

**CHENG SHIN RUBBER IND. CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2025 AND 2024**

---

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

PWCR25000481

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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

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

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

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

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$35,497,130 thousand and NT\$33,614,533 thousand, constituting 24% and 24% of the consolidated total assets, and total liabilities of NT\$10,723,664 thousand and NT\$13,954,571 thousand, constituting 18% and 24% of the consolidated total liabilities as at March 31, 2025 and 2024, and total net operating revenues of NT\$7,155,589 thousand and NT\$7,313,705

thousand, constituting 31% and 31% of consolidated total net operating revenue, and total comprehensive income of NT\$708,376 thousand and NT\$308,462 thousand, constituting 23% and 9% of the consolidated total comprehensive income for the three-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 March 31, 2025 and 2024, and of its consolidated financial performance and its cash flows for the three-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

---

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 2025

---

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' 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  
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024  
(Expressed in thousands of New Taiwan dollars)

			March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 26,503,123	18	\$ 26,609,220	18	\$ 25,146,021	18
1120	Financial assets at fair value through other comprehensive income - current	6(2)	29,270	-	33,345	-	29,625	-
1136	Financial assets at amortised cost - current	6(3) and 8	5,799,935	4	4,557,523	3	1,821,204	1
1150	Notes receivable, net	6(4)	3,158,362	2	2,522,756	2	4,355,555	3
1170	Accounts receivable, net	6(4)	10,120,949	7	9,021,802	6	10,171,562	7
1180	Accounts receivable - related parties	7	39,072	-	43,484	-	51,439	-
130X	Inventories	6(5)	18,301,125	13	18,695,388	13	16,116,071	11
1410	Prepayments		1,115,429	1	1,008,705	1	963,624	1
1470	Other current assets		490,481	-	527,526	-	167,264	-
11XX	Current Assets		65,557,746	45	63,019,749	43	58,822,365	41
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	12,915,175	9	13,789,343	10	9,183,142	7
1550	Investments accounted for under equity method	6(6)	191,466	-	178,639	-	177,085	-
1600	Property, plant and equipment, net	6(7)	61,018,131	42	61,724,202	42	66,023,703	47
1755	Right-of-use assets	6(8)	4,607,159	3	4,604,945	3	4,725,450	4
1760	Investment property, net	6(9)	704,689	-	702,766	1	669,730	-
1840	Deferred income tax assets	6(27)	1,180,341	1	1,568,311	1	1,960,103	1
1900	Other non-current assets	6(10)	653,887	-	608,321	-	516,368	-
15XX	Non-current assets		81,329,035	55	83,234,714	57	83,313,768	59
1XXX	Total assets		\$ 146,886,781	100	\$ 146,254,463	100	\$ 142,136,133	100

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 2,969,450	2	\$ 3,467,624	2	\$ 2,364,147	2
2130	Current contract liabilities	6(21)	640,498	-	728,119	1	695,199	-
2150	Notes payable		55,237	-	90,160	-	148,700	-
2170	Accounts payable		6,849,759	5	7,552,862	5	6,490,883	5
2200	Other payables	6(12)	11,546,772	8	4,082,321	3	10,484,129	7
2230	Current income tax liabilities	6(27)	939,058	1	753,117	1	1,956,125	
2280	Current lease liabilities	7	154,364	-	162,135	-	157,082	-
2320	Long-term liabilities, current portion	6(14)(15)	8,276,733	6	7,948,269	5	3,680,552	3
2399	Other current liabilities, others	6(13)	634,540	-	652,862	-	475,845	-
21XX	Current Liabilities		32,066,411	22	25,437,469	17	26,452,662	18
Non-current liabilities								
2530	Corporate bonds payable	6(14)	4,000,000	3	4,000,000	3	8,000,000	6
2540	Long-term borrowings	6(15)	20,873,719	15	22,299,816	15	20,555,447	14
2550	Provisions for liabilities - non-current		217,844	-	213,181	-	204,298	-
2570	Deferred income tax liabilities	6(27)	1,955,314	1	1,790,095	1	1,631,546	1
2580	Non-current lease liabilities	7	128,037	-	165,326	-	255,383	-
2600	Other non-current liabilities	6(16)	1,959,529	1	1,972,231	2	2,136,372	2
25XX	Non-current liabilities		29,134,443	20	30,440,649	21	32,783,046	23
2XXX	Total Liabilities		61,200,854	42	55,878,118	38	59,235,708	41
Equity								
Equity attributable to owners of parent								
	Share capital	6(17)						
3110	Share capital - common stock		32,414,155	22	32,414,155	22	32,414,155	23
	Capital surplus	6(18)						
3200	Capital surplus		104,251	-	104,251	-	70,841	-
	Retained earnings	6(19)						
3310	Legal reserve		17,893,214	12	17,893,214	13	17,172,449	12
3320	Special reserve		6,921,572	5	6,921,572	5	5,870,977	5
3350	Unappropriated retained earnings		30,326,439	21	36,654,631	25	32,563,479	23
	Other equity interest	6(20)						
3400	Other equity interest		( 2,555,812)	( 2)	( 4,182,315)	( 3)	( 5,766,053)	( 4)
31XX	Equity attributable to owners of the parent		85,103,819	58	89,805,508	62	82,325,848	59
36XX	Non-controlling interest		582,108	-	570,837	-	574,577	-
3XXX	Total equity		85,685,927	58	90,376,345	62	82,900,425	59
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$ 146,886,781	100	\$ 146,254,463	100	\$ 142,136,133	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 PERIODS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items		Notes	Three-month periods ended March 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21) and 7	\$ 23,163,783	100	\$ 23,622,354	100
5000	Operating costs	6(5)	( 17,875,682)	( 77)	( 17,673,635)	( 75)
5900	Net operating margin		5,288,101	23	5,948,719	25
	Operating expenses	7				
6100	Selling expenses		( 1,498,759)	( 6)	( 1,380,317)	( 6)
6200	General and administrative expenses		( 911,624)	( 4)	( 945,320)	( 4)
6300	Research and development expenses		( 951,072)	( 4)	( 909,924)	( 4)
6450	Expected credit gain	12(2)	7,048	-	22,929	-
6000	Total operating expenses		( 3,354,407)	( 14)	( 3,212,632)	( 14)
6900	Operating profit		1,933,694	9	2,736,087	11
	Non-operating income and expenses					
7100	Interest income	6(22)	271,194	1	221,507	1
7010	Other income	6(23)	171,521	1	170,479	1
7020	Other gains and losses	6(24)	( 134,182)	( 1)	156,679	1
7050	Finance costs	6(25) and 7	( 207,367)	( 1)	( 242,462)	( 1)
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	6(6)	12,827	-	( 2,288)	-
7000	Total non-operating revenue and expenses		113,993	-	303,915	2
7900	Profit before income tax		2,047,687	9	3,040,002	13
7950	Income tax expense	6(27)	( 597,552)	( 3)	( 818,886)	( 4)
8200	Profit for the period		\$ 1,450,135	6	\$ 2,221,116	9

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Three-month periods ended March 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8316	Unrealized (loss) gain on valuation of equity instruments at fair value through profit or loss	6(2)(20)	(\$ 4,075)	-	\$ 6,730	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		( 4,075)	-	6,730	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(20)	2,050,564	9	1,446,745	6
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(20)(27)	( 407,645)	( 2)	( 287,197)	( 1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		1,642,919	7	1,159,548	5
8300	<b>Other comprehensive income for the period</b>		\$ 1,638,844	7	\$ 1,166,278	5
8500	<b>Total comprehensive income for the period</b>		\$ 3,088,979	13	\$ 3,387,394	14
	Profit attributable to:					
8610	Owners of the parent		\$ 1,451,205	6	\$ 2,219,808	9
8620	Non-controlling interest		( 1,070)	-	1,308	-
			\$ 1,450,135	6	\$ 2,221,116	9
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 3,077,708	13	\$ 3,375,327	14
8720	Non-controlling interest		11,271	-	12,067	-
			\$ 3,088,979	13	\$ 3,387,394	14
	Basic earnings per share	6(28)				
9750	Basic earnings per share		\$ 0.45		\$ 0.68	
	Diluted earnings per share	6(28)				
9850	Diluted earnings per share		\$ 0.45		\$ 0.68	

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  
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
Capital Surplus					Retained Earnings			Other equity interest				
Notes	Share capital - common stock	Treasury stock transactions	Gain on sale of assets	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
	\$ 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
6(20)	-	-	-	-	-	-	2,219,808	-	-	2,219,808	1,308	2,221,116
	-	-	-	-	-	-	-	1,148,789	6,730	1,155,519	10,759	1,166,278
	-	-	-	-	-	-	2,219,808	1,148,789	6,730	3,375,327	12,067	3,387,394
6(19)	-	-	-	-	-	-	( 6,482,831)	-	-	( 6,482,831)	-	( 6,482,831)
	-	-	-	806	-	-	-	-	-	806	-	806
	-	-	-	( 9)	-	-	-	-	-	( 9)	-	( 9)
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 18,265	\$ 17,172,449	\$ 5,870,977	\$ 32,563,479	(\$ 5,787,013)	\$ 20,960	\$ 82,325,848	\$ 574,577	\$ 82,900,425
6(20)	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 51,675	\$ 17,893,214	\$ 6,921,572	\$ 36,654,631	(\$ 4,206,995)	\$ 24,680	\$ 89,805,508	\$ 570,837	\$ 90,376,345
	-	-	-	-	-	-	1,451,205	-	-	1,451,205	( 1,070)	1,450,135
	-	-	-	-	-	-	-	1,630,578	( 4,075)	1,626,503	12,341	1,638,844
	-	-	-	-	-	-	1,451,205	1,630,578	( 4,075)	3,077,708	11,271	3,088,979
6(19)	-	-	-	-	-	-	( 7,779,397)	-	-	( 7,779,397)	-	( 7,779,397)
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 51,675	\$ 17,893,214	\$ 6,921,572	\$ 30,326,439	(\$ 2,576,417)	\$ 20,605	\$ 85,103,819	\$ 582,108	\$ 85,685,927

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  
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 2,047,687	\$ 3,040,002
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(26)	2,166,266	2,378,860
Depreciation on right-of-use assets	6(8)(26)	60,719	61,331
Depreciation on investment property	6(9)(26)	12,035	11,234
Amortization expense	6(10)(26)	20,226	19,809
Reversal of allowance for doubtful accounts and sales discount	12(2)	( 7,048 )	( 22,929 )
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(6)	( 12,827 )	2,288
Loss (gain) on disposal of property, plant and equipment	6(7)(24)	47,085	( 38,439 )
Interest expense	6(7)(25)	207,367	242,462
Interest income	6(22)	( 271,194 )	( 221,507 )
Deferred government grants revenue		( 50,220 )	( 48,129 )
Unrealized foreign exchange (gain) loss on foreign currency loans		( 24,426 )	128,773
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		( 635,606 )	( 208,438 )
Accounts receivable		( 1,092,821 )	( 873,708 )
Accounts receivable - related parties		4,412	14,962
Inventories		700,121	1,232,026
Prepayments		( 110,105 )	( 232,300 )
Other current assets		127,150	117,645
Other non-current assets		( 51,499 )	( 72,645 )
Changes in operating liabilities			
Contract liabilities - current		( 87,621 )	153,354
Notes payable		( 34,923 )	( 1,708 )
Accounts payable		( 703,103 )	( 691,520 )
Other payables		( 344,463 )	( 237,500 )
Other current liabilities		( 18,322 )	( 70,029 )
Accrued pension liabilities		( 7,913 )	( 33,165 )
Other non-current liabilities		( 13,915 )	( 13,691 )
Cash inflow generated from operations		1,927,062	4,637,038
Interest received		181,089	155,481
Interest paid		( 196,332 )	( 234,339 )
Income tax paid		( 256,884 )	( 405,548 )
Income tax refund received		3,381	-
Net cash flows from operating activities		1,658,316	4,152,632

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three-month periods ended March 31 2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		( \$ 1,497,170 )	( \$ 1,076,360 )
Proceeds from repayments of financial assets at amortised cost		1,493,808	1,506,576
Acquisition of property, plant and equipment	6(7)(29)	( 731,867 )	( 590,186 )
Proceeds from disposal of property, plant and equipment		48,983	62,063
Proceeds from disposal of right-of-use assets		-	10,550
Acquisition of intangible assets	6(10)	( 5,996 )	( 6,510 )
Decrease in refundable deposits		( 5,044 )	( 1,084 )
Increase in other non-current liabilities		29,868	-
Net cash flows used in investing activities		( 667,418 )	( 94,951 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(11)(30)	346,937	646,511
Decrease in short-term borrowings	6(11)(30)	( 921,244 )	( 1,414,875 )
Decrease in short-term notes and bills payable	6(30)	-	( 300,000 )
Proceeds in long-term borrowings	6(15)(30)	500,000	-
Repayments in long-term borrowings	6(15)(30)	( 1,624,199 )	( 1,680,341 )
Decrease in guarantee deposits received	6(30)	( 62 )	( 4,972 )
Repayments of principal portion of lease liabilities	6(8)(30)	( 52,337 )	( 51,350 )
Capital surplus arising from donated assets		-	806
Dividends extinguished by prescription claimed by shareholders		-	( 9 )
Net cash flows used in financing activities		( 1,750,905 )	( 2,804,230 )
Effect of exchange rate changes on cash and cash equivalents		653,910	316,979
Net (decrease) increase in cash and cash equivalents		( 106,097 )	1,570,430
Cash and cash equivalents at beginning of period	6(1)	26,609,220	23,575,591
Cash and cash equivalents at end of period	6(1)	\$ 26,503,123	\$ 25,146,021

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  
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(Reviewed, not audited)

**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 May 13, 2025.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 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.	

**(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
Partial amendment content of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
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
Partial amendment content of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature – dependent electricity’	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, 2024. 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, 2024.

(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<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect 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, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS (Taiwan) Trading CO., LTD.	Wholesale and retail of tires	100	100	100	
CHENG SHIN RUBBER IND. CO., LTD.	PT.MAXXIS TRADING INDONESIA	Large-amount trading of vehicles parts and accessories	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	Maxxis Europe B.V.	Import and export of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS RUBBER JAPAN CO., LTD.	Import and export of tires	100	100	100	Note 5
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	20	20	20	Note 4 、 5
MAXXIS International Co., Ltd.	TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	100	100	100	
MAXXIS International Co., Ltd.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Production and sales of various types of tires	60	60	60	Note 3
MAXXIS International Co., Ltd.	MAXXIS International (HK) Ltd.	Holding company	100	100	100	
MAXXIS International (HK) Ltd.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Production and sales of various types of tires	100	100	100	
MAXXIS International (HK) Ltd.	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	Production and sales of various types of tires	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
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
			March 31, 2025	December 31, 2024	March 31, 2024	
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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
MAXXIS Holdings (BVI) Co., Ltd.	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Production and sales of various types of tires	100	100	100	Note 5
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	80	80	80	Note 4 、 5

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

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

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

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

Note 5: The financial statements of the entity as of March 31, 2025 and 2024, 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) Provisions

Under the Climate Change Response Act and its regulations in the ROC, carbon fees levied are not applicable under IFRIC 21, 'Levies' but are recognised and measured in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. If the estimated annual emissions are probable to exceed the threshold for levying, liabilities in relation to emission fees are estimated and accrued based on the proportion of emissions already incurred to the estimated annual emissions in the interim financial statements.

(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 March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 4,120	\$ 3,848	\$ 4,111
Checking deposits	1,802,680	1,747,491	751,813
Demand deposits	15,408,726	11,003,675	17,994,969
Time deposits	9,287,597	13,854,206	6,395,128
	<u>\$ 26,503,123</u>	<u>\$ 26,609,220</u>	<u>\$ 25,146,021</u>
Interest rate range			
Time deposits	<u>1.35%~5.25%</u>	<u>1.45%~5.80%</u>	<u>1.10%~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.

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

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Equity instruments			
Listed stocks	\$ 8,665	\$ 8,665	\$ 8,665
Valuation adjustment	20,605	24,680	20,960
Total	<u>\$ 29,270</u>	<u>\$ 33,345</u>	<u>\$ 29,625</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 \$87,457 thousand, \$91,532 thousand and \$87,812 thousand as at March 31, 2025, December 31, 2024 and March 31, 2024, 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 March 31, 2025	Three-month period ended March 31, 2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive (loss) income	(\$ 4,075)	\$ 6,730

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

(3) Financial assets at amortised cost

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits	\$ 5,799,935	\$ 4,557,523	\$ 1,810,951
Pledged time deposits	-	-	10,253
	<u>\$ 5,799,935</u>	<u>\$ 4,557,523</u>	<u>\$ 1,821,204</u>
Non-current items:			
Time deposits	\$ 12,882,995	\$ 13,757,460	\$ 9,146,600
Pledged time deposits	32,180	31,883	36,542
	<u>\$ 12,915,175</u>	<u>\$ 13,789,343</u>	<u>\$ 9,183,142</u>

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

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Interest income	\$ 127,820	\$ 82,012

B. As at March 31, 2025, December 31, 2024 and March 31, 2024, 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 \$18,715,110 thousand, \$18,346,866 thousand and \$11,004,346 thousand, respectively.

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

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

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

(4) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 3,836,397	\$ 3,926,687	\$ 4,836,568
Less: Discounted notes receivable	( 678,035)	( 1,403,931)	( 481,013)
	<u>\$ 3,158,362</u>	<u>\$ 2,522,756</u>	<u>\$ 4,355,555</u>
Accounts receivable	\$ 10,165,338	\$ 9,079,641	\$ 10,221,288
Less: Loss allowance	( 44,389)	( 57,839)	( 49,726)
	<u>\$ 10,120,949</u>	<u>\$ 9,021,802</u>	<u>\$ 10,171,562</u>

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

	March 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Without past due	\$ 8,564,101	\$ 3,158,362	\$ 7,390,098	\$ 2,522,756
Up to 30 days	1,047,148	-	1,153,919	-
31 to 90 days	341,601	-	372,230	-
91 to 180 days	121,126	-	46,735	-
Over 180 days	91,362	-	116,659	-
	<u>\$ 10,165,338</u>	<u>\$ 3,158,362</u>	<u>\$ 9,079,641</u>	<u>\$ 2,522,756</u>
	March 31, 2024			
	Accounts receivable	Notes receivable		
Without past due	\$ 8,779,138	\$ 4,355,555		
Up to 30 days	973,405	-		
31 to 90 days	272,981	-		
91 to 180 days	66,717	-		
Over 180 days	129,047	-		
	<u>\$ 10,221,288</u>	<u>\$ 4,355,555</u>		

The above ageing analysis was based on past due date.

- B. As at March 31, 2025, December 31, 2024 and March 31, 2024, accounts receivable and notes receivable were all from contracts with customers. And as at January 1, 2024, the balance of receivables from contracts with customers amounted to \$13,489,263 thousand.
- C. The bills receivable transferred by the Group are all bank acceptance bills given by the customer. According to a FAQ issued by Secrtities 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 owership 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.

	March 31, 2025	December 31, 2024	March 31, 2024
Written-off amount	<u>\$ 678,035</u>	<u>\$ 1,403,931</u>	<u>\$ 481,013</u>

- D. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable was \$3,158,362 thousand and \$10,120,949 thousand; \$2,522,756 thousand and \$9,021,802 thousand; \$4,355,555 thousand and \$10,171,562 thousand, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

March 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,251,954	(\$ 7,563)	\$ 6,244,391
Work in progress	2,527,687	-	2,527,687
Finished goods	7,492,595	( 57,774)	7,434,821
Buildings and land held for sale	2,042,766	-	2,042,766
Inventory in transit	51,460	-	51,460
	<u>\$ 18,366,462</u>	<u>(\$ 65,337)</u>	<u>\$ 18,301,125</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,409,435	(\$ 4,015)	\$ 6,405,420
Work in progress	2,223,519	-	2,223,519
Finished goods	7,680,140	( 62,428)	7,617,712
Buildings and land held for sale	2,005,524	-	2,005,524
Inventory in transit	443,213	-	443,213
	<u>\$ 18,761,831</u>	<u>(\$ 66,443)</u>	<u>\$ 18,695,388</u>
March 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,071,874	(\$ 2,604)	\$ 5,069,270
Work in progress	2,324,876	-	2,324,876
Finished goods	6,765,183	( 103,602)	6,661,581
Buildings and land held for sale	2,035,715	-	2,035,715
Inventory in transit	24,629	-	24,629
	<u>\$ 16,222,277</u>	<u>(\$ 106,206)</u>	<u>\$ 16,116,071</u>

The cost of inventories recognized as expense for the year:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Cost of goods sold	\$ 17,828,494	\$ 17,641,481
Unallocated overheads	67,771	45,114
Others	( 20,583)	( 12,960)
	<u>\$ 17,875,682</u>	<u>\$ 17,673,635</u>

For the three-month periods ended March 31, 2025 and 2024, the Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold due to the sale of scrap or inventories which were previously provided with allowance.

(6) Investments accounted for using the equity method

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

As at March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of the Group's individually immaterial joint ventures amounted to \$191,466 thousand, \$178,639 thousand and \$177,085 thousand, respectively.

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Share of profit (loss) of associates and joint ventures accounted for using the equity method	\$ 12,827	(\$ 2,288)
Total comprehensive income (loss)	\$ 12,827	(\$ 2,288)

The recognition of gain on investments accounted for using the equity method was based on financial statements prepared by joint ventures.

(7) Property, plant and equipment, net

Three-month period ended March 31, 2025						
	Opening balance	Additions	Disposals	Transfers	Exchange rate differences	Closing balance
Cost						
Land	\$ 4,596,974	\$ 96	\$ -	\$ -	\$ 13,448	\$ 4,610,518
Buildings and structures	52,689,470	61,158	( 59,059)	229,842	854,966	53,776,377
Machinery	110,838,334	52,625	( 440,935)	421,280	1,967,725	112,839,029
Testing equipment	4,367,739	3,557	( 5,671)	2,564	70,808	4,438,997
Transportation equipment	1,402,934	10,258	( 33,978)	27,705	23,941	1,430,860
Office equipment	1,134,396	1,055	( 1,826)	1,245	17,194	1,152,064
Other facilities	33,555,024	284,726	( 89,626)	79,685	567,568	34,397,377
Unfinished construction and equipment under acceptance	2,259,994	339,624	-	( 762,321)	18,919	1,856,216
	<u>\$ 210,844,865</u>	<u>\$ 753,099</u>	<u>(\$ 631,095)</u>	<u>\$ -</u>	<u>\$ 3,534,569</u>	<u>\$ 214,501,438</u>
Accumulated depreciation						
Buildings and structures	(\$ 28,992,434)	(\$ 504,349)	\$ 46,502	\$ -	(\$ 530,849)	(\$ 29,981,130)
Machinery	( 83,654,747)	( 1,219,734)	344,377	-	( 1,577,146)	( 86,107,250)
Testing equipment	( 3,993,724)	( 34,082)	4,663	-	( 63,378)	( 4,086,521)
Transportation equipment	( 1,257,148)	( 11,702)	30,617	-	( 38,463)	( 1,276,696)
Office equipment	( 1,067,119)	( 5,229)	1,823	-	( 16,390)	( 1,086,915)
Other facilities	( 29,966,882)	( 391,170)	83,436	-	( 501,797)	( 30,776,413)
	<u>(\$ 148,932,054)</u>	<u>(\$ 2,166,266)</u>	<u>\$ 511,418</u>	<u>\$ -</u>	<u>(\$ 2,728,023)</u>	<u>(\$ 153,314,925)</u>
Accumulated impairment						
Machinery	(\$ 175,917)	\$ -	\$ 22,020	\$ -	(\$ 3,174)	(\$ 157,071)
Testing equipment	( 32)	-	-	-	( 1)	( 33)
Transportation equipment	( 1,389)	-	1,400	-	( 11)	-
Office equipment	( 47)	-	-	-	-	( 47)
Other facilities	( 11,224)	-	189	-	( 196)	( 11,231)
	<u>(\$ 188,609)</u>	<u>\$ -</u>	<u>\$ 23,609</u>	<u>\$ -</u>	<u>(\$ 3,382)</u>	<u>(\$ 168,382)</u>
	<u>\$ 61,724,202</u>					<u>\$ 61,018,131</u>

Three-month period ended March 31, 2024

	Opening balance	Additions	Disposals	Transfers	Exchange rate differences	Closing balance
Cost						
Land	\$ 4,555,782	\$ -	\$ -	\$ -	(\$ 4,301)	\$ 4,551,481
Buildings and structures	50,920,979	14,982	( 28,172)	72,881	773,056	51,753,726
Machinery	107,053,947	34,269	( 179,228)	256,031	1,217,338	108,382,357
Testing equipment	4,239,333	3,497	( 4,496)	7,132	34,653	4,280,119
Transportation equipment	1,400,703	4,627	( 7,782)	2,400	23,167	1,423,115
Office equipment	1,098,747	891	( 916)	( 2,821)	19,263	1,115,164
Other facilities	33,932,740	245,638	( 2,740,913)	92,901	258,504	31,788,870
Unfinished construction and equipment under acceptance	2,696,828	255,801	-	( 428,524)	16,615	2,540,720
	<u>\$ 205,899,059</u>	<u>\$ 559,705</u>	<u>(\$ 2,961,507)</u>	<u>\$ -</u>	<u>\$ 2,338,295</u>	<u>\$ 205,835,552</u>
Accumulated depreciation						
Buildings and structures	(\$ 26,121,916)	(\$ 495,023)	\$ 17,957	\$ -	(\$ 394,724)	(\$ 26,993,706)
Machinery	( 76,424,701)	( 1,358,281)	167,023	( 2,493)	( 789,387)	( 78,407,839)
Testing equipment	( 3,745,268)	( 49,594)	4,496	560	( 29,722)	( 3,819,528)
Transportation equipment	( 1,245,727)	( 14,903)	7,369	( 560)	( 20,479)	( 1,274,300)
Office equipment	( 1,030,220)	( 8,946)	908	2,493	( 18,045)	( 1,053,810)
Other facilities	( 30,171,719)	( 452,113)	2,734,768	-	( 193,738)	( 28,082,802)
	<u>(\$ 138,739,551)</u>	<u>(\$ 2,378,860)</u>	<u>\$ 2,932,521</u>	<u>\$ -</u>	<u>(\$ 1,446,095)</u>	<u>(\$ 139,631,985)</u>
Accumulated impairment						
Machinery	(\$ 165,459)	\$ -	\$ 519	\$ -	(\$ 2,856)	(\$ 167,796)
Testing equipment	( 21)	-	-	-	-	( 21)
Transportation equipment	( 1,948)	-	343	-	( 33)	( 1,638)
Office equipment	( 45)	-	-	-	( 1)	( 46)
Other facilities	( 14,668)	-	4,500	-	( 195)	( 10,363)
	<u>(\$ 182,141)</u>	<u>\$ -</u>	<u>\$ 5,362</u>	<u>\$ -</u>	<u>(\$ 3,085)</u>	<u>(\$ 179,864)</u>
	<u>\$ 66,977,367</u>					<u>\$ 66,023,703</u>

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

(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:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 4,389,956	\$ 4,359,438	\$ 4,401,508
Buildings and structures	124,079	143,222	202,027
Machinery	1,954	2,221	2,896
Transportation equipment	55,084	61,260	74,849
Office equipment	1,317	1,083	2,175
Other equipment	34,769	37,721	41,995
	<u>\$ 4,607,159</u>	<u>\$ 4,604,945</u>	<u>\$ 4,725,450</u>
	<u>Three-month period</u>	<u>Three-month period</u>	
	<u>ended March 31, 2025</u>	<u>ended March 31, 2024</u>	
	<u>Depreciation expense</u>	<u>Depreciation expense</u>	
Land	\$ 25,480	\$ 25,399	
Buildings and structures	20,946	20,517	
Machinery	314	286	
Transportation equipment	10,184	11,306	
Office equipment	235	410	
Other equipment	3,560	3,413	
	<u>\$ 60,719</u>	<u>\$ 61,331</u>	

- D. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets amounted to \$3,879 thousand and \$69,543 thousand, respectively.

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

<u>Items affecting profit or loss</u>	<u>Three-month period ended March 31, 2025</u>	<u>Three-month period ended March 31, 2024</u>
Interest expense on lease liabilities	\$ 2,073	\$ 2,923
Expense on short-term lease contracts	7,768	8,564
Expense on leases of low-value assets	842	755
Expense on variable lease payments	37,239	27,795
	<u>\$ 47,922</u>	<u>\$ 40,037</u>

F. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases amounted to \$100,259 thousand and \$91,387 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 34.28% and 27.42% of lease payments are on the basis of variable payment terms for the three-month periods ended March 31, 2025 and 2024 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 \$372 thousand and \$278 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.

(9) Investment property, net

<u>Three-month period ended March 31, 2025</u>					
	<u>Opening balance</u>	<u>Additions</u>	<u>Transfer</u>	<u>Exchange rate differences</u>	<u>Closing balance</u>
Cost					
Land	\$ 336,421	\$ -	\$ -	\$ -	\$ 336,421
Buildings and structures	1,009,883	-	5,234	20,906	1,036,023
	<u>\$ 1,346,304</u>	<u>\$ -</u>	<u>\$ 5,234</u>	<u>\$ 20,906</u>	<u>\$ 1,372,444</u>
Accumulated depreciation					
Buildings and structures	<u>(\$ 592,500)</u>	<u>(\$ 12,035)</u>	<u>\$ -</u>	<u>(\$ 12,182)</u>	<u>(\$ 616,717)</u>
Accumulated impairment					
Land	<u>(\$ 51,038)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 51,038)</u>
	<u>\$ 702,766</u>				<u>\$ 704,689</u>

Three-month period ended March 31, 2024					
	Opening balance	Additions	Transfer	Exchange rate differences	Closing balance
Cost					
Land	\$ 336,421	\$ -	\$ -	\$ -	\$ 336,421
Buildings and structures	916,356	-	-	16,634	932,990
	<u>\$ 1,252,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,634</u>	<u>\$ 1,269,411</u>
Accumulated depreciation					
Buildings and structures	(\$ 527,894)	(\$ 11,234)	\$ -	(\$ 9,515)	(\$ 548,643)
Accumulated impairment					
Land	(\$ 51,038)	\$ -	\$ -	\$ -	(\$ 51,038)
	<u>\$ 673,845</u>				<u>\$ 669,730</u>

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

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Rental income from investment property	<u>\$ 12,159</u>	<u>\$ 11,160</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 12,035</u>	<u>\$ 11,234</u>

B. The fair value of the investment property held by the Group as at March 31, 2025, December 31, 2024 and March 31, 2024 was \$1,802,302 thousand, \$1,781,068 thousand and \$1,723,496 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

	March 31, 2025	December 31, 2024	March 31, 2024
Intangible assets	\$ 175,032	\$ 186,009	\$ 192,870
Others	478,855	422,312	323,498
	<u>\$ 653,887</u>	<u>\$ 608,321</u>	<u>\$ 516,368</u>

Movements in intangible assets:

Three-month period ended March 31, 2025						
	Opening balance	Additions	Reductions	Transfer	Exchange rate differences	Closing balance
Cost						
Computer software	\$ 795,582	\$ 5,996	\$ -	\$ -	\$ 12,355	\$ 813,933
Others	8,074	-	-	-	171	8,245
	<u>\$ 803,656</u>	<u>\$ 5,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,526</u>	<u>\$ 822,178</u>
Accumulated amortisation						
Computer software	(\$ 611,188)	(\$ 20,023)	\$ -	\$ -	(\$ 9,133)	(\$ 640,344)
Others	( 6,459)	( 203)	-	-	( 140)	( 6,802)
	<u>(\$ 617,647)</u>	<u>(\$ 20,226)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 9,273)</u>	<u>(\$ 647,146)</u>
	<u>\$ 186,009</u>					<u>\$ 175,032</u>
Three-month period ended March 31, 2024						
	Opening balance	Additions	Reductions	Transfer	Exchange rate differences	Closing balance
Cost						
Computer software	\$ 745,752	\$ 6,510	(\$ 263)	\$ 693	\$ 12,618	\$ 765,310
Others	7,801	-	-	-	146	7,947
	<u>\$ 753,553</u>	<u>\$ 6,510</u>	<u>(\$ 263)</u>	<u>\$ 693</u>	<u>\$ 12,764</u>	<u>\$ 773,257</u>
Accumulated amortisation						
Computer software	(\$ 545,825)	(\$ 19,612)	\$ 263	\$ -	(\$ 9,451)	(\$ 574,625)
Others	( 5,460)	( 197)	-	-	( 105)	( 5,762)
	<u>(\$ 551,285)</u>	<u>(\$ 19,809)</u>	<u>\$ 263</u>	<u>\$ -</u>	<u>(\$ 9,556)</u>	<u>(\$ 580,387)</u>
	<u>\$ 202,268</u>					<u>\$ 192,870</u>

Details of amortisation on intangible assets are as follows:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Operating costs	\$ 2,496	\$ 1,710
Selling expenses	2,363	2,520
Administrative expenses	7,065	7,870
Research and development expenses	8,302	7,709
	<u>\$ 20,226</u>	<u>\$ 19,809</u>

(11) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	<u>\$ 2,969,450</u>	1.50% ~ 5.20%	None

Type of borrowings	December 31, 2024	Interest rate range	Collateral
--------------------	-------------------	---------------------	------------

Bank borrowings

Bank unsecured borrowings	\$ 3,467,624	1.50% ~ 5.30%	None
---------------------------	--------------	---------------	------

Type of borrowings	March 31, 2024	Interest rate range	Collateral
--------------------	----------------	---------------------	------------

Bank borrowings

Bank unsecured borrowings	\$ 2,364,147	2.51% ~ 6.10%	None
---------------------------	--------------	---------------	------

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

(12) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Dividend payable	\$ 7,779,397	\$ -	\$ 6,482,831
Wages and salaries payable	1,079,518	1,448,420	1,058,748
Payable on machinery and equipment	260,668	239,436	263,622
Employee compensation payable	232,754	389,470	279,676
Compensation due to directors	181,777	146,155	191,903
Other accrued expenses	2,012,658	1,858,840	2,207,349
	<u>\$ 11,546,772</u>	<u>\$ 4,082,321</u>	<u>\$ 10,484,129</u>

(13) Other current liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Advance receipts	\$ 44,213	\$ 39,333	\$ 15,645
Refund liabilities	411,352	441,816	289,873
Others	178,975	171,713	170,327
	<u>\$ 634,540</u>	<u>\$ 652,862</u>	<u>\$ 475,845</u>

(14) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Bonds payable -issued in 2021	8,000,000	\$ 8,000,000	8,000,000
Less: Current portion	( 4,000,000)	( 4,000,000)	-
	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 8,000,000</u>

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.

(15) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2025</u>
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38% ~ 5.55%	None	\$ 25,150,452
Less: Current portion				( 4,276,733)
				<u>\$ 20,873,719</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38% ~ 5.70%	None	\$ 26,248,085
Less: Current portion				( 3,948,269)
				<u>\$ 22,299,816</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2024</u>
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38% ~ 6.13%	None	\$ 24,235,999
Less: Current portion				( 3,680,552)
				<u>\$ 20,555,447</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, 2024.

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:

<u>Currency</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
USD	\$ 4,051,010	\$ 4,426,008	\$ 7,331,200

(16) 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 \$2,279 thousand and \$2,650 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$9,285 thousand.
- B. (a) Effective July 1, 2005, the Company and MAXXIS (Taiwan) Trading Co., Ltd. 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 periods ended March 31, 2025 and 2024 were \$30,846 thousand and \$30,934 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 three-month periods ended March 31, 2025 and 2024 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 periods ended March 31, 2025 and 2024, were \$154,319 thousand and \$139,748 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 periods ended March 31, 2025 and 2024 were \$14,309 thousand and \$13,321 thousand, respectively.

(17) Share capital

As at March 31, 2025, the Company's authorized capital and paid-in capital were both \$32,414,155 thousand, and all proceeds from shares issued have been collected.

(18) 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.

(19) 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 \$6,482,831 thousand and \$4,537,982 thousand (\$2 (in dollars) per share and \$1.4 (in dollars) per share) for the years ended December 31, 2024 and 2023. On March 12, 2025, the Board of Directors of the Company resolved that total dividends for the distribution of earnings for the year of 2024 was \$7,779,397 thousand at \$2.4 (in dollars) per share.

(20) Other equity items

2025			
	Currency translation	Unrealized gain on valuation of equity instruments at fair value through other comprehensive (loss) income	Total
At January 1	(\$ 4,206,995)	\$ 24,680	(\$ 4,182,315)
Valuation adjustment – Group	-	( 4,075)	( 4,075)
Currency translation differences:			
– Group	2,038,223	-	2,038,223
– Tax on Group	( 407,645)	-	( 407,645)
At March 31	(\$ 2,576,417)	\$ 20,605	(\$ 2,555,812)
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	-	6,730	6,730
Currency translation differences:			
– Group	1,435,986	-	1,435,986
– Tax on Group	( 287,197)	-	( 287,197)
At March 31	(\$ 5,787,013)	\$ 20,960	(\$ 5,766,053)

(21) Operating revenue

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Revenue from contracts with customers	\$ 23,163,783	\$ 23,622,354

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 March 31, 2025					
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,315,049	\$ 10,322,590	\$ 2,190,798	\$ 9,335,346	\$ 23,163,783
Three-month period ended March 31, 2024					
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,374,444	\$ 10,271,527	\$ 2,594,905	\$ 9,381,478	\$ 23,622,354

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	March 31, 2025	December 31, 2024
Contract liabilities:		
Advance sales receipts	\$ 640,498	\$ 728,119
	March 31, 2024	January 1, 2024
Contract liabilities:		
Advance sales receipts	\$ 695,199	\$ 521,460
Customer loyalty programmes	-	20,385
Total	\$ 695,199	\$ 541,845

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Advance sales receipts	\$ 550,670	\$ 351,593
Customer loyalty programmes	-	20,385
	\$ 550,670	\$ 371,978

(22) Interest income

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Interest income from bank deposits	\$ 143,374	\$ 139,495
Interest income from financial assets at amortised cost	127,820	82,012
	\$ 271,194	\$ 221,507

(23) Other income

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Grant revenue	\$ 67,092	\$ 63,784
Other income	104,429	106,695
	\$ 171,521	\$ 170,479

(24) Other gains and losses

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Net currency exchange (loss) gain	(\$ 50,917)	\$ 150,533
(Loss) gain on disposal of property, plant and equipment	( 47,085)	38,439
Miscellaneous disbursement	( 36,180)	( 32,293)
	(\$ 134,182)	\$ 156,679

(25) Finance costs

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Interest expense:		
Bank borrowings	\$ 190,497	\$ 224,765
Corporate bonds	11,836	11,836
Provisions-discount	2,961	2,938
Lease liability-interest expense	2,073	2,923
	<u>\$ 207,367</u>	<u>\$ 242,462</u>

(26) Expenses by nature

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Employee benefit expense		
Wages and salaries	\$ 2,733,365	\$ 2,719,640
Labour and health insurance fees	207,294	182,796
Pension costs	201,753	186,653
Directors' remuneration	36,731	42,615
Other personnel expenses	187,828	177,688
	<u>\$ 3,366,971</u>	<u>\$ 3,309,392</u>
Raw materials and supplies used	<u>\$ 12,117,541</u>	<u>\$ 10,785,465</u>
Depreciation expense on property, plant and equipment	\$ 2,166,266	\$ 2,378,860
Depreciation expense on right-of-use assets	\$ 60,719	\$ 61,331
Depreciation expense on investment property	\$ 12,035	\$ 11,234
Amortisation expense on intangible assets	<u>\$ 20,226</u>	<u>\$ 19,809</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 periods ended March 31, 2025 and 2024, employees' compensation was accrued at \$35,115 thousand and \$54,265 thousand, respectively; while directors' remuneration was accrued at \$26,336 thousand and \$38,664 thousand, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 2% and 1.5%; 2% and 1.425% of distributable profit of current year for the three-month periods ended March 31, 2025 and 2024, respectively.

Employees' compensation for 2024 amounting to \$188,216 thousand as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2024 financial statements; Directors' remuneration for 2024, the difference of \$7,058 thousand between the amount of \$141,162 (resolved at 1.5%) resolved at the Board meeting and the amount of \$98,622 thousand (provided at 1.425%) recognised in the 2024 financial statements, mainly resulting from the adjustment of accrual for directors' remuneration, had been adjusted in the profit or loss of 2025. The employees' compensation for 2024 will be distributed in the form of cash. As of May 13, 2025, the employees' compensation for 2024 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.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Current tax:		
Current tax on profits for the period	\$ 451,604	\$ 540,085
Prior year income tax under estimation	404	-
Total current tax	<u>452,008</u>	<u>540,085</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>145,544</u>	<u>278,801</u>
Total current tax	<u>145,544</u>	<u>278,801</u>
Income tax expense	<u>\$ 597,552</u>	<u>\$ 818,886</u>

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

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Generated during the period :		
Currency translation differences	(\$ <u>407,645</u> )	\$ <u>287,197</u>

- 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 overseas subsidiaries, which are subject to the Pillar Two legislation that has come into effect during the three-month periods ended March 31, 2025 and 2024, have been assessed, and the impact is immaterial; therefore, no income tax expense has been recognized for the current period.
- E. Information on the Group's significant exposure to Pillar Two income taxes arising from the Pillar Two legislation is provided in Note 6(28) in the consolidated financial statement for the year ended December 31, 2024. The Group will continue monitoring the Pillar Two legislation's impact on its future financial performance.

(28) Earnings per share

Three-month period ended March 31, 2025			
	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	\$ 1,451,205	3,241,416	\$ 0.45
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,451,205	3,241,416	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	3,768	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,451,205	3,245,184	\$ 0.45
Three-month period ended March 31, 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	\$ 2,219,808	3,241,416	\$ 0.68
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,219,808	3,241,416	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	4,473	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,219,808	3,245,889	\$ 0.68

(29) Supplemental cash flow information

Investing activities with partial cash payments :

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Purchase of property, plant and equipment	\$ 753,099	\$ 559,705
Add: Opening balance of payable on equipment	239,436	294,103
Less: Ending balance of payable on equipment	( 260,668)	( 263,622)
Cash paid during the period	<u>\$ 731,867</u>	<u>\$ 590,186</u>

(30) Changes in liabilities from financing activities

	2025						
	Short-term borrowings	Long-term borrowings	Bonds payable	Dividends payable	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 3,467,624	\$ 26,248,085	\$ 8,000,000	\$ -	\$ 327,461	\$ 262,369	\$ 38,305,539
Changes in cash flow from financing activities	( 574,307)	( 1,124,199)	-	-	( 52,337)	( 62)	( 1,750,905)
Interest paid	-	-	-	-	( 2,073)	-	( 2,073)
Additions	-	-	-	7,779,397	3,879	-	7,783,276
Amortisation of interest expense	-	-	-	-	2,073	-	2,073
Impact of changes in foreign exchange rate	76,133	26,566	-	-	3,398	-	106,097
At March 31	<u>\$ 2,969,450</u>	<u>\$ 25,150,452</u>	<u>\$ 8,000,000</u>	<u>\$ 7,779,397</u>	<u>\$ 282,401</u>	<u>\$ 262,307</u>	<u>\$ 44,444,007</u>

  

	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	( 786,364)	( 300,000)	( 1,680,341)	-	-	( 51,350)	( 4,972)	( 2,823,027)
Changes in other non-cash items	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	( 2,293)	-	( 2,293)
Additions	-	-	-	-	6,482,831	63,970	-	6,546,801
Amortisation of interest expense	-	-	-	-	-	2,293	-	2,293
Impact of changes in foreign exchange rate	121,140	-	343,325	-	-	10,129	-	474,594
At March 31	<u>\$ 2,346,147</u>	<u>\$ -</u>	<u>\$ 24,235,999</u>	<u>\$ 8,000,000</u>	<u>\$ 6,482,831</u>	<u>\$ 412,465</u>	<u>\$ 258,048</u>	<u>\$ 41,735,490</u>

## 7. RELATED PARTY TRANSACTIONS

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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
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
Horning Yih Investment Corporation	The Company's chairman is the company's representative
Lo, Ming-Ling	Spouse of the Company's president
Lo, Ming-I	Spouse of the Company's chairman
Lo, Tsai-Jen	The Company's vice chairman
Luo, Yuan-Yo	Relative of the Company's vice chairman within first degree of relationship
Lo, Yuan-Long	The Company's director
Chen, Po-Chia	Relative of the Company's president within first degree of relationship
Chen, Ping-Hao	Relative of the Company's president within first degree of relationship
Wu, Xuan-Miao	The Company's director

### (2) Significant related party transactions

#### A. Operating revenue

	<u>Three-month period ended March 31, 2025</u>	<u>Three-month period ended March 31, 2024</u>
Sales of goods:		
-Other related parties	\$ <u>49,223</u>	\$ <u>65,266</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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable:			
-Other related parties	\$ <u>39,072</u>	\$ <u>43,484</u>	\$ <u>51,439</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

	March 31, 2025	December 31, 2024	March 31, 2024
Key management personnel	\$ 40,783	\$ 54,596	\$ 53,951

ii. Interest expense

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Key management personnel	\$ 162	\$ 215

(3) Key management compensation

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
Short-term employee benefits	\$ 85,757	\$ 83,447
Post-employment benefits	591	488
	<u>\$ 86,348</u>	<u>\$ 83,935</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Time deposits (shown as 'Financial assets at amortised cost - current')	\$ -	\$ -	\$ 10,253	Customs guarantees
Time deposits (shown as 'Financial assets at amortised cost - non-current')	32,180	31,883	36,542	Customs guarantees , Performace gurantees and Import credit limit
	<u>\$ 32,180</u>	<u>\$ 31,883</u>	<u>\$ 46,795</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. The independent auditor has submitted the report to the arbitral tribunal, which, on February 17, 2025, requested both parties to submit their final claims to make a ruling on the case. As of the date of the auditors' review report, the arbitration schedule has not been set.

(2) Commitments

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Property, plant and equipment	\$ <u>1,726,900</u>	\$ <u>1,716,717</u>	\$ <u>2,157,433</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Amount of letter of credit that has been issued but not yet used	\$ <u>612</u>	\$ <u>10,965</u>	\$ <u>-</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

None.

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 three-month period ended March 31, 2025, the Company's strategy was unchanged from 2024. The Company maintained the gearing ratios below 200%. The gearing ratios at March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Total liabilities	\$ <u>61,200,854</u>	\$ <u>55,878,118</u>	\$ <u>59,235,708</u>
Total equity	\$ <u>85,685,927</u>	\$ <u>90,376,345</u>	\$ <u>82,900,425</u>
Less: Intangible assets	( <u>175,032</u> )	( <u>186,009</u> )	( <u>192,870</u> )
Tangible equity	\$ <u>85,510,895</u>	\$ <u>90,190,336</u>	\$ <u>82,707,555</u>
Debt-equity ratio	<u>72%</u>	<u>62%</u>	<u>72%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 87,457	\$ 91,532	\$ 87,812
Financial assets at amortised cost			
Cash and cash equivalents	\$ 26,503,123	\$ 26,609,220	\$ 25,146,021
Financial assets at amortised cost	18,715,110	18,346,866	11,004,346
Notes receivable, net	3,158,362	2,522,756	4,355,555
Accounts receivable (including related parties)	10,160,021	9,065,286	10,223,001
Guarantee deposits paid	77,688	72,644	77,522
	<u>\$ 58,614,304</u>	<u>\$ 56,616,772</u>	<u>\$ 50,806,445</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,969,450	\$ 3,467,624	\$ 2,364,147
Notes payable	55,237	90,160	148,700
Accounts payable	6,849,759	7,552,862	6,490,883
Other accounts payable	11,546,772	4,082,321	10,484,129
Corporate bonds payable (including current portion)	8,000,000	8,000,000	8,000,000
Long-term borrowings (including current portion)	25,150,452	26,248,085	24,235,999
Guarantee deposits received	262,307	262,369	258,048
	<u>\$ 54,833,977</u>	<u>\$ 49,703,421</u>	<u>\$ 51,981,906</u>
Lease liabilities (including current portion)	<u>\$ 282,401</u>	<u>\$ 327,461</u>	<u>\$ 412,465</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:

March 31, 2025										
(Foreign currency: functional currency)	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Sensitivity analysis						
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD : TWD	\$	102,247	33.205	\$	3,395,112	1%	\$	33,951	\$	-
RMB : TWD		26,849	4.573		122,780	1%		1,228		-
EUR : TWD		11,471	35.970		412,612	1%		4,126		-
JPY : TWD		1,415,783	0.223		315,720	1%		3,157		-
USD : RMB		300,888	7.261		9,990,852	1%		99,909		-
EUR : RMB		23,342	7.866		839,640	1%		8,396		-
GBP : RMB		6,689	9.414		287,963	1%		2,880		-
USD : THB		136,511	33.738		4,531,918	1%		45,319		-
EUR : THB		3,427	36.547		123,243	1%		1,232		-
USD : VND		5,576	25,941.406		185,151	1%		1,852		-
USD : CAD		31,457	1.434		1,044,732	1%		10,447		-
USD : IDR		3,655	16,357.143		121,364	1%		1,214		-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD : TWD	\$	14,180	33.205	\$	470,847	1%	\$	4,708	\$	-
USD : RMB		15,679	7.261		520,614	1%		5,206		-
USD : THB		18,973	33.738		629,869	1%		6,299		-
USD : VND		6,252	25,941.406		207,598	1%		2,076		-
USD : CAD		6,705	1.434		222,683	1%		2,227		-
USD : IDR		249,630	16,357.143		8,288,964	1%		82,890		-
USD : INR		82,000	85.514		2,722,817	1%		27,228		-

December 31, 2024										
(Foreign currency: functional currency)	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Sensitivity analysis						
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income				
<u>Financial assets</u>										
<u>Monetary items</u>										
USD : TWD	\$	126,985	32.785	\$	4,163,203	1%	\$	41,632	\$	-
RMB : TWD		252,245	4.478		1,129,553	1%		11,296		-
EUR : TWD		20,171	34.140		688,638	1%		6,886		-
JPY : TWD		1,181,186	0.210		248,049	1%		2,480		-
USD : RMB		277,604	7.321		9,100,814	1%		91,008		-
EUR : RMB		36,415	7.624		1,243,218	1%		12,432		-
JPY : RMB		551,662	0.047		116,106	1%		1,161		-
GBP : RMB		5,054	9.198		208,167	1%		2,082		-
USD : THB		132,207	34.069		4,333,002	1%		43,330		-
USD : VND		11,762	25,814.961		385,617	1%		3,856		-
USD : CAD		27,972	1.437		917,267	1%		9,173		-
USD : IDR		7,558	16,150.246		247,789	1%		2,478		-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD : TWD	\$	12,847	32.785	\$	421,189	1%	\$	4,212	\$	-
USD : RMB		18,312	7.321		600,330	1%		6,003		-
USD : THB		10,205	34.069		334,463	1%		3,345		-
USD : VND		5,519	25,814.961		180,940	1%		1,809		-
USD : CAD		5,253	1.437		172,258	1%		1,723		-
USD : IDR		255,954	16,150.246		8,391,452	1%		83,915		-
USD : INR		95,001	85.578		3,114,601	1%		31,146		-

March 31, 2024

		Sensitivity analysis				
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : TWD	\$ 108,182	32.000	\$ 3,461,824	1%	\$ 34,618	\$ -
RMB : TWD	28,964	4.408	127,673	1%	1,277	-
EUR : TWD	14,627	34.460	504,046	1%	5,040	-
JPY : TWD	1,007,905	0.212	213,676	1%	2,137	-
USD : RMB	150,254	7.260	4,808,441	1%	48,084	-
EUR : RMB	31,255	7.818	1,077,102	1%	10,771	-
GBP : RMB	4,009	9.163	161,926	1%	1,619	-
USD : THB	44,675	36.199	1,429,596	1%	14,296	-
EUR : THB	4,900	38.982	168,854	1%	1,689	-
USD : VND	14,626	25,196.850	468,032	1%	4,680	-
USD : CAD	27,669	1.355	885,549	1%	8,855	-
USD : IDR	8,676	15,763.547	277,632	1%	2,776	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : TWD	\$ 17,140	32.000	\$ 548,480	1%	\$ 5,485	\$ -
USD : RMB	16,527	7.260	528,898	1%	5,289	-
USD : THB	17,143	36.199	548,575	1%	5,486	-
USD : VND	10,148	25,196.850	324,736	1%	3,247	-
USD : CAD	6,457	1.355	206,657	1%	2,067	-
USD : IDR	252,566	15,763.547	8,082,112	1%	80,821	-
USD : INR	147,350	83.377	4,715,214	1%	47,152	-

- 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 periods ended March 31, 2025 and 2024 amounted to (\$50,917) thousand and \$150,533 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 three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$875 thousand and \$878 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 three-month periods ended March 31, 2025 and 2024, 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 March 31, 2025 and 2024, 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 three-month periods ended March 31, 2025 and 2024 would have been \$6,997 thousand and \$6,621 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 March 31, 2025, December 31, 2024 and March 31, 2024, 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 March 31, 2025, December 31, 2024 and March 31, 2024, the provision matrix is as follows:

<u>March 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 0.78%	\$ 11,722,463	\$ 8,399
Up to 30 days	0.01% ~ 1.09%	1,047,148	8,638
31 to 90 days	0.01% ~ 6.61%	341,601	3,714
91 to 180 days	0.01% ~ 21.29%	121,126	3,378
Over 180 days	0.02% ~100.00%	91,362	20,260
		<u>\$ 13,323,700</u>	<u>\$ 44,389</u>
<u>December 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 0.82%	\$ 9,912,854	\$ 8,097
Up to 30 days	0.01% ~ 1.11%	1,153,919	9,530
31 to 90 days	0.01% ~ 7.62%	372,230	3,921
91 to 180 days	0.01% ~ 25.36%	46,735	2,133
Over 180 days	0.02% ~100.00%	116,659	34,158
		<u>\$ 11,602,397</u>	<u>\$ 57,839</u>
<u>March 31, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 1.62%	\$ 13,134,693	\$ 10,508
Up to 30 days	0.01% ~ 5.73%	973,405	10,999
31 to 90 days	0.01% ~ 9.53%	272,981	3,631
91 to 180 days	0.62% ~ 41.56%	66,717	4,690
Over 180 days	0.64% ~100.00%	129,047	19,898
		<u>\$ 14,576,843</u>	<u>\$ 49,726</u>

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

2025			
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 57,839	\$ 57,839
Reversal of impairment	-	( 7,048)	( 7,048)
Write-offs	-	( 7,561)	( 7,561)
Others	-	437	437
Effect of exchange rate changes	-	722	722
At March 31	<u>\$ -</u>	<u>\$ 44,389</u>	<u>\$ 44,389</u>
2024			
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 73,177	\$ 73,177
Reversal of impairment	-	( 22,929)	( 22,929)
Write-offs	-	( 1,342)	( 1,342)
Effect of exchange rate changes	-	820	820
At March 31	<u>\$ -</u>	<u>\$ 49,726</u>	<u>\$ 49,726</u>

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

March 31, 2025			
	12 months	Lifetime	
		Significant increase in credit risk	Impairment of credit
			Total
Financial assets at amortised cost	<u>\$ 18,715,110</u>	<u>\$ -</u>	<u>\$ -</u>
			<u>\$ 18,715,110</u>
December 31, 2024			
	12 months	Lifetime	
		Significant increase in credit risk	Impairment of credit
			Total
Financial assets at amortised cost	<u>\$ 18,346,866</u>	<u>\$ -</u>	<u>\$ -</u>
			<u>\$ 18,346,866</u>

March 31, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 11,004,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,004,346</u>

Based on assessment, the default possibility of the Group's financial assets at amortised cost is remote, and thus loss allowances as of March 31, 2025, December 31, 2024 and March 31, 2024 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.

March 31, 2025					
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	\$2,085,547	\$ 254,836	\$ 661,283	\$ -	\$ 3,001,666
Notes and accounts payable	6,904,996	-	-	-	6,904,996
Other payables	11,119,750	172,592	192,915	61,515	11,546,772
Lease liability	40,644	39,946	79,363	131,815	291,768
Guarantee deposits received	13,334	-	10,250	238,723	262,307
Long-term borrowings	144,361	1,533,273	3,156,477	21,450,461	26,284,572
Bonds payable	-	4,048,000	-	4,024,000	8,072,000

December 31, 2024

Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	\$ 1,522,957	\$ 1,099,518	\$ 889,029	\$ -	\$ 3,511,504
Notes and accounts payable	7,643,022	-	-	-	7,643,022
Other payables	3,719,055	12,301	162,749	188,216	4,082,321
Lease liability	54,083	39,794	74,791	169,893	338,561
Guarantee deposits received	7,554	-	10,250	244,565	262,369
Long-term borrowings	2,097,554	145,026	2,279,826	22,996,644	27,519,050
Bonds payable	-	-	4,048,000	4,024,000	8,072,000

March 31, 2024

Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	\$ 1,435,588	\$ 68,052	\$ 904,693	\$ -	\$ 2,408,333
Notes and accounts payable	6,639,583	-	-	-	6,639,583
Other payables	9,997,804	166,665	195,929	123,731	10,484,129
Lease liability	39,768	38,238	88,287	263,632	429,925
Guarantee deposits received	4,104	11,399	4,708	237,837	258,048
Long-term borrowings	186,164	500,135	3,718,162	21,788,109	26,192,570
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.

March 31, 2025				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,028,169	\$ -
December 31, 2024				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,017,517	\$ -
March 31, 2024				
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,027,974	\$ -

(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:

	March 31, 2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 29,270</u>	<u>\$ -</u>	<u>\$ 58,187</u>	<u>\$ 87,457</u>
	December 31, 2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	<u>\$ 33,345</u>	<u>\$ -</u>	<u>\$ 58,187</u>	<u>\$ 91,532</u>
	March 31, 2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 29,625	\$ -	\$ 58,187	\$ 87,812

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

- 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.
- 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.
- 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 three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

F. There was no movement in Level 3 for the three-month periods ended March 31, 2025 and 2024.

### 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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): The individual securities held by the Group for three-month period ended March 31, 2025, have been evaluated and are not deemed significant, therefore, it has not been disclosed. For the information about the fair value of investments in equity instruments, please refer to Note 6(2).
- D. 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 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- B. Ceiling on investments in Mainland China: Please refer to table 7.
- 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 three-month period ended March 31, 2025: Please refer to tables 3, 4 and 5.

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 March 31, 2025						
	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	\$ 2,807,864	\$ 3,257,048	\$ 5,782,700	\$ 2,071,120	\$ 5,587,709	\$ 19,506,441
Revenue from inter-segment revenue	1,599,437	282,949	186,583	637,494	617,418	3,323,881
Total segment revenue	<u>\$ 4,407,301</u>	<u>\$ 3,539,997</u>	<u>\$ 5,969,283</u>	<u>\$ 2,708,614</u>	<u>\$ 6,205,127</u>	<u>\$ 22,830,322</u>
Geographical regions						
Taiwan	\$ 1,979,002	\$ 56,039	\$ 23,969	\$ 19,777	\$ 44,161	\$ 2,122,948
China	92,530	2,632,888	4,110,372	-	4,200,953	11,036,743
US	815,313	32,303	3,710	628,550	72,777	1,552,653
Others	1,520,456	818,767	1,831,232	2,060,287	1,887,236	8,117,978
Total	<u>\$ 4,407,301</u>	<u>\$ 3,539,997</u>	<u>\$ 5,969,283</u>	<u>\$ 2,708,614</u>	<u>\$ 6,205,127</u>	<u>\$ 22,830,322</u>
Segment income	<u>\$ 595,292</u>	<u>\$ 29,258</u>	<u>\$ 478,824</u>	<u>\$ 338,195</u>	<u>\$ 695,005</u>	<u>\$ 2,136,574</u>
Three-month period ended March 31, 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	\$ 2,969,030	\$ 3,199,962	\$ 6,255,710	\$ 2,218,044	\$ 5,199,998	\$ 19,842,744
Revenue from inter-segment revenue	1,918,499	264,095	158,107	236,408	570,909	3,148,018
Total segment revenue	<u>\$ 4,887,529</u>	<u>\$ 3,464,057</u>	<u>\$ 6,413,817</u>	<u>\$ 2,454,452</u>	<u>\$ 5,770,907</u>	<u>\$ 22,990,762</u>
Geographical regions						
Taiwan	\$ 2,136,776	\$ 51,525	\$ 14,519	\$ 6,708	\$ 18,398	\$ 2,227,926
China	72,997	2,604,173	4,284,383	-	3,951,696	10,913,249
US	1,154,571	36,486	2,366	326,006	83,627	1,603,056
Others	1,523,185	771,873	2,112,549	2,121,738	1,717,186	8,246,531
Total	<u>\$ 4,887,529</u>	<u>\$ 3,464,057</u>	<u>\$ 6,413,817</u>	<u>\$ 2,454,452</u>	<u>\$ 5,770,907</u>	<u>\$ 22,990,762</u>
Segment income	<u>\$ 990,553</u>	<u>\$ 136,823</u>	<u>\$ 958,176</u>	<u>\$ 482,152</u>	<u>\$ 987,467</u>	<u>\$ 3,555,171</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 March 31, 2025	Three-month period ended March 31, 2024
Adjusted revenue from reportable segments	\$ 22,830,322	\$ 22,990,762
Adjusted revenue from other operating segments	4,112,001	4,141,884
Total operating segments	26,942,323	27,132,646
Elimination of inter-segment revenue	( 3,778,450)	( 3,510,292)
Total consolidated operating revenue	<u>\$ 23,163,873</u>	<u>\$ 23,622,354</u>
Geographical regions		
Geographical regions from reportable segments	\$ 22,830,322	\$ 22,990,762
Geographical regions from other operating segments		
Taiwan	81,019	68,340
China	328,166	328,606
US	1,856,117	2,232,232
Others	1,846,699	1,512,706
Total geographical regions	26,942,323	27,132,646
Elimination of inter-segment revenue	( 3,778,450)	( 3,510,292)
Total consolidated operating revenue	<u>\$ 23,163,873</u>	<u>\$ 23,622,354</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 March 31, 2025	Three-month period ended March 31, 2024
Adjusted income from reportable segments before income tax	\$ 2,136,574	\$ 3,555,171
Adjusted loss from other operating segments before income tax	( 21,405)	( 460,683)
Total operating segments	2,115,169	3,094,488
Loss from elimination of inter-segment revenue	( 67,482)	( 54,486)
Income from continuing operations before income tax	<u>\$ 2,047,687</u>	<u>\$ 3,040,002</u>

CHENG SHIN RUBBER IND. CO., LTD.

Loans to others

Three-month period ended March 31, 2025

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 three-month period ended	Balance at March 31, 2025 ( Note 9 )	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
					March 31, 2025								Item	Value		( Note 5,6,7 )	
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	\$ 1,660,250	\$ 1,660,250	\$ 1,639,250	2.62298%	Note 8	\$ -	Operating capital	\$ -	None	\$ -	\$ 8,510,382	\$ 34,041,528	Note 10
1	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	914,600	914,600	5,945	2.11%	Note 8	-	Operating capital	-	None	-	16,784,335	27,973,891	Note 10
2	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	914,600	914,600	796,845	2.60%	Note 8	-	Operating capital	-	None	-	6,907,558	11,512,597	Note 10
3	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	2,988,450	2,988,450	2,756,015	2.48586%-2.52299%	Note 8	-	Operating capital	-	None	-	3,847,337	5,771,005	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  
Three-month period ended March 31, 2025

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 March 31, 2025	Outstanding endorsement/ guarantee amount at March 31, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	Subsidiary	\$ 42,551,910	\$ 4,921,162	\$ 4,921,162	\$ 2,723,817	\$ -	5.78	\$ 59,572,673	Y	N	N	Note 2, 3
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Subsidiary	42,551,910	4,539,124	4,539,124	3,715,640	-	5.33	\$ 59,572,673	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.

\$ 59,572,673

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

\$ 17,020,764

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

\$ 42,551,910

Note 3: Outstanding endorsement/guarantee amount and draw down amount are translated at the spot exchange rates prevailing at March 31, 2025.

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  
Three-month period ended March 31, 2025

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)		
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Subsidiary	(sales)	(\$ 666,747) (	19.02)	Collect within 90 days after shipment of goods	Same	Same	\$ 696,241	31.79	Note 3	
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary	(sales)	( 129,350) (	3.69)	Collect within 90 days after shipment of goods	Same	Same	140,140	6.40	Note 3	
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary	(sales)	( 759,373) (	21.66)	Collect within 30 days	Same	Same	316,605	14.46	Note 3	
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent	(sales)	( 145,720) (	4.12)	Collect within 60–90 days after shipment of goods	Same	Same	165,924	9.53	Note 3	
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	( 157,274) (	21.80)	Collect within 60–90 days after shipment of goods	Same	Same	142,051	29.02	Note 3	
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	( 148,127) (	4.88)	Collect within 60–90 days after shipment of goods	Same	Same	137,661	15.47	Note 3	
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent	(sales)	( 108,110) (	2.61)	Collect within 60–90 days after shipment of goods	Same	Same	231,027	5.13	Note 3	
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	( 514,818) (	19.01)	Collect within 90 days after shipment of goods	Same	Same	521,280	21.32	Note 3	
Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Same ultimate parent	(sales)	( 176,237) (	29.67)	Collect within 60–90 days after shipment of goods	Same	Same	3,531	1.47	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  
Three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025	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)	\$ 696,241	0.84	\$ -	-	\$ 213,855	\$ -
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary (Note 4)	140,140	0.91	-	-	58,298	-
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Sub-subsidiary (Note 4)	138,775	Note 2	-	-	7,002	-
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary (Note 4)	318,573	Note 3	-	-	318,558	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent (Note 4)	165,924	0.68	-	-	51,848	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent (Note 4)	108,157	Note 3	-	-	55,258	-
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	142,179	Note 3	-	-	58,193	-
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	146,772	Note 3	-	-	36,049	-
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent (Note 4)	231,027	0.47	-	-	20,257	-
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent (Note 4)	521,280	1.07	-	-	118,977	-
MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	Same ultimate parent (Note 4)	255,050	0.32	-	-	-	-

Note 1: Subsequent collection is the amount collected as of May 6, 2025.

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  
Three-month period ended March 31, 2025

Table 5

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	\$ 666,767	Collect within 90 days after shipment of goods	2.88
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Accounts receivable	696,241	Collect within 90 days after shipment of goods	0.47
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Sales	759,373	The term is 30 days after monthly billing	3.28
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Accounts receivable	316,605	The term is 30 days after monthly billing	0.22
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	1	Other receivables	1,660,250	Pay interest quarterly	1.13
1	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD	3	Other receivables	796,845	Pay interest quarterly	0.54
2	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Accounts receivable	231,027	Collect within 60~90 days after shipment of goods	0.16
3	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Sales	514,818	Collect within 90 days after shipment of goods	2.22
3	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Accounts receivable	521,280	Collect within 90 days after shipment of goods	0.35
3	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	3	Other receivables	2,756,015	Pay interest quarterly	1.88
3	MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	3	Accounts receivable	255,050	Collect within 60~90 days after shipment of goods	0.17

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  
Three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income(loss) recognised by the Company for the three-month period ended March 31, 2025 (Note 1)	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	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	\$ 47,116,682	\$ 300,131	\$ 303,369	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	33,891,987	478,211	481,584	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	14,632,172	509,503	439,224	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	4,105,232	238,558	238,558	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	938,895	11,431	11,431	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	191,466	25,654	12,827	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	86,713 (	22,846) (	22,846)	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	- (	260,655) (	260,655)	Subsidiary Note 3, Note 5
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	India	Production and sales of various types of tires	9,615,495	8,343,453	2,358,980,883	100.00	1,697,323 (	74,620) (	78,433)	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	682,603	55,809	55,809	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	40,392	77	77	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	63,144	2,061	2,061	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	10,524 (	1,105) (	1,105)	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	234 (	751) (	150)	Note 3, Note 4

CHENG SHIN RUBBER IND. CO., LTD.

Information on investees

Three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

				Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income(loss) recognised by the Company for the three-month period ended March 31, 2025	
Investor	Investee	Location	Main business activities	Balance	Balance	Number of shares	Ownership (%)	Book value			
				as at March 31, 2025	as at December 31, 2024						
											Footnote
MAXXIS International Co., Ltd	MAXXIS International (HK) Ltd.	Hong Kong	Holding company	\$ -	\$ -	226,801,983	100.00	\$ 39,536,752	\$ 314,448	\$ 314,448	Sub-subsidiary Note 3
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Hong Kong	Holding company	-	-	246,767,840	100.00	33,710,642	475,994	475,994	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	15,068,144	509,549	509,549	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	9,618,342	270,710	192,964	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	5,446,594	238,784	246,251	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	2,656	2,623	-	80.00	937	( 751)	( 601)	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  
Three-month period ended March 31, 2025

Table 7

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)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the the three- month period ended March 31, 2025			Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee as of March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the		Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025		Footnote
				Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan				Company for the three-month period ended March 31, 2025 (Note 2)					
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	\$ 5,810,875	2	\$ 910,834	\$ -	\$ -	\$ 910,834	\$ 181,646	100.00	\$ 184,009	\$ 27,973,891	\$ 20,593,277	(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	7,471,125	2	2,385,506	-	-	2,385,506	474,425	100.00	478,207	31,487,734	25,719,265	(Note 4,7)		
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Plastic machinery, molds and its accessory products	282,243	2	68,602	-	-	68,602	( 5,550)	50.00	( 2,775)	329,575	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	3,320,500	2	-	-	-	-	13,554	100.00	13,145	6,242,562	1,548,045	(Note 4,7)		
KUNSHAN MAXXIS TIRE CO., LTD	Retail of accessories for rubber tires	22,865	2	-	-	-	-	720	100.00	720	60,738	-	(Note 7)		
TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	597,690	2	-	-	-	-	( 2,275)	100.00	( 2,275)	610,045	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	4,316,650	2	-	-	-	-	( 22,473)	100.00	( 22,437)	11,524,192	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	1,494,225	2	-	-	-	-	106,402	100.00	107,241	9,185,892	7,259,056	(Note 7)		

CHENG SHIN RUBBER IND. CO., LTD.  
Information on investments in Mainland China  
Three-month period ended March 31, 2025

Table 7

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)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the the three- month period ended March 31, 2025			Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee as of March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2025 (Note 2)	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025		Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan								
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	\$ 664,100	2	\$ -	\$ -	\$ -	\$ -	(\$ 28,613)	100.00	(\$ 28,613)	\$ -	\$ -		
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Distribution of rubber and components of tires	205,785	2	-	-	-	-	2,104	95.00	1,999	89,171	-		(Note 7)
CHENG SHIN LOGISTIC (XIAMEN) CO., LTD.	International container transportation business	65,905	2	-	-	-	-	3,137	49.00	1,537	134,292	-		(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	4,344,350	2	-	-	-	-	220,048	100.00	220,048	10,797,271	1,014,708		(Note 5, 7)
XIAMEN ESATE CO., LTD.	Construction and trading of employees' housing	1,737,740	2	-	-	-	-	( 3,562)	100.00	( 3,562)	2,179,771	-		(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 NTD33.205: USD 1 and NTD 4.573: RMB 1 prevailing on March 31, 2025.

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  
Three-month period ended March 31, 2025

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025 (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.	\$ 4,080,895	\$	22,343,645	\$	-

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025 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.