,269	13
Non-current liabilities								
2530	Corporate bonds payable	6(15)	4,000,000	3	8,000,000	5	8,000,000	6
2540	Long-term borrowings	6(16)	22,167,574	15	23,750,894	17	27,048,510	19
2550	Provisions for liabilities - non-current		210,220	-	198,167	-	204,625	-
2570	Deferred income tax liabilities	6(28)	1,858,111	1	1,408,891	1	1,064,229	1
2580	Non-current lease liabilities	7	190,573	-	245,944	-	272,374	-
2600	Other non-current liabilities	6(17)	2,114,996	2	2,207,015	2	2,282,235	1
25XX	Non-current liabilities		30,541,474	21	35,810,911	25	38,871,973	27
2XXX	Total Liabilities		55,864,280	38	55,590,853	39	58,242,242	40
Equity								
Equity attributable to owners of parent								
	Share capital	6(18)						
3110	Share capital - common stock		32,414,155	22	32,414,155	23	32,414,155	23
	Capital surplus	6(19)						
3200	Capital surplus		106,056	-	70,044	-	67,756	-
	Retained earnings	6(20)						
3310	Legal reserve		17,893,214	12	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		35,476,261	25	36,826,502	26	35,251,335	25
	Other equity interest	6(21)						
3400	Other equity interest		(3,457,808)	(2)	(6,921,572)	(5)	(5,572,211)	(4)
31XX	Equity attributable to owners of the parent		89,353,450	62	85,432,555	61	85,204,461	60
36XX	Non-controlling interest		566,049	-	562,510	-	572,202	-
3XXX	Total equity		89,919,499	62	85,995,065	61	85,776,663	60
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 145,783,779	100	\$ 141,585,918	100	\$ 144,018,905	100

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three-month periods ended September 30				Nine-month periods ended September 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(22) and 7	\$ 25,504,257	100	\$ 25,332,601	100	\$ 73,472,679	100	\$ 73,484,580	100
5000 Operating costs	6(5)	(19,305,423)	(76)	(18,879,640)	(75)	(54,985,319)	(75)	(56,078,332)	(76)
5900 Net operating margin		<u>6,198,834</u>	<u>24</u>	<u>6,452,961</u>	<u>25</u>	<u>18,487,360</u>	<u>25</u>	<u>17,406,248</u>	<u>24</u>
Operating expenses	7								
6100 Selling expenses		(1,649,903)	(7)	(1,553,845)	(6)	(4,469,395)	(6)	(4,346,170)	(6)
6200 General and administrative expenses		(881,782)	(3)	(871,344)	(3)	(2,722,892)	(4)	(2,553,958)	(4)
6300 Research and development expenses		(930,536)	(4)	(955,674)	(4)	(2,784,646)	(4)	(2,860,228)	(4)
6450 Expected credit (loss) gain	12(2)	(31,071)	-	17,743	-	(17,088)	-	(37,474)	-
6000 Total operating expenses		(3,493,292)	(14)	(3,363,120)	(13)	(9,994,021)	(14)	(9,797,830)	(14)
6900 Operating profit		<u>2,705,542</u>	<u>10</u>	<u>3,089,841</u>	<u>12</u>	<u>8,493,339</u>	<u>11</u>	<u>7,608,418</u>	<u>10</u>
Non-operating income and expenses									
7100 Interest income	6(23)	294,333	1	186,391	1	772,088	1	524,830	1
7010 Other income	6(24)	184,315	1	112,708	-	622,880	1	399,589	-
7020 Other gains and losses	6(25)	(10,273)	-	(132,243)	-	(76,308)	-	448,139	1
7050 Finance costs	6(26) and 7	(242,413)	(1)	(303,896)	(1)	(721,505)	(1)	(911,467)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for under equity method	6(6)	<u>3,179</u>	<u>-</u>	<u>(11,969)</u>	<u>-</u>	<u>1,346</u>	<u>-</u>	<u>(14,026)</u>	<u>-</u>
7000 Total non-operating revenue and expenses		<u>229,141</u>	<u>1</u>	<u>(149,009)</u>	<u>-</u>	<u>598,501</u>	<u>1</u>	<u>447,065</u>	<u>1</u>
7900 Profit before income tax		2,934,683	11	2,940,832	12	9,091,840	12	8,055,483	11
7950 Income tax expense	6(28)	(607,370)	(2)	(968,929)	(4)	(2,187,299)	(3)	(2,409,403)	(3)
8200 Profit for the period		<u>\$ 2,327,313</u>	<u>9</u>	<u>\$ 1,971,903</u>	<u>8</u>	<u>\$ 6,904,541</u>	<u>9</u>	<u>\$ 5,646,080</u>	<u>8</u>

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

Items	Notes	Three-month periods ended September 30				Nine-month periods ended September 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316 Unrealized (loss) gain on valuation of equity instruments at fair value through profit or loss	6(2)(21)	(\$ 3,253)	-	\$ 1,643	-	\$ 7,873	-	\$ 4,806	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		(3,253)	-	1,643	-	7,873	-	4,806	-
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations	6(21)	2,236,167	9	2,320,258	9	4,345,471	6	368,362	-
8399 Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(21)(28)	(445,246)	(2)	(460,436)	(2)	(863,973)	(1)	(73,490)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss		1,790,921	7	1,859,822	7	3,481,498	5	294,872	-
8300 Other comprehensive income for the period		<u>\$ 1,787,668</u>	<u>7</u>	<u>\$ 1,861,465</u>	<u>7</u>	<u>\$ 3,489,371</u>	<u>5</u>	<u>\$ 299,678</u>	<u>-</u>
8500 Total comprehensive income for the period		<u>\$ 4,114,981</u>	<u>16</u>	<u>\$ 3,833,368</u>	<u>15</u>	<u>\$ 10,393,912</u>	<u>14</u>	<u>\$ 5,945,758</u>	<u>8</u>
Profit (loss) attributable to:									
8610 Owners of the parent		\$ 2,328,684	9	\$ 1,971,617	8	\$ 6,903,950	9	\$ 5,632,479	8
8620 Non-controlling interest		(1,371)	-	286	-	591	-	13,601	-
		<u>\$ 2,327,313</u>	<u>9</u>	<u>\$ 1,971,903</u>	<u>8</u>	<u>\$ 6,904,541</u>	<u>9</u>	<u>\$ 5,646,080</u>	<u>8</u>
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 4,106,416	16	\$ 3,815,006	15	\$ 10,367,714	14	\$ 5,931,245	8
8720 Non-controlling interest		8,565	-	18,362	-	26,198	-	14,513	-
		<u>\$ 4,114,981</u>	<u>16</u>	<u>\$ 3,833,368</u>	<u>15</u>	<u>\$ 10,393,912</u>	<u>14</u>	<u>\$ 5,945,758</u>	<u>8</u>
Earnings per share (in dollars)									
9750 Basic earnings per share	6(29)	<u>\$ 0.72</u>		<u>\$ 0.61</u>		<u>\$ 2.13</u>		<u>\$ 1.74</u>	
9850 Diluted earnings per share	6(29)	<u>\$ 0.72</u>		<u>\$ 0.61</u>		<u>\$ 2.13</u>		<u>\$ 1.74</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
NINE-MONTH PERIODS ENDED SEPTEMBER 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				
			Treasury stock transactions	Gain on sale of assets	Donated assets received			Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
	Notes	Share capital - common stock				Legal reserve	Special reserve						
<u>Nine-month period ended September 30, 2023</u>													
Balance at January 1, 2023		\$ 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
Profit for the period		-	-	-	-	-	-	5,632,479	-	-	5,632,479	13,601	5,646,080
Other comprehensive income for the period	6(21)	-	-	-	-	-	-	-	293,960	4,806	298,766	912	299,678
Total comprehensive income		-	-	-	-	-	-	5,632,479	293,960	4,806	5,931,245	14,513	5,945,758
Appropriation and distribution of 2022 earnings:													
Legal reserve		-	-	-	-	506,528	-	(506,528)	-	-	-	-	-
Reversal of special reverse		-	-	-	-	-	(1,717,161)	1,717,161	-	-	-	-	-
Cash dividends	6(20)	-	-	-	-	-	-	(4,537,982)	-	-	(4,537,982)	-	(4,537,982)
Cash dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(17,927)	(17,927)
Dividends extinguished by prescription claimed by shareholders		-	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Balance at September 30, 2023		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 15,180	\$ 17,172,449	\$ 5,870,977	\$ 35,251,335	(\$ 5,586,190)	\$ 13,979	\$ 85,204,461	\$ 572,202	\$ 85,776,663
<u>Nine-month period ended September 30, 2024</u>													
Balance at January 1, 2024		\$ 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
Profit for the period		-	-	-	-	-	-	6,903,950	-	-	6,903,950	591	6,904,541
Other comprehensive income for the period	6(21)	-	-	-	-	-	-	-	3,455,891	7,873	3,463,764	25,607	3,489,371
Total comprehensive income		-	-	-	-	-	-	6,903,950	3,455,891	7,873	10,367,714	26,198	10,393,912
Appropriation and distribution of 2023 earnings:													
Legal reserve		-	-	-	-	720,765	-	(720,765)	-	-	-	-	-
Special reserve		-	-	-	-	-	1,050,595	(1,050,595)	-	-	-	-	-
Cash dividends	6(20)	-	-	-	-	-	-	(6,482,831)	-	-	(6,482,831)	-	(6,482,831)
Cash dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(22,659)	(22,659)
Capital surplus arising from donated assets		-	-	-	36,105	-	-	-	-	-	36,105	-	36,105
Dividends extinguished by prescription claimed by shareholders		-	-	-	(93)	-	-	-	-	-	(93)	-	(93)
Balance at September 30, 2024		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 53,480	\$ 17,893,214	\$ 6,921,572	\$ 35,476,261	(\$ 3,479,911)	\$ 22,103	\$ 89,353,450	\$ 566,049	\$ 89,919,499

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
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine-month periods ended September 30 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 9,091,840	\$ 8,055,483
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(27)	7,132,024	7,788,515
Depreciation on right-of-use assets	6(8)(27)	183,838	196,988
Depreciation on investment property	6(9)(27)	34,913	27,370
Amortization expense	6(10)(27)	56,531	66,251
Expected credit loss	12(2)	17,088	37,474
Share of loss (profit) of associates and joint ventures accounted for using equity method	6(6)	(1,346)	14,026
Loss on disposal of property, plant and equipment	6(7)(25)	65,576	31,336
Interest expense	6(7)(26)	721,505	911,467
Interest income	6(23)	(772,088)	(524,830)
Deferred government grants revenue		(148,249)	(142,223)
Unrealized foreign exchange loss on foreign currency loans		(270,883)	(452,268)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		1,389,548	(1,531,256)
Accounts receivable		(1,486,064)	(1,107,540)
Accounts receivable - related parties		2,713	1,218
Inventories		288,706	5,012,369
Prepayments		(234,605)	157,127
Other current assets		65,637	91,877
Other non-current assets		(77,449)	18,872
Changes in operating liabilities			
Contract liabilities - current		205,259	58,886
Notes payable		(35,311)	(64,719)
Accounts payable		334,068	(191,753)
Other payables		127,910	(283,809)
Other current liabilities		57,520	17,776
Accrued pension liabilities		(22,793)	3,431
Other non-current liabilities		(17,370)	(4,755)
Cash inflow generated from operations		16,708,518	18,187,313
Interest received		505,840	412,906
Dividends received		4,999	10,000
Interest paid		(751,530)	(940,035)
Income tax paid		(2,549,519)	(2,366,513)
Income tax refund received		17,018	123,956
Net cash flows from operating activities		13,935,326	15,427,627

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

	Notes	Nine-month periods ended September 30	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(\$ 7,214,036)	(\$ 1,413,097)
Proceeds from repayments of financial assets at amortised cost		1,695,236	942,662
Acquisition of property, plant and equipment	6(7)(30)	(1,984,004)	(2,486,889)
Payment for capitalized interests	6(7)(26)(30)	-	(2,552)
Proceeds from disposal of property, plant and equipment		128,760	120,028
Proceeds from disposal of right-of-use assets		10,736	-
Acquisition of intangible assets	6(10)	(14,395)	(21,883)
Increase in refundable deposits		(10,538)	(4,204)
Increase in other non-current liabilities		21,087	7,557
Net cash flows used in investing activities		(7,367,154)	(2,858,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(11)(31)	2,734,636	3,508,609
Decrease in short-term borrowings	6(11)(31)	(2,826,119)	(5,776,085)
Increase in short-term notes and bills payable	6(12)(31)	-	3,250,000
Decrease in short-term notes and bills payable	6(12)(31)	(300,000)	(3,250,000)
Repayments of corporate bonds	6(15)(31)	-	(2,500,000)
Proceeds in long-term borrowings	6(16)(31)	6,400,000	12,273,589
Repayments in long-term borrowings	6(16)(31)	(6,056,271)	(10,590,993)
(Decrease) increase in guarantee deposits received	6(31)	7,227	(1,729)
Repayments of principal portion of lease liabilities	6(8)(31)	(127,031)	(135,787)
Cash dividends paid	6(20)	(6,482,831)	(4,537,982)
Cash dividends paid to non-controlling interests		(22,659)	(17,927)
Capital surplus arising from donated assets		36,105	-
Dividends extinguished by prescription claimed by shareholders		(93)	(1)
Net cash flows used in financing activities		(6,637,036)	(7,778,306)
Effect of exchange rate changes on cash and cash equivalents		988,212	332,608
Net increase in cash and cash equivalents		919,348	5,123,551
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)	\$ 24,494,939	\$ 28,464,792

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
NINE-MONTH PERIODS ENDED SEPTEMBER 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 November 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[®]”) 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
			September 30, 2024	December 31, 2023	September 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
			September 30, 2024	December 31, 2023	September 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	Notes 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
			September 30, 2024	December 31, 2023	September 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
			September 30, 2024	December 31, 2023	September 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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	80	80	80	Notes 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 September 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 September 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(7) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 4,275	\$ 4,150	\$ 4,486
Checking deposits	1,800,541	1,928,180	2,469,662
Demand deposits	9,257,382	17,344,858	17,786,810
Time deposits	13,432,741	4,298,403	8,203,834
	<u>\$ 24,494,939</u>	<u>\$ 23,575,591</u>	<u>\$ 28,464,792</u>
Interest rate range			
Time deposits	<u>1.15%~5.65%</u>	<u>1.12%~6.30%</u>	<u>1.16%~6.30%</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.

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

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Equity instruments			
Listed stocks	\$ 8,665	\$ 8,665	\$ 8,665
Valuation adjustment	22,103	14,230	13,979
Total	<u>\$ 30,768</u>	<u>\$ 22,895</u>	<u>\$ 22,644</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 \$88,955 thousand, \$81,082 thousand and \$80,831 thousand as at September 30, 2024, December 31, 2023 and September 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 September 30, 2024	Three-month period ended September 30, 2023
Equity instruments at fair value through other comprehensive income Fair value change recognised in other comprehensive income	(\$ 3,253)	\$ 1,643
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Equity instruments at fair value through other comprehensive income Fair value change recognised in other comprehensive income	\$ 7,873	\$ 4,806

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

(9) Financial assets at amortised cost

Items	September 30, 2024	December 31, 2023	September 30, 2023
Current items:			
Time deposits	\$ 4,309,571	\$ 2,069,758	\$ 516,732
Pledged time deposits	-	3,879	900
Restricted bank deposits	257,871	-	-
	<u>\$ 4,567,442</u>	<u>\$ 2,073,637</u>	<u>\$ 517,632</u>
Non-current items:			
Time deposits	\$ 12,687,015	\$ 9,108,335	\$ 3,752,750
Pledged time deposits	41,591	52,639	55,815
	<u>\$ 12,728,606</u>	<u>\$ 9,160,974</u>	<u>\$ 3,808,565</u>

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Interest income	\$ 126,952	\$ 37,306
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Interest income	\$ 301,324	\$ 107,694

- B. As at September 30, 2024, December 31, 2023 and September 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 \$17,296,048 thousand, \$11,234,611 thousand and \$4,326,197 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.

(10) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 3,878,464	\$ 5,209,793	\$ 5,021,004
Less: Discounted notes receivable	(1,120,895)	(1,062,676)	(44,324)
Less: Loss allowance	-	-	(9,277)
	<u>\$ 2,757,569</u>	<u>\$ 4,147,117</u>	<u>\$ 4,967,403</u>
Accounts receivable	\$ 10,837,871	\$ 9,348,922	\$ 10,698,195
Less: Loss allowance	(96,513)	(73,177)	(89,049)
	<u>\$ 10,741,358</u>	<u>\$ 9,275,745</u>	<u>\$ 10,609,146</u>

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

	September 30, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Without past due	\$ 8,540,468	\$ 2,757,569	\$ 7,764,728	\$ 4,147,117
Up to 30 days	1,503,644	-	959,556	-
31 to 90 days	453,663	-	371,069	-
91 to 180 days	239,174	-	82,213	-
Over 180 days	100,922	-	171,356	-
	<u>\$ 10,837,871</u>	<u>\$ 2,757,569</u>	<u>\$ 9,348,922</u>	<u>\$ 4,147,117</u>
	September 30, 2023			
	Accounts receivable	Notes receivable		
Without past due	\$ 8,879,726	\$ 4,976,680		
Up to 30 days	1,153,338	-		
31 to 90 days	348,747	-		
91 to 180 days	189,151	-		
Over 180 days	127,233	-		
	<u>\$ 10,698,195</u>	<u>\$ 4,976,680</u>		

The above ageing analysis was based on past due date.

B. As at September 30, 2024, December 31, 2023 and September 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. The bills receivable transferred by the Group are all bank acceptance bills given by the customer. According to a FAQ issued by Securities and Futures Bureau on December 26, 2018, “Whether the transfer of notes receivable in Mainland China can be derecognised?”, assess the credit rating of the accepting bank that received the banker’s acceptance. Banker’s acceptance with a higher credit rating of the accepting bank usually have less credit risk and late payment risk. The main risk associated with a banker’s acceptance is interest rate risk, and interest rate risk has been transferred with an endorsement of notes. It is able to judge that almost all risks and rewards of ownership of banker’s acceptance have been transferred. Therefore, the endorsement of the banker’s acceptance transferred to the supplier is eligible for derecognition. The discounted and transferred notes are reported as a deduction for notes receivable.

	September 30, 2024	December 31, 2023	September 30, 2023
Written-off amount	<u>\$ 1,120,895</u>	<u>\$ 1,062,676</u>	<u>\$ 44,324</u>

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 September 30, 2024, December 31, 2023 and September 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 \$2,757,569 thousand and \$10,741,358 thousand; \$4,147,117 thousand and \$9,275,745 thousand; \$4,967,403 thousand and \$10,609,146 thousand, respectively.

F. Details of Group’s notes receivable pledged to others as collateral are provided in Note 8.

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

(11) Inventories

	September 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,365,421	(\$ 6,569)	\$ 6,358,852
Work in progress	2,379,607	-	2,379,607
Finished goods	6,714,389	(99,728)	6,614,661
Buildings and land held for sale	2,030,444	-	2,030,444
Inventory in transit	26,481	-	26,481
	<u>\$ 17,516,342</u>	<u>(\$ 106,297)</u>	<u>\$ 17,410,045</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>

	September 30, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,931,136	(\$ 3,006)	\$ 4,928,130
Work in progress	2,109,369	-	2,109,369
Finished goods	7,124,605	(105,087)	7,019,518
Buildings and land held for sale	2,038,948	-	2,038,948
Inventory in transit	40,469	-	40,469
	<u>\$ 16,244,527</u>	<u>(\$ 108,093)</u>	<u>\$ 16,136,434</u>

The cost of inventories recognized as expense for the period:

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Cost of goods sold	\$ 19,280,704	\$ 18,888,881
Unallocated overheads	55,204	19,974
Others	(30,485)	(29,215)
	<u>\$ 19,305,423</u>	<u>\$ 18,879,640</u>
	Nine-month period ended ended September 30, 2024	Nine-month period ended September 30, 2023
Cost of goods sold	\$ 54,919,988	\$ 56,135,887
Unallocated overheads	128,318	94,207
Others	(62,987)	(151,762)
	<u>\$ 54,985,319</u>	<u>\$ 56,078,332</u>

For the three-month and nine-month periods ended September 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.

(12) 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 September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount of the Group's individually immaterial joint ventures amounted to \$175,720 thousand, \$179,373 thousand and \$175,600 thousand, respectively.

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Share of profit (loss) of associates and joint ventures accounted for using the equity method	\$ 3,179	(\$ 11,969)
Total comprehensive income (loss)	\$ 3,179	(\$ 11,969)
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Share of profit (loss) of associates and joint ventures accounted for using the equity method	\$ 1,346	(\$ 14,026)
Total comprehensive income (loss)	\$ 1,346	(\$ 14,026)

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

Nine-month period ended September 30, 2024

	Beginning of period	Additions	Disposals	Transfers	Exchange rate differences	End of period
Cost						
Land	\$ 4,555,782	\$ 204	\$ -	\$ -	\$ 49,474	\$ 4,605,460
Buildings and structures	50,920,979	72,247	(28,670)	106,521	2,076,110	53,147,187
Machinery	107,053,947	183,413	(716,715)	749,733	4,935,411	112,205,789
Testing equipment	4,239,333	10,986	(23,461)	18,553	154,893	4,400,304
Transportation equipment	1,400,703	22,294	(53,678)	16,177	51,883	1,437,379
Office equipment	1,098,747	20,593	(17,931)	(3,523)	38,953	1,136,839
Other facilities	33,932,740	832,864	(3,221,430)	341,214	1,571,323	33,456,711
Unfinished construction and equipment under acceptance	2,696,828	849,131	-	(1,227,491)	74,888	2,393,356
	<u>\$ 205,899,059</u>	<u>\$ 1,991,732</u>	<u>(\$ 4,061,885)</u>	<u>\$ 1,184</u>	<u>\$ 8,952,935</u>	<u>\$ 212,783,025</u>
Accumulated depreciation						
Buildings and structures	(\$ 26,121,916)	(\$ 1,507,176)	\$ 18,274	\$ 158	(\$ 1,126,294)	(\$ 28,736,954)
Machinery	(76,424,701)	(4,054,037)	566,173	(158)	(3,789,523)	(83,702,246)
Testing equipment	(3,745,268)	(139,584)	21,554	560	(133,817)	(3,996,555)
Transportation equipment	(1,245,727)	(42,896)	48,811	(560)	(47,249)	(1,287,621)
Office equipment	(1,030,220)	(24,323)	16,528	353	(34,168)	(1,071,830)
Other facilities	(30,171,719)	(1,364,008)	3,189,788	(26)	(1,414,758)	(29,760,723)
	<u>(\$ 138,739,551)</u>	<u>(\$ 7,132,024)</u>	<u>\$ 3,861,128</u>	<u>\$ 327</u>	<u>(\$ 6,545,809)</u>	<u>(\$ 148,555,929)</u>
Accumulated impairment						
Machinery	(\$ 165,459)	\$ -	\$ 1,220	\$ -	(\$ 6,900)	(\$ 171,139)
Testing equipment	(21)	-	-	-	(1)	(22)
Transportation equipment	(1,948)	-	622	-	(77)	(1,403)
Office equipment	(45)	-	-	-	(2)	(47)
Other facilities	(14,668)	-	4,579	-	(494)	(10,583)
	<u>(\$ 182,141)</u>	<u>\$ -</u>	<u>\$ 6,421</u>	<u>\$ -</u>	<u>(\$ 7,474)</u>	<u>(\$ 183,194)</u>
	<u>\$ 66,977,367</u>					<u>\$ 64,043,902</u>

Nine-month period ended September 30, 2023

	Beginning of period	Additions	Disposals	Transfers	Exchange rate differences	End of period
Cost						
Land	\$ 4,551,722	\$ -	\$ -	\$ -	(\$ 123)	\$ 4,551,599
Buildings and structures	51,889,036	26,136	(9,995)	(357,858)	332,704	51,880,023
Machinery	108,464,923	515,026	(301,198)	806,323	306,283	109,791,357
Testing equipment	4,268,432	7,951	(45,256)	93,254	14,466	4,338,847
Transportation equipment	1,463,914	12,093	(40,692)	3,054	7,139	1,445,508
Office equipment	1,117,455	9,588	(2,403)	(5,983)	13,199	1,131,856
Other facilities	34,368,432	680,481	(863,224)	248,002	19,005	34,452,696
Unfinished construction and equipment under acceptance	2,754,070	1,142,670	-	(1,224,402)	3,011	2,675,349
	<u>\$ 208,877,984</u>	<u>\$ 2,393,945</u>	<u>(\$ 1,262,768)</u>	<u>\$ 437,610</u>	<u>\$ 695,684</u>	<u>\$ 210,267,235</u>
Accumulated depreciation						
Buildings and structures	(\$ 24,684,137)	(\$ 1,534,894)	\$ 1,081	\$ 232,481	(\$ 77,169)	(\$ 26,062,638)
Machinery	(73,047,665)	(4,305,729)	162,211	-	(61,439)	(77,252,622)
Testing equipment	(3,653,145)	(169,669)	42,448	-	(14,088)	(3,794,454)
Transportation equipment	(1,259,296)	(50,300)	38,770	-	(5,772)	(1,276,598)
Office equipment	(1,008,456)	(33,488)	2,238	-	(11,623)	(1,051,329)
Other facilities	(29,502,882)	(1,694,435)	844,779	-	15,799	(30,336,739)
	<u>(\$ 133,155,581)</u>	<u>(\$ 7,788,515)</u>	<u>\$ 1,091,527</u>	<u>\$ 232,481</u>	<u>(\$ 154,292)</u>	<u>(\$ 139,774,380)</u>
Accumulated impairment						
Machinery	(\$ 181,814)	\$ -	\$ 13,452	\$ -	(\$ 204)	(\$ 168,566)
Testing equipment	(175)	-	154	-	-	(21)
Transportation equipment	(1,985)	-	-	-	(3)	(1,988)
Office equipment	(46)	-	-	-	-	(46)
Other facilities	(21,197)	-	6,271	-	(1)	(14,927)
	<u>(\$ 205,217)</u>	<u>\$ -</u>	<u>\$ 19,877</u>	<u>\$ -</u>	<u>(\$ 208)</u>	<u>(\$ 185,548)</u>
	<u>\$ 75,517,186</u>					<u>\$ 70,307,307</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 September 30, 2024, the Group had no capitalization of interest.

	Nine-month period ended September 30, 2023
Amount capitalized	\$ 2,552
Range of the interest rates for capitalization	3.03%~4.93%

(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:

	September 30, 2024	December 31, 2023	September 30, 2023
	Book value	Book value	Book value
Land	\$ 4,431,226	\$ 4,270,849	\$ 4,445,460
Buildings and structures	161,285	215,447	246,028
Machinery	2,596	8,136	8,675
Transportation equipment	59,926	83,928	88,665
Office equipment	1,427	2,577	3,002
Other equipment	39,067	44,603	32,520
	<u>\$ 4,695,527</u>	<u>\$ 4,625,540</u>	<u>\$ 4,824,350</u>
	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023	
	Depreciation expense	Depreciation expense	
Land	\$ 25,523	\$ 25,650	
Buildings and structures	21,137	22,905	
Machinery	302	734	
Transportation equipment	10,173	12,318	
Office equipment	344	542	
Other equipment	3,567	2,495	
	<u>\$ 61,046</u>	<u>\$ 64,644</u>	

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
	Depreciation expense	Depreciation expense
Land	\$ 76,375	\$ 77,522
Buildings and structures	62,683	68,627
Machinery	875	2,191
Transportation equipment	32,262	39,431
Office equipment	1,164	1,241
Other equipment	10,479	7,976
	<u>\$ 183,838</u>	<u>\$ 196,988</u>

D. For the three-month and nine-month periods ended September 30, 2024 and 2023, the additions to right-of-use assets amounted to \$5,344 thousand, \$14,787 thousand, \$80,214 thousand and \$115,084 thousand, respectively.

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,532	\$ 3,181
Expense on short-term lease	12,233	3,319
Expense on leases of low-value assets	768	192
Expense on variable lease payments	29,716	37,358
	<u>\$ 45,249</u>	<u>\$ 44,050</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 8,200	\$ 8,550
Expense on short-term lease	29,750	11,132
Expense on leases of low-value assets	2,325	1,700
Expense on variable lease payments	82,996	125,498
	<u>\$ 123,271</u>	<u>\$ 146,880</u>

F. For the three-month and nine-month periods ended September 30, 2024 and 2023, the Group's total cash outflow for leases amounted to \$83,124 thousand, \$83,918 thousand, \$250,302 thousand and \$282,667 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 27.02% and 36.50% of lease payments are on the basis of variable payment terms for the nine-month periods ended September 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 \$830 thousand and \$1,255 thousand for the nine-month periods ended September 30, 2024 and 2023, respectively.

(9) Investment property, net

Nine-month period ended September 30, 2024					
	Opening net book amount as at January 1	Additions	Transfer	Exchange rate differences	Closing net book amount as at September 30
Cost					
Land	\$ 336,421	\$ -	\$ -	\$ -	\$ 336,421
Buildings and structures	916,356	-	57,346	41,284	1,014,986
	<u>\$ 1,252,777</u>	<u>\$ -</u>	<u>\$ 57,346</u>	<u>\$ 41,284</u>	<u>\$ 1,351,407</u>
Accumulated depreciation					
Buildings and structures	(\$ 527,894)	(\$ 34,913)	\$ -	(\$ 23,385)	(\$ 586,192)
Accumulated impairment					
Land	(\$ 51,038)	\$ -	\$ -	\$ -	(\$ 51,038)
	<u>\$ 673,845</u>				<u>\$ 714,177</u>
Nine-month period ended September 30, 2023					
	Opening net book amount as at January 1	Additions	Transfer	Exchange rate differences	Closing net book amount as at September 30
Cost					
Land	\$ 336,421	\$ -	\$ -	\$ -	\$ 336,421
Buildings and structures	465,245	-	466,247	2,935	934,427
	<u>\$ 801,666</u>	<u>\$ -</u>	<u>\$ 466,247</u>	<u>\$ 2,935</u>	<u>\$ 1,270,848</u>
Accumulated depreciation					
Buildings and structures	(\$ 265,007)	(\$ 27,370)	(\$ 232,481)	(\$ 1,629)	(\$ 526,487)
Accumulated impairment					
Land	(\$ 51,038)	\$ -	\$ -	\$ -	(\$ 51,038)
	<u>\$ 485,621</u>				<u>\$ 693,323</u>

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Rental income from investment property	<u>\$ 11,707</u>	<u>\$ 9,563</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 11,996</u>	<u>\$ 11,659</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Rental income from investment property	<u>\$ 34,736</u>	<u>\$ 27,263</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 34,913</u>	<u>\$ 27,370</u>

B. The fair value of the investment property held by the Group as at September 30, 2024, December 31, 2023 and September 30, 2023 was \$1,749,201 thousand, \$1,705,391 thousand and \$1,276,774 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

	September 30, 2024	December 31, 2023	September 30, 2023
Intangible assets	\$ 169,680	\$ 202,268	\$ 199,537
Others	341,570	253,582	246,693
	<u>\$ 511,250</u>	<u>\$ 455,850</u>	<u>\$ 446,230</u>

Movements in intangible assets:

		Nine-month period ended September 30, 2024					
		Opening net book amount as at January 1	Additions	Reductions	Transfer	Exchange rate differences	Closing net book amount as at September 30
Cost							
Computer software	\$	745,752	\$ 14,395	(\$ 13,481)	\$ 2,418	\$ 26,481	\$ 775,565
Others		7,801	-	-	-	354	8,155
	\$	<u>753,553</u>	<u>\$ 14,395</u>	<u>(\$ 13,481)</u>	<u>\$ 2,418</u>	<u>\$ 26,835</u>	<u>\$ 783,720</u>
Accumulated amortisation							
Computer software	(\$	545,825)	(\$ 55,930)	\$ 13,481	(\$ 327)	(\$ 19,119)	(\$ 607,720)
Others	(	5,460)	(601)	-	-	(259)	(6,320)
	(\$	<u>551,285</u>	<u>(\$ 56,531)</u>	<u>\$ 13,481</u>	<u>(\$ 327)</u>	<u>(\$ 19,378)</u>	<u>(\$ 614,040)</u>
	\$	<u>202,268</u>					<u>\$ 169,680</u>
		Nine-month period ended September 30, 2023					
		Opening net book amount as at January 1	Additions	Reductions	Transfer	Exchange rate differences	Closing net book amount as at September 30
Cost							
Computer software	\$	741,268	\$ 21,883	(\$ 32,078)	\$ 10,451	\$ 6,633	\$ 748,157
Others		7,947	-	-	-	13	7,960
	\$	<u>749,215</u>	<u>\$ 21,883</u>	<u>(\$ 32,078)</u>	<u>\$ 10,451</u>	<u>\$ 6,646</u>	<u>\$ 756,117</u>
Accumulated amortisation							
Computer software	(\$	511,434)	(\$ 65,657)	\$ 32,078	\$ -	(\$ 6,195)	(\$ 551,208)
Others	(	4,768)	(594)	-	-	(10)	(5,372)
	(\$	<u>516,202)</u>	<u>(\$ 66,251)</u>	<u>\$ 32,078</u>	<u>\$ -</u>	<u>(\$ 6,205)</u>	<u>(\$ 556,580)</u>
	\$	<u>233,013</u>					<u>\$ 199,537</u>

Details of amortisation on intangible assets are as follows:

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Operating costs	\$ 2,042	\$ 1,692
Selling expenses	2,510	2,957
Administrative expenses	7,650	7,984
Research and development expenses	4,461	7,192
	<u>\$ 16,663</u>	<u>\$ 19,825</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Operating costs	\$ 6,072	\$ 5,435
Selling expenses	7,577	11,045
Administrative expenses	22,937	28,488
Research and development expenses	19,945	21,283
	<u>\$ 56,531</u>	<u>\$ 66,251</u>

(11) Short-term borrowings

Type of borrowings	September 30, 2024	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 2,975,045</u>	2.05% ~ 6.07%	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	September 30, 2023	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 2,578,069</u>	1.60% ~ 6.60%	None

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

(12) Short-term notes and bills payable

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

	December 31, 2023	September 30, 2023
Short-term notes and bills payable	<u>\$ 300,000</u>	<u>\$ 1,500,000</u>
Interest rate range	<u>1.56%</u>	<u>1.51%~1.55%</u>

(13) Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Dividend payable	\$ -	\$ -	\$ 10
Wages and salaries payable	1,444,136	1,390,784	1,328,471
Payable on machinery and equipment	301,831	294,103	337,347
Employee compensation payable	362,077	357,753	313,715
Compensation due to directors	125,245	150,392	117,377
Other accrued expenses	2,385,393	2,069,241	2,462,507
	<u>\$ 4,618,682</u>	<u>\$ 4,262,273</u>	<u>\$ 4,559,427</u>

(14) Other current liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Advance receipts	\$ 42,293	\$ 74,444	\$ 19,648
Refund liabilities	375,672	317,502	183,069
Others	185,428	153,927	132,797
	<u>\$ 603,393</u>	<u>\$ 545,873</u>	<u>\$ 335,514</u>

(15) Bonds payable

	September 30, 2024	December 31, 2023	September 30, 2023
Bonds payable -issued in 2018	\$ -	\$ -	\$ -
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>8,000,000</u>
Less: Current portion	(4,000,000)	-	-
	<u>\$ 4,000,000</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	September 30, 2024
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38% ~ 6.05%	None	\$ 26,007,574
Less: Current portion				(3,840,000)
				<u>\$ 22,167,574</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	September 30, 2023
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.25% ~ 6.21%	None	\$ 28,100,616
Less: Current portion				(1,052,106)
				<u>\$ 27,048,510</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	September 30, 2024	December 31, 2023	September 30, 2023
USD	\$ 4,525,982	\$ 7,453,639	\$ 9,852,031

(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 \$2,650 thousand, \$3,125 thousand, \$7,949 thousand and \$9,375 thousand for the three-month and nine-month periods ended September 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 nine-month periods ended September 30, 2024 and 2023 were \$30,524 thousand, \$30,836 thousand, \$92,248 thousand and \$92,625 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 nine-month periods ended September 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 nine-month periods ended September 30, 2024 and 2023, were \$140,217 thousand, \$138,177 thousand \$423,757 thousand and \$431,899 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 nine-month periods ended September 30, 2024 and 2023 were \$12,149 thousand, \$13,028 thousand, \$38,646 thousand and \$38,763 thousand, respectively.

(18) Share capital

As at September 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 of the Company resolved 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	-	7,873	7,873
Currency translation differences:			
– Group	4,319,864	-	4,319,864
– Tax on Group	(863,973)	-	(863,973)
At September 30	<u>(\$ 3,479,911)</u>	<u>\$ 22,103</u>	<u>(\$ 3,457,808)</u>
	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	-	4,806	4,806
Currency translation differences:			
– Group	367,450	-	367,450
– Tax on Group	(73,490)	-	(73,490)
At September 30	<u>(\$ 5,586,190)</u>	<u>\$ 13,979</u>	<u>(\$ 5,572,211)</u>

(22) Operating revenue

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Revenue from contracts with customers	<u>\$ 25,504,257</u>	<u>\$ 25,332,601</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Revenue from contracts with customers	<u>\$ 73,472,679</u>	<u>\$ 73,484,530</u>

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 September 30, 2024				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	<u>\$ 1,510,510</u>	<u>\$ 11,185,343</u>	<u>\$ 2,520,396</u>	<u>\$ 10,288,008</u>	<u>\$ 25,504,257</u>

	Three-month period ended September 30, 2023				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,418,458	\$ 12,256,020	\$ 2,198,421	\$ 9,459,702	\$ 25,332,601
	Nine-month period ended September 30, 2024				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 4,383,713	\$ 32,543,580	\$ 7,743,541	\$ 28,801,845	\$ 73,472,679
	Nine-month period ended September 30, 2023				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 4,680,757	\$ 34,135,180	\$ 7,148,974	\$ 27,519,669	\$ 73,484,580
B. Contract liabilities					
The Group has recognised the following revenue-related contract liabilities:					
	September 30, 2024		December 31, 2023		
Contract liabilities:					
Advance sales receipts	\$	747,104	\$	521,460	
Customer loyalty programmes		-		20,385	
Total	\$	747,104	\$	541,845	
	September 30, 2023		January 1, 2023		
Contract liabilities:					
Advance sales receipts	\$	596,125	\$	527,661	
Customer loyalty programmes		17,083		26,661	
Total	\$	613,208	\$	554,322	
Revenue recognised that was included in the contract liability balance at the beginning of the period:					
	Three-month period ended September 30, 2024		Three-month period ended September 30, 2023		
Advance sales receipts	\$	7,263	\$	6,851	
Customer loyalty programmes		-		-	
	\$	7,263	\$	6,851	
	Nine-month period ended September 30, 2024		Nine-month period ended September 30, 2023		
Advance sales receipts	\$	370,469	\$	324,204	
Customer loyalty programmes		20,385		26,661	
	\$	390,854	\$	350,865	

(23) Interest income

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Interest income from bank deposits	\$ 167,381	\$ 149,085
Interest income from financial assets at amortised cost	126,952	37,306
	<u>\$ 294,333</u>	<u>\$ 186,391</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Interest income from bank deposits	\$ 470,764	\$ 417,136
Interest income from financial assets at amortised cost	301,324	107,694
	<u>\$ 772,088</u>	<u>\$ 524,830</u>

(24) Other income

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Grant revenue	\$ 61,432	\$ 62,818
Other income	122,883	49,890
	<u>\$ 184,315</u>	<u>\$ 112,708</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Grant revenue	\$ 186,850	\$ 225,266
Other income	436,030	174,323
	<u>\$ 622,880</u>	<u>\$ 399,589</u>

(25) Other gains and losses

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Net currency exchange gain (loss)	\$ 84,607	(\$ 95,362)
Loss on disposal of property, plant and equipment	(61,676)	(14,415)
Miscellaneous disbursement	(33,204)	(22,466)
	<u>(\$ 10,273)</u>	<u>(\$ 132,243)</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Net currency exchange gain	\$ 83,271	\$ 570,450
Loss on disposal of property, plant and equipment	(65,576)	(31,336)
Miscellaneous disbursement	(94,003)	(90,975)
	<u>(\$ 76,308)</u>	<u>\$ 448,139</u>

(26) Finance costs

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Interest expense:		
Bank borrowings	\$ 224,845	\$ 284,834
Corporate bonds	12,098	13,529
Provisions-discount	2,938	3,054
Lease liability-interest expense	2,532	3,181
	<u>\$ 242,413</u>	<u>\$ 304,598</u>
Less: Capitalisation of qualifying assets	-	(702)
	<u>\$ 242,413</u>	<u>\$ 303,896</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Interest expense:		
Bank borrowings	\$ 668,591	\$ 848,330
Corporate bonds	35,901	48,117
Provisions-discount	8,813	9,022
Lease liability-interest expense	8,200	8,550
	<u>\$ 721,505</u>	<u>\$ 914,019</u>
Less: Capitalisation of qualifying assets	-	(2,552)
	<u>\$ 721,505</u>	<u>\$ 911,467</u>

(27) Expenses by nature

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Employee benefit expense		
Wages and salaries	\$ 2,744,482	\$ 2,564,027
Labour and health insurance fees	185,650	183,564
Pension costs	185,540	185,666
Directors' remuneration	41,554	43,103
Other personnel expenses	207,645	182,210
	<u>\$ 3,364,871</u>	<u>\$ 3,158,570</u>
Raw materials and supplies used	<u>\$ 12,465,492</u>	<u>\$ 11,509,396</u>
Depreciation expense on property, plant and equipment	<u>\$ 2,364,733</u>	<u>\$ 2,545,103</u>
Depreciation expense on right-of-use assets	<u>\$ 61,046</u>	<u>\$ 64,644</u>
Depreciation expense on investment property	<u>\$ 11,996</u>	<u>\$ 11,659</u>
Amortisation expense on intangible assets	<u>\$ 16,663</u>	<u>\$ 19,825</u>

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Employee benefit expense		
Wages and salaries	\$ 8,173,818	\$ 7,646,938
Labour and health insurance fees	565,815	573,211
Pension costs	562,600	572,662
Directors' remuneration	128,077	115,193
Other personnel expenses	577,606	545,122
	<u>\$ 10,007,916</u>	<u>\$ 9,453,126</u>
Raw materials and supplies used	<u>\$ 35,062,104</u>	<u>\$ 34,889,446</u>
Depreciation expense on property, plant and equipment	<u>\$ 7,132,024</u>	<u>\$ 7,788,515</u>
Depreciation expense on right-of-use assets	<u>\$ 183,838</u>	<u>\$ 196,988</u>
Depreciation expense on investment property	<u>\$ 34,913</u>	<u>\$ 27,370</u>
Amortisation expense on intangible assets	<u>\$ 56,531</u>	<u>\$ 66,251</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 nine-month periods ended September 30, 2024 and 2023, employees' compensation was accrued at \$53,473 thousand, \$53,678 thousand, \$162,591 thousand and \$147,846 thousand, respectively; while directors' remuneration was accrued at \$38,100 thousand, \$38,245 thousand, \$115,846 thousand and \$105,340 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 nine-month periods ended September 30, 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 November 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:

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Current tax:		
Current tax on profits for the period	\$ 533,102	\$ 724,672
Prior year income tax (over) under estimation	(19,079)	67,701
Total current tax	514,023	792,373
Deferred tax:		
Origination and reversal of temporary differences	93,347	176,556
Total current tax	93,347	176,556
Income tax expense	\$ 607,370	\$ 968,929
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Current tax:		
Current tax on profits for the period	\$ 1,814,353	\$ 2,001,632
Additional 5% tax on undistributed	-	86,897
Prior year income tax (over) under estimation	(106,486)	157,459
Total current tax	1,707,867	2,245,988
Deferred tax:		
Origination and reversal of temporary differences	479,432	163,415
Total current tax	479,432	163,415
Income tax expense	\$ 2,187,299	\$ 2,409,403

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

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Generated during the period :		
Currency translation differences	(\$ 445,246)	(\$ 460,436)
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Generated during the period :		
Currency translation differences	(\$ 863,973)	(\$ 73,490)

- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.
- C. The Group has applied the exceptions relating to recognizing and disclosure information about deferred tax assets and liabilities related Pillar Two income taxes.
- D. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Pillar Two legislation was enacted in Hong Kong, the jurisdiction in which certain subsidiaries are incorporated, and will come into effect from the fiscal year of 2025. Therefore, the Group has no related current tax exposure as of September 30, 2024.

Under the legislation, the Group has obligations to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates for jurisdiction of Hong Kong. However, due to the complexities in applying the legislation and the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, 'Income taxes', the Group has engaged tax experts to assist in the ongoing evaluation of matters related to the application of Pillar II.

(29) Earnings per share

	Three-month period ended September 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	\$ 2,328,684	3,241,416	\$ 0.72
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,328,684	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,179	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,328,684	3,244,595	\$ 0.72

Three-month period ended September 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	\$ 1,971,617	3,241,416	\$ 0.61
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,971,617	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,525	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,971,617	3,244,941	\$ 0.61
Nine-month period ended September 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	\$ 6,903,950	3,241,416	\$ 2.13
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	6,903,950	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,380	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 6,903,950	3,245,796	\$ 2.13

Nine-month period ended September 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	\$ 5,632,479	3,241,416	\$ 1.74
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	5,632,479	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,658	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,632,479	3,246,074	\$ 1.74

(30) Supplemental cash flow information

Investing activities with partial cash payments :

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Purchase of property, plant and equipment	\$ 1,991,732	\$ 2,393,945
Add: Opening balance of payable on equipment	294,103	432,843
Less: Ending balance of payable on equipment	(301,831)	(337,347)
Cash paid during the period	\$ 1,984,004	\$ 2,489,441

(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	(91,483)	(300,000)	343,729	-	(6,482,831)	(127,031)	7,227	(6,650,389)
Interest paid	-	-	-	-	-	(8,200)	-	(8,200)
Additions	-	-	-	-	6,482,831	74,544	-	6,557,375
Amortisation of interest expense	-	-	-	-	-	8,200	-	8,200
Impact of changes in foreign exchange rate	55,157	-	90,830	-	-	11,428	-	157,415
At September 30	\$ 2,975,045	\$ -	\$ 26,007,574	\$ 8,000,000	\$ -	\$ 348,657	\$ 270,247	\$ 37,601,523

	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	(2,267,476)	-	1,682,596	(2,500,000)	(4,555,909)	(135,787)	(1,729)	(7,778,305)
Interest paid	-	-	-	-	-	(8,550)	-	(8,550)
Additions	-	-	-	-	4,555,909	103,821	-	4,659,730
Amortisation of interest expense	-	-	-	-	-	8,550	-	8,550
Impact of changes in foreign exchange rate	150,799	-	199,108	-	-	15,329	-	365,236
At September 30	<u>\$ 2,578,069</u>	<u>\$ 1,500,000</u>	<u>\$ 28,100,616</u>	<u>\$ 8,000,000</u>	<u>\$ 10</u>	<u>\$ 417,268</u>	<u>\$ 268,861</u>	<u>\$ 40,864,824</u>

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
Jiu Shun Investment Corporation	The Company's chairman within first degree of relationship is the company's representative
KE LI SI INVESTMENT CO., LTD.	The Company's chairman within first degree of relationship is the company's representative
JI CHENG Co., Ltd.	The Company's chairman within first degree of relationship is the company's representative
WAN LI SI INVESTMENT LTD.	The Company's chairman within first degree of relationship is the company's representative
ZERO COUNTER RACING CO., LTD.	The Company's chairman within first degree of relationship 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 September 30, 2024	Three-month period ended September 30, 2023
Sales of goods:		
-Other related parties	\$ <u>80,909</u>	\$ <u>33,596</u>

	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Sales of goods:		
-Other related parties	\$ <u>240,190</u>	\$ <u>180,664</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable:			
-Other related parties	\$ <u>63,688</u>	\$ <u>66,401</u>	\$ <u>71,317</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Key management personnel	\$ <u>54,381</u>	\$ <u>-</u>	\$ <u>-</u>

ii. Interest expense

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Key management personnel	\$ <u>215</u>	\$ <u>-</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Key management personnel	\$ <u>645</u>	\$ <u>-</u>

(3) Key management compensation

	Three-month period ended September 30, 2024	Three-month period ended September 30, 2023
Short-term employee benefits	\$ 82,841	\$ 83,449
Post-employment benefits	488	580
	<u>\$ 83,329</u>	<u>\$ 84,029</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Short-term employee benefits	\$ 250,551	\$ 237,002
Post-employment benefits	1,464	1,740
	<u>\$ 252,015</u>	<u>\$ 238,742</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2024	December 31, 2023	September 30, 2023	
Time deposits (shown as 'Financial assets at amortised cost - current')	\$ -	\$ 3,879	\$ 900	Customs guarantees and Performance guarantees
Time deposits (shown as 'Financial assets at amortised cost - non-current')	41,591	52,639	55,815	Customs guarantees and Import credit limit
Notes receivable	-	49,761	-	Discounted notes receivable
	<u>\$ 41,591</u>	<u>\$ 106,279</u>	<u>\$ 56,715</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. All required documents from the Company have been delivered, but the independent auditor has yet to submit the report to the arbitral tribunal, and the arbitration schedule has not been established.

(2) Commitments

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

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	<u>\$ 1,781,498</u>	<u>\$ 2,061,794</u>	<u>\$ 2,180,093</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 November 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 nine-month period ended September 30, 2024, the Company's strategy was unchanged from 2023. The Company maintained the gearing ratios below 200%. The gearing ratios at September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total liabilities	\$ 55,864,280	\$ 55,590,853	\$ 58,242,242
Total equity	\$ 89,919,499	\$ 85,995,065	\$ 85,776,663
Less : Intangible assets	(169,680)	(202,268)	(199,537)
Tangible equity	\$ 89,749,819	\$ 85,792,797	\$ 85,577,126
Debt-equity ratio	62%	65%	68%

(2) Financial instruments

A. Financial instruments by category

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 88,955	\$ 81,082	\$ 80,831
Financial assets at amortised cost			
Cash and cash equivalents	\$ 24,494,939	\$ 23,575,591	\$ 28,464,792
Financial assets at amortised cost	17,296,048	11,234,611	4,326,197
Notes receivable, net	2,757,569	4,147,117	4,967,403
Accounts receivable (including related parties)	10,805,046	9,342,146	10,680,463
Guarantee deposits paid	86,976	76,438	83,373
	<u>\$ 55,440,578</u>	<u>\$ 48,375,903</u>	<u>\$ 48,522,228</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,975,045	\$ 3,011,371	\$ 2,578,069
Short-term notes and bills payable	-	300,000	1,500,000
Notes payable	115,097	150,408	105,005
Accounts payable	7,516,471	7,182,403	6,971,905
Other accounts payable	4,618,682	4,262,273	4,559,427
Corporate bonds payable (including current portion)	8,000,000	8,000,000	8,000,000
Long-term borrowings (including current portion)	26,007,574	25,573,015	28,100,616
Guarantee deposits received	270,247	263,020	268,861
	<u>\$ 49,503,116</u>	<u>\$ 48,742,490</u>	<u>\$ 52,083,883</u>
Lease liabilities (including current portion)	<u>\$ 348,657</u>	<u>\$ 389,716</u>	<u>\$ 417,268</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:

September 30, 2024

		Sensitivity analysis			
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	\$ 117,542	\$ 31.650	\$ 3,720,204	1%	\$ 37,202 \$ -
RMB : TWD	29,719	4.523	134,419	1%	1,344 -
EUR : TWD	12,045	35.380	426,152	1%	4,262 -
JPY : TWD	968,833	0.222	215,081	1%	2,151 -
USD : RMB	235,708	6.998	7,460,619	1%	74,606 -
EUR : RMB	27,599	7.822	976,422	1%	9,764 -
JPY : RMB	615,043	0.049	136,310	1%	1,363 -
GBP : RMB	5,791	9.381	245,714	1%	2,457 -
USD : THB	124,632	32.073	3,945,357	1%	39,454 -
EUR : THB	4,430	35.853	156,764	1%	1,568 -
USD : VND	8,583	24,921.260	271,652	1%	2,717 -
USD : CAD	29,110	1.351	921,053	1%	9,211 -
USD : IDR	11,979	15,216.326	379,135	1%	3,791 -
USD : INR	5,625	83.730	178,031	1%	1,780 -
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : TWD	\$ 18,317	31.650	\$ 579,733	1%	\$ 5,797 \$ -
USD : RMB	17,132	6.998	542,261	1%	5,423 -
USD : THB	12,948	32.073	409,883	1%	4,099 -
USD : CAD	6,839	1.351	216,389	1%	2,164 -
USD : IDR	257,259	15,216.346	8,142,247	1%	81,422 -
USD : INR	101,001	83.730	3,196,676	1%	31,967 -

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
(Foreign currency: functional currency)						
<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	-

September 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)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : TWD	\$	197,411	32.270	\$ 6,370,453	1%	\$ 63,705	\$ -
RMB : TWD		58,452	4.415	258,066	1%	2,581	-
EUR : TWD		16,303	33.910	552,835	1%	5,528	-
JPY : TWD		1,169,437	0.216	252,598	1%	2,526	-
USD : RMB		114,826	7.309	3,705,347	1%	37,053	-
EUR : RMB		24,676	7.681	836,803	1%	8,368	-
GBP : RMB		4,179	8.886	163,949	1%	1,639	-
USD : THB		65,002	36.579	2,097,139	1%	20,971	-
EUR : THB		7,144	38.438	242,198	1%	2,422	-
USD : VND		26,114	24,633.588	842,699	1%	8,427	-
USD : CAD		25,776	1.350	831,663	1%	8,317	-
USD : IDR		12,601	15,514.423	406,634	1%	4,066	-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : TWD	\$	16,048	32.270	\$ 517,869	1%	\$ 5,179	\$ -
USD : RMB		15,602	7.309	503,465	1%	5,035	-
USD : THB		21,825	36.579	704,133	1%	7,041	-
USD : CAD		9,173	1.350	295,967	1%	2,960	-
USD : IDR		264,575	15,514.423	8,537,835	1%	85,378	-
USD : INR		149,800	83.149	4,834,065	1%	48,341	-

- 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 nine-month periods ended September 30, 2024 and 2023 amounted to \$84,607 thousand, (\$95,362) thousand, \$83,271 thousand and \$570,450 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 nine-month periods ended September 30, 2024 and 2023 would have increased/decreased by \$890 thousand and \$808 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 nine-month periods ended September 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 September 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 nine-month periods ended September 30, 2024 and 2023 would have been \$21,723 thousand and \$24,059 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 September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 30, 2023, the provision matrix is as follows:

<u>September 30, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 0.14%	\$ 11,298,037	\$ 16,774
Up to 30 days	0.01% ~ 1.12%	1,503,644	17,398
31 to 90 days	0.01% ~ 10.64%	453,663	13,951
91 to 180 days	0.01% ~ 31.41%	239,174	14,343
Over 180 days	0.02% ~100.00%	100,922	34,047
		<u>\$ 13,595,440</u>	<u>\$ 96,513</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>September 30, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 1.20%	\$ 13,856,406	\$ 14,258
Up to 30 days	0.01% ~ 1.91%	1,153,338	7,408
31 to 90 days	0.01% ~ 11.68%	348,747	9,259
91 to 180 days	0.02% ~ 64.14%	189,151	25,989
Over 180 days	16.93% ~100.00%	127,233	41,412
		<u>\$ 15,674,875</u>	<u>\$ 98,326</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
Provision for impairment	-	17,088	17,088
Write-offs	- (	1,749) (	1,749)
Others	-	4,634	4,634
Effect of exchange rate changes	-	3,363	3,363
At September 30	<u>\$ -</u>	<u>\$ 96,513</u>	<u>\$ 96,513</u>
2023			
	Notes receivable	Accounts receivable	Total
At January 1	\$ 9,277	\$ 38,364	\$ 47,641
Provision for impairment	-	37,474	37,474
Write-offs	- (	5) (	5)
Others	-	12,402	12,402
Effect of exchange rate changes	-	814	814
At September 30	<u>\$ 9,277</u>	<u>\$ 89,049</u>	<u>\$ 98,326</u>

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

September 30, 2024				
Lifetime				
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 17,296,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,296,048</u>
December 31, 2023				
Lifetime				
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 11,234,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,234,611</u>
September 30, 2023				
Lifetime				
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	<u>\$ 4,326,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,326,197</u>

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

September 30, 2024

<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	\$ 2,505,613	\$ 92,837	\$ 394,723	\$ -	\$ 2,993,173
Notes and accounts payable	7,631,568	-	-	-	7,631,568
Other payables	4,618,682	-	-	-	4,618,682
Lease liability	39,262	50,169	75,914	196,066	361,411
Guarantee deposits received	613	306	12,519	256,809	270,247
Long-term					
borrowings	658,655	2,101,774	1,687,618	23,031,911	27,479,958
Bonds payable	-	-	4,048,000	4,024,000	8,072,000

<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>September 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	\$ 2,546,478	\$ 46,414	\$ -	\$ -	\$ 2,592,892
Short-term notes and bills payable	1,500,000	-	-	-	1,500,000
Notes and accounts payable	7,076,853	57	-	-	7,076,910
Other payables	4,120,522	134,381	124,873	179,651	4,559,427
Lease liability	40,846	39,307	74,974	282,325	437,452
Guarantee deposits received	8,386	402	10,772	249,301	268,861
Long-term borrowings	310,036	581,536	1,058,301	28,728,887	30,678,760
Bonds payable	-	-	48,000	8,072,000	8,120,000

(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.

September 30, 2024				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,006,628	\$ -
December 31, 2023				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,017,233	\$ -
September 30, 2023				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,006,374	\$ -

(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:

September 30, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 30,768	\$ -	\$ 58,187	\$ 88,955
December 31, 2023				
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 22,895	\$ -	\$ 58,187	\$ 81,082
September 30, 2023				
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 22,644	\$ -	\$ 58,187	\$ 80,831

(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 nine-month periods ended September 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.

F. There was no movement in Level 3 for the nine-month periods ended September 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: please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: please refer to table 6.
- 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 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: please refer to table 9.
- B. Ceiling on investments in Mainland China: please refer to table 9.
- 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 nine-month periods ended September 30, 2024: please refer to tables 5, 6 and 7.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

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 September 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	\$ 3,286,474	\$ 3,751,296	\$ 6,424,719	\$ 2,248,839	\$ 5,793,714	\$ 21,505,042
Revenue from inter-segment revenue	2,061,814	327,251	181,761	474,745	662,623	3,708,194
Total segment revenue	<u>\$ 5,348,288</u>	<u>\$ 4,078,547</u>	<u>\$ 6,606,480</u>	<u>\$ 2,723,584</u>	<u>\$ 6,456,337</u>	<u>\$ 25,213,236</u>
Geographical regions						
Taiwan	\$ 2,242,970	\$ 66,404	\$ 19,431	\$ 14,125	\$ 25,948	\$ 2,368,878
China	127,176	2,862,277	4,427,480	1,659	4,472,828	11,891,420
US	1,234,089	56,741	4,779	484,629	107,681	1,887,919
Others	1,744,053	1,093,125	2,154,790	2,223,171	1,849,880	9,065,019
Total	<u>\$ 5,348,288</u>	<u>\$ 4,078,547</u>	<u>\$ 6,606,480</u>	<u>\$ 2,723,584</u>	<u>\$ 6,456,337</u>	<u>\$ 25,213,236</u>
Segment income	<u>\$ 700,619</u>	<u>\$ 139,472</u>	<u>\$ 727,316</u>	<u>(\$ 299,613)</u>	<u>\$ 874,661</u>	<u>\$ 2,142,455</u>

Three-month period ended September 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	\$ 3,085,717	\$ 3,447,760	\$ 7,158,638	\$ 2,158,367	\$ 5,715,496	\$ 21,565,978
Revenue from inter-segment revenue	2,263,193	361,144	124,270	320,753	559,260	3,628,620
Total segment revenue	<u>\$ 5,348,910</u>	<u>\$ 3,808,904</u>	<u>\$ 7,282,908</u>	<u>\$ 2,479,120</u>	<u>\$ 6,274,756</u>	<u>\$ 25,194,598</u>
Geographical regions						
Taiwan	\$ 2,168,002	\$ 59,000	\$ 19,468	\$ 232	\$ 16,784	\$ 2,263,486
China	87,787	2,842,499	5,604,631	14	4,423,060	12,957,991
US	1,416,184	49,812	7,308	1,334	65,279	1,539,917
Others	1,676,937	857,593	1,651,501	2,477,540	1,769,633	8,433,204
Total	<u>\$ 5,348,910</u>	<u>\$ 3,808,904</u>	<u>\$ 7,282,908</u>	<u>\$ 2,479,120</u>	<u>\$ 6,274,756</u>	<u>\$ 25,194,598</u>
Segment income	<u>\$ 1,128,365</u>	<u>\$ 106,208</u>	<u>\$ 1,043,143</u>	<u>\$ 140,469</u>	<u>\$ 1,030,579</u>	<u>\$ 3,448,764</u>

Nine-month period ended September 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	\$ 9,591,359	\$ 10,578,898	\$ 18,522,710	\$ 6,480,340	\$ 16,569,931	\$ 61,743,238
Revenue from inter-segment revenue	6,252,281	892,917	529,440	992,620	1,870,119	10,537,377
Total segment revenue	<u>\$ 15,843,640</u>	<u>\$ 11,471,815</u>	<u>\$ 19,052,150</u>	<u>\$ 7,472,960</u>	<u>\$ 18,440,050</u>	<u>\$ 72,280,615</u>
Geographical regions						
Taiwan	\$ 6,672,575	\$ 184,371	\$ 54,063	\$ 40,497	\$ 61,322	\$ 7,012,828
China	325,643	8,310,463	13,255,818	3,244	12,756,783	34,651,951
US	3,839,119	131,359	11,764	1,097,776	301,965	5,381,983
Others	5,006,303	2,845,622	5,730,505	6,331,443	5,319,980	25,233,853
Total	<u>\$ 15,843,640</u>	<u>\$ 11,471,815</u>	<u>\$ 19,052,150</u>	<u>\$ 7,472,960</u>	<u>\$ 18,440,050</u>	<u>\$ 72,280,615</u>
Segment income	<u>\$ 2,696,552</u>	<u>\$ 535,548</u>	<u>\$ 2,570,070</u>	<u>\$ 349,242</u>	<u>\$ 2,949,503</u>	<u>\$ 9,100,915</u>

Nine-month period ended September 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	\$ 9,531,604	\$ 9,976,790	\$ 19,700,180	\$ 6,508,182	\$ 16,639,869	\$ 62,356,625
Revenue from inter-segment revenue	6,355,407	1,142,911	358,299	722,619	1,845,578	10,424,814
Total segment revenue	<u>\$ 15,887,011</u>	<u>\$ 11,119,701</u>	<u>\$ 20,058,479</u>	<u>\$ 7,230,801</u>	<u>\$ 18,485,447</u>	<u>\$ 72,781,439</u>
Geographical regions						
Taiwan	\$ 6,824,386	\$ 163,152	\$ 85,358	\$ 79,225	\$ 60,794	\$ 7,212,915
China	244,971	8,092,161	15,201,174	4,768	12,937,032	36,480,106
US	3,763,023	156,415	15,898	455,221	201,415	4,591,972
Others	5,054,631	2,707,973	4,756,049	6,691,587	5,286,206	24,496,446
Total	<u>\$ 15,887,011</u>	<u>\$ 11,119,701</u>	<u>\$ 20,058,479</u>	<u>\$ 7,230,801</u>	<u>\$ 18,485,447</u>	<u>\$ 72,781,439</u>
Segment income	<u>\$ 2,908,419</u>	<u>\$ 239,539</u>	<u>\$ 2,148,908</u>	<u>\$ 343,706</u>	<u>\$ 2,735,007</u>	<u>\$ 8,375,579</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 September 30, 2024	Three-month period ended September 30, 2023
Adjusted revenue from reportable segments	\$ 25,213,236	\$ 25,194,598
Adjusted revenue from other operating segments	4,491,193	4,169,443
Total operating segments	29,704,429	29,364,041
Elimination of inter-segment revenue	(4,200,172)	(4,031,440)
Total consolidated operating revenue	<u>\$ 25,504,257</u>	<u>\$ 25,332,601</u>
Geographical regions		
Geographical regions from reportable segments	\$ 25,213,236	\$ 25,194,598
Geographical regions from other operating segments		
Taiwan	131,856	94,634
China	391,011	356,669
US	2,131,950	2,183,557
Others	1,836,376	1,534,583
Total geographical regions	29,704,429	29,364,041
Elimination of inter-segment revenue	(4,200,172)	(4,031,440)
Total consolidated operating revenue	<u>\$ 25,504,257</u>	<u>\$ 25,332,601</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Adjusted revenue from reportable segments	\$ 72,280,615	\$ 72,781,439
Adjusted revenue from other operating segments	12,949,224	12,323,257
Total operating segments	85,229,839	85,104,696
Elimination of inter-segment revenue	(11,757,160)	(11,620,116)
Total consolidated operating revenue	<u>\$ 73,472,679</u>	<u>\$ 73,484,580</u>
Geographical regions		
Geographical regions from reportable segments	\$ 72,280,615	\$ 72,781,439
Geographical regions from other operating segments		
Taiwan	305,707	250,751
China	1,058,152	1,045,994
US	6,585,635	6,593,938
Others	4,999,730	4,432,574
Total geographical regions	85,229,839	85,104,696
Elimination of inter-segment revenue	(11,757,160)	(11,620,116)
Total consolidated operating revenue	<u>\$ 73,472,679</u>	<u>\$ 73,484,580</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 September 30, 2024	Three-month period ended September 30, 2023
Adjusted income from reportable segments before income tax	\$ 2,142,455	\$ 3,448,764
Adjusted income (loss) from other operating segments before income tax	778,156	(506,501)
Total operating segments	2,920,611	2,942,263
Income (loss) from elimination of inter-segment revenue	14,072	(1,431)
Income from continuing operations before income tax	<u>\$ 2,934,683</u>	<u>\$ 2,940,832</u>
	Nine-month period ended September 30, 2024	Nine-month period ended September 30, 2023
Adjusted income from reportable segments before income tax	\$ 9,100,915	\$ 8,375,579
Adjusted income (loss) from other operating segments before income tax	33,928	(365,869)
Total operating segments	9,134,843	8,009,710
(Loss) income from elimination of inter-segment revenue	(43,003)	45,773
Income from continuing operations before income tax	<u>\$ 9,091,840</u>	<u>\$ 8,055,483</u>

CHENG SHIN RUBBER IND. CO., LTD.

Loans to others

Nine-month period ended September 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 nine-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	Footnote
					September 31, 2024	September 30, 2024 (Note 9)							(Note 5,6,7)				
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	\$ 3,283,500	\$ 1,582,500	\$ 1,582,500	3.41809%	Note 8	\$ -	Operating capital	\$ -	None	\$ -	\$ 8,935,345	\$ 35,741,380	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	-	5,324,078	8,873,463	Note 10
2	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	909,000	904,600	774,790	2.60%	Note 8	-	Operating capital	-	None	-	6,886,012	11,476,686	Note 10
3	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	2,955,150	2,848,500	2,278,800	2.95327%-3.31809%	Note 8	-	Operating capital	-	None	-	3,615,392	5,423,089	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
Nine-month period ended September 30, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

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 September 30, 2024	Outstanding endorsement/ guarantee amount at September 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	\$ 44,676,725	\$ 6,850,426	\$ 6,110,100	\$ 3,197,662	\$ -	6.84	\$ 62,547,415	Y	N	N	Note 2, 3
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Subsidiary	44,676,725	6,369,686	5,276,055	3,848,322	-	5.90	62,547,415	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.

\$ 62,547,415

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

\$ 17,870,690

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

\$ 44,676,725

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

CHENG SHIN RUBBER IND. CO., LTD.

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

September 30, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of September 30, 2024				Footnote
				Number of	Ownership			
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	shares/ units	Book value	(%)	Fair value	
Cheng Shin Rubber Ind. Co., Ltd.	Other ordinary shares	-	Current financial assets at fair value through other comprehensive income	-	\$ 30,768	-	\$ 30,768	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.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Nine-month period ended September 30, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Number of shares	Disposal (Note 3)			Gain (loss) on disposal	Balance as at September 30, 2024	
					Number of shares	Amount	Number of shares	Amount		Selling price	Book value			Number of shares	Amount
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS Rubber India Private Limited	Investments accounted for using the equity method	MAXXIS Rubber India Private Limited	Subsidiary	1,686,986,327	\$ 7,055,387	335,997,278	\$ 1,288,066	-	\$ -	\$ -	\$ -	\$ -	2,022,983,605	\$ 8,343,453

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

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
Nine-month period ended September 30, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions (Note 1)				
			Transaction					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	Percentage of total notes/accounts receivable (payable)		Footnote
									Balance	(%)	
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Subsidiary	(sales)	(\$ 3,247,566)	(25.28)	Collect within 90 days after shipment of goods	Same	Same	\$ 1,045,742	39.91	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary	(sales)	(381,202)	(2.97)	Collect within 90 days after shipment of goods	Same	Same	145,341	5.55	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary	(sales)	(2,497,868)	(19.44)	Collect within 30 days	Same	Same	268,435	10.24	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent	(sales)	(448,957)	(3.91)	Collect within 60~90 days after shipment of goods	Same	Same	189,131	9.28	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(332,801)	(2.90)	Collect within 60~90 days after shipment of goods	Same	Same	104,046	5.11	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	MERIDA INDUSTRY CO., LTD.	Associates	(sales)	(143,348)	(1.25)	Collect within 60~90 days after shipment of goods	Same	Same	37,688	1.85	
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(595,698)	(25.99)	Collect within 60~90 days after shipment of goods	Same	Same	216,178	30.54	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Same ultimate parent	(sales)	(196,174)	(8.56)	Collect within 60~90 days after shipment of goods	Same	Same	48,342	6.83	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(108,428)	(4.73)	Collect within 60~90 days after shipment of goods	Same	Same	33,777	4.77	Note 3
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(403,861)	(4.51)	Collect within 60~90 days after shipment of goods	Same	Same	146,877	23.55	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(229,218)	(27.64)	Collect within 60~90 days after shipment of goods	Same	Same	43,982	23.58	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(251,707)	(30.35)	Collect within 60~90 days after shipment of goods	Same	Same	60,987	32.70	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Same ultimate parent	(sales)	(125,659)	(15.15)	Collect within 60~90 days after shipment of goods	Same	Same	23,507	12.60	Note 3
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent	(sales)	(277,567)	(2.02)	Collect within 60~90 days after shipment of goods	Same	Same	236,306	4.74	Note 3
Cheng Shin Rubber (Vietnam) IND Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	(196,337)	(4.15)	Collect within 90 days after shipment of goods	Same	Same	72,705	14.99	Note 3
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	(738,733)	(9.89)	Collect within 90 days after shipment of goods	Same	Same	356,519	16.00	Note 3
MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	Same ultimate parent	(sales)	(130,876)	(1.75)	Collect within 60~90 days after shipment of goods	Same	Same	130,245	5.85	Note 3
PT MAXXIS International Indonesia	Cheng Shin Rubber Ind. Co., Ltd.	Ultimate parent	(sales)	(176,251)	(6.73)	Advance collection	Same	Same	9,010	1.94	Note 2,3
Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Same ultimate parent	(sales)	(215,013)	(15.64)	Collect within 60~90 days after shipment of goods	Same	Same	-	-	Note 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
September 30, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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 4)	\$ 1,046,701	Note 3	\$ -	-	\$ 389,601	\$ -
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary (Note 4)	145,341	2.19	-	-	46,245	-
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Sub-subsidiary (Note 4)	120,227	Note 2	-	-	3,824	-
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary (Note 4)	271,363	Note 3	-	-	268,435	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent (Note 4)	234,548	Note 3	-	-	-	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent (Note 4)	181,723	Note 3	-	-	42,515	-
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	216,249	Note 3	-	-	65,335	-
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	153,454	Note 3	-	-	44,735	-
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent (Note 4)	236,306	1.57	-	-	24,413	-
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent (Note 4)	356,519	2.49	-	-	112,129	-
MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	Same ultimate parent (Note 4)	130,245	1.30	-	-	1,436	-

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

Note 2: The amount comprises accounts receivable, commission receivable, endorsements/guarantees receivable, patent royalties receivable, royalties receivable for trademark and other receivables and thus, the turnover rate is not calculated.

Note 3: The amount comprises accounts receivable and other receivables and thus, the turnover rate is not calculated.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

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

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets(%) (Note 3)
				General ledger account	Amount (Note 4)	Transaction terms	
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Sales	\$ 3,247,566	Collect within 90 days after shipment of goods	4.42
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Accounts receivable	1,045,742	Collect within 90 days after shipment of goods	0.72
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	1	Sales	381,202	Collect within 90 days after shipment of goods	0.52
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Sales	2,497,868	The term is 30 days after monthly billing	3.40
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Accounts receivable	268,435	The term is 30 days after monthly billing	0.18
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	1	Other receivables	1,582,500	Pay interest quarterly	1.09
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	3	Sales	448,957	Collect within 60~90 days after shipment of goods	0.61
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	3	Sales	332,801	Collect within 60~90 days after shipment of goods	0.45
2	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	595,698	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	774,790	Pay interest quarterly	0.53
4	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	403,861	Collect within 60~90 days after shipment of goods	0.55
5	CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	229,218	Collect within 60~90 days after shipment of goods	0.31
5	CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	3	Sales	251,707	Collect within 60~90 days after shipment of goods	0.34

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

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets(%) (Note 3)
				General ledger account	Amount (Note 4)	Transaction terms	
6	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Sales	277,567	Collect within 60~90 days after shipment of goods	0.38
6	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Accounts receivable	\$ 236,306	Collect within 60~90 days after shipment of goods	0.16
7	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Sales	738,733	Collect within 90 days after shipment of goods	1.01
7	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Accounts receivable	356,519	Collect within 90 days after shipment of goods	0.24
7	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	3	Other receivables	2,278,800	Pay interest quarterly	1.56
8	Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	3	Sales	215,013	Collect within 60~90 days after shipment of goods	0.29

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.

CHENG SHIN RUBBER IND. CO., LTD.

Information on investees
Nine-month period ended September 30, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine-month period ended September 30, 2024	Investment income(loss) recognised by the Company for the nine-month period ended September 30, 2024 (Note 1)	Footnote
				Balance as at September 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	\$ 46,321,373	\$ 1,904,398	\$ 1,895,328	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	33,284,651	2,243,059	2,224,201	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	13,715,506	1,123,742	1,099,883	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	3,537,523	209,600	209,605	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	888,390	47,682	47,682	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	175,720	2,692	1,346	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	74,085 (	25,482) (	25,482)	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	742,215	137,004	137,004	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	India	Production and sales of various types of tires	8,343,453	7,055,387	2,022,983,605	100.00	566,589 (	367,304) (	367,304)	Subsidiary Note 3
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	558,726	237,216	237,216	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	39,989 (	3,290) (	3,290)	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	59,502 (	3,523) (	3,523)	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	11,472	24	24	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	408 (	190) (	38)	Note 3,Note 4

CHENG SHIN RUBBER IND. CO., LTD.

Information on investees
Nine-month period ended September 30, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine-month period ended September 30, 2024	Investment income(loss) recognised by the Company for the nine-month period ended September 30, 2024 (Note 1)	Footnote
				Balance as at September 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	\$ 38,764,799	\$ 1,856,409	\$ 1,856,409	Sub-subsidiary Note 3
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Hong Kong	Holding company	-	-	246,767,840	100.00	33,119,601	2,237,184	2,237,184	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	14,022,466	1,123,855	1,123,855	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	9,038,481	223,539	203,427	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	4,980,863	900,163	896,416	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	2,532	2,456	-	80.00	1,632	(190)	(152)	Note 3, Note 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.

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

Table 9

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 nine-month period ended September 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income of investee for the nine-month period ended September, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024, (Note 2)	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 5,538,750	2	\$ 910,834	\$ -	\$ -	\$ 910,834	\$ 1,271,988	100.00	\$ 1,272,502	\$ 27,640,214	\$ 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	7,121,250	2	2,385,506	-	-	2,385,506	2,219,004	100.00	2,209,246	30,933,690	25,034,437	(Note 4,7)
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Plastic machinery, molds and its accessory products	269,025	2	68,602	-	-	68,602	(16,780)	50.00	(8,390)	322,084	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	3,165,000	2	-	-	-	-	56,825	100.00	56,503	6,147,218	1,548,045	(Note 4,7)
KUNSHAN MAXXIS TIRE CO., LTD	Retail of accessories for rubber tires	22,615	2	-	-	-	-	2,249	100.00	2,249	58,485	-	(Note 7)
TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	569,700	2	-	-	-	-	30,104	100.00	30,104	620,407	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	4,114,500	2	-	-	-	-	23,464	100.00	23,562	11,488,281	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	1,424,250	2	-	-	-	-	359,246	100.00	349,564	8,873,463	7,259,056	(Note 7)

CHENG SHIN RUBBER IND. CO., LTD.

Information on investments in Mainland China
Nine-month period ended September 30, 2024

Table 9

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 nine-month period ended September 30, 2024	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income of investee for the nine-month period ended September, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2024, (Note 2)	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 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 B. Management of racing tracks	\$ 633,000	2	\$ -	\$ -	\$ -	(\$ 55,013)	100.00	(\$ 55,013)	\$ -	\$ -	
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Distribution of rubber and components of tires	203,535	2	-	-	-	(5,895)	95.00	(5,601)	84,002	-	(Note 7)
CHENG SHIN LOGISTIC (XIAMEN) CO., LTD.	International container transportation business	65,184	2	-	-	-	18,188	49.00	8,912	127,578	-	(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	4,296,850	2	-	-	-	1,120,737	100.00	1,120,737	10,091,231	1,014,708	(Note 5, 7)
XIAMEN ESATE CO., LTD.	Construction and trading of employees' housing	1,718,740	2	-	-	-	(10,156)	100.00	(10,156)	2,163,401	-	(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 NTD31.65: USD 1 and NTD 4.523: RMB 1 prevailing on September 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
 Nine-month period ended September 30, 2024

Table 9 Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 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.	\$ 3,889,785	\$	21,297,285	\$	-

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of September 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

September 30, 2024

Table 10

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.