

**CHENG SHIN RUBBER IND. CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

SEPTEMBER 30, 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

PWCR25002343

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Cheng Shin Rubber Ind. Co., Ltd. and subsidiaries as at September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of 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\$31,850,499 thousand and NT\$34,748,695 thousand, constituting 23% and 24% of the consolidated total assets, and total liabilities of NT\$8,696,368 thousand and NT\$11,586,186 thousand, constituting 15% and 21% of the consolidated total liabilities as at September 30, 2025 and 2024, and total net operating revenues of NT\$7,240,093 thousand, NT\$7,645,861

thousand, NT\$21,500,432 thousand and NT\$22,293,515 thousand, constituting 31%, 30%, 31% and 30% of consolidated total net operating revenue, and total comprehensive income of NT\$669,116 thousand, NT\$1,457,200 thousand, NT\$41,767 thousand and NT\$1,909,882 thousand, constituting 14%, 35%, 122% and 18% of the consolidated total comprehensive income for the three-month and nine-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2025 and 2024, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Chou, Chien-Hung

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 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' review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 26,528,942	19	\$ 26,609,220	18	\$ 24,494,939	17
1120	Financial assets at fair value through other comprehensive income - current	6(2)	26,888	-	33,345	-	30,768	-
1136	Financial assets at amortised cost - current	6(3)	3,598,988	3	4,557,523	3	4,567,442	3
1150	Notes receivable, net	6(4)	3,838,773	3	2,522,756	2	2,757,569	2
1170	Accounts receivable, net	6(4)	10,054,586	7	9,021,802	6	10,741,358	7
1180	Accounts receivable - related parties	7	41,004	-	43,484	-	63,688	-
130X	Inventories	6(5)	15,262,925	11	18,695,388	13	17,410,045	12
1410	Prepayments		1,095,712	1	1,008,705	1	965,660	1
1470	Other current assets		427,418	-	527,526	-	415,680	-
11XX	Current Assets		<u>60,875,236</u>	<u>44</u>	<u>63,019,749</u>	<u>43</u>	<u>61,447,149</u>	<u>42</u>
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	14,850,675	10	13,789,343	10	12,728,606	9
1550	Investments accounted for under equity method	6(6)	188,241	-	178,639	-	175,720	-
1600	Property, plant and equipment, net	6(7)	54,877,788	39	61,724,202	42	64,043,902	44
1755	Right-of-use assets	6(8)	4,134,668	3	4,604,945	3	4,695,527	3
1760	Investment property, net	6(9)	698,673	1	702,766	1	714,177	1
1840	Deferred income tax assets	6(28)	2,492,092	2	1,568,311	1	1,409,261	1
1900	Other non-current assets	6(10)	731,447	1	608,321	-	511,250	-
15XX	Non-current assets		<u>78,031,771</u>	<u>56</u>	<u>83,234,714</u>	<u>57</u>	<u>84,336,630</u>	<u>58</u>
1XXX	Total assets		<u>\$ 138,907,007</u>	<u>100</u>	<u>\$ 146,254,463</u>	<u>100</u>	<u>\$ 145,783,779</u>	<u>100</u>

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	September 30, 2025		December 31, 2024		September 30, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 1,593,762	1	\$ 3,467,624	2	\$ 2,975,045	2
2110	Short-term notes and bills payable	6(12)	1,500,000	1	-	-	-	-
2130	Current contract liabilities	6(22)	620,395	1	728,119	1	747,104	1
2150	Notes payable		104,018	-	90,160	-	115,097	-
2170	Accounts payable		6,800,814	5	7,552,862	5	7,516,471	5
2200	Other payables	6(13)	4,299,434	3	4,082,321	3	4,618,682	3
2230	Current income tax liabilities	6(28)	665,641	1	753,117	1	748,930	1
2250	Current provisions	9	13,844	-	-	-	-	-
2280	Current lease liabilities	7	120,656	-	162,135	-	158,084	-
2320	Long-term liabilities, current portion	6(15)(16)	9,216,217	7	7,948,269	5	7,840,000	5
2399	Other current liabilities, others	6(14)	600,836	-	652,862	-	603,393	-
21XX	Current Liabilities		<u>25,535,617</u>	<u>19</u>	<u>25,437,469</u>	<u>17</u>	<u>25,322,806</u>	<u>17</u>
Non-current liabilities								
2530	Corporate bonds payable	6(15)	-	-	4,000,000	3	4,000,000	3
2540	Long-term borrowings	6(16)	26,584,853	19	22,299,816	15	22,167,574	15
2550	Provisions for liabilities - non-current		199,333	-	213,181	-	210,220	-
2560	Current tax liabilities-non current	6(28)	269,147	-	-	-	-	-
2570	Deferred income tax liabilities	6(28)	1,841,471	2	1,790,095	1	1,858,111	1
2580	Non-current lease liabilities	7	97,826	-	165,326	-	190,573	-
2600	Other non-current liabilities	6(17)	1,747,670	1	1,972,231	2	2,114,996	2
25XX	Non-current liabilities		<u>30,740,300</u>	<u>22</u>	<u>30,440,649</u>	<u>21</u>	<u>30,541,474</u>	<u>21</u>
2XXX	Total Liabilities		<u>56,275,917</u>	<u>41</u>	<u>55,878,118</u>	<u>38</u>	<u>55,864,280</u>	<u>38</u>
Equity								
Equity attributable to owners of parent								
Share capital								
3110	Share capital - common stock	6(18)	32,414,155	23	32,414,155	22	32,414,155	22
Capital surplus								
3200	Capital surplus	6(19)	104,248	-	104,251	-	106,056	-
Retained earnings								
3310	Legal reserve	6(20)	18,701,446	14	17,893,214	13	17,893,214	12
3320	Special reserve		4,182,315	3	6,921,572	5	6,921,572	5
3350	Unappropriated retained earnings		34,799,670	25	36,654,631	25	35,476,261	25
Other equity interest								
3400	Other equity interest	6(21)	(8,097,620)	(6)	(4,182,315)	(3)	(3,457,808)	(2)
31XX	Equity attributable to owners of the parent		<u>82,104,214</u>	<u>59</u>	<u>89,805,508</u>	<u>62</u>	<u>89,353,450</u>	<u>62</u>
36XX	Non-controlling interest		<u>526,876</u>	<u>-</u>	<u>570,837</u>	<u>-</u>	<u>566,049</u>	<u>-</u>
3XXX	Total equity		<u>82,631,090</u>	<u>59</u>	<u>90,376,345</u>	<u>62</u>	<u>89,919,499</u>	<u>62</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	Total liabilities and equity		<u>\$ 138,907,007</u>	<u>100</u>	<u>\$ 146,254,463</u>	<u>100</u>	<u>\$ 145,783,779</u>	<u>100</u>

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three-month periods ended September 30				Nine-month periods ended September 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(22) and 7	\$ 23,674,526	100	\$ 25,504,257	100	\$ 69,825,727	100	\$ 73,472,679	100
5000 Operating costs	6(5)	(18,138,084)	(77)	(19,305,423)	(76)	(53,980,651)	(77)	(54,985,319)	(75)
5900 Net operating margin		<u>5,536,442</u>	<u>23</u>	<u>6,198,834</u>	<u>24</u>	<u>15,845,076</u>	<u>23</u>	<u>18,487,360</u>	<u>25</u>
Operating expenses	7								
6100 Selling expenses		(1,719,470)	(7)	(1,649,903)	(7)	(4,706,463)	(7)	(4,469,395)	(6)
6200 General and administrative expenses		(845,815)	(3)	(881,782)	(3)	(2,616,722)	(4)	(2,722,892)	(4)
6300 Research and development expenses		(907,946)	(4)	(930,536)	(4)	(2,782,301)	(4)	(2,784,646)	(4)
6450 Expected credit (loss) gain	12(2)	(1,852)	-	(31,071)	-	1,593	-	(17,088)	-
6000 Total operating expenses		(3,475,083)	(14)	(3,493,292)	(14)	(10,103,893)	(15)	(9,994,021)	(14)
6900 Operating profit		<u>2,061,359</u>	<u>9</u>	<u>2,705,542</u>	<u>10</u>	<u>5,741,183</u>	<u>8</u>	<u>8,493,339</u>	<u>11</u>
Non-operating income and expenses									
7100 Interest income	6(23)	279,160	1	294,333	1	860,454	1	772,088	1
7010 Other income	6(24)	173,546	1	184,315	1	557,244	1	622,880	1
7020 Other gains and losses	6(25)	(221,309)	(1)	(10,273)	-	(1,101,422)	(1)	(76,308)	-
7050 Finance costs	6(26) and 7	(204,212)	(1)	(242,413)	(1)	(600,827)	(1)	(721,505)	(1)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(6)	<u>4,524</u>	<u>-</u>	<u>3,179</u>	<u>-</u>	<u>14,601</u>	<u>-</u>	<u>1,346</u>	<u>-</u>
7000 Total non-operating revenue and expenses		<u>31,709</u>	<u>-</u>	<u>229,141</u>	<u>1</u>	<u>(269,950)</u>	<u>-</u>	<u>598,501</u>	<u>1</u>
7900 Profit before income tax		<u>2,093,068</u>	<u>9</u>	<u>2,934,683</u>	<u>11</u>	<u>5,471,233</u>	<u>8</u>	<u>9,091,840</u>	<u>12</u>
7950 Income tax expense	6(28)	(473,697)	(2)	(607,370)	(2)	(1,495,048)	(2)	(2,187,299)	(3)
8200 Profit for the period		<u>\$ 1,619,371</u>	<u>7</u>	<u>\$ 2,327,313</u>	<u>9</u>	<u>\$ 3,976,185</u>	<u>6</u>	<u>\$ 6,904,541</u>	<u>9</u>

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CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	Three-month periods ended September 30				Nine-month periods ended September 30				
		2025		2024		2025		2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Other comprehensive income										
Components of other comprehensive income that will not be reclassified to profit or loss										
8316	Unrealized gain (loss) on valuation of equity instruments at fair value through profit or loss	6(2)(21)								
			\$ 629	-	(\$ 3,253)	-	(\$ 6,457)	-	\$ 7,873	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		629	-	(3,253)	-	(6,457)	-	7,873	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Financial statements translation differences of foreign operations	6(21)	3,877,385	16	2,236,167	9	(4,912,795)	(7)	4,345,471	6
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(21)(28)	(770,753)	(3)	(445,246)	(2)	977,212	1	(863,973)	(1)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		3,106,632	13	1,790,921	7	(3,935,583)	(6)	3,481,498	5
8300	Other comprehensive income (loss) for the period		<u>\$ 3,107,261</u>	<u>13</u>	<u>\$ 1,787,668</u>	<u>7</u>	<u>(\$ 3,942,040)</u>	<u>(6)</u>	<u>\$ 3,489,371</u>	<u>5</u>
8500	Total comprehensive income for the period		<u>\$ 4,726,632</u>	<u>20</u>	<u>\$ 4,114,981</u>	<u>16</u>	<u>\$ 34,145</u>	<u>-</u>	<u>\$ 10,393,912</u>	<u>14</u>
Profit (loss) attributable to:										
8610	Owners of the parent		\$ 1,636,898	7	\$ 2,328,684	9	\$ 3,993,411	6	\$ 6,903,950	9
8620	Non-controlling interest		(17,527)	-	(1,371)	-	(17,226)	-	591	-
			<u>\$ 1,619,371</u>	<u>7</u>	<u>\$ 2,327,313</u>	<u>9</u>	<u>\$ 3,976,185</u>	<u>6</u>	<u>\$ 6,904,541</u>	<u>9</u>
Comprehensive income (loss) attributable to:										
8710	Owners of the parent		\$ 4,720,539	20	\$ 4,106,416	16	\$ 78,106	-	\$ 10,367,714	14
8720	Non-controlling interest		6,093	-	8,565	-	(43,961)	-	26,198	-
			<u>\$ 4,726,632</u>	<u>20</u>	<u>\$ 4,114,981</u>	<u>16</u>	<u>\$ 34,145</u>	<u>-</u>	<u>\$ 10,393,912</u>	<u>14</u>
Basic earnings per share										
9750	Basic earnings per share	6(29)	\$ 0.50		\$ 0.72		\$ 1.23		\$ 2.13	
Diluted earnings per share										
9850	Diluted earnings per share	6(29)	\$ 0.50		\$ 0.72		\$ 1.23		\$ 2.13	

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Capital surplus				Retained earnings			Other equity interest			Total		
	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				
<u>Nine-month period ended September 30, 2024</u>													
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 17,468	\$ 17,172,449	\$ 5,870,977	\$ 36,826,502	(\$ 6,935,802)	\$ 14,230	\$ 85,432,555	\$ 562,510	\$ 85,995,065	
	-	-	-	-	-	-	6,903,950	-	-	6,903,950	591	6,904,541	
6(21)	-	-	-	-	-	-	-	3,455,891	7,873	3,463,764	25,607	3,489,371	
	-	-	-	-	-	-	6,903,950	3,455,891	7,873	10,367,714	26,198	10,393,912	
Appropriation and distribution of 2023 earnings:													
	-	-	-	-	720,765	-	(720,765)	-	-	-	-	-	
	-	-	-	-	-	1,050,595	(1,050,595)	-	-	-	-	-	
6(20)	-	-	-	-	-	-	(6,482,831)	-	-	(6,482,831)	-	(6,482,831)	
	-	-	-	-	-	-	-	-	-	-	(22,659)	(22,659)	
	-	-	-	36,105	-	-	-	-	-	36,105	-	36,105	
	-	-	-	(93)	-	-	-	-	-	(93)	-	(93)	
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 53,480	\$ 17,893,214	\$ 6,921,572	\$ 35,476,261	(\$ 3,479,911)	\$ 22,103	\$ 89,353,450	\$ 566,049	\$ 89,919,499	
<u>Nine-month period ended September 30, 2025</u>													
	\$ 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	
	-	-	-	-	-	-	3,993,411	-	-	3,993,411	(17,226)	3,976,185	
6(21)	-	-	-	-	-	-	-	(3,908,848)	(6,457)	(3,915,305)	(26,735)	(3,942,040)	
	-	-	-	-	-	-	3,993,411	(3,908,848)	(6,457)	78,106	(43,961)	34,145	
Appropriation and distribution of 2024 earnings:													
	-	-	-	-	808,232	-	(808,232)	-	-	-	-	-	
	-	-	-	-	-	(2,739,257)	2,739,257	-	-	-	-	-	
6(20)	-	-	-	-	-	-	(7,779,397)	-	-	(7,779,397)	-	(7,779,397)	
	-	-	-	(3)	-	-	-	-	-	(3)	-	(3)	
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 51,672	\$ 18,701,446	\$ 4,182,315	\$ 34,799,670	(\$ 8,115,843)	\$ 18,223	\$ 82,104,214	\$ 526,876	\$ 82,631,090	

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine-month periods ended September 30	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 5,471,233	\$ 9,091,840
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(27)	6,144,442	7,132,024
Depreciation on right-of-use assets	6(8)(27)	177,058	183,838
Depreciation on investment property	6(9)(27)	35,304	34,913
Amortization expense	6(10)(27)	61,766	56,531
Expected credit (gain) loss	12(2)	(1,593)	17,088
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(14,601)	(1,346)
Net gain on financial assets or liabilities at fair value through profit or loss	6(25)	(28,993)	-
Loss on disposal of property, plant and equipment	6(7)(25)	128,713	65,576
Loss on disposal of intangible assets	6(10)(25)	1	-
Interest expense	6(26)	600,827	721,505
Interest income	6(23)	(860,454)	(772,088)
Deferred government grants revenue		(145,011)	(148,249)
Unrealized foreign exchange loss (gain) on foreign currency loans		88,494	(270,883)
Changes in operating assets and liabilities			
Changes in operating assets			
Net changes in financial assets and liabilities at fair value through profit or loss		28,993	-
Notes receivable, net		(1,316,017)	1,389,548
Accounts receivable		(1,029,002)	(1,486,064)
Accounts receivable - related parties		2,480	2,713
Inventories		2,503,010	288,706
Prepayments		(104,014)	(234,605)
Other current assets		200,244	65,637
Other non-current assets		(180,066)	(77,449)
Changes in operating liabilities			
Contract liabilities - current		(107,724)	205,259
Notes payable		13,858	(35,311)
Accounts payable		(752,048)	334,068
Other payables		160,055	127,910
Other current liabilities		(52,026)	57,520
Accrued pension liabilities		(18,696)	(22,793)
Other non-current liabilities		(15,707)	(17,370)
Cash inflow generated from operations		10,990,526	16,708,518
Interest received		769,997	505,840
Dividends received		5,000	4,999
Interest paid		(613,365)	(751,530)
Income tax paid		(1,375,580)	(2,549,519)
Income tax refund received		137,799	17,018
Net cash flows from operating activities		<u>9,914,377</u>	<u>13,935,326</u>

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine-month periods ended September 30	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 5,368,998)	(\$ 7,214,036)
Proceeds from repayments of financial assets at amortised cost		4,303,262	1,695,236
Acquisition of property, plant and equipment	6(7)(30)	(2,169,986)	(1,984,004)
Proceeds from disposal of property, plant and equipment		147,567	128,760
Proceeds from disposal of right-of-use assets		-	10,736
Acquisition of intangible assets	6(10)	(20,975)	(14,395)
Decrease (increase) in refundable deposits		9,285	(10,538)
Increase in other non-current liabilities		44,954	21,087
Net cash flows used in investing activities		(3,054,891)	(7,367,154)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(11)(31)	1,662,243	2,734,636
Decrease in short-term borrowings	6(11)(31)	(3,349,195)	(2,826,119)
Increase in short-term notes and bills payable	6(12)(31)	1,500,000	-
Decrease in short-term notes and bills payable	6(12)(31)	-	(300,000)
Repayments of corporate bonds	6(15)(31)	(4,000,000)	-
Proceeds in long-term borrowings	6(16)(31)	10,200,000	6,400,000
Repayments in long-term borrowings	6(16)(31)	(4,266,380)	(6,056,271)
(Decrease) increase in guarantee deposits received	6(31)	(25,576)	7,227
Repayments of principal portion of lease liabilities	6(8)(31)	(126,983)	(127,031)
Cash dividends paid	6(20)	(7,779,397)	(6,482,831)
Cash dividends paid to non-controlling interests		-	(22,659)
Capital surplus arising from donated assets		-	36,105
Dividends extinguished by prescription claimed by shareholders		(3)	(93)
Net cash flows used in financing activities		(6,185,291)	(6,637,036)
Effect of exchange rate changes on cash and cash equivalents		(754,473)	988,212
Net (decrease) increase in cash and cash equivalents		(80,278)	919,348
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)	<u>\$ 26,528,942</u>	<u>\$ 24,494,939</u>

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on November 12, 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[®]”) 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 2026 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
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
Annual Improvements to IFRS Accounting Standards—Volume 11	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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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 MATERIAL 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[®] Interpretations, and SIC[®] Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or

complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 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
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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
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	
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	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
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
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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	XIAMEN ESTATE CO., LTD.	Construction and trading of employees' housing	100	100	100	
MAXXIS Holdings (BVI) Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Production and sales of various types of tires	100	100	100	Note 5
MAXXIS Holdings (BVI) Co., Ltd.	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Production and sales of various types of tires	100	100	100	Note 5
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	80	80	80	Notes 4 & 5

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

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

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

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

Note 5: The financial statements of the entity as of September 30, 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 September 30, 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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on hand and revolving funds	\$ 3,575	\$ 3,848	\$ 4,275
Checking deposits	1,290,470	1,747,491	1,800,541
Demand deposits	11,124,353	11,003,675	9,257,382
Time deposits	14,110,544	13,854,206	13,432,741
	<u>\$ 26,528,942</u>	<u>\$ 26,609,220</u>	<u>\$ 24,494,939</u>
Interest rate range			
Time deposits	<u>1.18%~5.25%</u>	<u>1.45%~5.60%</u>	<u>1.15%~5.65%</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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Equity instruments			
Listed stocks	\$ 8,665	\$ 8,665	\$ 8,665
Valuation adjustment	18,223	24,680	22,103
Total	<u>\$ 26,888</u>	<u>\$ 33,345</u>	<u>\$ 30,768</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 \$85,075 thousand, \$91,532 thousand and \$88,955 thousand as at September 30, 2025, December 31, 2024 and September 30, 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:

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	\$ <u>629</u>	(\$ <u>3,253</u>)
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive (loss) income	(\$ <u>6,457</u>)	\$ <u>7,873</u>

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

(3) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Time deposits	\$ 3,399,533	\$ 4,557,523	\$ 4,309,571
Pledged time deposits	199,455	-	-
Restricted bank deposits	-	-	257,871
	<u>\$ 3,598,988</u>	<u>\$ 4,557,523</u>	<u>\$ 4,567,442</u>
Non-current items:			
Time deposits	\$ 14,820,370	\$ 13,757,460	\$ 12,687,015
Pledged time deposits	30,305	31,883	41,591
	<u>\$ 14,850,675</u>	<u>\$ 13,789,343</u>	<u>\$ 12,728,606</u>

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

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Interest income	\$ <u>85,015</u>	\$ <u>126,952</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Interest income	\$ <u>333,949</u>	\$ <u>301,324</u>

B. As at September 30, 2025, December 31, 2024 and September 30, 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 \$18,449,663 thousand, \$18,346,866 thousand and \$17,296,048 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 has 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

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 4,569,197	\$ 3,926,687	\$ 3,878,464
Less: Discounted notes receivable	(730,424)	(1,403,931)	(1,120,895)
	<u>\$ 3,838,773</u>	<u>\$ 2,522,756</u>	<u>\$ 2,757,569</u>
Accounts receivable	\$ 10,102,706	\$ 9,079,641	\$ 10,837,871
Less: Loss allowance	(48,120)	(57,839)	(96,513)
	<u>\$ 10,054,586</u>	<u>\$ 9,021,802</u>	<u>\$ 10,741,358</u>

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

	September 30, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Without past due	\$ 8,408,913	\$ 3,838,773	\$ 7,390,098	\$ 2,522,756
Up to 30 days	1,148,505	-	1,153,919	-
31 to 90 days	378,443	-	372,230	-
91 to 180 days	111,780	-	46,735	-
Over 180 days	55,065	-	116,659	-
	<u>\$ 10,102,706</u>	<u>\$ 3,838,773</u>	<u>\$ 9,079,641</u>	<u>\$ 2,522,756</u>
	September 30, 2024			
	Accounts receivable	Notes receivable		
Without past due	\$ 8,540,468	\$ 2,757,569		
Up to 30 days	1,503,644	-		
31 to 90 days	453,663	-		
91 to 180 days	239,174	-		
Over 180 days	100,922	-		
	<u>\$ 10,837,871</u>	<u>\$ 2,757,569</u>		

The above ageing analysis was based on past due date.

B. As at September 30, 2025, December 31, 2024 and September 30, 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.

	September 30, 2025	December 31, 2024	September 30, 2024
Written-off amount	\$ 730,424	\$ 1,403,931	\$ 1,120,895

D. As at September 30, 2025, December 31, 2024 and September 30, 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 \$3,838,773 thousand and \$10,054,586 thousand; \$2,522,756 thousand and \$9,021,802 thousand; \$2,757,569 thousand and \$10,741,358 thousand, respectively.

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

(5) Inventories

	September 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,029,908	(\$ 8,800)	\$ 5,021,108
Work in progress	2,133,163	-	2,133,163
Finished goods	6,280,209	(66,149)	6,214,060
Buildings and land held for sale	1,864,006	-	1,864,006
Inventory in transit	30,588	-	30,588
	<u>\$ 15,337,874</u>	<u>(\$ 74,949)</u>	<u>\$ 15,262,925</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>
	September 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 6,365,421	(\$ 6,569)	\$ 6,358,852
Work in progress	2,379,607	-	2,379,607
Finished goods	6,714,389	(99,728)	6,614,661
Buildings and land held for sale	2,030,444	-	2,030,444
Inventory in transit	26,481	-	26,481
	<u>\$ 17,516,342</u>	<u>(\$ 106,297)</u>	<u>\$ 17,410,045</u>

The cost of inventories recognized as expense for the period:

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Cost of goods sold	\$ 18,117,055	\$ 19,280,704
Unallocated overheads	43,721	55,204
Others	(22,692)	(30,485)
	<u>\$ 18,138,084</u>	<u>\$ 19,305,423</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Cost of goods sold	\$ 53,867,356	\$ 54,919,988
Unallocated overheads	165,001	128,318
Others	(51,706)	(62,987)
	<u>\$ 53,980,651</u>	<u>\$ 54,985,319</u>

For the three-month and nine-month periods ended September 30, 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 September 30, 2025, December 31, 2024 and September 30, 2024, the carrying amount of the Group's individually immaterial joint ventures amounted to \$188,241 thousand, \$178,639 thousand and \$175,720 thousand, respectively.

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Share of profit of associates and joint ventures accounted for using the equity method	\$ 4,524	\$ 3,179
Total comprehensive income	<u>\$ 4,524</u>	<u>\$ 3,179</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Share of profit of associates and joint ventures accounted for using the equity method	\$ 14,601	\$ 1,346
Total comprehensive income	<u>\$ 14,601</u>	<u>\$ 1,346</u>

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

Nine-month period September 30, 2025

	<u>Opening balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Exchange rate differences</u>	<u>Closing balance</u>
Cost						
Land	\$ 4,596,974	\$ 91	\$ -	\$ -	(\$ 17,849)	\$ 4,579,216
Buildings and structures	52,689,470	161,108	(87,325)	239,957	(2,404,546)	50,598,664
Machinery	110,838,334	363,194	(1,365,061)	588,739	(4,436,353)	105,988,853
Testing equipment	4,367,739	28,752	(31,393)	26,625	(169,890)	4,221,833
Transportation equipment	1,402,934	28,099	(89,688)	40,440	(56,907)	1,324,878
Office equipment	1,134,396	18,045	(7,995)	1,192	(49,589)	1,096,049
Other facilities	33,555,024	902,930	(597,571)	273,370	(1,266,933)	32,866,820
Unfinished construction and equipment under acceptance	2,259,994	762,181	-	(1,170,618)	(44,503)	1,807,054
	<u>\$ 210,844,865</u>	<u>\$ 2,264,400</u>	<u>(\$ 2,179,033)</u>	<u>(\$ 295)</u>	<u>(\$ 8,446,570)</u>	<u>\$ 202,483,367</u>
Accumulated depreciation						
Buildings and structures	(\$ 28,992,434)	(\$ 1,396,593)	\$ 53,185	\$ -	\$ 1,238,319	(\$ 29,097,523)
Machinery	(83,654,747)	(3,466,451)	1,046,291	-	3,176,066	(82,898,841)
Testing equipment	(3,993,724)	(95,122)	28,186	(442)	156,842	(3,904,260)
Transportation equipment	(1,257,148)	(34,274)	84,610	(323)	34,188	(1,172,947)
Office equipment	(1,067,119)	(14,792)	7,992	-	46,569	(1,027,350)
Other facilities	(29,966,882)	(1,137,210)	550,884	765	1,098,398	(29,454,045)
	<u>(\$ 148,932,054)</u>	<u>(\$ 6,144,442)</u>	<u>\$ 1,771,148</u>	<u>\$ -</u>	<u>\$ 5,750,382</u>	<u>(\$ 147,554,966)</u>
Accumulated impairment						
Machinery	(\$ 175,917)	\$ -	\$ 129,320	\$ -	\$ 5,940	(\$ 40,657)
Testing equipment	(32)	-	2	-	1	(29)
Transportation equipment	(1,389)	-	1,340	-	49	-
Office equipment	(47)	-	-	-	3	(44)
Other facilities	(11,224)	-	943	-	398	(9,883)
	<u>(\$ 188,609)</u>	<u>\$ -</u>	<u>\$ 131,605</u>	<u>\$ -</u>	<u>\$ 6,391</u>	<u>(\$ 50,613)</u>
	<u>\$ 61,724,202</u>					<u>\$ 54,877,788</u>

Nine-month period September 30, 2024

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

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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 3,973,013	\$ 4,359,438	\$ 4,431,226
Buildings and structures	76,701	143,222	161,285
Machinery	1,267	2,221	2,596
Transportation equipment	41,673	61,260	59,926
Office equipment	1,171	1,083	1,427
Other equipment	40,843	37,721	39,067
	<u>\$ 4,134,668</u>	<u>\$ 4,604,945</u>	<u>\$ 4,695,527</u>

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land	\$ 23,852	\$ 25,523
Buildings and structures	19,360	21,137
Machinery	301	302
Transportation equipment	10,411	10,173
Office equipment	238	344
Other equipment	4,009	3,567
	<u>\$ 58,171</u>	<u>\$ 61,046</u>

	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land	\$ 73,641	\$ 76,375
Buildings and structures	60,136	62,683
Machinery	917	875
Transportation equipment	30,653	32,262
Office equipment	729	1,164
Other equipment	10,982	10,479
	<u>\$ 177,058</u>	<u>\$ 183,838</u>

- D. For the three-month and nine-month periods ended September 30, 2025 and 2024, the additions to right-of-use assets amounted to \$21,065 thousand, \$5,344 thousand, \$31,119 thousand and \$80,214 thousand, respectively.

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

<u>Items affecting profit or loss</u>	Three-month period	
	ended September 30, 2025	ended September 30, 2024
Interest expense on lease liabilities	\$ 1,773	\$ 2,532
Expense on short-term lease contracts	7,249	12,233
Expense on leases of low-value assets	732	768
Expense on variable lease payments	39,034	29,716
	<u>\$ 48,788</u>	<u>\$ 45,249</u>

<u>Items affecting profit or loss</u>	Nine-month period	
	ended September 30, 2025	ended September 30, 2024
Interest expense on lease liabilities	\$ 5,592	\$ 8,200
Expense on short-term lease contracts	21,168	29,750
Expense on leases of low-value assets	2,456	2,325
Expense on variable lease payments	107,500	82,996
	<u>\$ 136,716</u>	<u>\$ 123,271</u>

F. For the three-month and nine-month periods ended September 30, 2025 and 2024, the Group's total cash outflow for leases amounted to \$86,364 thousand, \$83,124 thousand, \$263,699 thousand and \$250,302 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 34.26% and 27.02% of lease payments are on the basis of variable payment terms for the nine-month periods ended September 30, 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 \$1,075 thousand and \$830 thousand for the nine-month periods ended September 30, 2025 and 2024, respectively.

(9) Investment property, net

	Nine-month period ended September 30, 2025				
	<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	-	50,591	(45,953)	1,014,521
	<u>\$ 1,346,304</u>	<u>\$ -</u>	<u>\$ 50,591</u>	<u>(\$ 45,953)</u>	<u>\$ 1,350,942</u>
Accumulated depreciation					
Buildings and structures	(\$ 592,500)	(\$ 35,304)	\$ -	\$ 26,573	(\$ 601,231)
Accumulated impairment					
Land	(\$ 51,038)	\$ -	\$ -	\$ -	(\$ 51,038)
	<u>\$ 702,766</u>				<u>\$ 698,673</u>

Nine-month period ended September 30, 2024

	<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	916,356	-	57,346	41,284	1,014,986
	<u>\$ 1,252,777</u>	<u>\$ -</u>	<u>\$ 57,346</u>	<u>\$ 41,284</u>	<u>\$ 1,351,407</u>
Accumulated depreciation					
Buildings and structures	(\$ 527,894)	(\$ 34,913)	\$ -	(\$ 23,385)	(\$ 586,192)
Accumulated impairment					
Land	(\$ 51,038)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(\$ 51,038)
	<u>\$ 673,845</u>				<u>\$ 714,177</u>

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

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Rental income from investment property	\$ 11,451	\$ 11,707
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 11,651	\$ 11,996
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Rental income from investment property	\$ 34,433	\$ 37,436
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 35,304	\$ 34,913

B. The fair value of the investment property held by the Group as at September 30, 2025, December 31, 2024 and September 30, 2024 were \$1,734,800 thousand, \$1,781,068 thousand and \$1,749,201 thousand, respectively, which were valued by independent appraisers. Valuations were made using the comparison method which is categorized within Level 3 in the fair value hierarchy.

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

(10) Other non-current assets

	September 30, 2025	December 31, 2024	September 30, 2024
Intangible assets	\$ 138,355	\$ 186,009	\$ 169,680
Others	593,092	422,312	341,570
	<u>\$ 731,447</u>	<u>\$ 608,321</u>	<u>\$ 511,250</u>

Movements in intangible assets:

	Nine-month period ended September 30, 2025					
	Opening balance	Additions	Reductions	Transfer	Exchange rate differences	Closing balance
Cost						
Computer software	\$ 795,582	\$ 20,975	(\$ 1,138)	\$ 295	(\$ 33,000)	\$ 782,714
Others	8,074	-	-	-	(373)	7,701
	<u>\$ 803,656</u>	<u>\$ 20,975</u>	<u>(\$ 1,138)</u>	<u>\$ 295</u>	<u>(\$ 33,373)</u>	<u>\$ 790,415</u>
Accumulated amortisation						
Computer software	(\$ 611,188)	(\$ 61,182)	\$ 1,137	\$ -	\$ 25,911	(\$ 645,322)
Others	(6,459)	(584)	-	-	305	(6,738)
	<u>(\$ 617,647)</u>	<u>(\$ 61,766)</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 26,216</u>	<u>(\$ 652,060)</u>
	<u>\$ 186,009</u>					<u>\$ 138,355</u>

	Nine-month period ended September 30, 2024					
	Opening balance	Additions	Reductions	Transfer	Exchange rate differences	Closing balance
Cost						
Computer software	\$ 745,752	\$ 14,395	(\$ 13,481)	\$ 2,418	\$ 26,481	\$ 775,565
Others	7,801	-	-	-	354	8,155
	<u>\$ 753,553</u>	<u>\$ 14,395</u>	<u>(\$ 13,481)</u>	<u>\$ 2,418</u>	<u>\$ 26,835</u>	<u>\$ 783,720</u>
Accumulated amortisation						
Computer software	(\$ 545,825)	(\$ 55,930)	\$ 13,481	(\$ 327)	(\$ 19,119)	(\$ 607,720)
Others	(5,460)	(601)	-	-	(259)	(6,320)
	<u>(\$ 551,285)</u>	<u>(\$ 56,531)</u>	<u>\$ 13,481</u>	<u>(\$ 327)</u>	<u>(\$ 19,378)</u>	<u>(\$ 614,040)</u>
	<u>\$ 202,268</u>					<u>\$ 169,680</u>

Details of amortisation on intangible assets are as follows:

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Operating costs	\$ 2,440	\$ 2,042
Selling expenses	2,166	2,510
Administrative expenses	7,998	7,650
Research and development expense	7,331	4,461
	<u>\$ 19,935</u>	<u>\$ 16,663</u>

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Operating costs	\$ 7,372	\$ 6,072
Selling expenses	6,660	7,577
Administrative expenses	23,697	22,937
Research and development expense	24,037	19,945
	<u>\$ 61,766</u>	<u>\$ 56,531</u>

(11) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	\$ 1,593,762	1.50% ~ 4.95%	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	September 30, 2024	Interest rate range	Collateral
Bank borrowings			
Bank unsecured borrowings	\$ 2,975,045	2.05% ~ 6.07%	None

(12) Short-term notes and bills payable

	September 30, 2025
Short-term notes and bills payable	\$ 1,500,000
Interest rate range	1.55% ~ 1.61%

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

(13) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Wages and salaries payable	\$ 1,391,717	\$ 1,448,420	\$ 1,444,136
Payable on machinery and equipment	333,850	239,436	301,831
Employee compensation payable	295,110	389,470	362,077
Compensation due to directors	77,834	146,155	125,245
Other accrued expenses	2,200,923	1,858,840	2,385,393
	<u>\$ 4,299,434</u>	<u>\$ 4,082,321</u>	<u>\$ 4,618,682</u>

(14) Other current liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Advance receipts	\$ 35,503	\$ 39,333	\$ 42,293
Refund liabilities	428,351	441,816	375,672
Others	136,982	171,713	185,428
	<u>\$ 600,836</u>	<u>\$ 652,862</u>	<u>\$ 603,393</u>

(15) Bonds payable

	September 30, 2025	December 31, 2024	September 30, 2024
Bonds payable -issued in 2021	\$ 4,000,000	\$ 8,000,000	\$ 8,000,000
Less: Current portion	(4,000,000)	(4,000,000)	(4,000,000)
	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</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.

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2025
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until August 2030.	1.38% ~ 5.07%	None	\$ 31,801,070
Less: Current portion				(5,216,217)
				<u>\$ 26,584,853</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
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>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
Long-term bank borrowings				
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38% ~ 6.05%	None	\$ 26,007,574
Less: Current portion				(3,840,000)
				<u>\$ 22,167,574</u>

- 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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
USD	\$ 2,983,610	\$ 4,426,008	\$ 4,525,982

(17) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' including commissioned managers service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standard Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$2,278 thousand, \$2,650 thousand, \$6,836 thousand and \$7,949 thousand for the three-month and nine-month periods ended September 30, 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 and nine-month periods ended September 30, 2025 and 2024 were \$30,082 thousand, \$30,524 thousand, \$91,542 thousand and \$92,248 thousand, respectively.
- C. (a) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the nine-month periods ended September 30, 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 and nine-month periods ended

September 30, 2025 and 2024, were \$140,443 thousand, \$140,217 thousand, \$440,330 thousand and \$423,757 thousand, respectively.

- (b) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations. The pension costs under the defined contribution pension plan of the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 were \$13,383 thousand, \$12,149 thousand, \$41,297 thousand and \$38,646 thousand, respectively.

(18) Share capital

As at September 30, 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.

(19) Capital surplus

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

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of the remaining amount along with the unappropriated earnings shall be proposed by the Board of Directors and resolved by the shareholders. According to the appropriation of earnings proposed by the Board of Directors, at least 10% ~ 80% of the Company's accumulated distributable earnings shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributed.
- B. Where the Company accrues annual net income, no less than 2% of which shall be appropriated as employees' compensation (At least 30% of the employees' compensation shall be allocated to rank-and-file employees.) 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, respectively. On May 26, 2025, the Company's shareholders at their meeting resolved that the total dividends for the distribution of earnings for the year of 2024 would be \$7,779,397 thousand at \$2.4 (in dollars) per share.

(21) Other equity items

	2025		
	Currency translation	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income (loss)	Total
At January 1	(\$ 4,206,995)	\$ 24,680	(\$ 4,182,315)
Valuation adjustment – Group	-	(6,457)	(6,457)
Currency translation differences:			
– Group	(4,886,060)	-	(4,886,060)
– Tax on Group	977,212	-	977,212
At September 30	<u>(\$ 8,115,843)</u>	<u>\$ 18,223</u>	<u>(\$ 8,097,620)</u>
	2024		
	Currency translation	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	Total
At January 1	(\$ 6,935,802)	\$ 14,230	(\$ 6,921,572)
Valuation adjustment – Group	-	7,873	7,873
Currency translation differences:			
– Group	4,319,864	-	4,319,864
– Tax on Group	(863,973)	-	(863,973)
At September 30	<u>(\$ 3,479,911)</u>	<u>\$ 22,103</u>	<u>(\$ 3,457,808)</u>

(22) Operating revenue

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
	Revenue from contracts with customers	<u>\$ 23,674,526</u>	$ 25,504,257
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
	Revenue from contracts with customers	<u>\$ 69,825,727</u>	$ 73,472,679

A. Disaggregation of revenue from contracts with customers

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

	Three-month period ended September 30, 2025				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,253,138	\$ 10,621,194	\$ 2,150,036	\$ 9,650,158	\$ 23,674,526
	Three-month period ended September 30, 2024				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 1,510,510	\$ 11,185,343	\$ 2,520,396	\$ 10,288,008	\$ 25,504,257
	Nine-month period ended September 30, 2025				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 4,039,482	\$ 30,727,931	\$ 6,512,932	\$ 28,545,382	\$ 69,825,727
	Nine-month period ended September 30, 2024				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	\$ 4,383,713	\$ 32,543,580	\$ 7,743,541	\$ 28,801,845	\$ 73,472,679

B. Contract liabilities

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

	September 30, 2025	December 31, 2024
Advance sales receipts	\$ 620,395	\$ 728,119
	September 30, 2024	January 1, 2024
Advance sales receipts	\$ 747,104	\$ 521,460
Customer loyalty programmes	-	20,385
Total	\$ 747,104	\$ 541,845
Revenue recognised that was included in the contract liability balance at the beginning of the period:		
	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Advance sales receipts	\$ 14,901	\$ 7,263
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Advance sales receipts	\$ 544,919	\$ 370,469
Customer loyalty programmes	-	20,385
	\$ 544,919	\$ 390,854

(23) Interest income

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Interest income from bank deposits	\$ 194,145	\$ 167,381
Interest income from financial assets at amortised cost	85,015	126,952
	<u>\$ 279,160</u>	<u>\$ 294,333</u>
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Interest income from bank deposits	\$ 526,505	\$ 470,764
Interest income from financial assets at amortised cost	333,949	301,324
	<u>\$ 860,454</u>	<u>\$ 772,088</u>

(24) Other income

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Grant revenue	\$ 65,426	\$ 61,432
Other income	108,120	122,883
	<u>\$ 173,546</u>	<u>\$ 184,315</u>
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Grant revenue	\$ 252,731	\$ 186,850
Other income	304,513	436,030
	<u>\$ 557,244</u>	<u>\$ 622,880</u>

(25) Other gains and losses

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Net currency exchange (loss) gain	(\$ 162,142)	\$ 84,607
Loss on disposal of property, plant and equipment	(27,278)	(61,676)
Loss on disposal of intangible assets	(1)	-
Net loss on financial assets and liabilities at fair value through profit or loss	19,259	-
Miscellaneous disbursement	(51,147)	(33,204)
	<u>(\$ 221,309)</u>	<u>(\$ 10,273)</u>
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Net currency exchange (loss) gain	(\$ 846,546)	\$ 83,271
Loss on disposal of property, plant and equipment	(128,713)	(65,576)
Loss on disposal of intangible assets	(1)	-
Net gain on financial assets and liabilities at fair value through profit or loss	28,993	-
Miscellaneous disbursement	(155,155)	(94,003)
	<u>(\$ 1,101,422)</u>	<u>(\$ 76,308)</u>

(26) Finance costs

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Interest expense:		
Bank borrowings	\$ 191,455	\$ 224,845
Corporate bonds	8,350	12,098
Provisions-discount	2,634	2,938
Lease liability-interest expense	1,773	2,532
	<u>\$ 204,212</u>	<u>\$ 242,413</u>
	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Interest expense:		
Bank borrowings	\$ 554,759	\$ 668,591
Corporate bonds	32,153	35,901
Provisions-discount	8,323	8,813
Lease liability-interest expense	5,592	8,200
	<u>\$ 600,827</u>	<u>\$ 721,505</u>

(27) Expenses by nature

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Employee benefit expense		
Wages and salaries	\$ 2,615,379	\$ 2,744,482
Labour and health insurance fees	183,723	185,650
Pension costs	186,186	185,540
Directors' remuneration	32,797	41,554
Other personnel expenses	192,994	207,645
	<u>\$ 3,211,079</u>	<u>\$ 3,364,871</u>
Raw materials and supplies used	<u>\$ 11,181,166</u>	<u>\$ 12,465,492</u>
Depreciation expense on property, plant and equipment	<u>\$ 1,940,697</u>	<u>\$ 2,364,733</u>
Depreciation expense on right-of-use assets	<u>\$ 58,171</u>	<u>\$ 61,046</u>
Depreciation expense on investment property	<u>\$ 11,651</u>	<u>\$ 11,996</u>
Amortisation expense on intangible assets	<u>\$ 19,935</u>	<u>\$ 16,663</u>
	<u> </u>	<u> </u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Employee benefit expense		
Wages and salaries	\$ 7,977,946	\$ 8,173,818
Labour and health insurance fees	577,409	565,815
Pension costs	580,005	562,600
Directors' remuneration	87,850	128,077
Other personnel expenses	568,594	577,606
	<u>\$ 9,791,804</u>	<u>\$ 10,007,916</u>
Raw materials and supplies used	<u>\$ 35,133,699</u>	<u>\$ 35,062,104</u>
Depreciation expense on property, plant and equipment	<u>\$ 6,144,442</u>	<u>\$ 7,132,024</u>
Depreciation expense on right-of-use assets	<u>\$ 177,058</u>	<u>\$ 183,838</u>
Depreciation expense on investment property	<u>\$ 35,304</u>	<u>\$ 34,913</u>
Amortisation expense on intangible assets	<u>\$ 61,766</u>	<u>\$ 56,531</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. At least 30% of the employees' compensation shall be allocated to rank-and-file employees.

B. For the three-month and nine-month periods ended September 30, 2025 and 2024, employees' compensation were accrued at \$39,347 thousand, \$53,473 thousand, \$94,134 thousand and \$162,591 thousand, respectively; while directors' remuneration were accrued at \$29,510 thousand, \$38,100 thousand, \$70,600 thousand and \$115,846 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 nine-month periods ended September 30, 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 \$134,104 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 November 12, 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.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Current tax:		
Current tax on profits for the period	\$ 355,462	\$ 533,102
Prior year income tax over estimation	(106,424)	(19,079)
Total current tax	<u>249,038</u>	<u>514,023</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>224,659</u>	<u>93,347</u>
Total current tax	<u>224,659</u>	<u>93,347</u>
Income tax expense	<u>\$ 473,697</u>	<u>\$ 607,370</u>

	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Current tax:		
Current tax on profits for the period	\$ 1,414,413	\$ 1,814,353
Additional tax on undistributed earnings	111,697	-
Prior year income tax over estimation	(135,869)	(106,486)
Total current tax	<u>1,390,241</u>	<u>1,707,867</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>104,807</u>	<u>479,432</u>
Total current tax	<u>104,807</u>	<u>479,432</u>
Income tax expense	<u>\$ 1,495,048</u>	<u>\$ 2,187,299</u>

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

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Generated during the period:		
Currency translation differences	(\$ <u>770,753</u>)	(\$ <u>445,246</u>)
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Generated during the period:		
Currency translation differences	\$ <u>977,212</u>	(\$ <u>863,973</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 on the nine-month periods ended September 30, 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.
- F. The Company, applying the provisions of Article 26, Paragraph 1 of the Tax Collection Act and Decree No.11404554260 issued by the Ministry of Finance, R.O.C on April 17, 2025, has applied for installment payments for the provisional filing of the profit-seeking enterprise income tax for the year of 2025 and has obtained approval. As of September 30, 2025, the current tax liabilities and non-current tax liabilities are as follows.

Year	The declared payable amount of profit-seeking enterprise income tax	September 30, 2025 Current tax liabilities	
		Current	Non-current
Six-month period ended June 30, 2025	\$ 403,720	\$ 134,573	\$ 269,147
<u>(29) Earnings per share</u>			
		Three-month period ended September 30, 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	\$ 1,636,898	3,241,416	\$ 0.50
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,636,898	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,533	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,636,898	3,243,949	\$ 0.50

	<u>Three-month period ended September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,328,684	3,241,416	\$ 0.72
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,328,684	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,179	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,328,684	3,244,595	\$ 0.72
	<u>Nine-month period ended September 30, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 3,993,411	3,241,416	\$ 1.23
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	3,993,411	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,592	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 3,993,411	3,245,008	\$ 1.23

<u>Nine-month period ended September 30, 2024</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,903,950	3,241,416	\$ 2.13
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	6,903,950	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,380	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 6,903,950	3,245,796	\$ 2.13

(30) Supplemental cash flow information

Investing activities with partial cash payments :

	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Purchase of property, plant and equipment	\$ 2,264,400	\$ 1,991,732
Add: Opening balance of payable on equipment	239,436	294,103
Less: Ending balance of payable on equipment	(333,850)	(301,831)
Cash paid during the period	\$ 2,169,986	\$ 1,984,004

(31) Changes in liabilities from financing activities

	<u>2025</u>						
	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Bonds payable</u>	<u>Dividends payable</u>	<u>Lease liability</u>	<u>Guarantee deposits received</u>	<u>Liabilities from financing activities-gross</u>
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	(1,686,952)	5,933,620	(4,000,000)	(7,779,397)	(126,983)	(25,576)	(6,185,288)
Interest paid	-	-	-	-	(5,592)	-	(5,592)
Additions	-	-	-	7,779,397	30,550	-	7,809,947
Amortisation of interest expense	-	-	-	-	5,592	-	5,592
Impact of changes in foreign exchange rate	(186,910)	(380,635)	-	-	(12,546)	-	(580,091)
At September 30	\$ 1,593,762	\$ 31,801,070	\$ 4,000,000	\$ -	\$ 218,482	\$ 236,793	\$ 39,350,107

2024

	Short-term borrowings	Short-term notes and payable	Long-term borrowings	Bonds payable	Dividends payable	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 3,011,371	\$ 300,000	\$ 25,573,015	\$ 8,000,000	\$ -	\$ 389,716	\$ 263,020	\$ 37,537,122
Changes in cash flow from financing activities	(91,483)	(300,000)	343,729	-	(6,482,831)	(127,031)	7,227	(6,650,389)
Interest paid	-	-	-	-	-	(8,200)	-	(8,200)
Additions	-	-	-	-	6,482,831	74,544	-	6,557,375
Amortisation of interest expense	-	-	-	-	-	8,200	-	8,200
Impact of changes in foreign exchange rate	55,157	-	90,830	-	-	11,428	-	157,415
At September 30	\$ 2,975,045	\$ -	\$ 26,007,574	\$ 8,000,000	\$ -	\$ 348,657	\$ 270,247	\$ 37,601,523

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. CO., 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
Hsieh Shuen Investment Co., Ltd.	The Company's president within first degree of relationship is the company's representative
Lo, Ming-Ling	Spouse of the Company's president
Lo, Ming-I	Spouse of the Company's chairman
Lo, Tsai-Jen	The Company's vice chairman
Luo, Yuan-Yo	Relative of the Company's vice chairman within first degree of relationship
Lo, Yuan-Long	The Company's director
Chen, Po-Chia	Relative of the Company's president within first degree of relationship
Chen, Ping-Hao	Relative of the Company's president within first degree of relationship
Chen, Li-Jen	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 September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Sales of goods:		
-Other related parties	\$ <u>55,072</u>	\$ <u>80,909</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Sales of goods:		
-Other related parties	\$ <u>158,243</u>	\$ <u>240,190</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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable:			
-Other related parties	\$ <u>41,004</u>	\$ <u>43,484</u>	\$ <u>63,688</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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Key management personnel	\$ <u>41,108</u>	\$ <u>54,596</u>	\$ <u>54,381</u>

ii. Interest expense

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Key management personnel	\$ <u>162</u>	\$ <u>215</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Key management personnel	\$ <u>487</u>	\$ <u>645</u>

(3) Key management compensation

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Short-term employee benefits	\$ 10,331	\$ 82,841
Post-employment benefits	591	488
	<u>\$ 10,922</u>	<u>\$ 83,329</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Short-term employee benefits	\$ 195,290	\$ 250,551
Post-employment benefits	1,773	1,464
	<u>\$ 197,063</u>	<u>\$ 252,015</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2025	December 31, 2024	September 30, 2024	
Time deposits (shown as 'Financial assets at amortised cost - non-current')	\$ 30,305	\$ 31,883	\$ 41,591	Performance guarantees and Import credit limit

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. On May 26, 2025, the arbitration tribunal announced its arbitration judgment, ruling that the Company is required to pay Khalid Saeed Al Hajri Company Ltd. compensation for goodwill damages and arbitration extension fees, as well as penalties to the Saudi Arabian treasury. The total amount is SAR 1,285 thousand (approximately NTD 10,050 thousand). The Company has accepted the arbitration judgment. As of the date of the auditors' review report, neither party has raised objections to the ruling. The Company has already recognized a liability reserve based on the maximum possible compensation amount (listed under current liabilities - reserves) totaling \$10,444 thousand.

(2) Commitments

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

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	\$ 1,442,637	\$ 1,716,717	\$ 1,781,498

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

	September 30, 2025	December 31, 2024	September 30, 2024
Amount of letters of credit that has been issued but not yet used	\$ -	\$ 10,965	\$ -

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 nine-month period ended September 30, 2025, the Company's strategy was unchanged from 2024. The Company maintained the gearing ratios below 200%. The gearing ratios at September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total liabilities	\$ 56,275,917	\$ 55,878,118	\$ 55,864,280
Total equity	\$ 82,631,090	\$ 90,376,345	\$ 89,919,499
Less: Intangible assets	(138,355)	(186,009)	(169,680)
Tangible equity	\$ 82,492,735	\$ 90,190,336	\$ 89,749,819
Debt-equity ratio	<u>68%</u>	<u>62%</u>	<u>62%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 85,075	\$ 91,532	\$ 88,955
Financial assets at amortised cost			
Cash and cash equivalents	\$ 26,528,942	\$ 26,609,220	\$ 24,494,939
Financial assets at amortised cost	18,449,663	18,346,866	17,296,048
Notes receivable, net	3,838,773	2,522,756	2,757,569
Accounts receivable (including related parties)	10,095,590	9,065,286	10,805,046
Guarantee deposits paid	63,359	72,644	86,976
	<u>\$ 58,976,327</u>	<u>\$ 56,616,772</u>	<u>\$ 55,440,578</u>

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,593,762	\$ 3,467,624	\$ 2,975,045
Notes payable	104,018	90,160	115,097
Accounts payable	6,800,814	7,552,862	7,516,471
Other accounts payable	4,299,434	4,082,321	4,618,682
Corporate bonds payable (including current portion)	4,000,000	8,000,000	8,000,000
Long-term borrowings (including current portion)	31,801,070	26,248,085	26,007,574
Guarantee deposits received	<u>236,793</u>	<u>262,369</u>	<u>270,247</u>
	<u>\$ 50,335,891</u>	<u>\$ 49,703,421</u>	<u>\$ 49,503,116</u>
Lease liabilities (including current portion)	<u>\$ 218,482</u>	<u>\$ 327,461</u>	<u>\$ 348,657</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

September 30, 2025

	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
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : TWD	\$ 152,695	30.445	\$ 4,648,799	1%	\$ 46,488	\$ -
RMB : TWD	81,193	4.271	346,775	1%	3,468	-
EUR : TWD	10,677	35.770	381,916	1%	3,819	-
JPY : TWD	1,449,093	0.206	298,513	1%	2,985	-
USD : RMB	267,279	7.128	8,136,958	1%	81,370	-
EUR : RMB	37,546	8.375	1,343,006	1%	13,430	-
GBP : RMB	5,754	9.593	235,751	1%	2,358	-
USD : THB	169,791	32.162	5,171,395	1%	51,714	-
EUR : THB	7,211	37.788	258,047	1%	2,580	-
USD : VND	11,889	26,706.140	361,961	1%	3,620	-
USD : CAD	29,284	1.391	891,668	1%	8,917	-
USD : IDR	8,667	16,636.612	263,867	1%	2,639	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : TWD	\$ 16,908	30.445	\$ 514,764	1%	\$ 5,148	\$ -
USD : RMB	15,621	7.128	475,561	1%	4,756	-
USD : THB	17,115	32.162	521,279	1%	5,213	-
USD : VND	11,378	26,706.140	346,403	1%	3,464	-
USD : CAD	4,957	1.391	150,936	1%	1,509	-
USD : IDR	243,855	16,636.612	7,424,165	1%	74,242	-
RMB : IDR	28,975	2,333.880	123,752	1%	1,238	-
USD : INR	68,000	88.761	2,070,262	1%	20,703	-

December 31, 2024

	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
(Foreign currency: functional currency)						
<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	-

September 30, 2024

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

- iv. The exchange loss including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and nine-month periods ended September 30, 2025 and 2024 amounted to \$162,142 thousand, \$84,607 thousand, \$846,546 thousand and \$83,271 thousand, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group diversifies its portfolio to manage its price risk arising from investments in equity securities.
- ii. Shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity investments at fair value through other comprehensive income and gain or loss for the nine-month periods ended September 30, 2025 and 2024 would have increased/decreased by \$851 thousand and \$890 thousand, respectively.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the nine-month periods ended September 30, 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 September 30, 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 nine-month periods ended September 30, 2025 and 2024 would have been \$26,077 thousand and \$21,723 thousand higher/lower, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

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

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As at September 30, 2025, December 31, 2024 and September 30, 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 September 30, 2025, December 31, 2024 and September 30, 2024, the provision matrix is as follows:

<u>September 30, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01%~ 1.02%	\$ 12,247,686	\$ 12,509
Up to 30 days	0.01%~ 2.18%	1,148,505	10,756
31 to 90 days	0.01%~ 9.21%	378,443	8,623
91 to 180 days	0.01%~ 27.78%	111,780	3,438
Over 180 days	0.02%~100.00%	55,065	12,794
		<u>\$ 13,941,479</u>	<u>\$ 48,120</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>September 30, 2024</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Without past due	0.01% ~ 0.14%	\$ 11,298,037	\$ 16,774
Up to 30 days	0.01% ~ 1.12%	1,503,644	17,398
31 to 90 days	0.01% ~ 10.64%	453,663	13,951
91 to 180 days	0.01% ~ 31.41%	239,174	14,343
Over 180 days	0.02% ~100.00%	100,922	34,047
		<u>\$ 13,595,440</u>	<u>\$ 96,513</u>

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 loss	-	(1,593)	(1,593)
Write-offs	-	(6,827)	(6,827)
Others	-	890	890
Effect of exchange rate changes	-	(2,189)	(2,189)
At September 30	<u>\$ -</u>	<u>\$ 48,120</u>	<u>\$ 48,120</u>

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 73,177	\$ 73,177
Provision for impairment	-	17,088	17,088
Write-offs	-	(1,749)	(1,749)
Others	-	4,634	4,634
Effect of exchange rate changes	-	3,363	3,363
At September 30	<u>\$ -</u>	<u>\$ 96,513</u>	<u>\$ 96,513</u>

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

	September 30, 2025			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	<u>\$ 18,449,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,449,663</u>

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

September 30, 2024

	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortised cost	\$ 17,296,048	\$ -	\$ -	\$ 17,296,048

Based on assessment, the default possibility of the Group's financial assets at amortised cost is remote, and thus loss allowances as of September 30, 2025, December 31, 2024 and September 30, 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.

<u>September 30, 2025</u>					
<u>Non-derivative financial liabilities</u>	<u>Less than three months</u>	<u>Between three and six months</u>	<u>Between six months and 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Short-term borrowings	\$ 687,960	\$ 11,458	\$ 931,137	\$ -	\$ 1,630,555
Short-term notes and bills payable	1,500,000	-	-	-	1,500,000
Notes and accounts payable	6,904,832	-	-	-	6,904,832
Other payables	3,924,882	188,216	92,202	94,134	4,299,434
Lease liability	35,680	42,854	46,124	100,875	225,533
Guarantee deposits received	-	-	-	236,793	236,793
Long-term borrowings	256,666	154,713	5,416,404	27,249,894	33,077,677
Bonds payable	-	-	4,024,000	-	4,024,000

<u>December 31, 2024</u>		Between	Between		
<u>Non-derivative</u>	<u>Less than</u>	<u>three and six</u>	<u>six months</u>	<u>Over 1 year</u>	<u>Total</u>
<u>financial liabilities</u>	<u>three months</u>	<u>months</u>	<u>and 1 year</u>		
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	-	-	-	262,369	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
<u>September 30, 2024</u>		Between	Between		
<u>Non-derivative</u>	<u>Less than</u>	<u>three and six</u>	<u>six months</u>	<u>Over 1 year</u>	<u>Total</u>
<u>financial liabilities</u>	<u>three months</u>	<u>months</u>	<u>and 1 year</u>		
Short-term					
borrowings	\$ 2,505,613	\$ 92,837	\$ 394,723	\$ -	\$ 2,993,173
Notes and accounts					
payable	7,631,568	-	-	-	7,631,568
Other payables	4,618,682	-	-	-	4,618,682
Lease liability	39,262	50,169	75,914	196,066	361,411
Guarantee deposits					
received	-	-	-	270,247	270,247
Long-term					
borrowings	658,655	2,101,774	1,687,618	23,031,911	27,479,958
Bonds payable	-	-	4,048,000	4,024,000	8,072,000

(3) Fair value information

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

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

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

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

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

C. Financial instruments not measured at fair value

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

September 30, 2025				
		Fair value		
<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial liabilities:				
Bonds payable	\$ 4,000,000	\$ -	\$ 4,003,314	\$ -
December 31, 2024				
		Fair value		
<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,017,517	\$ -
September 30, 2024				
		Fair value		
<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial liabilities:				
Bonds payable	\$ 8,000,000	\$ -	\$ 8,006,628	\$ -

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

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

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

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

September 30, 2025					
		<u>Level 2</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Assets					
<u>Recurring fair value measurements</u>					
Financial assets at fair value through other comprehensive income					
- Equity securities	\$ 26,888	\$ -	\$ 58,187	\$ 85,075	

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

	September 30, 2024			Total
	Level 2	Level 1	Level 3	
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 30,768	\$ -	\$ 58,187	\$ 88,955

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- i. For Level 1, the Group used market quoted prices as their fair values according to the characteristics of instruments. Listed shares and balanced mutual fund use closing price as their fair values.
 - ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
 - iii. Level 2: When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- E. For the nine-month periods ended September 30, 2025 and 2024, there were no transfer between Level 1 and Level 2.
- F. There were no movement in Level 3 for the nine-month periods ended September 30, 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 nine-month period ended September 30, 2025, have been evaluated and are not deemed significant. Therefore, such securities have 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 nine-month period ended September 30, 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 September 30, 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	\$ 2,629,726	\$ 3,355,076	\$ 6,149,738	\$ 2,028,695	\$ 5,774,805	\$ 19,938,040
Revenue from inter-segment revenue	1,540,980	425,945	201,477	629,151	611,287	3,408,840
Total segment revenue	<u>\$ 4,170,706</u>	<u>\$ 3,781,021</u>	<u>\$ 6,351,215</u>	<u>\$ 2,657,846</u>	<u>\$ 6,386,092</u>	<u>\$ 23,346,880</u>
Geographical regions						
Taiwan	\$ 1,908,268	\$ 44,887	\$ 24,960	\$ 17,673	\$ 15,800	\$ 2,011,588
China	73,268	2,704,918	4,315,260	-	4,418,641	11,512,087
US	753,464	39,446	3,394	615,814	24,540	1,436,658
Others	1,435,706	991,770	2,007,601	2,024,359	1,927,111	8,386,547
Total	<u>\$ 4,170,706</u>	<u>\$ 3,781,021</u>	<u>\$ 6,351,215</u>	<u>\$ 2,657,846</u>	<u>\$ 6,386,092</u>	<u>\$ 23,346,880</u>
Segment income	<u>\$ 366,595</u>	<u>\$ 184,749</u>	<u>\$ 699,634</u>	<u>\$ 303,819</u>	<u>\$ 953,909</u>	<u>\$ 2,508,706</u>

Three-month period ended September 30, 2024

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

Nine-month period ended September 30, 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	\$ 8,565,426	\$ 9,944,074	\$ 17,429,157	\$ 6,299,754	\$ 16,612,255	\$ 58,850,666
Revenue from inter-segment revenue	4,881,334	1,151,227	571,235	1,878,248	1,791,086	10,273,130
Total segment revenue	\$ 13,446,760	\$ 11,095,301	\$ 18,000,392	\$ 8,178,002	\$ 18,403,341	\$ 69,123,796
Geographical regions						
Taiwan	\$ 6,146,357	\$ 151,968	\$ 78,299	\$ 51,434	\$ 92,122	\$ 6,520,180
China	257,678	8,143,126	12,221,973	-	12,544,554	33,167,331
US	2,398,748	92,034	14,478	1,894,765	158,290	4,558,315
Others	4,643,977	2,708,173	5,685,642	6,231,803	5,608,375	24,877,970
Total	\$ 13,446,760	\$ 11,095,301	\$ 18,000,392	\$ 8,178,002	\$ 18,403,341	\$ 69,123,796
Segment income	\$ 712,883	\$ 353,562	\$ 1,794,471	\$ 802,072	\$ 2,239,924	\$ 5,902,912

Nine-month period ended September 30, 2024

	CHENG SHIN RUBBER IND. CO., LTD. and MAXXIS (Taiwan) Trading CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	\$ 9,591,359	\$ 10,578,898	\$ 18,522,710	\$ 6,480,340	\$ 16,569,931	\$ 61,743,238
Revenue from inter-segment revenue	6,252,281	892,917	529,440	992,620	1,870,119	10,537,377
Total segment revenue	\$ 15,843,640	\$ 11,471,815	\$ 19,052,150	\$ 7,472,960	\$ 18,440,050	\$ 72,280,615
Geographical regions						
Taiwan	\$ 6,672,575	\$ 184,371	\$ 54,063	\$ 40,497	\$ 61,322	\$ 7,012,828
China	325,643	8,310,463	13,255,818	3,244	12,756,783	34,651,951
US	3,839,119	131,359	11,764	1,097,776	301,965	5,381,983
Others	5,006,303	2,845,622	5,730,505	6,331,443	5,319,980	25,233,853
Total	\$ 15,843,640	\$ 11,471,815	\$ 19,052,150	\$ 7,472,960	\$ 18,440,050	\$ 72,280,615
Segment income	\$ 2,696,552	\$ 535,548	\$ 2,570,070	\$ 349,242	\$ 2,949,503	\$ 9,100,915

(4) Reconciliation for segment income

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

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Adjusted revenue from reportable segments	\$ 23,346,880	\$ 25,213,236
Adjusted revenue from other operating segments	<u>3,953,063</u>	<u>4,491,193</u>
Total operating segments	27,299,943	29,704,429
Elimination of inter-segment revenue	(3,625,417)	(4,200,172)
Total consolidated operating revenue	<u>\$ 23,674,526</u>	<u>\$ 25,504,257</u>
Geographical regions		
Geographical regions from reportable segments	\$ 23,346,880	\$ 25,213,236
Geographical regions from other operating		
Taiwan	83,480	131,856
China	61,274	391,011
US	1,969,641	2,131,950
Others	<u>1,838,668</u>	<u>1,836,376</u>
Total geographical regions	27,299,943	29,704,429
Elimination of inter-segment revenue	(3,625,417)	(4,200,172)
Total consolidated operating revenue	<u>\$ 23,674,526</u>	<u>\$ 25,504,257</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Adjusted revenue from reportable segments	\$ 69,123,796	\$ 72,280,615
Adjusted revenue from other operating segments	<u>12,120,381</u>	<u>12,949,224</u>
Total operating segments	81,244,177	85,229,839
Elimination of inter-segment revenue	(11,418,450)	(11,757,160)
Total consolidated operating revenue	<u>\$ 69,825,727</u>	<u>\$ 73,472,679</u>

	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Geographical regions		
Geographical regions from reportable segments	\$ 69,123,796	\$ 72,280,615
Geographical regions from other operating		
Taiwan	271,918	305,707
China	752,560	1,058,152
US	5,678,938	6,585,635
Others	<u>5,416,965</u>	<u>4,999,730</u>
Total geographical regions	81,244,177	85,229,839
Elimination of inter-segment revenue	(11,418,450)	(11,757,160)
Total consolidated operating revenue	<u>\$ 69,825,727</u>	<u>\$ 73,472,679</u>

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

	<u>Three-month period ended September 30, 2025</u>	<u>Three-month period ended September 30, 2024</u>
Adjusted income from reportable segments before income tax	\$ 2,508,706	\$ 2,142,455
Adjusted income (loss) from other operating segments before income tax	(429,029)	778,156
Total operating segments	2,079,677	2,920,611
Income from elimination of inter-segment revenue	<u>13,391</u>	<u>14,072</u>
Income from continuing operations before income tax	<u>\$ 2,093,068</u>	<u>\$ 2,934,683</u>
	<u>Nine-month period ended September 30, 2025</u>	<u>Nine-month period ended September 30, 2024</u>
Adjusted income from reportable segments before income tax	\$ 5,902,912	\$ 9,100,915
Adjusted income (loss) from other operating segments before income tax	(385,534)	33,928
Total operating segments	5,517,378	9,134,843
Loss from elimination of inter-segment revenue	(46,145)	(43,003)
Income from continuing operations before income tax	<u>\$ 5,471,233</u>	<u>\$ 9,091,840</u>

CHENG SHIN RUBBER IND. CO., LTD.

Loans to others

Nine-month period ended September 30, 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 nine-month period ended September 30, 2025	Balance at September 30, 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 (Note 5, 6, 7)	Footnote
													Item	Value			
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	\$ 1,660,250	\$ 1,522,250	\$ 1,522,250	2.55467%	Note 8	\$ -	Operating capital	\$ -	None	\$ -	\$ 8,210,421	\$ 32,841,686	Note 10
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	914,600	854,200	764,295	2.11%	Note 8	-	Operating capital	-	None	-	15,740,021	26,233,368	Note 10
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	PT MAXXIS International Indonesia	Other receivables	Yes	124,468	123,859	123,859	3.00%	Note 8	-	Operating capital	-	None	-	15,740,021	26,233,368	Note 10
2	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	914,600	-	-	-	Note 8	-	Operating capital	-	None	-	6,420,513	10,700,855	Note 10
3	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	3,364,900	3,348,950	3,348,950	2.19009%-2.45467%	Note 8	-	Operating capital	-	None	-	9,623,991	9,623,991	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 RUBBER (XIAMEN) IND., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) 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 100% 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 RUBBER (XIAMEN) IND., LTD. and CHENG SHIN PETREL TIRE (XIAMEN) 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 100% of above Companies' net assets.

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

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

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

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

CHENG SHIN RUBBER IND. CO., LTD.
Provision of endorsements and guarantees to others
Nine-month period ended September 30, 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 September 30, 2025	Outstanding endorsement/ guarantee amount at September 30, 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 parent 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	\$ 41,052,107	\$ 4,921,162	\$ 3,838,876	\$ 2,071,149	\$ -	4.68	\$ 57,472,950	Y	N	N	Note 2, 3
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Subsidiary	41,052,107	4,539,124	3,857,382	2,359,488	-	4.70	\$ 57,472,950	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.

\$ 57,472,950

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

\$ 16,420,843

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

\$ 41,052,107

Note 3: Outstanding endorsement/guarantee amount and draw down amount are translated at the spot exchange rates prevailing at September 30, 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
Nine-month period ended September 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales) (%)	Credit term	Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			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)	\$ 2,027,622	(19.06)	Collect within 90 days after shipment of goods	Same	Same	\$ 708,222	35.21	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary	(sales)	(374,348)	(3.52)	Collect within 90 days after shipment of goods	Same	Same	117,282	5.83	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary	(sales)	(2,325,310)	(21.86)	Collect within 30 days	Same	Same	249,704	12.41	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent	(sales)	(438,032)	(3.95)	Collect within 60~90 days after shipment of goods	Same	Same	174,981	8.04	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(639,524)	(5.76)	Collect within 60~90 days after shipment of goods	Same	Same	198,614	9.13	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(458,793)	(21.84)	Collect within 60~90 days after shipment of goods	Same	Same	161,443	31.57	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Same ultimate parent	(sales)	(136,183)	(6.48)	Collect within 60~90 days after shipment of goods	Same	Same	34,316	6.71	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(116,796)	(5.56)	Collect within 60~90 days after shipment of goods	Same	Same	37,518	7.34	Note 3
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(516,619)	(5.49)	Collect within 60~90 days after shipment of goods	Same	Same	218,690	17.65	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(147,684)	(27.33)	Collect within 60~90 days after shipment of goods	Same	Same	730	3.29	Note 3
CHENG SHIN LOGISTIC (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(172,030)	(31.83)	Collect within 60~90 days after shipment of goods	Same	Same	-	-	Note 3
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent	(sales)	(358,428)	(2.83)	Collect within 60~90 days after shipment of goods	Same	Same	292,298	6.39	Note 3
CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent	(sales)	(161,442)	(7.48)	Collect within 60~90 days after shipment of goods	Same	Same	31,767	6.52	Note 3
Cheng Shin Rubber (Vietnam) IND Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	(140,872)	(2.98)	Collect within 90 days after shipment of goods	Same	Same	58,807	11.55	Note 3
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	(1,537,972)	(18.81)	Collect within 90 days after shipment of goods	Same	Same	514,893	21.59	Note 3
MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	Same ultimate parent	(sales)	(218,116)	(2.67)	Collect within 60~90 days after shipment of goods	Same	Same	306,575	12.85	Note 2, 3
PT MAXXIS International Indonesia	Cheng Shin Rubber Ind. Co., Ltd.	Parent company	(sales)	(111,224)	(4.10)	Advance collection	Same	Same	-	-	Note 2, 3
Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Same ultimate parent	(sales)	(429,436)	(24.17)	Collect within 60~90 days after shipment of goods	Same	Same	132,735	36.39	Note 3

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

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

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

CHENG SHIN RUBBER IND. CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 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)	\$ 708,659	Note 3	\$ -	-	\$ 254,560	\$ -
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary (Note 4)	117,282	2.88	-	-	28,928	-
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Sub-subsidiary (Note 4)	116,905	Note 2	-	-	4,574	-
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary (Note 4)	252,773	Note 3	-	-	249,734	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent (Note 4)	174,981	1.99	-	-	59,851	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent (Note 4)	272,632	Note 3	-	-	79,449	-
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	161,515	Note 3	-	-	49,682	-
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	218,693	Note 3	-	-	93,588	-
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent (Note 4)	292,298	1.39	-	-	36,943	-
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent (Note 4)	514,893	3.21	-	-	210,119	-
MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	Same ultimate parent (Note 4)	306,575	0.87	-	-	35,143	-
Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Same ultimate parent (Note 4)	132,735	6.47	-	-	22,340	-

Note 1: Subsequent collection is the amount collected as of November 5, 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
Nine-month period ended September 30, 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	\$ 2,027,622	Collect within 90 days after shipment of goods	2.90
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Accounts receivable	708,222	Collect within 90 days after shipment of goods	0.51
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	1	Sales	374,348	Collect within 90 days after shipment of goods	0.54
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Sales	2,325,310	The term is 30 days after monthly billing	3.33
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Accounts receivable	249,704	The term is 30 days after monthly billing	0.18
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	1	Other receivables	1,522,250	Pay interest quarterly	1.10
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	3	Sales	438,032	Collect within 60~90 days after shipment of goods	0.63
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	3	Sales	639,524	Collect within 60~90 days after shipment of goods	0.92
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	3	Other receivables	764,295	Pay interest quarterly	0.55
2	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	458,793	Collect within 60~90 days after shipment of goods	0.66
4	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	516,619	Collect within 60~90 days after shipment of goods	0.74
5	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Sales	358,428	Collect within 60~90 days after shipment of goods	0.51
5	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Accounts receivable	292,298	Collect within 60~90 days after shipment of goods	0.21

CHENG SHIN RUBBER IND. CO., LTD.

Significant inter-company transactions during the reporting periods
Nine-month period ended September 30, 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	
6	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Sales	1,537,972	Collect within 90 days after shipment of goods	2.20
6	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Accounts receivable	514,893	Collect within 90 days after shipment of goods	0.37
6	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	3	Other receivables	3,348,950	Pay interest quarterly	2.41
6	MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	3	Sales	218,116	Collect within 60~90 days after shipment of goods	0.31
8	MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	3	Accounts receivable	306,575	Collect within 60~90 days after shipment of goods	0.22
7	Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	3	Sales	429,436	Collect within 60~90 days after shipment of goods	0.62

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

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

CHENG SHIN RUBBER IND. CO., LTD.
Information on investees
Nine-month period ended September 30, 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 September 30, 2025			Net profit (loss) of the investee for the nine-month period ended September 30, 2025	Investment income(loss) recognised by the Company for the nine-month period ended September 30, 2025 (Note 1)	Footnote
				Balance as at September 30, 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	\$ 44,412,965	\$ 1,348,589	\$ 1,353,760	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CST Trading Ltd.	British Virgin Islands	Holding company	2,103,073	2,103,073	72,900,000	100.00	32,263,253	1,581,566	1,572,475	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS Trading Ltd.	British Virgin Islands	Holding company	7,669,780	7,669,780	237,811,720	100.00	13,838,917	1,342,612	1,300,388	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	U.S.A	Import and export of tires	551,820	551,820	1,800,000	100.00	3,795,266	211,378	211,378	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	873,544 (	3,874) (	3,874)	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	188,241	29,202	14,601	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	80,868 (	28,248) (	28,248)	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	- (	235,368) (	235,368)	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	1,304,564 (	278,161) (	278,161)	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	504,145	182,651	182,651	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	36,294 (	485) (	485)	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	45,029 (	15,994) (	15,994)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS RUBBER JAPAN CO., LTD.	Japan	Import and export of tires	13,820	13,820	5,000	100.00	9,947 (	853) (	853)	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	252 (	689) (	138)	Note 3, Note 4

CHENG SHIN RUBBER IND. CO., LTD.
Information on investees
Nine-month period ended September 30, 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 September 30, 2025			Net profit (loss) of the investee for the nine-month period ended September 30, 2025	Investment income(loss) recognised by the Company for the nine-month period ended September 30, 2025 (Note 1)	Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
MAXXIS International Co., Ltd	MAXXIS International (HK) Ltd.	Hong Kong	Holding company	\$ -	\$ -	226,801,983	100.00	\$ 37,382,204	\$ 1,400,810	\$ 1,400,810	Sub-subsiary Note 3
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Hong Kong	Holding company	-	-	246,767,840	100.00	32,106,540	1,593,388	1,593,388	Sub-subsiary Note 3
MAXXIS Trading Ltd.	MAXXIS Holdings (BVI) Co., Ltd.	British Virgin Islands	Holding company	7,669,780	7,669,780	237,811,720	100.00	14,241,628	1,342,804	1,342,804	Sub-subsiary 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	9,623,991	636,867	584,188	Sub-subsiary Note 3
MAXXIS Holdings (BVI) Co., Ltd.	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Vietnam	Production and sales of various types of tires	1,945,408	1,945,408	62,000,000	100.00	4,614,689	706,142	716,597	Sub-subsiary Note 3
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Mexico	Import and export of tires	2,436	2,623	-	80.00	1,007 (	689) (	551)	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.

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

The transaction was eliminated when preparing the consolidated financial statements.

CHENG SHIN RUBBER IND. CO., LTD.
Information on investments in Mainland China
Nine-month period ended September 30, 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)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the the nine-month period ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee as of September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2025 (Note 2)	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	A. Cover and tubes of tires and cover and tubes of bicycle tires B. Reclaimed rubber, adhesive, tape and other rubber products C. Plastic machinery, molds and its accessory products	\$ 5,327,875	2	\$ 910,834	\$ -	\$ -	\$ 910,834	\$ 972,841	100.00	\$ 974,173	\$ 26,233,368	\$ 21,195,341	(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	6,850,125	2	2,385,506	-	-	2,385,506	1,670,985	100.00	1,661,975	30,053,454	26,209,585	(Note 4,7)
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Plastic machinery, molds and its accessory products	258,783	2	68,602	-	-	68,602	(24,168)	50.00	(12,084)	298,486	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	3,044,500	2	-	-	-	(31,913)	100.00	(31,995)	5,785,911	1,548,045	(Note 4,7)	
KUNSHAN MAXXIS TIRE CO., LTD	Retail of accessories for rubber tires	21,355	2	-	-	-	818	100.00	818	56,854	-	(Note 7)	
TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	548,010	2	-	-	-	(137)	100.00	(137)	571,776	757,407		
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	3,957,850	2	-	-	-	(73,532)	100.00	(73,605)	10,712,450	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	1,370,025	2	-	-	-	335,784	100.00	339,697	8,810,637	7,259,056	(Note 7)	

CHENG SHIN RUBBER IND. CO., LTD.
Information on investments in Mainland China
Nine-month period ended September 30, 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)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee as of September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2025 (Note 2)	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Footnote
					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	\$ 608,900	2	\$ -	\$ -	\$ -	\$ -	(\$ 70,088)	100.00	(\$ 70,088)	\$ -	\$ -	-
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Distribution of rubber and components of tires	192,195	2	-	-	-	-	5,550	95.00	5,273	86,605	-	(Note 7)
CHENG SHIN LOGISTIC (XIAMEN) CO., LTD.	International container transportation business	61,553	2	-	-	-	(10,627)	49.00	(5,207)	5,207	118,818	-	(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	4,057,450	2	-	-	-	-	922,839	100.00	922,839	10,725,979	1,028,510	(Note 5, 7)
XIAMEN ESATE CO., LTD.	Construction and trading of employees' housing	1,622,980	2	-	-	-	(11,782)	100.00	(11,782)	11,782	2,027,538	-	(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 NTD30.445: USD 1 and NTD 4.271: RMB 1 prevailing on September 30, 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
 Nine-month period ended September 30, 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 September 30, 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.	\$ 3,741,691	\$ 20,486,441	\$ -

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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.