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

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2026 AND 2025

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

PWCR26000115

To the Board of Directors and Shareholders of CHENG SHIN RUBBER IND. CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of Cheng Shin Rubber Ind. Co., Ltd. and subsidiaries as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Those statements reflect total assets of NT$35,514,277 and NT$31,198,173 thousand, constituting 24% and 23% of the consolidated total assets, and total liabilities of NT$6,520,569 and NT$11,477,428 thousand, constituting 11% and 20% of the consolidated total liabilities as at June 30, 2026 and 2025, and total net operating revenues of NT$5,893,186, NT$7,104,750, NT$11,426,937 and NT$14,260,339 thousand, constituting 23%, 31%, 24% and 31% of consolidated total net operating revenue, and total comprehensive (loss) income of (NT$15,919), (NT$1,335,725), NT$169,732 and (NT$627,349) thousand, constituting (1%), 17%, 3% and 13% of the consolidated total comprehensive (loss) income for the three-month and six-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and 2025, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Other matters

We did not review the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT$8,250,038 thousand, constituting 6% of the consolidated total assets as of June 30, 2026, and the total liabilities of NT$2,172,950 thousand, constituting 4% of the consolidated total liabilities as of June 30, 2026, and total operating revenues of NT$2,235,479 and NT$4,482,757 thousand, constituting 9% and 9% of consolidated total net operating revenue, and total comprehensive income of NT$308,734 and NT$866,626 thousand, constituting 14% and 14% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively. Those financial statements and the information disclosed in Note 13 were reviewed by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the review reports of the other auditors.

Hsu, Sheng-Chung　　　　Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

August 12, 2026

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

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 29,744,923	20	$ 22,399,032	16	$ 27,295,781	20
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	-	-	9,734	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	14,273	-	35,588	-	26,259	-
1136	Financial assets at amortised cost - current	6(4)	16,164,966	10	16,330,749	11	4,908,937	4
1150	Notes receivable, net	6(5)	2,609,433	2	4,626,439	3	2,054,528	1
1170	Accounts receivable, net	6(5)	10,353,990	7	8,273,121	6	9,720,015	7
1180	Accounts receivable - related parties, net	7	45,425	-	22,823	-	38,213	-
130X	Inventories	6(6)	17,891,574	12	16,468,259	11	15,918,968	12
1410	Prepayments		1,129,401	1	825,020	1	1,045,747	1
1460	Non-current assets classified as held for sale, net	6(7)	327,916	-	314,352	-	-	-
1470	Other current assets		1,126,386	1	787,506	1	451,561	-
11XX	**Total current assets**		79,408,287	53	70,082,889	49	61,469,743	45
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	58,187	-	58,187	-	58,187	-
1535	Financial assets at amortised cost - non-current	6(4) and 8	9,243,398	7	10,328,300	7	11,434,045	8
1550	Investments accounted for under equity method	6(8)	195,561	-	191,554	-	183,716	-
1600	Property, plant and equipment, net	6(9)	53,288,802	36	55,416,742	39	54,587,153	40
1755	Right-of-use assets	6(10)	4,066,959	3	3,930,063	3	4,052,442	3
1760	Investment property, net	6(11)	687,340	-	662,568	1	677,578	1
1840	Deferred income tax assets	6(30)	1,131,188	1	1,676,506	1	3,305,966	2
1900	Other non-current assets	6(12)	400,695	-	534,715	-	684,356	1
15XX	**Total non-current assets**		69,072,130	47	72,798,635	51	74,983,443	55
1XXX	**Total assets**		$ 148,480,417	100	$ 142,881,524	100	$ 136,453,186	100

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CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13)	$ 250,953	-	$ 1,236,965	1	$ 2,509,428	2
2110	Short-term notes and bills payable	6(14)	500,000	-	1,500,000	1	-	-
2130	Current contract liabilities	6(24)	638,273	-	766,182	1	489,397	-
2150	Notes payable		3,454	-	3,734	-	86,030	-
2170	Accounts payable		8,491,053	6	6,566,717	5	6,264,490	5
2200	Other payables	6(15)	10,690,347	7	4,171,246	3	11,999,874	9
2230	Current income tax liabilities	6(30)	1,299,263	1	518,117	-	922,428	1
2250	Current provisions		15,307	-	115,835	-	-	-
2280	Current lease liabilities	7	123,891	-	111,504	-	129,412	-
2320	Long-term liabilities, current portion	6(17)(18)	6,280,315	5	6,380,122	4	5,570,705	4
2399	Other current liabilities, others	6(16)	586,997	-	594,144	-	584,559	-
21XX	**Total current liabilities**		28,879,853	19	21,964,566	15	28,556,323	21
	Non-current liabilities							
2530	Corporate bonds payable	6(17)	-	-	-	-	4,000,000	3
2540	Long-term borrowings	6(18)	27,921,006	19	28,712,543	21	22,316,417	17
2550	Provisions for liabilities - non-current		218,217	-	209,078	-	191,499	-
2560	Current tax liabilities-non current	6(30)	168,217	-	300,958	-	-	-
2570	Deferred income tax liabilities	6(30)	1,534,555	1	2,229,357	2	1,659,933	1
2580	Non-current lease liabilities	7	242,556	-	81,267	-	101,147	-
2600	Other non-current liabilities	6(19)	1,825,947	2	1,849,042	1	1,723,406	1
25XX	**Total non-current liabilities**		31,910,498	22	33,382,245	24	29,992,402	22
2XXX	**Total Liabilities**		60,790,351	41	55,346,811	39	58,548,725	43
	Equity							
	Equity attributable to owners of parent							
	Share capital	6(20)						
3110	Share capital - common stock		32,414,155	22	32,414,155	23	32,414,155	24
	Capital surplus	6(21)						
3200	Capital surplus		116,462	-	116,376	-	104,251	-
	Retained earnings	6(22)						
3310	Legal reserve		19,188,312	13	18,701,446	13	18,701,446	14
3320	Special reserve		4,108,122	3	4,182,315	3	4,182,315	3
3350	Unappropriated retained earnings		32,903,818	22	35,674,914	25	33,162,772	24
	Other equity interest	6(23)						
3400	Other equity interest		(1,608,249)	(1)	(4,108,122)	(3)	(11,181,261)	(8)
31XX	**Equity attributable to owners of the parent**		87,122,620	59	86,981,084	61	77,383,678	57
36XX	Non-controlling interest		567,446	-	553,629	-	520,783	-
3XXX	**Total equity**		87,690,066	59	87,534,713	61	77,904,461	57
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total liabilities and equity**		$ 148,480,417	100	$ 142,881,524	100	$ 136,453,186	100

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Three-month periods ended June 30				Six-month periods ended June 30			
			2026		2025		2026		2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(24) and 7	$ 25,190,417	100	$ 22,987,418	100	$ 48,618,807	100	$ 46,151,201	100
5000	Operating costs	6(6)	(18,935,462)	(75)	(17,966,885)	(78)	(36,544,028)	(75)	(35,842,567)	(78)
5900	Net operating margin		6,254,955	25	5,020,533	22	12,074,779	25	10,308,634	22
	Operating expenses	7								
6100	Selling expenses		(1,829,332)	(7)	(1,488,234)	(6)	(3,525,530)	(7)	(2,986,993)	(6)
6200	General and administrative expenses		(885,129)	(4)	(859,283)	(4)	(1,810,266)	(4)	(1,770,907)	(4)
6300	Research and development expenses		(950,426)	(4)	(923,283)	(4)	(1,820,629)	(4)	(1,874,355)	(4)
6450	Expected credit (loss) gain	12(2)	(75,484)	-	(3,603)	-	(77,189)	-	3,445	-
6000	Total operating expenses		(3,740,371)	(15)	(3,274,403)	(14)	(7,233,614)	(15)	(6,628,810)	(14)
6900	Operating profit		2,514,584	10	1,746,130	8	4,841,165	10	3,679,824	8
	Non-operating income and expenses									
7100	Interest income	6(25)	294,602	1	310,100	1	570,583	1	581,294	1
7010	Other income	6(26)	141,898	1	212,177	1	302,876	1	383,698	1
7020	Other gains and losses	6(27)	(607,148)	(2)	(745,931)	(3)	(676,383)	(1)	(880,113)	(2)
7050	Finance costs	6(28) and 7	(188,949)	(1)	(189,248)	(1)	(370,907)	(1)	(396,615)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	6(8)	8,603	-	(2,750)	-	14,007	-	10,077	-
7000	Total non-operating revenue and expenses		(350,994)	(1)	(415,652)	(2)	(159,824)	-	(301,659)	(1)
7900	**Profit before income tax**		2,163,590	9	1,330,478	6	4,681,341	10	3,378,165	7
7950	Income tax expense	6(30)	(614,053)	(2)	(423,799)	(2)	(1,276,640)	(3)	(1,021,351)	(2)
8200	**Profit for the period**		$ 1,549,537	7	$ 906,679	4	$ 3,404,701	7	$ 2,356,814	5

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CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Three-month periods ended June 30				Six-month periods ended June 30			
			2026		2025		2026		2025	
			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(3)(23)	$ 23,418	-	($ 3,011)	-	$ 44,237	-	($ 7,086)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		23,418	-	(3,011)	-	44,237	-	(7,086)	-
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	6(23)	866,530	3	(10,840,744)	(47)	3,170,047	6	(8,790,180)	(19)
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(23)(30)	(171,793)	(1)	2,155,610	9	(629,170)	(1)	1,747,965	4
8360	Components of other comprehensive income that will be reclassified to profit or loss		694,737	2	(8,685,134)	(38)	2,540,877	5	(7,042,215)	(15)
8300	**Other comprehensive income (loss) for the period**		$ 718,155	2	($ 8,688,145)	(38)	$ 2,585,114	5	($ 7,049,301)	(15)
8500	**Total comprehensive income (loss) for the period**		$ 2,267,692	9	($ 7,781,466)	(34)	$ 5,989,815	12	($ 4,692,487)	(10)
	Profit (loss) attributable to:									
8610	Owners of the parent		$ 1,553,397	7	$ 905,308	4	$ 3,415,083	7	$ 2,356,513	5
8620	Non-controlling interest		(3,860)	-	1,371	-	(10,382)	-	301	-
			$ 1,549,537	7	$ 906,679	4	$ 3,404,701	7	$ 2,356,814	5
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		$ 2,263,986	9	($ 7,720,141)	(34)	$ 5,975,998	12	($ 4,642,433)	(10)
8720	Non-controlling interest		3,706	-	(61,325)	-	13,817	-	(50,054)	-
			$ 2,267,692	9	($ 7,781,466)	(34)	$ 5,989,815	12	($ 4,692,487)	(10)
	Basic earnings per share	6(31)								
9750	Basic earnings per share		$ 0.48		$ 0.28		$ 1.05		$ 0.73	
	Diluted earnings per share	6(31)								
9850	Diluted earnings per share		$ 0.48		$ 0.28		$ 1.05		$ 0.73	

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
			Capital Surplus			Retained Earnings			Other equity interest				
	Notes	Share capital - common stock	Treasury stock transactions	Gain on sale of assets	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Six-month period ended June 30, 2025													
Balance at January 1, 2025		$ 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
Profit for the period		-	-	-	-	-	-	2,356,513	-	-	2,356,513	301	2,356,814
Other comprehensive loss for the period	6(23)	-	-	-	-	-	-	-	(6,991,860)	(7,086)	(6,998,946)	(50,355)	(7,049,301)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	2,356,513	(6,991,860)	(7,086)	(4,642,433)	(50,054)	(4,692,487)
Appropriation and distribution of 2024 earnings:													
Legal reserve		-	-	-	-	808,232	-	(808,232)	-	-	-	-	-
Reversal of special reverse		-	-	-	-	-	(2,739,257)	2,739,257	-	-	-	-	-
Cash dividends	6(22)	-	-	-	-	-	-	(7,779,397)	-	-	(7,779,397)	-	(7,779,397)
Balance at June 30, 2025		$ 32,414,155	$ 9,772	$ 42,804	$ 51,675	$ 18,701,446	$ 4,182,315	$ 33,162,772	$ (11,198,855)	$ 17,594	$ 77,383,678	$ 520,783	$ 77,904,461
Six-month period ended June 30, 2026													
Balance at January 1, 2026		$ 32,414,155	$ 9,772	$ 42,804	$ 63,800	$ 18,701,446	$ 4,182,315	$ 35,674,914	$ (4,135,045)	$ 26,923	$ 86,981,084	$ 553,629	$ 87,534,713
Profit (loss) for the period		-	-	-	-	-	-	3,415,083	-	-	3,415,083	(10,382)	3,404,701
Other comprehensive income for the period	6(23)	-	-	-	-	-	-	-	2,516,678	44,237	2,560,915	24,199	2,585,114
Total comprehensive income for the period		-	-	-	-	-	-	3,415,083	2,516,678	44,237	5,975,998	13,817	5,989,815
Appropriation and distribution of 2025 earnings:													
Legal reserve		-	-	-	-	486,866	-	(486,866)	-	-	-	-	-
Reversal of special reverse		-	-	-	-	-	(74,193)	74,193	-	-	-	-	-
Cash dividends	6(22)	-	-	-	-	-	-	(5,834,548)	-	-	(5,834,548)	-	(5,834,548)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(23)	-	-	-	-	-	-	61,042	-	(61,042)	-	-	-
Capital surplus arising from donated asstes		-	-	-	147	-	-	-	-	-	147	-	147
Dividends extinguished by prescription claimed by shareholders		-	-	-	(61)	-	-	-	-	-	(61)	-	(61)
Balance at June 30, 2026		$ 32,414,155	$ 9,772	$ 42,804	$ 63,886	$ 19,188,312	$ 4,108,122	$ 32,903,818	$ (1,618,367)	$ 10,118	$ 87,122,620	$ 567,446	$ 87,690,066

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Six months ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,681,341	$ 3,378,165
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(29)	4,173,721	4,203,745
Depreciation on right-of-use assets	6(10)(29)	122,585	118,887
Depreciation on investment property	6(11)(29)	25,992	23,653
Amortization expense	6(12)(29)	52,352	41,831
Expected credit loss (gain)	12(2)	77,189	(3,445)
Share of profit of associates and joint ventures accounted for using equity method	6(8)	(14,007)	(10,077)
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(27)	-	(9,734)
Loss on disposal of property, plant and equipment	6(9)(27)	17,590	101,435
Interest expense	6(28)	370,907	396,615
Interest income	6(25)	(570,583)	(581,294)
Deferred government grants revenue		(112,065)	(98,047)
Foreign exchange loss (gain) on foreign currency loans		142,471	(63,711)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		2,017,006	468,228
Accounts receivable		(2,157,421)	(691,369)
Accounts receivable - related parties		(22,602)	5,271
Inventories		(1,101,503)	1,274,660
Prepayments		(241,116)	(40,333)
Other current assets		(80,214)	197,948
Other non-current assets		116,974	(118,202)
Changes in operating liabilities			
Contract liabilities - current		(127,909)	(238,722)
Notes payable		(280)	(4,130)
Accounts payable		1,924,336	(1,288,372)
Other payables		554,362	549,284
Other current liabilities		(7,147)	(68,303)
Accrued pension liabilities		(19,129)	(18,606)
Other non-current liabilities		1,078	(14,831)
Cash inflow generated from operations		9,823,928	7,510,546
Interest received		347,114	464,311
Interest paid		(355,431)	(375,171)
Income tax paid		(1,542,129)	(701,412)
Income tax refund received		77,077	23,787
Net cash flows from operating activities		8,350,559	6,922,061

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CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Six months ended June 30 2026	Six months ended June 30 2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	$ 65,552	$ -
Acquisition of financial assets at amortised cost		(5,079,148)	(2,242,149)
Proceeds from repayments of financial assets at amortised cost		7,349,931	2,645,587
Acquisition of property, plant and equipment	6(9)(32)	(1,462,865)	(1,508,841)
Proceeds from disposal of property, plant and equipment		164,748	123,491
Acquisition of intangible assets	6(12)	(26,265)	(19,819)
(Increase) decrease in refundable deposits		(3,718)	7,691
Increase in other non-current liabilities		24,782	29,034
Net cash flows from (used in) investing activities		1,033,017	(965,006)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(13)(33)	1,626,761	1,158,384
Decrease in short-term borrowings	6(13)(33)	(2,618,349)	(1,754,476)
Increase in short-term notes and bills payable	6(14)(33)	1,000,000	-
Decrease in short-term notes and bills payable	6(14)(33)	(2,000,000)	-
Proceeds in long-term borrowings	6(18)(33)	2,900,000	500,000
Repayments in long-term borrowings	6(18)(33)	(3,799,128)	(2,363,277)
Increase (decrease) in guarantee deposits received	6(33)	25,816	(29,258)
Repayments of principal portion of lease liabilities	6(10)(33)	(89,336)	(89,407)
Capital surplus arising from donated assets		147	-
Dividends extinguished by prescription claimed by shareholders		(61)	-
Net cash flows used in financing activities		(2,954,150)	(2,578,034)
Effect of exchange rate changes on cash and cash equivalents		916,465	(2,692,460)
Net increase in cash and cash equivalents		7,345,891	686,561
Cash and cash equivalents at beginning of period	6(1)	22,399,032	26,609,220
Cash and cash equivalents at end of period	6(1)	$ 29,744,923	$ 27,295,781

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

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

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION
These consolidated financial statements were authorised for issuance by the Board of Directors on August 12, 2026.

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 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 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.

(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 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS 28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1: The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2: The entities shall apply the amendment simultaneously with IFRS 18.

Except for the following, the Group has assessed that the above standards and interpretations have no significant impact on its financial condition and financial performance:

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.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 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 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional policies 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, 2025. 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" that came into effect 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, 2025.

(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 that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2026	December 31, 2025	June 30, 2025	Description
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	
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

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Description
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
CHENG SHIN RUBBER IND. CO., LTD.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Import and export of tires	20	20	20	Notes 4、5
MAXXIS International Co., Ltd.	TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	100	100	100	Note 7
MAXXIS International Co., Ltd.	CHENG SHIN 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	Note 7

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2026	Ownership (%) December 31, 2025	Ownership (%) June 30, 2025	Description
MAXXIS International (HK) Ltd.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Research, development, testing and exhibition of tires and automobile accessory products and related products, and management of racing tracks	100	100	100	
MAXXIS International (HK) Ltd.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Production and sales of various types of tires	25	25	25	Note 2
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Holding company	100	100	100	
Cheng Shin International (HK) Ltd.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Production and sales of various types of tires	100	100	100	
Cheng Shin International (HK) Ltd.	CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Production, sales and maintenance of models	50	50	50	Note 8
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	
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Retail of accessories for rubber tires	95	95	95	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2026	Ownership (%) December 31, 2025	Ownership (%) June 30, 2025	Description
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN 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	Notes 7、8
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Production and sales of various types of tires	75	75	75	Note 2
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	XIAMEN ESTATE CO., LTD.	Construction and trading of employees' housing	100	100	100	
MAXXIS Holdings (BVI) Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Production and sales of various types of tires	100	100	100	Note 6
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 Tire (Xiamen) Co., Ltd..

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

Note 5: The financial statements of the entity as of June 30, 2026 and 2025, were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary.

Note 6: The financial statements of the entity as of June 30, 2025, were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary.

Note 7: The financial statements of the entity as of June 30, 2026, were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary.

Note 8: 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) 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.

(5) 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 recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognized in other comprehensive income or equity while effect of the change on items recognised in profit or loss is recognised in profit or loss.

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

There have been no significant changes as of June 30, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	$ 3,587	$ 3,888	$ 4,124
Checking deposits	1,274,737	1,381,115	1,347,665
Demand deposits	12,171,350	10,215,899	12,600,242
Time deposits	16,295,249	10,798,130	13,343,750
	$ 29,744,923	$ 22,399,032	$ 27,295,781
Interest rate range			
Time deposits	0.75%~5.25%	1.18%~5.30%	1.40%~6.20%

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 profit and loss

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivative instruments	$ -	$ -	$ 9,734

A. The Group recognised net profit amounting to $9,734 thousand on financial assets mandatorily measured at fair value through profit or loss - derived instruments for the three-month and six-month periods ended June 30, 2025, respectively.

B. The non-hedging derivative instruments transaction and contract information are as follows:

	June 30, 2025		
Derivative instruments	Contract amount (Notional principal)		Contract period
Current items:			
Forward foreign exchange contracts			
USD exchange to NTD	USD	18,000 thousand	2025/05/26~2025/09/30

As at June 30, 2026 and December 31, 2025, there were no derivative financial asset transactions. The Group entered into forward foreign exchange contracts to hedge exchange rate risk of import (export) proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Equity instruments			
Listed stocks	$ 4,155	$ 8,665	$ 8,665
Valuation adjustment	10,118	26,923	17,594
Total	$ 14,273	$ 35,588	$ 26,259
Non-current items:			
Equity instruments			
Unlisted stocks	$ 58,187	$ 58,187	$ 58,187

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.

B. Aiming to satisfy the strategic considerations, the Group sold $65,552 thousand of investments in equity instruments at fair value for the three-month and six-month periods ended June 30, 2026. Consequently, the Group reclassified valuation gain of $61,042 thousand from other equity to retained earnings. The cumulative gains on disposal of the abovementioned investments amounted to $61,042 thousand. There were no such transactions for the three-month and six-month periods ended June 30, 2025.

C. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (loss)		
Held at end of period	$ 4,336	($ 3,011)
Derecognised during the period	19,082	-
	$ 23,418	($ 3,011)
Cumulative gains reclassified to retained earnings		
Reclassified due to derecognition	$ 61,042	$ -

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (loss)		
Held at end of period	$ 5,516	($ 7,086)
Derecognised during the period	38,721	-
	$ 44,237	($ 7,086)
Cumulative gains reclassified to retained earnings		
Reclassified due to derecognition	$ 61,042	$ -

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

(4) Financial assets at amortised cost

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Time deposits	$ 15,765,650	$ 15,732,275	$ 4,621,249
Repurchase agreement	399,316	598,474	-
Restricted bank deposits	-	-	287,688
	$ 16,164,966	$ 16,330,749	$ 4,908,937
Non-current items:			
Time deposits	$ 9,220,540	$ 10,295,839	$ 11,403,435
Pledged time deposits	22,858	32,461	30,610
	$ 9,243,398	$ 10,328,300	$ 11,434,045

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

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Interest income	$ 160,962	$ 121,114

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Interest income	$ 327,368	$ 248,934

B. As at June 30, 2026, December 31, 2025 and June 30, 2025, 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 $25,408,364 thousand, $26,659,049 thousand and $16,342,982 thousand, respectively.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

D. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

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

(5) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 4,123,949	$ 4,641,718	$ 3,529,586
Less: Discounted notes receivable	(1,514,516)	(15,279)	(1,475,058)
	$ 2,609,433	$ 4,626,439	$ 2,054,528
Accounts receivable	$ 10,488,221	$ 8,330,815	$ 9,764,661
Less: Loss allowance	(134,231)	(57,694)	(44,646)
	$ 10,353,990	$ 8,273,121	$ 9,720,015

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

	June 30, 2026		December 31, 2025	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Without past due	$ 8,860,917	$ 2,609,433	$ 6,888,773	$ 4,626,439
Up to 30 days	1,121,162	-	1,066,611	-
31 to 90 days	309,309	-	282,937	-
91 to 180 days	91,830	-	33,568	-
Over 180 days	105,003	-	58,926	-
	$ 10,488,221	$ 2,609,433	$ 8,330,815	$ 4,626,439

	June 30, 2025	
	Accounts receivable	Notes receivable
Without past due	$ 7,939,603	$ 2,054,528
Up to 30 days	1,206,668	-
31 to 90 days	473,688	-
91 to 180 days	87,101	-
Over 180 days	57,601	-
	$ 9,764,661	$ 2,054,528

The above ageing analysis was based on past due date.

B. As at June 30, 2026, December 31, 2025 and June 30, 2025, accounts receivable and notes receivable were all from contracts with customers. And as at January 1, 2025 the balance of receivables from contracts with customers amounted to $11,588,042 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.

	June 30, 2026	December 31, 2025	June 30, 2025
Written-off amount	$ 1,514,516	$ 15,279	$ 1,475,058

D. As at June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $2,609,433 thousand and $10,353,990 thousand; $4,626,439 thousand and $8,273,121 thousand; $2,054,528 thousand and $9,720,015 thousand, respectively.

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

(6) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 6,276,098	($ 5,925)	$ 6,270,173
Work in progress	2,668,662	-	2,668,662
Finished goods	7,096,297	(71,060)	7,025,237
Buildings and land held for sale	2,010,767	(200,991)	1,809,776
Inventory in transit	117,726	-	117,726
	$ 18,169,550	($ 277,976)	$ 17,891,574

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 5,303,309	($ 11,350)	$ 5,291,959
Work in progress	2,066,655	-	2,066,655
Finished goods	6,850,491	(64,098)	6,786,393
Buildings and land held for sale	1,961,160	(192,677)	1,768,483
Inventory in transit	554,769	-	554,769
	$ 16,736,384	($ 268,125)	$ 16,468,259

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 5,174,568	($ 11,063)	$ 5,163,505
Work in progress	2,399,982	-	2,399,982
Finished goods	6,580,102	(60,011)	6,520,091
Buildings and land held for sale	1,799,398	-	1,799,398
Inventory in transit	35,992	-	35,992
	$ 15,990,042	($ 71,074)	$ 15,918,968

The cost of inventories recognized as expense for the period:

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Cost of goods sold	$ 18,889,704	$ 17,921,807
Unallocated overheads	62,390	53,509
Others	(16,632)	(8,431)
	$ 18,935,462	$ 17,966,885

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Cost of goods sold	$ 36,463,929	$ 35,750,301
Unallocated overheads	122,872	121,280
Others	(42,773)	(29,014)
	$ 36,544,028	$ 35,842,567

(7) Non-current assets held for sale

	June 30, 2026	December 31, 2025	June 30, 2025
Land for sales	$ 327,916	$ 314,352	$ -

The Company's subsidiary, Cheng Shin Rubber (Xiamen) Ind., Ltd., has resolved to sell a parcel of land located in the Houxi Industrial Zone, Jimei District, Xiamen on December 1, 2025. The subsidiary subsequently entered into a sale and purchase agreement with an unrelated third party on December 10, 2025. The transfer of ownership is expected to be completed in 2026. The land was reclassified as a non-current asset held for sale as of December 31, 2025.

(8) Investments accounted for using the equity method

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

As at June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amount of the Group's individually immaterial joint ventures amounted to $195,561 thousand, $191,554 thousand and $183,716 thousand, respectively.

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Share of profit (loss) of associates and joint ventures accounted for using the equity method	$ 8,603	($ 2,750)
Total comprehensive income (loss)	$ 8,603	($ 2,750)

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Share of profit of associates and joint ventures accounted for using the equity method	$ 14,007	$ 10,077
Total comprehensive income	$ 14,007	$ 10,077

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

(9) Property, plant and equipment, net

	Six-month period ended June 30, 2026					
	Opening balance	Additions	Disposals	Transfers	Exchange rate differences	Closing balance
Cost						
Land	$ 4,612,869	$ -	$ -	$ -	($ 18,599)	$ 4,594,270
Buildings and structures	52,722,039	26,474	(1,381)	23,430	1,145,262	53,915,824
Machinery	110,783,320	237,166	(331,042)	283,864	2,009,863	112,983,171
Testing equipment	4,375,217	8,523	(27,122)	32,018	85,587	4,474,223
Transportation equipment	1,365,284	21,092	(32,763)	18,954	40,327	1,412,894
Office equipment	1,142,058	27,683	(3,639)	5,563	20,269	1,191,934
Other facilities	34,158,746	655,457	(731,471)	166,239	475,147	34,724,118
Unfinished construction and equipment under acceptance	1,545,739	506,918	-	(530,068)	11,197	1,533,786
	$ 210,705,272	$ 1,483,313	($ 1,127,418)	$ -	$ 3,769,053	$ 214,830,220
Accumulated depreciation						
Buildings and structures	($ 30,867,252)	($ 965,451)	$ 1,075	$ -	($ 908,315)	($ 32,739,943)
Machinery	(87,523,841)	(2,312,218)	268,593	(200)	(1,596,260)	(91,163,926)
Testing equipment	(4,053,852)	(60,089)	26,686	-	(76,994)	(4,164,249)
Transportation equipment	(1,205,261)	(22,181)	30,158	(2,386)	(36,153)	(1,235,823)
Office equipment	(1,068,893)	(13,093)	3,638	-	(19,649)	(1,097,997)
Other facilities	(30,530,805)	(800,689)	614,930	2,586	(386,436)	(31,100,414)
	($ 155,249,904)	($ 4,173,721)	$ 945,080	$ -	($ 3,023,807)	($ 161,502,352)
Accumulated impairment						
Machinery	($ 30,141)	$ -	$ -	$ -	($ 220)	($ 30,361)
Testing equipment	(11)	-	-	-	-	(11)
Office equipment	(44)	-	-	-	(1)	(45)
Other facilities	(8,430)	-	-	-	(219)	(8,649)
	($ 38,626)	$ -	$ -	$ -	($ 440)	($ 39,066)
	$ 55,416,742					$ 53,288,802

	Six-month period ended June 30, 2025					
	Opening balance	Additions	Disposals	Transfers	Exchange rate differences	Closing balance
Cost						
Land	$ 4,596,974	$ 93	$ -	$ -	($ 43,774)	$ 4,553,293
Buildings and structures	52,689,470	92,924	(57,410)	240,204	(4,060,928)	48,904,260
Machinery	110,838,334	131,594	(1,202,164)	552,671	(8,030,420)	102,290,015
Testing equipment	4,367,739	10,632	(27,642)	26,491	(300,026)	4,077,194
Transportation equipment	1,402,934	19,058	(59,150)	32,578	(101,123)	1,294,297
Office equipment	1,134,396	5,075	(5,421)	1,210	(81,177)	1,054,083
Other facilities	33,555,024	606,176	(461,341)	228,817	(2,364,926)	31,563,750
Unfinished construction and equipment under acceptance	2,259,994	673,963	-	(1,082,271)	(78,812)	1,772,874
	$ 210,844,865	$ 1,539,515	($ 1,813,128)	($ 300)	($ 15,061,186)	$ 195,509,766
Accumulated depreciation						
Buildings and structures	($ 28,992,434)	($ 978,162)	$ 45,204	$ -	$ 2,269,276	($ 27,656,116)
Machinery	(83,654,747)	(2,361,141)	913,315	-	6,033,676	(79,068,897)
Testing equipment	(3,993,724)	(65,158)	24,397	-	273,137	(3,761,348)
Transportation equipment	(1,257,148)	(23,052)	55,030	-	74,365	(1,150,805)
Office equipment	(1,067,119)	(9,354)	5,417	-	76,611	(994,445)
Other facilities	(29,966,882)	(766,878)	420,651	-	2,080,040	(28,233,069)
	($ 148,932,054)	($ 4,203,745)	$ 1,464,014	$ -	$ 10,807,105	($ 140,864,680)
Accumulated impairment						
Machinery	($ 175,917)	$ -	$ 122,460	$ -	$ 5,695	($ 47,762)
Testing equipment	(32)	-	2	-	2	(28)
Transportation equipment	(1,389)	-	1,361	-	28	-
Office equipment	(47)	-	-	-	5	(42)
Other facilities	(11,224)	-	365	-	758	(10,101)
	($ 188,609)	$ -	$ 124,188	$ -	$ 6,488	($ 57,933)
	$ 61,724,202					$ 54,587,153

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

(10) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, business vehicles, multifunction printers. Rental contracts are typically made for periods of 1 to 99 years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose covenants, but leased assets of land may not be used as security for borrowing purposes.

B. Short-term leases comprise of forklift trucks and stacking machines. Low-value assets comprise of computers.

C. The carrying amount of right-of-use assets and the depreciation expense are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
	Book value	Book value	Book value
Land	$ 3,740,676	$ 3,790,737	$ 3,881,383
Buildings and structures	263,366	61,459	92,563
Machinery	357	1,018	1,507
Transportation equipment	19,903	32,107	47,547
Office equipment	2,210	936	1,407
Other equipment	40,447	43,806	28,035
	$ 4,066,959	$ 3,930,063	$ 4,052,442

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
	Depreciation expense	Depreciation expense
Land	$ 23,422	$ 24,309
Buildings and structures	37,412	19,830
Machinery	315	302
Transportation equipment	6,175	10,058
Office equipment	227	256
Other equipment	4,151	3,413
	$ 71,702	$ 58,168

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
	Depreciation expense	Depreciation expense
Land	$ 46,611	$ 49,789
Buildings and structures	51,859	40,776
Machinery	640	616
Transportation equipment	15,747	20,242
Office equipment	440	491
Other equipment	7,288	6,973
	$ 122,585	$ 118,887

D. For the three-month and six-month periods ended June 30, 2026 and 2025, the additions to right-of-use assets amounted to $254,009 thousand, $6,175 thousand, $260,876 thousand and $10,054 thousand, respectively.

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

Items affecting profit or loss	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Interest expense on lease liabilities	$ 7,490	$ 1,746
Expense on short-term lease contracts	6,406	6,151
Expense on leases of low-value assets	790	882
Expense on variable lease payments	42,217	31,227
	$ 56,903	$ 40,006

Items affecting profit or loss	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Interest expense on lease liabilities	$ 8,721	$ 3,819
Expense on short-term lease contracts	12,279	13,919
Expense on leases of low-value assets	1,540	1,724
Expense on variable lease payments	103,818	68,466
	$ 126,358	$ 87,928

F. For the three-month and six-month periods ended June 30, 2026 and 2025, the Group's total cash outflow for leases amounted to $102,382 thousand, $77,076 thousand, $215,694 thousand and $177,335 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 41.70% and 33.10% of lease payments are on the basis of variable payment terms for the six-month periods ended June 30, 2026 and 2025 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 $1,038 thousand and $685 thousand for the six-month periods ended June 30, 2026 and 2025, respectively.

(11) Investment property, net

	Six-month period ended June 30, 2026				
	Opening balance	Additions	Transfer	Exchange rate differences	Closing balance
Cost					
Land	$ 336,421	$ -	$ -	$ -	$ 336,421
Buildings and structures	1,074,672	-	34,387	45,802	1,154,861
	$ 1,411,093	$ -	$ 34,387	$ 45,802	$ 1,491,282
Accumulated depreciation					
Buildings and structures	($ 666,022)	($ 25,992)	$ -	($ 28,067)	($ 720,081)
Accumulated impairment					
Land	($ 51,038)	$ -	$ -	$ -	($ 51,038)
Buildings and structures	(31,465)	-	-	(1,358)	(32,823)
	($ 82,503)	$ -	$ -	($ 1,358)	($ 83,861)
	$ 662,568				$ 687,340

	Six-month period ended June 30, 2025				
	Opening balance	Additions	Transfer	Exchange rate differences	Closing balance
Cost					
Land	$ 336,421	$ -	$ -	$ -	$ 336,421
Buildings and structures	1,009,883	-	35,168	(87,241)	957,810
	$ 1,346,304	$ -	$ 35,168	($ 87,241)	$ 1,294,231
Accumulated depreciation					
Buildings and structures	($ 592,500)	($ 23,653)	$ -	$ 50,538	($ 565,615)
Accumulated impairment					
Land	($ 51,038)	$ -	$ -	$ -	($ 51,038)
	$ 702,766				$ 677,578

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

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Rental income from investment property	$ 12,780	$ 10,823
Direct operating expenses arising from the investment property that generated rental income during the period	$ 13,170	$ 11,618

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Rental income from investment property	$ 25,627	$ 22,982
Direct operating expenses arising from the investment property that generated rental income during the period	$ 25,992	$ 23,653

B. The fair value of the investment property held by the Group as at June 30, 2026, December 31, 2025 and June 30, 2025, were $1,935,957 thousand, $1,888,148 thousand and $1,694,567 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.

(12) Other non-current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Intangible assets	$ 151,660	$ 172,425	$ 151,532
Others	249,035	362,290	532,824
	$ 400,695	$ 534,715	$ 684,356

Movements in intangible assets:

	Six-month period ended June 30, 2026					
	Opening balance	Additions	Reductions	Transfer	Exchange rate differences	Closing balance
Cost						
Computer software	$ 836,504	$ 26,265	($ 3,330)	$ -	$ 19,407	$ 878,846
Others	8,106	-	-	-	350	8,456
	$ 844,610	$ 26,265	($ 3,330)	$ -	$ 19,757	$ 887,302
Accumulated amortisation						
Computer software	($ 664,890)	($ 51,937)	$ 3,330	$ -	($ 14,112)	($ 727,609)
Others	(7,295)	(415)	-	-	(323)	(8,033)
	($ 672,185)	($ 52,352)	$ 3,330	$ -	($ 14,435)	($ 735,642)
	$ 172,425					$ 151,660

	Six-month period ended June 30, 2025					
	Opening balance	Additions	Reductions	Transfer	Exchange rate differences	Closing balance
Cost						
Computer software	$ 795,582	$ 19,819	($ 906)	$ 300	($ 56,894)	$ 757,901
Others	8,074	-	-	-	(698)	7,376
	$ 803,656	$ 19,819	($ 906)	$ 300	($ 57,592)	$ 765,277
Accumulated amortisation						
Computer software	($ 611,188)	($ 41,436)	$ 906	$ -	$ 44,243	($ 607,475)
Others	(6,459)	(395)	-	-	584	(6,270)
	($ 617,647)	($ 41,831)	$ 906	$ -	$ 44,827	($ 613,745)
	$ 186,009					$ 151,532

Details of amortisation on intangible assets are as follows:

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Operating costs	$ 3,544	$ 2,436
Selling expenses	2,479	2,131
Administrative expenses	10,495	8,634
Research and development expenses	13,174	8,404
	$ 29,692	$ 21,605

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Operating costs	$ 6,917	$ 4,932
Selling expenses	4,934	4,494
Administrative expenses	19,478	15,699
Research and development expenses	21,023	16,706
	$ 52,352	$ 41,831

(13) Short-term borrowings

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 250,953	4.30%～4.32%	None

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,236,965	4.45%～4.55%	None

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 2,509,428	1.50%～5.15%	None

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

(14) Short-term notes and bills payable

Type of borrowings	June 30, 2026	Interest rate range
Short-term notes and bills payable	$ 500,000	1.73%

Type of borrowings	December 31, 2025	Interest rate range
Short-term notes and bills payable	$ 1,500,000	1.58%～1.66%

As at June 30, 2025, the Group had no short-term notes and bills payable.

(15) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Dividend payable	$ 5,834,548	$ -	$ 7,779,397
Wages and salaries payable	1,348,843	1,467,927	1,138,533
Payable on machinery and equipment	275,044	254,596	270,110
Employee compensation payable	204,051	320,724	254,188
Compensation due to directors	148,453	97,442	187,124
Other accrued expenses	2,879,408	2,030,557	2,370,522
	$ 10,690,347	$ 4,171,246	$ 11,999,874

(16) Other current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Advance receipts	$ 24,573	$ 25,851	$ 30,210
Refund liabilities	400,790	395,537	387,858
Others	161,634	172,756	166,491
	$ 586,997	$ 594,144	$ 584,559

(17) Bonds payable

	June 30, 2026	December 31, 2025	June 30, 2025
Bonds payable -issued in 2021	$ 4,000,000	$ 4,000,000	$ 8,000,000
Less: Current portion	(4,000,000)	(4,000,000)	(4,000,000)
	$ -	$ -	$ 4,000,000

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.

(18) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		June 30, 2026
Long-term bank borrowings					
Unsecured borrowings	Principal is repayable in installment until August 2030.	1.72%～4.47%	None	$	30,201,321
Less: Current portion				(	2,280,315)
				$	27,921,006

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		December 31, 2025
Long-term bank borrowings					
Unsecured borrowings	Principal is repayable in installment until August 2030.	1.38%～4.68%	None	$	31,092,665
Less: Current portion				(	2,380,122)
				$	28,712,543

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		June 30, 2025
Long-term bank borrowings					
Unsecured borrowings	Principal is repayable in installment until January 2030.	1.38%～5.12%	None	$	23,887,122
Less: Current portion				(	1,570,705)
				$	22,316,417

A. According to the borrowing contract, the Group shall calculate the financial ratios based on the reviewed semi-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 June 30, 2026, December 31, 2025 and June 30, 2025.

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

Currency		June 30, 2026		December 31, 2025		June 30, 2025
USD	$	2,911,090	$	2,976,421	$	2,871,400

(19) 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 $2,330 thousand, $2,279 thousand, $4,659 thousand and $4,558 thousand for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to $7,827 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 six-month periods ended June 30, 2026 and 2025 were $30,182 thousand, $30,614 thousand, $60,027 thousand and $61,460 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. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2026 and 2025, were $177,915 thousand, $145,568 thousand, $343,525 thousand and $299,887 thousand, respectively.

(b) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations. The pension costs under the defined contribution pension plan of the Group for the three-month and six-month periods ended June 30, 2026 and 2025 were $15,046 thousand, $13,605 thousand, $29,148 thousand and $27,914 thousand, respectively.

(20) Share capital

As at June 30, 2026, the Company's authorized capital and paid-in capital were both $32,414,155 thousand, and all proceeds from shares issued have been collected.

(21) 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.

(22) 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 $7,779,397 thousand and $6,482,831 thousand ($2.4 (in dollars) per share and $2 (in dollars) per share) for the years ended December 31, 2025 and 2024. On May 26, 2026, the Company's shareholders at their meeting resolved that the total dividends for the distribution of earnings for the year of 2025 was $5,834,548 thousand at $1.8 (in dollars) per share.

(23) Other equity items

	2026		
	Currency translation	Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	Total
At January 1	($ 4,135,045)	$ 26,923	($ 4,108,122)
Valuation adjustment – Group	-	44,237	44,237
Revaluation transferred to retained earnings – gross	-	(61,042)	(61,042)
Currency translation differences:			-
– Group	3,145,848	-	3,145,848
– Tax on Group	(629,170)	-	(629,170)
At June 30	($ 1,618,367)	$ 10,118	($ 1,608,249)

	2025		
	Currency translation	Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income	Total
At January 1	($ 4,206,995)	$ 24,680	($ 4,182,315)
Valuation adjustment – Group	-	(7,086)	(7,086)
Currency translation differences:			
– Group	(8,739,825)	-	(8,739,825)
– Tax on Group	1,747,965	-	1,747,965
At June 30	($ 11,198,855)	$ 17,594	($ 11,181,261)

(24) Operating revenue

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Revenue from contracts with customers	$ 25,190,417	$ 22,987,418

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Revenue from contracts with customers	$ 48,618,807	$ 46,151,201

A. Disaggregation of revenue from contracts with customers

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

	Three-month period ended June 30, 2026				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	$ 1,400,653	$ 11,357,274	$ 2,281,955	$ 10,150,535	$ 25,190,417

	Three-month period ended June 30, 2025				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	$ 1,471,295	$ 9,784,147	$ 2,172,098	$ 9,559,878	$ 22,987,418

	Six-month period ended June 30, 2026				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	$ 2,691,993	$ 22,060,223	$ 4,477,348	$ 19,389,243	$ 48,618,807

	Six-month period ended June 30, 2025				
	Taiwan	China	US	Others	Total
Revenue from external customer contracts	$ 2,786,344	$ 20,106,737	$ 4,362,896	$ 18,895,224	$ 46,151,201

B. Contract liabilities

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

	June 30, 2026	December 31, 2025
Advance sales receipts	$ 638,273	$ 766,182

	June 30, 2025	January 1, 2025
Advance sales receipts	$ 489,397	$ 728,119

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

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Advance sales receipts	$ 10,985	$ 17,352

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Advance sales receipts	$ 603,113	$ 530,018

(25) Interest income

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Interest income from bank deposits	$ 133,640	$ 188,986
Interest income from financial assets at amortised cost	160,962	121,114
	$ 294,602	$ 310,100

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Interest income from bank deposits	$ 243,215	$ 332,360
Interest income from financial assets at amortised cost	327,368	248,934
	$ 570,583	$ 581,294

(26) Other income

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Grant revenue	$ 60,678	$ 120,213
Other income	81,220	91,964
	$ 141,898	$ 212,177

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Grant revenue	$ 133,378	$ 187,305
Other income	169,498	196,393
	$ 302,876	$ 383,698

(27) Other gains and losses

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Net currency exchange loss	($ 433,502)	($ 633,487)
Loss on disposal of property, plant and equipment	(3,911)	(54,350)
Net gain on financial assets at fair value through profit or loss	-	9,734
Miscellaneous disbursement	(169,735)	(67,828)
	($ 607,148)	($ 745,931)

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Net currency exchange loss	($ 465,312)	($ 684,404)
Loss on disposal of property, plant and equipment	(17,590)	(101,435)
Net gain on financial assets at fair value through profit or loss	-	9,734
Miscellaneous disbursement	(193,481)	(104,008)
	($ 676,383)	($ 880,113)

(28) Finance costs

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Interest expense:		
Bank borrowings	$ 172,701	$ 172,807
Corporate bonds	5,983	11,967
Provisions-discount	2,775	2,728
Lease liability-interest expense	7,490	1,746
	$ 188,949	$ 189,248

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Interest expense:		
Bank borrowings	$ 344,736	$ 363,304
Corporate bonds	11,901	23,803
Provisions-discount	5,549	5,689
Lease liability-interest expense	8,721	3,819
	$ 370,907	$ 396,615

(29) Expenses by nature

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Employee benefit expense		
Wages and salaries	$ 2,961,286	$ 2,629,202
Labour and health insurance fees	225,657	186,392
Pension costs	225,473	192,066
Directors' remuneration	24,450	18,322
Other personnel expenses	229,785	187,772
	$ 3,666,651	$ 3,213,754
Raw materials and supplies used	$ 13,334,104	$ 11,834,992
Depreciation expense on property, plant and equipment	$ 2,083,834	$ 2,037,479
Depreciation expense on right-of-use assets	$ 71,702	$ 58,168
Depreciation expense on investment property	$ 13,170	$ 11,618
Amortisation expense on intangible assets	$ 29,692	$ 21,605

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Employee benefit expense		
Wages and salaries	$ 5,747,991	$ 5,362,567
Labour and health insurance fees	435,263	393,686
Pension costs	437,359	393,819
Directors' remuneration	61,206	55,053
Other personnel expenses	476,564	375,600
	$ 7,158,383	$ 6,580,725
Raw materials and supplies used	$ 24,184,938	$ 23,952,533
Depreciation expense on property, plant and equipment	$ 4,173,721	$ 4,203,745
Depreciation expense on right-of-use assets	$ 122,585	$ 118,887
Depreciation expense on investment property	$ 25,992	$ 23,653
Amortisation expense on intangible assets	$ 52,352	$ 41,831

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 six-month periods ended June 30, 2026 and 2025, employees' compensation was accrued at $27,803 thousand, $19,672 thousand, $71,982 thousand and $54,787 thousand, respectively; while directors' remuneration was accrued at $20,852 thousand, $14,754 thousand, $53,987 thousand and $41,090 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% of distributable profit of current year for the six-month periods ended June 30, 2026 and 2025, respectively.

Employees' compensation for 2025 amounting to $119,218 thousand and directors' remuneration for 2025 amounting to $89,413 thousand as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2025 financial statements. The employees' compensation for 2025 will be distributed in the form of cash. As of August 12, 2026, the employees' compensation for 2025 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.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Current tax:		
Current tax on profits for the period	$ 1,435,910	$ 607,347
Additional tax on undistributed earnings	-	111,697
Prior year income tax over estimation	(24,236)	(29,849)
Total current tax	1,411,674	689,195
Deferred tax:		
Origination and reversal of temporary differences	(797,621)	(265,396)
Total current tax	(797,621)	(265,396)
Income tax expense	$ 614,053	$ 423,799

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Current tax:		
Current tax on profits for the period	$ 2,079,374	$ 1,058,951
Additional tax on undistributed earnings	-	111,697
Prior year income tax over estimation	(24,080)	(29,445)
Total current tax	2,055,294	1,141,203
Deferred tax:		
Origination and reversal of temporary differences	(778,654)	(119,852)
Total current tax	(778,654)	(119,852)
Income tax expense	$ 1,276,640	$ 1,021,351

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

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Generated during the period:		
Currency translation differences	($ 171,793)	$ 2,155,610

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Generated during the period:		
Currency translation differences	($ 629,170)	$ 1,747,965

B. The Company’s income tax returns through 2023 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 six-month periods ended June 30, 2026 and 2025, have been assessed, and the impact is immaterial; therefore, no income tax expense has been recognized for the current period.

E. 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 payment for the provisional filing of the profit-seeking enterprise income tax for the year 2025 and has obtained approval. As of June 30, 2026, the Current tax liabilities and Non-current tax liabilities are as follows:

		June 30, 2026 Income tax liabilities	
Tax category	Declared tax amount	Current	Non-current
Interim Payment for the year ended December 31, 2025	$ 403,720	$ 134,573	$ 168,217

(31) Earnings per share

	Three-month period ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,553,397	3,241,416	$ 0.48
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,553,397	3,241,416	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	2,451	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,553,397	3,243,867	$ 0.48

	Three-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 905,308	3,241,416	$ 0.28
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	905,308	3,241,416	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	1,460	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 905,308	3,242,876	$ 0.28

	Six-month period ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,415,083	3,241,416	$ 1.05
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	3,415,083	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,230	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,415,083	3,245,646	$ 1.05

	Six-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,356,513	3,241,416	$ 0.73
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	2,356,513	3,241,416	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,000	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,356,513	3,244,416	$ 0.73

(32) Supplemental cash flow information

Investing activities with partial cash payments：

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Purchase of property, plant and equipment	$ 1,483,313	$ 1,539,515
Add: Opening balance of payable on equipment	254,596	239,436
Less: Ending balance of payable on equipment	(275,044)	(270,110)
Cash paid during the period	$ 1,462,865	$ 1,508,841

(33) Changes in liabilities from financing activities

	2026							
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Bonds payable	Dividends payable	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 1,236,965	$ 1,500,000	$ 31,092,665	$ 4,000,000	$ -	$ 192,771	$ 237,264	$ 38,259,665
Changes in cash flow from financing activities	(991,588)	(1,000,000)	(899,128)	-	-	(89,336)	25,816	(2,954,236)
Interest paid	-	-	-	-	-	(8,721)	-	(8,721)
Additions	-	-	-	-	5,834,548	260,876	-	6,095,424
Amortisation of interest expense	-	-	-	-	-	8,721	-	8,721
Impact of changes in foreign exchange rate	5,576	-	7,784	-	-	2,136	-	15,496
At June 30	$ 250,953	$ 500,000	$ 30,201,321	$ 4,000,000	$ 5,834,548	$ 366,447	$ 263,080	$ 41,416,349

	2025						
	Short-term borrowings	Long-term borrowings	Bonds payable	Dividends payable	Lease liability	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 3,467,624	$ 26,248,085	$ 8,000,000	$ -	$327,461	$262,369	$ 38,305,539
Changes in cash flow from financing activities	(596,092)	(1,863,277)	-	-	(89,407)	(29,258)	(2,578,034)
Interest paid	-	-	-	-	(3,819)	-	(3,819)
Additions	-	-	-	7,779,397	10,054	-	7,789,451
Amortisation of interest expense	-	-	-	-	3,819	-	3,819
Impact of changes in foreign exchange rate	(362,104)	(497,686)	-	-	(17,549)	-	(877,339)
At June 30	$ 2,509,428	$ 23,887,122	$ 8,000,000	$ 7,779,397	$230,559	$233,111	$ 42,639,617

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Toyo Tire & Rubber Co., Ltd.	Associate which invests in subsidiary by using the equity method
New Pacific IND. 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 chairman is the company’s representative
Horning Yih Investment Corporation	The Company’s director is the company’s representative
Jiu Shun Investment Corporation	The Company’s director within first degree of relationship is the company’s representative
KE LI SI INVESTMENT CO., LTD.	The Company’s director within first degree of relationship is the company’s representative
JI CHENG Co., Ltd.	The Company’s director within first degree of relationship is the company’s representative
WAN LI SI INVESTMENT LTD.	The Company’s director within first degree of relationship is the company’s representative
ZERO COUNTER RACING CO., LTD.	The Company’s director within first degree of relationship 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 director
Lo, Tsai-Jen	The Company’s chairman
Luo, Yuan-Yo	Relative of the Company’s chairman within first degree of relationship
Lo, Yuan-Long	The Company’s general manager
Chen, Po-Chia	Relative of the Company’s president within first degree of relationship
Chen, Ping-Hao	Relative of the Company’s director within first degree of relationship
Wu, Xuan-Miao	The Company’s director (the director’s term of office expired on May 26, 2026)

(2) Significant related party transactions

A. Operating revenue

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Sales of goods:		
-Other related parties	$ 57,882	$ 53,948

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Sales of goods:		
-Other related parties	$ 102,753	$ 103,171

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

B. Receivables from related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable:			
-Other related parties	$ 45,425	$ 22,823	$ 38,213

C. Lease transactions - lessee

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

(b) Lease liabilities

i. Outstanding balance

	June 30, 2026	December 31, 2025	June 30, 2025
Key management personnel	$ 27,513	$ 41,270	$ 40,945

ii. Interest expense

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Key management personnel	$ 109	$ 163

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Key management personnel	$ 218	$ 325

(3) Key management compensation

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Short-term employee benefits	$ 61,473	$ 99,202
Post-employment benefits	507	591
	$ 61,980	$ 99,793

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Short-term employee benefits	$ 135,991	$ 184,959
Post-employment benefits	1,014	1,182
	$ 137,005	$ 186,141

8. PLEDGED ASSETS

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

	Book value			
Pledged asset	June 30, 2026	December 31, 2025	June 30, 2025	Purpose
Time deposits (shown as 'Financial assets at amortised cost - non-current')	$ 22,858	$ 32,461	$ 30,610	Customs guarantees and Import credit limit

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	$ 1,423,747	$ 1,391,150	$ 1,313,896

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

	June 30, 2026	December 31, 2025	June 30, 2025
Amount of letters of credit that has been issued but not yet used	$ 9,297	$ -	$ 5,452

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 six-month period ended June 30, 2026, the Company's strategy was unchanged from 2025. The Company maintained the gearing ratios below 200%. The gearing ratios at June 30, 2026, December 31, 2025 and June 30, 2025 were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total liabilities	$ 60,790,351	$ 55,346,811	$ 58,548,725
Total equity	$ 87,690,066	$ 87,534,713	$ 77,904,461
Less:Intangible assets	(151,660)	(172,425)	(151,532)
Tangible equity	$ 87,538,406	$ 87,362,288	$ 77,752,929
Debt-equity ratio	69%	63%	75%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through profit of loss			
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ -	$ 9,734
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 72,460	$ 93,775	$ 84,446
Financial assets at amortised cost			
Cash and cash equivalents	$ 29,744,923	$ 22,399,032	$ 27,295,781
Financial assets at amortised cost	25,408,364	26,659,049	16,342,982
Notes receivable, net	2,609,433	4,626,439	2,054,528
Accounts receivable (including related parties)	10,399,415	8,295,944	9,758,228
Guarantee deposits paid	68,580	64,862	64,953
	$ 68,230,715	$ 62,045,326	$ 55,516,472
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 250,953	$ 1,236,965	$ 2,509,428
Short-term notes and bills payable	500,000	1,500,000	-
Notes payable	3,454	3,734	86,030
Accounts payable	8,491,053	6,566,717	6,264,490
Other accounts payable	10,690,347	4,171,246	11,999,874
Corporate bonds payable (including current portion)	4,000,000	4,000,000	8,000,000
Long-term borrowings (including current portion)	30,201,321	31,092,665	23,887,122
Guarantee deposits received	263,080	237,264	233,111
	$ 54,400,208	$ 48,808,591	$ 52,980,055
Lease liabilities (including current portion)	$ 366,447	$ 192,771	$ 230,559

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The material financing activities are reviewed by the Board of Directors in accordance with procedures required by relevant regulations and internal control system. During the implementation of financing plans, the Board of Directors is assisted in its oversight role by the internal audit department. Internal audit undertakes both regular and exceptional reviews of risk management controls and procedures, and reports the results to the Board of Directors.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency. Primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

ii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss.

iii. The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: TWD; other certain subsidiaries’ functional currency: RMB, THB, VND, CAD, IDR, EUR, INR, JPY and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2026					
				Sensitivity analysis		
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：TWD	$ 141,364	31.850	$ 4,502,443	1%	$ 45,024	$ -
RMB：TWD	370,025	4.690	1,735,417	1%	17,354	-
EUR：TWD	29,625	36.290	1,075,091	1%	10,751	-
JPY：TWD	2,123,829	0.196	416,270	1%	4,163	-
GBP：TWD	4,227	42.170	178,253	1%	1,783	-
USD：RMB	266,491	6.791	8,487,682	1%	84,877	-
EUR：RMB	19,755	7.738	716,933	1%	7,169	-
GBP：RMB	9,726	8.991	410,124	1%	4,101	-
USD：THB	207,404	33.036	6,605,134	1%	66,051	-
EUR：THB	6,649	37.641	241,265	1%	2,413	-
USD：VND	10,941	26,541.667	348,471	1%	3,485	-
USD：CAD	20,274	1.423	645,949	1%	6,459	-
USD：IDR	9,734	17,893.258	310,028	1%	3,100	-
Financial liabilities						
Monetary items						
USD：TWD	$ 14,652	31.850	$ 466,666	1%	$ 4,667	$ -
USD：RMB	18,556	6.791	591,005	1%	5,910	-
USD：THB	22,523	33.036	717,283	1%	7,173	-
USD：VND	13,650	26,541.667	434,753	1%	4,348	-
USD：CAD	4,313	1.423	137,416	1%	1,374	-
USD：IDR	216,478	17,893.258	6,894,824	1%	68,948	-
USD：INR	68,000	94.763	2,165,789	1%	21,658	-

	December 31, 2025					
				Sensitivity analysis		
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：TWD	$ 134,818	31.430	$ 4,237,330	1%	$ 42,373	$ -
RMB：TWD	28,289	4.496	127,187	1%	1,272	-
EUR：TWD	10,360	36.900	382,284	1%	3,823	-
JPY：TWD	1,684,016	0.201	338,487	1%	3,385	-
GBP：TWD	3,416	42.330	144,599	1%	1,446	-
USD：RMB	235,037	6.991	7,387,574	1%	73,876	-
EUR：RMB	13,765	8.207	507,910	1%	5,079	-
GBP：RMB	6,635	9.415	280,858	1%	2,809	-
USD：THB	188,524	31.370	5,925,826	1%	59,258	-
USD：VND	10,075	26,635.593	316,657	1%	3,167	-
USD：CAD	30,087	1.370	945,568	1%	9,456	-
USD：IDR	7,257	16,718.085	228,088	1%	2,281	-
Financial liabilities						
Monetary items						
USD：TWD	$ 17,811	31.430	$ 559,800	1%	$ 5,598	$ -
USD：RMB	18,195	6.991	571,897	1%	5,719	-
EUR：RMB	3,018	8.207	111,360	1%	1,114	-
USD：THB	9,244	31.370	290,564	1%	2,906	-
USD：VND	21,295	26,635.593	669,302	1%	6,693	-
USD：CAD	4,076	1.370	128,100	1%	1,281	-
USD：IDR	239,319	16,718.085	7,521,796	1%	75,218	-
RMB：IDR	28,977	2,391.489	130,281	1%	1,303	-
USD：INR	68,000	89.877	2,137,239	1%	21,372	-

	June 30, 2025					
				Sensitivity analysis		
	Foreign currency amount (thousands)	Exchange rate	Book value (TWD in thousands)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：TWD	$ 167,880	29.300	$ 4,918,884	1%	$ 49,189	$ -
RMB：TWD	305,160	4.091	1,248,410	1%	12,484	-
EUR：TWD	10,175	34.350	349,511	1%	3,495	-
JPY：TWD	1,268,115	0.203	257,427	1%	2,574	-
USD：RMB	352,330	7.162	10,323,178	1%	103,232	-
EUR：RMB	34,681	8.396	1,191,224	1%	11,912	-
GBP：RMB	6,951	9.817	279,162	1%	2,792	-
USD：THB	153,689	32.308	4,503,603	1%	45,036	-
EUR：THB	4,014	32.876	137,895	1%	1,379	-
USD：VND	7,721	26,396.396	226,225	1%	2,262	-
USD：CAD	29,713	1.367	870,437	1%	8,704	-
USD：IDR	10,219	16,460.674	299,417	1%	2,994	-
Financial liabilities						
Monetary items						
USD：TWD	$ 18,153	29.300	$ 531,883	1%	$ 5,319	$ -
USD：RMB	17,007	7.162	498,301	1%	4,983	-
USD：THB	13,685	32.308	401,016	1%	4,010	-
USD：VND	6,515	26,396.396	190,889	1%	1,909	-
USD：CAD	5,303	1.367	155,350	1%	1,554	-
USD：IDR	250,561	16,460.674	7,341,437	1%	73,414	-
RMB：IDR	29,034	2,298.315	118,778	1%	1,188	-
USD：INR	68,000	84.123	1,992,403	1%	19,924	-

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 six-month periods ended June 30, 2026 and 2025 amounted to \$433,502 thousand, \$633,487 thousand, \$465,312 thousand and \$684,404 thousand, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group diversifies its portfolio to manage its price risk arising from investments in equity securities.

ii. Shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity investments at fair value through other comprehensive income and gain or loss for the six-month periods ended June 30, 2026 and 2025 would have increased/decreased by \$725 thousand and \$844 thousand, respectively.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the six-month periods ended June 30, 2026 and 2025, 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. For the six-month periods ended June 30, 2026 and 2025, if interest rates on TWD, USD and RMB denominated borrowings at that date had been 0.1% higher/lower with all other variables held constant, pre-tax profit for the six-month periods ended June 30, 2026 and 2025 would have been \$15,473 thousand and \$13,217 thousand higher/lower, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and financial assets at amortised cost based on the agreed terms, and the contract cash flows of financial instruments at fair value through profit or loss and at fair value through other comprehensive income.

ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard receiving and payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 30 days.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
   (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
   (ii) The disappearance of an active market for that financial asset because of financial difficulties;
   (iii) Default or delinquency in interest or principal repayments;
   (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As at June 30, 2026, December 31, 2025 and June 30, 2025, the Group has no written-off financial assets that are still under recourse procedures.

vii. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of receivables (including notes and accounts receivable); accounts receivable that are significantly past due are assessed individually for their expected credit losses. As at June 30, 2026, December 31, 2025 and June 30, 2025, the provision matrix is as follows:

June 30, 2026	Expected loss rate	Total book value	Loss allowance
Group			
Without past due	0.01% ~ 1.51%	$ 11,470,350	$ 20,912
Up to 30 days	0.01% ~ 2.73%	1,121,162	14,177
31 to 90 days	0.01% ~ 9.87%	309,289	10,907
91 to 180 days	0.01% ~ 29.31%	77,712	7,610
Over 180 days	0.02% ~100.00%	54,084	15,568
Individual	100.00%	65,057	65,057
		$ 13,097,654	$ 134,231

December 31, 2025	Expected loss rate	Total book value	Loss allowance
Group			
Without past due	0.01% ~ 1.44%	$ 11,515,212	$ 19,414
Up to 30 days	0.01% ~ 2.42%	1,066,611	12,834
31 to 90 days	0.01% ~ 8.61%	282,937	8,538
91 to 180 days	0.01% ~ 26.31%	33,568	2,042
Over 180 days	0.02% ~100.00%	58,926	14,866
Individual	100.00%	-	-
		$ 12,957,254	$ 57,694

June 30, 2025	Expected loss rate	Total book value	Loss allowance
Group			
Without past due	0.01% ~ 0.82%	$ 9,994,131	$ 9,542
Up to 30 days	0.01% ~ 2.12%	1,206,668	10,743
31 to 90 days	0.01% ~ 8.61%	473,688	9,918
91 to 180 days	0.01% ~ 22.31%	87,101	2,100
Over 180 days	0.02% ~100.00%	57,601	12,343
Individual	100.00%	-	-
		$ 11,819,189	$ 44,646

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

	2026		
	Notes receivable	Accounts receivable	Total
At January 1	$ -	$ 57,694	$ 57,694
Provision for impairment	-	77,189	77,189
Write-offs	-	(15)	(15)
Effect of exchange rate changes	-	(637)	(637)
At June 30	$ -	$ 134,231	$ 134,231

	2025		
	Notes receivable	Accounts receivable	Total
At January 1	$ -	$ 57,839	$ 57,839
Reversal of impairment loss	-	(3,445)	(3,445)
Write-offs	-	(6,774)	(6,774)
Others	-	425	425
Effect of exchange rate changes	-	(3,399)	(3,399)
At June 30	$ -	$ 44,646	$ 44,646

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

	June 30, 2026			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 25,408,364	$ -	$ -	$ 25,408,364

	December 31, 2025			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 26,659,049	$ -	$ -	$ 26,659,049

	June 30, 2025			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost	$ 16,342,982	$ -	$ -	$ 16,342,982

Based on assessment, the default possibility of the Group's financial assets at amortised cost is remote, and thus loss allowances as of June 30, 2026, December 31, 2025 and June 30, 2025 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.

June 30, 2026 Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	$ 254,445	$ -	$ -	$ -	$ 254,445
Short-term notes and bills payable	500,000	-	-	-	500,000
Notes and accounts payable	8,494,507	-	-	-	8,494,507
Other payables	10,425,004	1,876	126,852	136,615	10,690,347
Lease liability	37,826	36,786	63,238	263,941	401,791
Guarantee deposits received	-	-	-	263,080	263,080
Long-term borrowings	281,289	811,081	1,766,853	28,580,696	31,439,919
Bonds payable	4,024,000	-	-	-	4,024,000

December 31, 2025 Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	$ 294,953	$ 10,647	$ 950,015	$ -	$ 1,255,615
Short-term notes and bills payable	1,500,000	-	-	-	1,500,000
Notes and accounts payable	6,570,451	-	-	-	6,570,451
Other payables	3,933,542	8,386	110,100	119,218	4,171,246
Lease liability	44,126	25,542	45,181	83,798	198,647
Guarantee deposits received	-	-	-	237,264	237,264
Long-term borrowings	155,300	608,521	2,216,711	29,386,377	32,366,909
Bonds payable	-	-	4,024,000	-	4,024,000

June 30, 2025 Non-derivative financial liabilities	Less than three months	Between three and six months	Between six months and 1 year	Over 1 year	Total
Short-term borrowings	$ 1,804,344	$ 717,554	$ 29,631	$ -	$ 2,551,529
Notes and accounts payable	6,350,520	-	-	-	6,350,520
Other payables	11,699,488	70	195,654	104,662	11,999,874
Lease liability	36,809	33,710	63,156	104,014	237,689
Guarantee deposits received	-	-	-	233,111	233,111
Long-term borrowings	518,451	720,693	830,979	22,899,711	24,969,834
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(11).

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, financial assets at amortised cost, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

	June 30, 2026			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 4,000,000	$ -	$ 4,019,470	$ -

	December 31, 2025			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 4,000,000	$ -	$ 4,008,758	$ -

	June 30, 2025			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 8,000,000	$ -	$ 8,038,939	$ -

(b) The methods and assumptions of fair value estimate are as follows:
Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date, the interest rate of par value was equivalent to market interest rate.

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

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

	June 30, 2026			
	Level 2	Level 1	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ 14,273	$ -	$ 58,187	$ 72,460

	December 31, 2025			
	Level 2	Level 1	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ 35,588	$ -	$ 58,187	$ 93,775

	June 30, 2025			
	Level 2	Level 1	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
- Derivative instruments	$ -	$ 9,734	$ -	$ 9,734
Financial assets at fair value through other comprehensive income				
- Equity securities	26,259	-	58,187	84,446
Total	$ 26,259	$ 9,734	$ 58,187	$ 94,180

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

i. For Level 1, the Group used market quoted prices as their fair values according to the characteristics of instruments. Listed shares and balanced mutual fund use closing price as their fair values.

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

iii. Level 2: When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

E. For the six-month periods ended June 30, 2026 and 2025, there were no transfer between Level 1 and Level 2.

F. There were no movement in Level 3 for the six-month periods ended June 30, 2026 and 2025.

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 the six-month period ended June 30, 2026, 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(3).

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 period: 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 six-month period ended June 30, 2026: 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), Cheng Shin Tire (Xiamen), Cheng Shin (Thailand) and other segments based on the nature of each company. The Group's revenue is mainly from manufacturing and sales of bicycle tires, electrical vehicle tires, reclaimed rubber, etc.

(2) Measurement of segment information

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

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

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

	Three-month period ended June 30, 2026					
	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 TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	$ 3,337,935	$ 3,698,154	$ 5,811,118	$ 2,235,479	$ 6,284,696	$ 21,367,382
Revenue from inter -segment revenue	1,586,333	442,248	192,622	573,993	677,229	3,472,425
Total segment revenue	$ 4,924,268	$ 4,140,402	$ 6,003,740	$ 2,809,472	$ 6,961,925	$ 24,839,807
Geographical regions						
Taiwan	$ 2,061,364	$ 59,452	$ 41,154	$ 12,322	$ 27,797	$ 2,202,089
China	102,909	3,169,514	4,156,058	-	4,846,267	12,274,748
US	847,105	25,965	48	721,872	111,824	1,706,814
Others	1,912,890	885,471	1,806,480	2,075,278	1,976,037	8,656,156
Total	$ 4,924,268	$ 4,140,402	$ 6,003,740	$ 2,809,472	$ 6,961,925	$ 24,839,807
Segment income	$ 544,411	$ 65,654	$ 592,622	$ 421,774	$ 944,099	$ 2,568,560

	Three-month period ended June 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 TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	$ 3,127,836	$ 3,331,950	$ 5,496,719	$ 2,199,939	$ 5,249,741	$ 19,406,185
Revenue from inter -segment revenue	1,740,917	442,333	183,175	611,603	562,381	3,540,409
Total segment revenue	$ 4,868,753	$ 3,774,283	$ 5,679,894	$ 2,811,542	$ 5,812,122	$ 22,946,594
Geographical regions						
Taiwan	$ 2,259,087	$ 51,042	$ 29,370	$ 13,984	$ 32,161	$ 2,385,644
China	91,880	2,805,320	3,796,341	-	3,924,960	10,618,501
US	829,971	20,285	7,374	650,401	60,973	1,569,004
Others	1,687,815	897,636	1,846,809	2,147,157	1,794,028	8,373,445
Total	$ 4,868,753	$ 3,774,283	$ 5,679,894	$ 2,811,542	$ 5,812,122	$ 22,946,594
Segment (loss) income	($ 249,004)	$ 139,555	$ 616,013	$ 160,058	$ 591,010	$ 1,257,632

	Six-month period ended June 30, 2026					
	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 TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	$ 6,185,737	$ 7,208,985	$ 11,083,315	$ 4,482,757	$ 12,187,683	$ 41,148,477
Revenue from inter-segment revenue	3,050,695	768,987	391,279	1,071,824	1,236,201	6,518,986
Total segment revenue	$ 9,236,432	$ 7,977,972	$ 11,474,594	$ 5,554,581	$ 13,423,884	$ 47,667,463
Geographical regions						
Taiwan	$ 3,982,804	$ 111,094	$ 80,690	$ 25,916	$ 62,260	$ 4,262,764
China	171,109	5,961,087	8,088,013	2,629	9,472,841	23,695,679
US	1,554,447	50,132	5,825	1,324,727	197,658	3,132,789
Others	3,528,072	1,855,659	3,300,066	4,201,309	3,691,125	16,576,231
Total	$ 9,236,432	$ 7,977,972	$ 11,474,594	$ 5,554,581	$ 13,423,884	$ 47,667,463
Segment income	$ 927,102	$ 262,876	$ 1,115,005	$ 1,114,458	$ 1,980,307	$ 5,399,748

	Six-month period ended June 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 TIRE (XIAMEN) CO., LTD.	MAXXIS INTERNATIONAL (THAILAND) CO., LTD.	All other segments	Total
Revenue						
Revenue from external customers	$ 5,935,700	$ 6,588,998	$ 11,279,419	$ 4,271,059	$ 10,837,450	$ 38,912,626
Revenue from inter-segment revenue	3,340,354	725,282	369,758	1,249,097	1,179,799	6,864,290
Total segment revenue	$ 9,276,054	$ 7,314,280	$ 11,649,177	$ 5,520,156	$ 12,017,249	$ 45,776,916
Geographical regions						
Taiwan	$ 4,238,089	$ 107,081	$ 53,339	$ 33,761	$ 76,322	$ 4,508,592
China	184,410	5,438,208	7,906,713	-	8,125,913	21,655,244
US	1,645,284	52,588	11,084	1,278,951	133,750	3,121,657
Others	3,208,271	1,716,403	3,678,041	4,207,444	3,681,264	16,491,423
Total	$ 9,276,054	$ 7,314,280	$ 11,649,177	$ 5,520,156	$ 12,017,249	$ 45,776,916
Segment income	$ 346,288	$ 168,813	$ 1,094,837	$ 498,253	$ 1,286,015	$ 3,394,206

(4) Reconciliation for segment income

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

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Adjusted revenue from reportable segments	$ 24,839,807	$ 22,946,594
Adjusted revenue from other operating segments	4,048,347	4,055,317
Total operating segments	28,888,154	27,001,911
Elimination of inter-segment revenue	(3,697,737)	(4,014,493)
Total consolidated operating revenue	$ 25,190,417	$ 22,987,418
Geographical regions		
Geographical regions from reportable segments	$ 24,839,807	$ 22,946,594
Geographical regions from other operating segments		
Taiwan	66,728	107,419
China	131,935	363,120
US	1,889,209	1,853,180
Others	1,960,475	1,731,598
Total geographical regions	28,888,154	27,001,911
Elimination of inter-segment revenue	(3,697,737)	(4,014,493)
Total consolidated operating revenue	$ 25,190,417	$ 22,987,418

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Adjusted revenue from reportable segments	$ 47,667,463	$ 45,776,916
Adjusted revenue from other operating segments	7,951,630	8,167,318
Total operating segments	55,619,093	53,944,234
Elimination of inter-segment revenue	(7,000,286)	(7,793,033)
Total consolidated operating revenue	$ 48,618,807	$ 46,151,201
Geographical regions		
Geographical regions from reportable segments	$ 47,667,463	$ 45,776,916
Geographical regions from other operating segments		
Taiwan	100,416	188,438
China	246,422	691,286
US	3,761,032	3,709,297
Others	3,843,760	3,578,297
Total geographical regions	55,619,093	53,944,234
Elimination of inter-segment revenue	(7,000,286)	(7,793,033)
Total consolidated operating revenue	$ 48,618,807	$ 46,151,201

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

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025
Adjusted income from reportable segments before income tax	$ 2,568,560	$ 1,257,632
Adjusted (loss) income from other operating segments before income tax	(423,638)	64,900
Total operating segments	2,144,922	1,322,532
Income from elimination of inter-segment revenue	18,668	7,946
Income from continuing operations before income tax	$ 2,163,590	$ 1,330,478

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
Adjusted income from reportable segments before income tax	$ 5,399,748	$ 3,394,206
Adjusted (loss) income from other operating segments before income tax	(683,374)	43,495
Total operating segments	4,716,374	3,437,701
Loss from elimination of inter-segment revenue	(35,033)	(59,536)
Income from continuing operations before income tax	$ 4,681,341	$ 3,378,165

CHENG SHIN RUBBER IND. CO., LTD.

Loans to others

Six-month period ended June 30, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2026	Balance at June 30, 2026 (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 Item	Collateral Value	Limit on loans granted to a single party (Note 2,3,4)	Ceiling on total loans granted (Note 5,6,7)	Footnote
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	$ 1,599,750	$ 1,592,500	$ 1,592,500	1.96889%~1.97013%	Note 8	$ -	Operating capital	$ -	None	$ -	$ 8,712,262	$ 34,849,048	Note 10
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Other receivables	Yes	938,000	938,000	865,774	1.55%	Note 8	-	Operating capital	-	None	-	16,926,379	28,210,631	Note 10
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	PT MAXXIS International Indonesia	Other receivables	Yes	134,328	-	-	-	Note 8	-	Operating capital	-	None	-	16,926,379	28,210,631	Note 10
2	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	Other receivables	Yes	4,479,300	4,459,000	4,013,100	1.84634%~1.89599%	Note 8	-	Operating capital	-	None	-	9,868,535	9,868,535	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 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 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

Six-month period ended June 30, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 30, 2026	Outstanding endorsement/ guarantee amount at June 30, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	Subsidiary	$ 43,561,310	$ 3,981,636	$ 3,604,035	$ 2,166,671	$ -	4.14	$ 60,985,834	Y	N	N	Notes 2, 3
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Subsidiary	43,561,310	4,053,767	4,035,395	1,000,090	-	4.63	60,985,834	Y	N	N	Notes 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. $ 60,985,834

Limit on the Company’s endorsements/guarantees to a single party is 20% of the Company’s net assets. $ 17,424,524

Limit on the Company’s endorsements/guarantees to a foreign single affiliate company is 50% of the Company’s net assets. $ 43,561,310

Note 3: Outstanding endorsement/guarantee amount and draw down amount are translated at the spot exchange rates prevailing at June 30, 2026.

CHENG SHIN RUBBER IND. CO., LTD.

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

Six-month period ended June 30, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable) (%)	Footnote
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Subsidiary	(sales)	($ 1,313,607)	(17.58)	Collect within 90 days after shipment of goods	Same	Same	$ 727,933	30.21	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary	(sales)	(244,929)	(3.28)	Collect within 90 days after shipment of goods	Same	Same	110,832	4.60	Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary	(sales)	(1,413,886)	(18.92)	Collect within 30 days	Same	Same	266,050	11.04	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Same ultimate parent	(sales)	(158,052)	(1.98)	Collect within 60~90 days after shipment of goods	Same	Same	73,625	3.89	Note 3
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent	(sales)	(560,854)	(7.03)	Collect within 60~90 days after shipment of goods	Same	Same	220,897	11.67	Note 3
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(351,484)	(22.35)	Collect within 60~90 days after shipment of goods	Same	Same	134,267	28.99	Note 3
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent	(sales)	(313,297)	(4.52)	Collect within 60~90 days after shipment of goods	Same	Same	143,585	17.18	Note 3
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent	(sales)	(211,287)	(2.79)	Collect within 60~90 days after shipment of goods	Same	Same	302,076	8.56	Note 3
Cheng Shin Rubber (Vietnam) IND Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	(135,610)	(4.11)	Collect within 90 days after shipment of goods	Same	Same	77,666	12.57	Note 3
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent	(sales)	(960,187)	(17.29)	Collect within 90 days after shipment of goods	Same	Same	504,450	19.75	Note 3
Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Same ultimate parent	(sales)	(263,862)	(21.84)	Collect within 60~90 days after shipment of goods	Same	Same	88,209	23.95	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

June 30, 2026

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2026	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Subsidiary (Note 4)	$ 727,933	1.87	$ -	-	$ 257,654	$ -
Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	Subsidiary (Note 4)	110,832	2.48	-	-	30,865	-
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Sub-subsidiary (Note 4)	128,598	Note 2	-	-	6,730	-
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	Subsidiary (Note 4)	268,334	Note 3	-	-	266,050	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Same ultimate parent (Note 4)	278,464	Note 3	-	-	61,122	-
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	134,313	Note 3	-	-	58,290	-
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Same ultimate parent (Note 4)	143,926	Note 3	-	-	75,355	-
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	Same ultimate parent (Note 4)	302,076	0.67	-	-	57,965	-
MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	Same ultimate parent (Note 4)	504,450	2.02	-	-	134,785	-
MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	Same ultimate parent (Note 4)	220,932	Note 3	-	-	-	-

Note 1: Subsequent collection is the amount collected as of August 5, 2026.

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 period
Six-month period ended June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 4)	Transaction terms	Percentage of consolidated total operating revenues or total assets(%) (Note 3)
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Sales	$ 1,313,607	Collect within 90 days after shipment of goods	2.70
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER USA, INC.	1	Accounts receivable	727,933	Collect within 90 days after shipment of goods	0.49
0	Cheng Shin Rubber Ind. Co., Ltd.	CHENG SHIN RUBBER CANADA, INC.	1	Sales	244,929	Collect within 90 days after shipment of goods	0.50
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Sales	1,413,886	The term is 30 days after monthly billing	2.91
0	Cheng Shin Rubber Ind. Co., Ltd.	Maxxis (Taiwan) Trading Co., LTD.	1	Accounts receivable	266,050	The term is 30 days after monthly billing	0.18
0	Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	1	Other receivables	1,592,500	Pay interest quarterly	1.07
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	3	Sales	560,854	Collect within 60~90 days after shipment of goods	1.15
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	3	Accounts receivable	220,897	Collect within 60~90 days after shipment of goods	0.15
1	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	3	Other receivables	865,774	Pay interest quarterly	0.58
2	XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	351,484	Collect within 60~90 days after shipment of goods	0.72
3	CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	CHENG SHIN RUBBER (XIAMEN) IND., LTD.	3	Sales	313,297	Collect within 60~90 days after shipment of goods	0.64
4	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Sales	211,287	Collect within 60~90 days after shipment of goods	0.43
4	CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	Maxxis Europe B.V.	3	Accounts receivable	302,076	Collect within 60~90 days after shipment of goods	0.20

CHENG SHIN RUBBER IND. CO., LTD.

Significant inter-company transactions during the reporting period
Six-month period ended June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount (Note 4)	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets(%) (Note 3)
5	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Sales	$ 960,187	Collect within 90 days after shipment of goods	1.97
5	MAXXIS International (Thailand) Co., Ltd.	CHENG SHIN RUBBER USA, INC.	3	Accounts receivable	504,450	Collect within 90 days after shipment of goods	0.34
5	MAXXIS International (Thailand) Co., Ltd.	PT MAXXIS International Indonesia	3	Other receivables	4,013,100	Pay interest quarterly	2.70
5	MAXXIS International (Thailand) Co., Ltd.	Maxxis Rubber India Private Limited	3	Accounts receivable	213,395	Collect within 60~90 days after shipment of goods	0.14
6	Maxxis Rubber India Private Limited	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	3	Sales	263,862	Collect within 60~90 days after shipment of goods	0.54
7	MAXXIS Holdings (BVI) Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	3	Other receivables	819,051	Distribute in accordance with the yearly resolution	0.55

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

Six-month period ended June 30, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2026	Initial investment amount: Balance as at December 31, 2025	Shares held as at June 30, 2026: Number of shares	Shares held as at June 30, 2026: Ownership (%)	Shares held as at June 30, 2026: Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2026	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2026 (Note 1)	Footnote
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS International Co., Ltd.	Cayman Islands	Holding company	$ 912,218	$ 912,218	35,050,000	100.00	$ 48,150,580	$ 1,154,379	$ 1,148,862	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	34,143,802	640,676	659,923	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	15,953,850	1,424,826	1,376,225	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	3,101,172	(116,514)	(116,514)	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	617,909	15,587	15,587	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	195,561	28,014	14,007	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	103,816	(18,240)	(18,240)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	PT MAXXIS International Indonesia	Indonesia	Production and sales of various types of tires	6,740,195	6,103,279	219,991,750	100.00	269,036	(280,503)	(280,503)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	Maxxis Rubber India Private Limited	India	Production and sales of various types of tires	9,615,495	9,615,495	2,358,980,883	100.00	982,842	(197,604)	(197,604)	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	448,780	127,274	127,274	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	33,629	(1,795)	(1,795)	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	52,923	(8,334)	(8,334)	Subsidiary Note 3
Cheng Shin Rubber Ind. Co., Ltd.	MAXXIS RUBBER JAPAN CO., LTD.	Japan	Import and export of tires	13,820	13,820	5,000	100.00	10,988	307	307	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	666	1,503	301	Note 3, Note 4

CHENG SHIN RUBBER IND. CO., LTD.

Information on investees

Six-month period ended June 30, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2026	Initial investment amount: Balance as at December 31, 2025	Shares held as at June 30, 2026: Number of shares	Shares held as at June 30, 2026: Ownership (%)	Shares held as at June 30, 2026: Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2026	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2026 (Note 1)	Footnote
MAXXIS International Co., Ltd	MAXXIS International (HK) Ltd.	Hong Kong	Holding company	$ -	$ -	226,801,983	100.00	$ 40,289,585	$ 1,037,180	$ 1,037,180	Sub-subsidiary Note 3
CST Trading Ltd.	Cheng Shin International (HK) Ltd.	Hong Kong	Holding company	-	-	246,767,840	100.00	33,969,531	638,702	638,702	Sub-subsidiary Note 3
MAXXIS Trading Ltd.	MAXXIS Holdings (BVI) Co., Ltd.	British Virgin Islands	Holding company	7,669,780	7,669,780	237,811,720	100.00	16,373,107	1,424,940	1,424,940	Sub-subsidiary Note 3
MAXXIS Holdings (BVI) Co., Ltd.	MAXXIS International (Thailand) Co., Ltd.	Thailand	Production and sales of truck and automobile tires	5,724,372	5,724,372	65,000,000	100.00	9,868,535	866,626	824,870	Sub-subsidiary Note 3
MAXXIS Holdings (BVI) Co., Ltd.	Cheng Shin Rubber (Vietnam) IND Co., Ltd.	Vietnam	Production and sales of various types of tires	1,945,408	1,945,408	62,000,000	100.00	5,682,446	558,279	551,434	Sub-subsidiary Note 3
CHENG SHIN RUBBER USA, INC.	MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Mexico	Import and export of tires	2,328	2,328	-	80.00	2,666	1,503	1,202	Note 3, Note 4

Note 1: Including investment income (loss) used to offset against sidestream and upstream transactions.
Note 2: Joint ventures are accounted for under the equity method.
Note 3: The transactions were eliminated when preparing the consolidated financial statements.
Note 4: The Group collectively holds 100% of share ownership in the investee, of which 20% is directly held and 80% is indirectly held through CHENG SHIN RUBBER USA, INC.

CHENG SHIN RUBBER IND. CO., LTD.

Information on investments in Mainland China
Six-month period ended June 30, 2026

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, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the the six-month period ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income (loss) of investee as of June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2026 (Note 2)	Book value of investments in Mainland China as of June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2026	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	$ 5,573,750	2	$ 910,834	$ -	$ -	$ 910,834	$ 891,637	100.00	$ 886,531	$ 28,210,631	$ 22,707,391	(Notes 3,5,7)
CHENG SHIN TIRE & RUBBER (CHINA) CO., LTD.	A. Cover and tubes of tires and cover and tubes of bicycle tires B. Reclaimed rubber, adhesive, tape and other rubber products C. Plastic machinery, molds and its accessory products	7,166,250	2	2,385,506	-	-	2,385,506	867,113	100.00	885,629	31,917,611	28,261,379	(Notes 4,7)
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Plastic machinery, molds and its accessory products	270,725	2	68,602	-	-	68,602	(26,336)	50.00	(13,168)	308,992	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	3,185,000	2	-	-	-	-	103,238	100.00	103,970	5,855,270	1,714,407	(Notes 4,7)
KUNSHAN MAXXIS TIRE CO., LTD	Retail of accessories for rubber tires	23,450	2	-	-	-	-	4,795	100.00	4,795	70,658	-	(Note 7)
TIANJIN TAFENG RUBBER IND CO., LTD.	Warehouse logistics and after-sales service centre	573,300	2	-	-	-	-	(17,773)	100.00	(17,773)	600,603	757,407	
CHENG SHIN TIRE (XIAMEN) CO., LTD.	A. Radial tire and other various tire products B. Reclaimed rubber and other rubber products C. Plastic machinery, molds and its accessory products	4,140,500	2	-	-	-	-	222,860	100.00	223,074	12,094,002	4,245,663	(Notes 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	1,433,250	2	-	-	-	-	215,088	100.00	214,463	9,520,557	7,673,866	

Information on investments in Mainland China
Six-month period ended June 30, 2026

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, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the the six-month period ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income (loss) of investee as of June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2026 (Note 2)	Book value of investments in Mainland China as of June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2026	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	$ 637,000	2	$ -	$ -	$ -	$ -	($ 26,354)	100.00	($ 26,354)	$ -	$ -	
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Distribution of rubber and components of tires	211,050	2	-	-	-	-	3,811	95.00	3,620	100,687	-	(Note 7)
CHENG SHIN LOGISTIC (XIAMEN) CO., LTD.	International container transportation business	67,591	2	-	-	-	-	5,090	49.00	2,494	136,456	-	
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	4,455,500	2	-	-	-	-	775,789	100.00	775,789	12,033,292	1,235,915	(Notes 5 , 7)
XIAMEN ESATE CO., LTD.	Construction and trading of employees' housing	1,782,200	2	-	-	-	-	(9,848)	100.00	(9,848)	1,978,200	-	(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 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 NTD 31.85: USD 1 and NTD 4.69: RMB 1 prevailing on June 30, 2026.
Note 7: Investment income (loss) was recognised based on the financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

CHENG SHIN RUBBER IND. CO., LTD.

Ceiling on investments in Mainland China
Six-month period ended June 30, 2026

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026 (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.	$ 3,914,365	$ 21,431,865	$ -

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026 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.