



CHENG SHIN RUBBER IND. CO., LTD.

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Annual Report 2025



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(V) Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: N/A

(VI) Company website : <https://www.cst.com.tw>

Contents

Chapter 1: One Letter to Shareholders.....	1
I. 2025 Business Report	1
II. Summary of 2026 Business Plan	3
III. Future Development Strategy of the Company	5
IV. Impacts from External Competition and Overall Operating Environment.....	5
V. Impacts from Legal and Regulatory Environment	6
Chapter 2: Corporate Governance Report	7
I. Information of Directors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches	7
II. Remuneration of Directors (including Independent Directors), General Managers, and Deputy General Managers in the most recent year	23
III. Corporate Governance of the Company	30
IV. CPA Service Fee Information.....	98
V. Information on Changes in CPA.....	99
VI. Disclosure of any of the Company's Chairman, General Manager, General Manager, Manager in charge of financial or accounting affairs who has held a position at the Company's independent certified public accounting firm or its affiliates within the last year.....	99
VII. Transfer or Pledge of Shares by Directors, Managers, and Shareholders who hold 10% of the Company's shares or more during the current fiscal year and as of the date of the Annual Report	100
VIII. Information of the Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familiar Relationship within the Second Degree of Kinship	104
IX. The number of shares held by the Company, directors, supervisors, managers, and entities directly or indirectly controlled by the Company in the reinvestment business as well as the consolidated shareholding ratio.....	106
Chapter 3: Financing.....	107
I. Recordable items in capital and share:	107
II. Issuance of corporate bonds	111
III. Issuance of preferred shares	112
IV. Issuance of overseas depository receipts	112
V. Issuance of stock subscription warrants to employees and restriction on employee right to obtain new shares.....	112
VI. Issuance of new shares in connection with the merger or acquisition of other companies	112
VII. Recordable items of the implementation status of the capital utilization plan	112

Chapter 4: Operation Overview	113
I. Business contents	113
II. Market, Production and Sales Overview	117
III. Analysis of the employees in the most recent two years	127
IV. Environmental protection expenditure.....	127
V. Labor relations	128
VI. Information and communications security management	132
VII. Important contracts	134
Chapter 5: Review and Analysis of Financial Position and Operating Results and Risk Management.....	135
I. Comparative Analysis of Financial Position	135
II. Financial Performance Review and Analysis	136
III. Cash flow review and analysis	137
IV. Impact of major capital expenditure on financial operations in recent years	137
V. Reinvestment policy over the latest year and major reasons for profit or loss; plan for improvement and investment plan for the coming year	138
VI. Risk Analysis and Evaluation	138
VII. Other Important Issues.....	154
Chapter 6: Other Specially Recorded Issues.....	154
I. Related Information on Affiliates	154
II. The Company's shares held or disposed of by subsidiaries in the most recent years as of the publication date of the Annual Report.....	154
III. Other Necessary Supplementary Statement.....	154
IV. Any event that occurred in the most recent years as of the publication date of the report which has a material impact on shareholders' rights and interests or the price of securities against Item 3 of Paragraph 2 under Article 36 of the Securities and Exchange Act.....	154

Chapter 1: One Letter to Shareholders

We thank all shareholders for your support and trust over the past year. In 2025, the global trade environment continues to be volatile with frequent adjustments in U.S. tariff policies bringing a high degree of uncertainty. Traditional industries are the first to bear the brunt, facing severe challenges. Meanwhile, the Chinese tire market is experiencing overcapacity due to large-scale investments, leading to intense domestic price competition. Additionally, rising overseas trade barriers have made the overall industry competition more severe, fully testing companies' operational resilience and adaptability. In such a challenging environment, Cheng Shin has always worked diligently and cautiously, continuously strengthening operational quality and organizational efficiency to steadily enhance overall competitiveness. The company has also deepened brand value development, successfully establishing the Taiwan international brand "MAXXIS," marketed in over 180 countries worldwide, fully demonstrating Cheng Shin's strong global presence in the international market.

Looking ahead to 2026, Cheng Shin's goals remain clear: to continuously create customer satisfaction and market trust with "100% quality, 100% service, 100% trust" as the core. The company will further enhance the group's integration of procurement, sales, production, and R&D to comprehensively improve technical strength and innovation momentum. Cheng Shin has long been an important partner for many international car manufacturers worldwide and will continue to deepen collaboration in the future, providing high-quality tire products and professional services. In the aftermarket, Cheng Shin will launch the new products "PREMITRA HP6" and "VICTRA SPORT 6," introducing a new-generation eco-friendly rice husk silica formula that not only enhances overall tire performance but also effectively reduces carbon emissions, clearly demonstrating Cheng Shin's commitment to sustainable development and actions.

Finally, Cheng Shin will be guided by corporate culture to implement the philosophy of sustainable operation, working hand in hand with all shareholders and partners, growing together, and continuously creating longer-lasting and stable corporate value.

I. 2025 Business Report

(I) Results of Operations based on our Business Plan

1. Production and Sales:

Unit: Thousand tires; %

Year Core Products	2025 production	2025 sales	2024 sales	Percentage of increase/decrease
Radial cover - car	24,215	24,226	27,704	-12.55%
Radial cover - truck	2,918	2,919	2,957	-1.29%
Motorcycle cover	51,138	50,907	48,189	5.64%
Bicycle cover	84,789	84,215	82,455	2.13%
Inner tube	82,432	83,025	89,105	-6.82%
Other tires	12,432	12,295	14,647	-16.06%

2. Operation:

Consolidated: Unit: NTD thousand; %;

Items	Year	2025	2024	Percentage of increase (decrease)
Net Operation Income		90,780,872	96,247,057	-5.68%
Operating costs		70,148,830	73,003,134	-3.91%
Operating Expenses		13,476,751	13,232,119	1.85%
Operating Profit		7,155,291	10,011,804	-28.53%
Net income after tax		4,835,490	8,028,188	-39.77%

Parent-company-only: Unit: NTD thousand; %;

Items	Year	2025	2024	Percentage of increase (decrease)
Net Operation Income		14,059,167	16,781,196	-16.22%
Operating costs		10,948,586	12,053,337	-9.17%
Operating Expenses		3,145,236	3,166,066	-0.66%
Operating Profit		170,762	1,625,088	-89.49%
Net income after tax		4,854,332	8,017,116	-39.45%

(II) Budget Execution Status

The actual operating amount of the Company in 2025 is NT\$90.7 billion, with a target achievement rate of 85%.

(III) Analysis of Financial Income and Expenditure and Profitability

Consolidated: Unit: NTD thousand; %;

Items	Year		2025	2024	Percentage of increase (decrease)
Financial Income and Expenditure	Revenue		90,780,872	96,247,057	-5.68%
	Gross operating profit		20,632,042	23,243,923	-11.24%
	Net income after tax		4,835,490	8,028,188	-39.77%
Profitability analysis	Return on Assets (ROA) (%)		3.79	6.10	-37.87%
	Return on Equity (ROE) (%)		5.44	9.10	-40.22%
	Ratio of Paid-in Capital (%)	Operating Profit	22.07	30.89	-28.55%
		Net income before tax	21.11	33.14	-36.30%
	Net Profit Margin (%)		5.33	8.34	-36.09%
	Earnings per share (EPS) (NT\$)		1.50	2.47	-39.27%

Parent-company-only:

Unit: NTD thousand; %

Items		Year		Percentage of increase (decrease)	
		2025	2024		
Financial Income and Expenditure	Revenue	14,059,167	16,781,196	-16.22%	
	Gross operating profit	3,110,581	4,727,859	-34.21%	
	Net income after tax	4,854,332	8,017,116	-39.45%	
Profitability analysis	Return on Assets (ROA) (%)	4.18	6.84	-38.89%	
	Return on Equity (ROE) (%)	5.49	9.15	-40.00%	
	Ratio of Paid-in Capital (%)	Operating Profit	0.53	5.01	-89.42%
		Net income before tax	17.75	28.04	-36.70%
	Net Profit Margin (%)	34.53	47.77	-27.72%	
	Earnings per share (EPS) (NT\$)	1.50	2.47	-39.27%	

(IV) Research and Development Status

City Tire MA-3Di Product Development of RE	YAMAHA NMAX Product Development of OE
SUZUKI XF0A1 Product Development of OE	MCR Sport Touring Tire Product Development
RAXR RAID+Desert Racing Development	10 Inches Tire Development for Student Formula
Product Development of Regional Series for Europe	Development of premium tour all-season passenger car tires
Product Development for 4x4 Vehicles - Rugged Terrain & Heavy Duty	Third Generation All Performance Road Tire Product Development
ALL-season & Summer Product Development of OE for SUV Crossover Vehicle	High Performance Summer Product Development For Passenger Cars
Product Development of Regional Series for Europe	Summer Product Development of OE for Commercial Vehicle
Seasonal Product Development of OE for Hybrid Electric SUV Vehicle	

II. Summary of 2026 Business Plan

(I) Operating Policy

In 2026, the company will focus on four main directions: sales and profit growth, rationalization of organizational and management systems, enhancement of technological and innovation capabilities, and global integration of the group. With "100% quality, service, trust" as the core, create customer satisfaction and market trust, enhance competitiveness, and achieve business objectives.

- Sales and profit growth
- Quality first, rationalization of costs.
- With innovation (AI) as the core, comprehensively enhance
- Safety and Carbon Reduction: Show Corporate Responsibility and Sustainable Commitments

(II) Sales Volume Forecast and Basis

The sales forecast of the Company for 2026 is as follows:

Consolidated: Unit: Thousand tires

Items \ Year	Estimated volume for 2026	
	Quantity of Sale	
Radial cover - car	24,549	
Radial cover - truck	3,670	
Motorcycle cover	108,549	
Bicycle cover	51,233	
Inner tube	79,144	
Other tires	17,835	
Total	284,980	

Parent-company-only: Unit: Thousand tires

Items \ Year	Estimated volume for 2026	
	Quantity of Sale	
Radial cover - car	4,402	
Radial cover - truck	212	
Motorcycle cover	4,271	
Bicycle cover	4,059	
Inner tube	209	
Other tires	3,220	
Total	16,373	

Based on the assessment result announced at the sales meeting (February 6, 2026) of the Company.

(III) Key Production and Distribution Policy

The Company continues to implement intelligent systems in production to enhance overall operational efficiency, ensuring that operational standards are effectively implemented, and strictly adhering to the work principle of consistency in "saying, writing, and doing" to fully achieve the goal of 100% quality.

In terms of sales, with market and customer needs at the core, precisely plan and execute the 5P1S strategy to continuously enhance market competitiveness; at the same time, actively explore undeveloped markets across the globe and deepen the layout in existing markets to expand market share.

III. Future Development Strategy of the Company

Cheng Shin holds fast to the belief of the Founder & Chairman Luo, Jye when he started the business. Honesty and integrity are the most fundamental and most important concepts of the Company and also represent the supreme guiding principle that the Company has observed without change on the way to pursue a sustainable operation. In addition, we will also pursue the vision of a sustainable development oriented to three elements, including economy, environment, and society, with the center of the Maxxis Family and the foundation of safety first.

1. Implement corporate governance: We will hold fast to the philosophy of Integrity & Innovation, focus on the principal operation to embrace new opportunities and practice the corporate culture of honesty, integrity, and continuous innovation as one of the critical factors staking sustainable and sound development of the Company. Moreover, we will also urge related members of the Company to follow the good tradition of honesty and integrity and should the principal operation when they perform duties.
2. Develop a sustainable environment: Actively respond to the tide of environmental protection, develop and design "green and environment-friendly tires" and pursue "Safety, Oil Economy, Quietness and Environmental Performance". Additionally, the Company has strived to realize energy saving and carbon emission reduction in the workshop and manufacturing process to contribute our wisdom and force to the earth's environment.
3. Safeguard employees' rights: We have built a learning environment with heart and enhanced the concept of corporate ethics among employees.
4. Participate in social philanthropy: We are dedicated to enhancing social responsibility performance and realizing common harmony and prosperity within the society together with suppliers.

IV. Impacts from External Competition and Overall Operating Environment

In 2026, the changes in the geopolitical situation are affecting raw materials, supply chain, and trade deployment. Under the conditions of low growth and high debt, the influence of the so-called "America First" policy by the newly elected US President Trump will extend far beyond the US and impact the global economic and trade landscape. Countries are strengthening tariffs and trade barriers on tire exports from China and its overseas production capacity. The oversupply of Chinese tires is leading to intense global price competition, forcing the profit margins of traditional mature products to be squeezed.

In response to the unfavorable international market conditions, Cheng Shin is actively diversifying its production capacity layout to reduce reliance on a single market and avoid trade barriers. To deal with such challenges, Cheng Shin partnered with suppliers and customers to form mutually-beneficial strategies based on past partnership experiences, thereby enhancing the scale and sales volume of our Group in spite of adversities. Cheng Shin has been closely monitoring the fluctuations in market supply and demand and keeping in touch with each regional distributor for the latest market information to timely announce the price adjustment. At the same time, Cheng Shin has continued the process of integrating new and previous products, replacing them with products of high-added value and high capacity utilization to meet the ever-growing market demands and the rapidly changing severe challenges of today.

Facing the operational environment in 2026 and the next three to five years, we envisage even more drastic changes, therefore we must promptly strengthen our ability to adapt, our core capabilities, and our competitiveness. Only by possessing world-class capabilities and competitiveness will we be able to adapt to the complicated and highly changeable market from now on. Therefore, in the future, we will take advantage of our capabilities in technology, sales and distribution, manufacturing, and management to build our core operations, achieve glocalization, and enhance the regional sales and technical support so that the global headquarters can work closely with different regions and utilize local manufacturing to strengthen ties.

V. Impacts from Legal and Regulatory Environment

Tires are the key safety features of all types of vehicles, and, therefore, the regulations in each country provide clear and strict rules regarding tire standards, specifications and requirements applicable to tire products. In distribution and marketing, tire manufacturers are also required to comply with relevant laws and regulations and are prohibited from engaging in activities in violation of competition and marketing laws.

Increasingly rigorous environmental regulations and standards, such as Taiwan's carbon fee mechanism, will force the company to accelerate its transformation. Additionally, there have been significant advancements in tire manufacturing technology and materials science in recent years, particularly in the use of renewable materials and the enhancement of tire longevity. Cheng Shin has passed the ISO 14001:2015 environmental management system third-party certification. Through the effective implementation of environmental policies, combining climate risk and opportunities with dependencies and impacts, the company implements its environmental strategies and objectives. This ensures that, on the path of transformation, it can meet international and domestic regulatory standards, respond to stakeholder requirements, and collaborate with supply chain and research organizations to jointly develop technologies and products.

Finally, Cheng Shin will comprehensively implement its core culture of "100% quality, 100% service, 100% trust" in its daily work, adhering to a people-centered spirit, valuing respect and care, embracing a grateful heart, upholding the commitment of "safety first," and diligently following the sustainable development policy, as it moves towards stable and long-term business objectives.

Cheng Shin Rubber Industry Co., Ltd.



Chairman Chen, Yun-Hwa



Chapter 2: Corporate Governance Report

I. Information of Directors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches

(1) Information of Directors

February 28, 2026																		
Position Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Chairman Representative of Jiu Shun Investment Corporation: Chen, Yun-Hwa	-	Taipei City	2023.05.31 <2017.06.15>	3 year	13,391,000	0.41%	13,391,000	0.41%	0	0%	0	0%	N/A	N/A	N/A			
	Male 76	ROC	2023.05.31 <2023.05.31>		120,570,531	3.72%	178,740,531	5.51%	20,662,443	0.63%	13,391,000	0.41%	Chairman of Maxxis Trading Company Limited	Director	Chen, Hsiu-Hsiung	Second degree of kinship		
Vice Chairman Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-Jen	-	Changhua County	2023.05.31 <2023.05.31>	3 year	324,430,630	10.01%	324,430,630	10.01%	0	0%	0	0%	N/A	N/A	N/A			
	Male 73	ROC	2023.05.31 <2023.05.31>		91,662,430	2.83%	91,662,430	2.83%	17,429,793	0.53%	0	0%	Chairman of Cheng Shin Rubber (China) Co., Ltd.	Director	Chen, Yun-Hwa	Second degree of kinship		
Director Hsieh Shuen Investment Co., Ltd Representative: Chen, Hsiu-Hsiung	-	Taipei City	2023.05.31 <2017.06.15>	3 year	15,580,000	0.48%	15,580,000	0.48%	0	0%	0	0%	N/A	N/A	N/A			
	Male 86	ROC	2023.05.31 <2023.05.31>		67,819,456	2.09%	66,725,386	2.05%	62,340,446	1.92%	31,280,000	0.97%	President of the Company and Chairman of Xiamen Cheng Shin	Director	Chen, Yun-Hwa	Second degree of kinship		

Position Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Director Tseng, Shung-Chu	Male 69	ROC	2023.05.31 <2023.05.31>	3 year	21,993,000	0.68%	21,893,000	0.68%	0	0%	0	0%	13th Entrepreneurship Program Class, Graduate Institute of Business Administration (GIBA), National Chengchi University (NCCU)	Chairman of Merida Industry Co., Ltd.	None.	None.	None.	
	-	Changhua County	2023.05.31 <2017.06.15>		33,331,000	1.03%	33,331,000	1.03%	0	0%	0	0%	N/A	N/A	N/A	N/A		
Investment Corporation Representative: Lee, Chin-Chang	Male 66	ROC	2023.05.31 <2020.06.16>	3 year	24,874	0%	24,874	0%	5,725	0%	0	0%	Master of International Business Management Institute of Dayeh University	The Company President	None.	None.	None.	
	-	Changhua County	2023.05.31 <2023.05.31>		324,430,630	10.01%	324,430,630	10.01%	0	0%	0	0%	N/A	N/A	N/A	N/A		
Director Jye Luo Memory Co., Ltd. Representative: Lo, Yuan-Long	Male 40	ROC	2023.05.31 <2023.05.31>	3 year	61,064,766	1.88%	61,064,766	1.88%	203,000	0%	0	0%	PhD in Physics, University of Washington	Assistant Vice President of the Company	Director	Lo, Tsai-Jen	First degree of kinship	
	-	Taipei City	2023.05.31 <2017.06.15>		6,425,000	0.20%	6,425,000	0.20%	0	0%	0	0%	N/A	N/A	N/A	N/A		
Min Hsing Investment Co., Ltd. Representative: Chen, Han-Chi	Female 55	ROC	2023.05.31 <2017.06.15>	3 year	5,244,806	0.16%	5,450,986	0.16%	216,690	0%	0	0%	Master of Accounting Science, University of Urbana-Champaign	None.	Director	Chen, Hsiu-Hsiung	First degree of kinship	
	-	Taipei City	2023.05.31 <2017.06.15>		13,391,000	0.41%	13,391,000	0.41%	0	0%	0	0%	N/A	N/A	N/A	N/A		
Director Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao	Male 78	ROC	2023.05.31 <2020.06.16>	3 year	0	0%	0	0%	0	0%	0	0%	Department of Public Finance, Feng Chia University	Consultant of the Company	None.	None.	None.	
	-	ROC			0	0%	0	0%	0	0%	0	0%						

Position Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Independent Director Wu Chung-Shu	Male 68	ROC	2023.05.31 <2023.05.31>	3 year	0	0%	0	0%	0	0%	0	0%	Ph.D. in Economics, Northwestern University, U.S.A.	Independent Director of Pihong Technology Co., Ltd. Independent Director of Far Eastern New Century Corporation	None.	None.	None.	
Independent Director Chu, Po-Young	Male 71	ROC	2023.05.31 <2023.05.31>	3 year	0	0%	0	0%	0	0%	0	0%	Ph.D. In Business Administration, Purdue University, U.S.A.	1. Independent Director of E Ink Holdings Corp. 2. Independent Director of Polytronics Technology Corp. 3. Independent Director of Hsin Kuang Steel Co., Ltd. 4. Director of Union Winner International Co., Ltd. 5. Chairman of Zhong Tai Sunlight Technology Corp. 6. Chairman of Amites inc 7. Adjunct Professor of Department of Management Science and EMBA Program, National Chiao-Tung University	None.	None.	None.	

Position Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Position			Relation			
Independent Director Chen, Shuei-Jin	Male 58	ROC	2023.05.31 <2017.06.16>	3 year	0	0%	0	0%	0	0%	0	0%	Master of Business Administration, National Chung Cheng University	Independent Director and Remuneration Committee Member of Merida Industry Co. Ltd. Independent Director and Remuneration Committee Member of San Neng Group Holdings Co. Ltd. Independent Director and Remuneration Committee of Acelon Chemicals & Fiber Corporation. Supervisor of Linco Technology Co., Ltd. Director of TAIWAN PAIHO LIMITED.				

Note: Where the Chairman of the Board of Directors and President or a person of an equivalent post (the highest level manager) of a company are the same people, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example increasing the seats for independent directors, over half of the directors may not act as employees or officers, etc.). None.

Table 1: Substantial Shareholders of Corporate Shareholders

Institutional Shareholder Name	Substantial Shareholders of Corporate Shareholders
Hsieh Shuen Investment Co., Ltd.	Chen, Han-Hsin (0.52%); Chen, Po-Chia (1.05%); Chen, Han-Chi (0.52%)
Jiu Shun Investment Corporation	Chen, Li-Chen (0.33%); Chen, Chi-Ying (0.32%); Chen, Bing-Hao (0.72%)
Hong Jing Investment Co., Ltd.	Chiu, Li-Ching (47.38%); Lo, Yuan-Yu (44.95%)
Min Hsing Investment Co., Ltd.	Chen, Han-Chi (87.6%)
Jye Luo Memory Co., Ltd.	Lo, Tsai-Jen (57.66%); Chiu, Li-Ching (2.75%)

2. Information of Directors (2)

(1) Professional Qualifications of Directors and Disclosure on the Independence of Independent Directors:

Name	Criteria	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Representative of Jiu Shun Investment Corporation: Chen, Yun-Hwa	1. Experiences: Served as a Deputy Manager of the Sales Department, Manager of the Planning Department, Assistant Manager of the President's Office, and the General Manager of the Company. 2. Categories stated in Article 30 of the Company Act: None.	A natural person substantial shareholder of the Company, therefore the criteria of independence is not met.	0	
Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-Jen	1. Experiences: Deputy General Manager of Cheng Shin Rubber (Xiamen) Ind., Ltd., General Manager and Chairman of Cheng Shin Rubber (China) Co., Ltd.; Deputy Chairman and Chairman of Cheng Shin. 2. Categories stated in Article 30 of the Company Act: None.	A second-degree family member of Director Chen, Yun-Hwa and Director Chen, Hsiu-Hsiung; therefore the criteria of independence is not met.	0	
Hsieh Shuen Investment Co., Ltd. Representative: Chen, Shiu-Hsiung	1. Experiences: General Manager and Chairman of Cheng Shin Rubber (Xiamen) Ind., Ltd. Received Outstanding Constructor Award on the 30th Anniversary of the Xiamen Special Economic Zone. 2. Categories stated in Article 30 of the Company Act: None.	Serves as the CEO of the Company and a natural person substantial shareholder of the Company as well as a second-degree family member of Director Chen, Yun-Hwa and Director Lo, Tsai-Jen; therefore the criteria of independence is not met.	0	

Name \ Criteria	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tseng, Shung-Chu	<ol style="list-style-type: none"> Experience: 13th Entrepreneurship Program Class, Graduate Institute of Business Administration (GIBA), National Chengchi University (NCCU), President of Taiwan Bicycle Association Experience: Experience in corporate management and professional knowledge and skills required for the job duties of the Company. Categories stated in Article 30 of the Company Act: None. 	Was not an employee of the Company or its affiliate but a specific company that has engaged in financial transactions with the Company; therefore the criteria of independence is not met.	0
Hong Jing Investment Co., Ltd. Representative: Lee, Chin-Chang	<ol style="list-style-type: none"> Experiences: Served as Manager of the Manufacturing Department, Assistant Manager of the General Manager's Office, and Deputy General Manager and General Manager of the Company. Categories stated in Article 30 of the Company Act: None. 	Presently serves as the President of the Company for two years before the election, and a representative of an institutional director; therefore the criteria of independence is not met.	0
Jye Luo Memory Co., Ltd. Representative: Lo, Yuan-Long	<ol style="list-style-type: none"> Experience: Served as Assistant Manager of the President's Office, and Senior Engineer of the President's Office. Categories stated in Article 30 of the Company Act: None. 	Presently serves as an employee of the Company for two years before the election, acts as a corporate representative, and a first-degree family member of Director Lo, Tsai-Jen; therefore the criteria of independence is not met.	0
Min Hsing Investment Co., Ltd. Representative: Chen, Han-Chi	<ol style="list-style-type: none"> Professional Qualifications: <ol style="list-style-type: none"> Obtained a U.S. CPA certificate Obtained Internal Auditor certificate of the ROC Taiwan Obtained International Internal Auditor certificate. Experiences: Has served as a Deputy Manager of the Finance Department of the Company. Categories stated in Article 30 of the Company Act: None. 	Was not an employee of the Company or its affiliate from two years before being elected to this current day, but a first-degree family member of Director Chen, Hsiu-Hsiung; therefore the criteria of independence is not met.	0
Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao	<ol style="list-style-type: none"> Experiences: Served as Manager of the Financial Department, Assistant Manager, and Deputy General Manager of the Company. Categories stated in Article 30 of the Company Act: None. 	Was not an employee of the Company or its affiliate from two years before being elected to this current day, but a representative of an institutional director; therefore the criteria of independence are not met.	0

Name \ Criteria	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director and Audit Committee Member: Wu Chung-Shu	<ol style="list-style-type: none"> 1. Professional Qualifications: <ol style="list-style-type: none"> (1) An instructor in a department of commerce, finance, accounting, or other academic department related to business needs in a public or private junior college, college, university and above. 2. Experience: <ol style="list-style-type: none"> (1) Adjunct Professor of Department of Economics, National Taiwan University. (2) Chairman of Asia Pacific Industrial Analysis Association. (3) Chairman of Taiwan Academy of Banking and Finance. (4) President of Taiwan Economic Association. (5) President of Chung-Hua Institution for Economic Research. (6) Resident Supervisor of Taiwan Stock Exchange. (7) Independent Director of Taiwan Life. 3. None of the categories stated in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. No conditions stipulated in Items 1 through 9, Paragraph 1, Article 3 in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have occurred two years prior to the appointment and during the term of service. 2. Compensations received for providing commercial, legal, financial, accounting or related services to the Company, or any affiliate of the Company in the past 2 years: None. 	2
Independent Director and Audit Committee Member: Chu, Po-Young	<ol style="list-style-type: none"> 1. Professional Qualifications: <ol style="list-style-type: none"> (1) An instructor in a department of commerce, finance, accounting, or other academic department related to business needs in a public or private junior college, college, university and above. 2. Experience: <ol style="list-style-type: none"> (1) Professor of Department of Management Science, National Chiao-Tung University. (2) Executive Director of Spring Foundation of National Chiao-Tung University (NCTU). (3) Independent Director of Shin Foong Specialty And Applied Materials Co. Corp. 3. None of the categories stated in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 3. All three Independent Directors have met the criteria for independence. 	3

Name \ Criteria	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director and Audit Committee Member: Chen, Shuei-Jin	1. Professional Qualifications: <ol style="list-style-type: none"> (1) Obtained Certified Public Accountant certification. (2) An instructor in a department of commerce, finance, accounting, or other academic department related to business needs in a public or private junior college, college, or university. (3) Professional experience in commerce, finance and accounting, and currently employed by the Yuan Sheng Accounting Firm. 2. Experience: <ol style="list-style-type: none"> (1) CPA, Deloitte Taiwan (2) CPA, Deloitte & Touche. (3) Adjunct Lecturer, Department of Industrial Management, Nan Kai University of Technology. 3. None of the categories stated in Article 30 of the Company Act.		3

(2) Diversity and Independence of the Composition of the Board:

* Diversity of the Board of Directors:

The Corporate Governance Best Practice Principles of the Company require that the Board composition should follow the diversity policy, focus on divisiveness and gender equality, and the members of the Board shall be generally equipped with sufficient knowledge, skills, and competency to perform their duties. All Directors are required to engage in continuing studies courses each year and achieve the required number of hours of study. Currently, among the eleven directors serving on the Board, two of whom, or 18%, are concurrent employees of the Company, and one of them is female, which takes up 9%. Three Independent Directors account for 27%, with the longevity of Independent Directors being less than 7 years. Five directors are over 71 years old, three are between 61 and 70 years old, and three are under 60 years old. All directors are of ROC nationality. The Directors are separately equipped with expertise from manufacturing, commerce, finance, industry, law, and accounting fields.

The company's board of directors currently consists of 11 members, of which 9% (1/11) are female directors, which does not meet the 1/3 threshold recommended by the stock exchange.

Reason Analysis:

1. As the industry in which our company operates has always been dominated by men, there are limited female candidates who are qualified as directors.

2. Currently, most of the board members are re-elected directors, and the frequency of change is low, which affects the progress of gender diversity.
3. In the past, the selection of directors was mainly based on professional ability and experience, and no specific gender ratio requirements were set.

Future improvement measures:

1. Set a target of achieving at least 30% female board membership by 2030.
2. In the process of nominating directors, we give priority to female candidates and actively seek female professionals with industry experience to join us.
3. Regularly review the progress of board diversity and disclose it publicly in the annual report.

* Independence of the Composition of the Board:

The Company has set up three seats of Independent Directors, accounting for 27% of all Directors.

Five of the Directors have spousal and second degree of kinship relations with one another, accounting for 45% of all Directors, which does not violate the matters stipulated by Paragraph 3, Article 26-3 of the Securities and Exchange Act, and complies with the conditions of independence.

* Implementation of Diversity Policy by Individual Directors:

Diversified Core Competences	Basic Composition										Industrial knowledge and professional expertise						
	Gender	Professional background	Serve concurrently as employees of the Company	Age		Longevity of Independent Director			Operation judgment	Business Administration	Crisis management	Industrial Knowledge	Accounting and financial analysis	Global market viewpoint	Leadership skills	Capability to make decisions	
				60 years old and less	61 to 70	Above 71	Less than 3 years	3-9 years									More than 9 years
Directors Name																	
Chen, Yun-Hwa	Male	Business Management			V				V	V	V	V	V	V	V	V	
Lo, Tsai-Jen	Male	R&D			V				V	V	V	V	V	V	V	V	
Chen, Hsiu-Hsiung	Male	Chemical			V				V	V	V	V	V	V	V	V	
Tseng, Shung-Chu	Male	Business Management		V					V	V	V	V	V	V	V	V	
Lee, Chin-Chang	Male	Business Management	V	V					V	V	V	V	V	V	V	V	
Lo, Yuan-Long	Male	R&D	V	V					V	V	V	V	V	V	V	V	
Chen, Han-Chi	Female	Finance and Accounting		V					V	V	V	V	V	V	V	V	
Wu, Hsuan-Miao	Male	Finance and Accounting			V				V	V	V	V	V	V	V	V	
Wu Chung-Shu	Male	Technology Industry Finance		V			V		V	V	V	V	V	V	V	V	
Chu, Po-Young	Male	Business Industry Finance		V			V		V	V	V	V	V	V	V	V	
Chen, Shuei-Jin	Male	Finance and Accounting		V				V	V	V	V	V	V	V	V	V	

Position	Name	Gender	Nationality	Date Elected (Assumed Position)	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's		Main Experience (Education)	Current Posts in Other Companies	Managers who are spouses or within the second degree of kinship			Note	
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Number of Shares			Shareholding ratio	Position	Name		Relation
President	Lee, Chin-Chang	Male	ROC	2020.04.01	24,874	0%	5,725	0%	0	0%	Master of International Business Management Institute of Dayeh University	None.	None.	None.	None.		
President	Hsu, Chih-Ming	Male	ROC	2020.04.01	300,844	0%	24,925,474	0.76%	0	0%	National Tsing Hua University PhD in Electrical Engineering	None.	Assistant Manager	Chen, Han-Hsin	Spouse		
Deputy General Manager	Peng, Wen-Hsing	Male	ROC	2007.02.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Lunghwa Junior College	None.	None.	None.	None.		
Deputy General Manager	Liao, Cheng-Yao	Male	ROC	2013.08.01	400	0%	0	0%	0	0%	Department of English Studies, National Taichung Business College	None.	None.	None.	None.		
Deputy General Manager	Lee, Hung-Ko	Male	ROC	2016.07.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, National Chin Yi Junior College	None.	None.	None.	None.		
Deputy General Manager	Liu, Chao-Sheng	Male	ROC	2016.07.01	4,326	0%	0	0%	0	0%	Master's in Business Management, National Yunlin University of Science and Technology	None.	None.	None.	None.		
Deputy General Manager	Lai, Kuo-Ti	Male	ROC	2016.07.01	2,438	0%	0	0%	0	0%	Department of Accounting Statistics, Tamsui Institute of Business Administration	None.	None.	None.	None.		
Deputy General Manager	Lo, Yung-Li	Male	ROC	2018.09.01	0	0%	0	0%	0	0%	Department of Public Finance, Feng Chia University	None.	None.	None.	None.		
Deputy General Manager	Chen, Shu-Yu	Male	ROC	2020.12.01	0	0%	0	0%	0	0%	Master, Food & Chemical Engineering, Da Yeh University	None.	None.	None.	None.		
Deputy General Manager	Ho, Chin-Fang	Male	ROC	2021.08.01	0	0%	0	0%	0	0%	Department of Chemical Engineering Technology, National Taipei Institute of Technology	None.	None.	None.	None.		

Position	Name	Gender	Nationality	Date Elected (Assumed Position)	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Other Companies	Managers who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Deputy General Manager	Chang, Ghi-Jung	Male	ROC	2021.08.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Feng Chia University graduate	None.	None.	None.	None.	
Deputy General Manager	Liu, Ching-Chung	Male	ROC	2021.08.01	0	0%	396	0%	0	0%	Department of Industrial Engineering, Feng Chia University graduate	None.	None.	None.	None.	
Deputy General Manager	Lo, Chen-Jung	Male	ROC	2021.08.01	189	0%	0	0%	0	0%	Department of Electrical Engineering, Chienkuo Junior College	None.	None.	None.	None.	
Deputy General Manager	Chang, Chuan-Shun	Male	ROC	2025.06.01	0	0%	0	0%	0	0%	Department of Industrial Management, National Chin Yi Junior College	None.	None.	None.	None.	
Deputy General Manager	Tseng, Yao-Te	Male	ROC	2025.06.01	0	0%	0	0%	0	0%	Department of Business Education, National Changhua University of Education Diploma Degree	None.	None.	None.	None.	
Deputy General Manager	Chen, Han-Hsin	Female	ROC	2025.06.01	24,925,474	0.76%	300,844	0%	0	0%	Master's in Accounting, University of Illinois, USA	None.	President	Hsu, Chih-Ming	Spouse	
Deputy General Manager	Lai, Ming-Han	Male	ROC	2025.09.01	0	0%	54,936	0%	0	0%	Industrial Engineering Department of Lunghwa University of Science and Technology Graduation Engineering graduate	None.	None.	None.	None.	
Assistant Manager	Chiang, Kui-Yung	Male	ROC	2016.07.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, National United University	None.	None.	None.	None.	
Assistant Manager	Hu, Ming-Te	Male	ROC	2016.07.01	10,000	0%	4,320	0%	0	0%	Zhen De High School graduate in Electrical Engineering	None.	None.	None.	None.	

Position	Name	Gender	Nationality	Date Elected (Assumed Position)	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Other Companies	Managers who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Assistant Manager	Chen, Jin-Long	Male	ROC	2019.12.01	0	0%	0	0%	0	0%	Nanya Institute of Technology Bachelor in Spinning Engineering graduate	None.	None.	None.	None.	
Assistant Manager	Lo, Yuan-Long	Male	ROC	2020.04.01	61,064,766	1.88%	203,000	0.01%	0	0%	PhD in Physics, University of Washington	None.	None.	None.	None.	
Assistant Manager	Chen, Po-Chia	Male	ROC	2020.04.01	36,304,629	1.12%	403,380	0%	0	0%	Master in Electrical Engineering, Cheng Kung University	None.	None.	None.	None.	
Assistant Manager	Chiang, Chih-Wei	Male	ROC	2021.08.01	0	0%	0	0%	0	0%	Bachelor in Civil Engineering, Chun Yuan Christian University	None.	None.	None.	None.	
Assistant Manager	Chen, Chih Hsien	Male	ROC	2021.08.01	80	0%	0	0%	0	0%	Department of International Business, Shih Chien University graduate	None.	None.	None.	None.	
Assistant Manager	Chih, Ching-Yung	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	University of Science and Technology Bachelor in Mechanical Engineering	None.	None.	None.	None.	
Assistant Manager	Yao, I-Cheng	Male	ROC	2023.04.01	44	0%	11,000	0%	0	0%	Industrial Engineering Department of National Chin-Yi University of Technology graduate	None.	None.	None.	None.	
Assistant Manager	Chang, Chui-He	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, National United University	None.	None.	None.	None.	

Position	Name	Gender	Nationality	Date Elected (Assumed Position)	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Other Companies	Managers who are spouses or within the degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Assistant Manager	Huang, Chih-Chong	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	National Beitou Senior Home Economic & Commercial Vocational High School graduate from the Department of Business	None.	None.	None.	None.	
Assistant Manager	Yang, Ti-Wei	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	Industrial Engineering Department of National Kaohsiung University of Science and Technology	None.	None.	None.	None.	
Assistant Manager	Lai, Chung-Hsin	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	Chang Gung University graduate from the Department of Business Administration	None.	None.	None.	None.	
Assistant Manager	Chen, Ming-Ping	Male	ROC	2023.04.01	0	0%	911	0%	0	0%	National Taipei Junior College graduate of Chemical Engineering	None.	None.	None.	None.	
Assistant Manager	Ke, Hung-Te	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	Tungshai University Department of Economics graduate	None.	None.	None.	None.	
Assistant Manager	Chen, Li-Chen	Female	ROC	2025.06.01	20,782,960	0.64%	0	0%	0	0%	American International University Graduate from the Department of Marketing Management	None.	None.	None.	None.	
Assistant Manager	Chen, Bing-Hao	Male	ROC	2025.06.01	54,894,139	1.69%	0	0%	0	0%	National Yunlin University of Science and Technology graduate from the Department of Industrial Management	None.	None.	None.	None.	

Position	Name	Gender	Nationality	Date Elected (Assumed Position)	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Other Companies	Managers who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Assistant Manager	Xiao Yijun	Male	ROC	2025.06.01	0	0%	1,360	0%	0	0%	National Chin-Yi University of Technology Department of Industrial Engineering	None.	None.	None.	None.	
Assistant Manager	Chiang, Pei-Chung	Male	ROC	2025.09.01	0	0%	0	0%	0	0%	Chung Hua University Department of Mechanical Engineering graduate	None.	None.	None.	None.	
Assistant Manager	Representative: Lee, Hung-Wen	Male	ROC	2025.09.01	0	0%	0	0%	0	0%	University of Edinburgh graduate from the Department of Business Management	None.	None.	None.	None.	
Assistant Manager	Lin, Hsin-Chang	Male	ROC	2025.09.01	0	0%	0	0%	0	0%	Cheng Kung University graduate from the Department of Electro-Mechanical Engineering	None.	None.	None.	None.	
Assistant Manager	Lai, Po-Yi	Male	ROC	2025.09.01	0	0%	1,277	0%	0	0%	National Yunlin Junior College Department of Mechanical Engineering graduate	None.	None.	None.	None.	
Assistant Manager	Xie Zhengchang	Male	ROC	2025.09.01	0	0%	0	0%	0	0%	Kun Shan University Department of Mechanical Engineering graduate	None.	None.	None.	None.	
Assistant Manager	Lo, Ji-Lin	Male	ROC	2025.09.01	0	0%	0	0%	0	0%	National Yunlin Junior College Department of Mechanical Engineering graduate	None.	None.	None.	None.	
Assistant Manager	Wei-Hsiang Su	Male	ROC	2025.09.01	1,000	0%	0	0%	0	0%	Queen Mary College Graduate from the Department of Marketing Management	None.	None.	None.	None.	

Position	Name	Gender	Nationality	Date Elected (Assumed Position)	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Other Companies	Managers who are spouses or within the second degree of kinship			
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Finance Supervisor	Lo, Yung-Li	Male	ROC	2010.07.19	0	0%	0	0%	0	0%	Feng Chia University Department of Public Finance, Feng Chia University graduate	None.	None.	None.	None.	
Accounting Officer	Yu, Ching-Tang	Male	ROC	2020.11.12	0	0%	0	0%	0	0%	National Chengchi University Department of Accounting graduate	None.	None.	None.	None.	

Note: Where the Chairman of the Board of Directors and General Manager or a person of an equivalent post (the highest level manager) are the same people, spouses, or first-degree family member, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.: None.

II. Remuneration of Directors (including Independent Directors), General Managers, and Deputy General Managers in the most recent year

(I) Remunerations of General Directors and Independent Directors December 31, 2025; Unit: NTD thousand

Position	Name	Remuneration of Directors				Relevant Remuneration Received by Directors Who are Also Employees				Total Compensation (A+B+C+D+E+F+G) to Net Income After Tax Ratio (%)	Compensation from any Invested Company Other Than the Company's Subsidiary or Parent Company			
		Base Compensation (A)		Pension (B)		Directors (C)		Business Expense Allowances (D)				Total Remuneration (A+B+C+D) to Net Income After Tax Ratio (%)		Profit Sharing- Employee Bonus (G)
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements			The Company	Companies in the financial statements	
Chairman	Representative of Jiu Shun Investment Corporation: Chen, Yun-Hwa													
Vice Chairman	Jye Luo Memory Co., Ltd.: Lo, Tsai-Jen													
President	Hsieh Shuen Investment Co., Ltd. Representative: Chen, Shui-Hsiung													
Director	Tseng, Shung-Chu	0	0	0	89,413	240	240	89,653 (1.85%)	11,176	0	178	0	101,007 (2.09%)	None.
Director	Hong ling Investment Co., Ltd. Representative: Lee, Chin-Chang													
Director	Jye Luo Memory Co., Ltd.: Lo, Yuan-Long													
Director	Min Hsing Investment Co., Ltd. Representative: Chen, Han-Chi													
Director	Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao													
Independent Director	Wu Chung-Shu	2,880	2,880	0	0	642	642	3,522 (0.07%)	0	0	0	0	3,522 (0.07%)	None.
Independent Director	Chu, Po-Yung													
Independent Director	Chen, Shuei-Jin													

1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time.

* The Company's independent director remuneration is authorized for the Board to decide and will be decided according to their participation procedure and contribution to the Company's operation and the common standard in the industry. The independent directors receive a fixed amount of remuneration and the traveling expenses of attending meetings. They do not receive other forms of remuneration and may not participate in the distribution of the Company's director remuneration.

* In 2025, five Board meetings and four Audit Committee meetings were held. All Independent Directors participated actively, with attendance rates of 100% for both types of meetings.

2. Except as otherwise disclosed herein, remunerations received by the Directors of the Company for providing services (in a non-employee capacity, such as an advisor to the parent company/all companies in the financial statements/reinvestment) to any of the companies in the consolidated financial statements within the current fiscal year are as follows:

* The remunerations received by the Company's Directors for serving as advisors in a non-employee capacity totaled NT\$2.18 million.

Table of Range of Remuneration

Range of Remuneration paid to Directors of the Company	Directors Name			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the financial statements H	The Company	All companies in the consolidated financial statements I
Less than NT\$ 1,000,000	-	-	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000	Wu Chung-Shu, Chu, Po-Young, Chen, Shuei-Jin	Wu Chung-Shu, Chu, Po-Young, Chen, Shuei-Jin	Wu Chung-Shu, Chu, Po-Young, Chen, Shuei-Jin	Wu Chung-Shu, Chu, Po-Young, Chen, Shuei-Jin
NT\$2,000,000 (inclusive) ~ NT\$3,500,000	-	-	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000	Tseng, Shung-Chu, Hong Jing Investment Co., Ltd., Min Hsing Investment Co., Ltd.	Tseng, Shung-Chu, Hong Jing Investment Co., Ltd., Min Hsing Investment Co., Ltd.	Tseng, Shung-Chu, Hong Jing Investment Co., Ltd., Min Hsing Investment Co., Ltd.	Tseng, Shung-Chu, Hong Jing Investment Co., Ltd., Min Hsing Investment Co., Ltd.
NT\$10,000,000 (inclusive) ~ NT\$15,000,000	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000	Jiu Shun Investment Corporation, Hsieh Shuen Investment Co., Ltd., Jye Luo Memory Co., Ltd.	Jiu Shun Investment Corporation, Hsieh Shuen Investment Co., Ltd., Jye Luo Memory Co., Ltd.	Jiu Shun Investment Corporation, Hsieh Shuen Investment Co., Ltd., Jye Luo Memory Co., Ltd.	Jiu Shun Investment Corporation, Hsieh Shuen Investment Co., Ltd., Jye Luo Memory Co., Ltd.
NT\$30,000,000 (inclusive) ~ NT\$50,000,000	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000	-	-	-	-
NT\$100,000,000 or more	-	-	-	-
Total	9 persons	9 persons	9 persons	9 persons

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purposes.

(II) Remunerations of General Managers and Deputy General Managers

December 31, 2025; Unit: NTD thousand

Position	Name	Salary(A)		Pension (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Total amount of A, B, C and D and ratio to after-tax net income (%)		Compensation from any Invested Company Other Than the Company's Subsidiary or Parent Company
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash Amount	Stock Amount	The Company	Companies in the financial statements	
President	Hsu, Chih-Ming													
President	Lee, Chin-Chang													
Deputy General Manager	Peng, Wen-Hsing													
Deputy General Manager (Note)	Lin, Yu-Yu													
Deputy General Manager	Liao, Cheng-Yao													
Deputy General Manager	Lee, Hung-Ko													
Deputy General Manager	Liu, Chao-Sheng													
Deputy General Manager	Lai, Kuo-Ti													
Deputy General Manager	Lo, Yung-Li													
Deputy General Manager	Chen, Shu-Yu	29,313	29,313	5,254	5,254	49,649	49,649	1,511	0	85,727 (1.77%)	85,727 (1.77%)	85,727 (1.77%)	None.	
Deputy General Manager	Ho, Chin-Fang													
Deputy General Manager	Chang, Ghi-Jung													
Deputy General Manager	Liu, Ching-Chung													
Deputy General Manager	Lo, Chen-Jung													
Deputy General Manager (Note)	Chang, Chuan-Shun													
Deputy General Manager (Note)	Chen, Han-Hsin													
Deputy General Manager (Note)	Tseng, Yao-Te													
Deputy General Manager (Note)	Lai Ming-Han													

Note: Deputy General Manager, Lin, Yu-Yu retired on 2025.03.31; Chang, Chuan-Shun, Chen, Han-Hsin, and Tseng, Yao-Te were promoted to Deputy General Manager on 2025.06.01; Lai Ming-Han was promoted to Deputy General Manager on 2025.09.01.

Table of Range of Remuneration

Range of remunerations paid to General Managers and Deputy General Managers of the Company	Name of General Manager and Deputy General Manager	Companies in the consolidated financial statements E
	The Company	
Less than NT\$ 000,000		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000	Hsu, Chih-Ming, Peng, Wen-Hsing, Lin, Yu-Yu, Liao, Cheng-Yao, Chen, Shu-Yu, Lee, Hung-Ko, Liu, Chao-Sheng, Lai, Kuo-Ti, Lo, Yung-Li, Chang, Ghi-Jung, Liu, Ching-Chung, Ho, Chin-Fang, Lo, Chen-Jung, Chang, Chuan-Shun, Chen, Han-Hsin, Tseng, Yao-Te, Lai Ming-Han	Hsu, Chih-Ming, Peng, Wen-Hsing, Lin, Yu-Yu, Liao, Cheng-Yao, Chen, Shu-Yu, Lee, Hung-Ko, Liu, Chao-Sheng, Lai, Kuo-Ti, Lo, Yung-Li, Chang, Ghi-Jung, Liu, Ching-Chung, Ho, Chin-Fang, Lo, Chen-Jung, Chang, Chuan-Shun, Chen, Han-Hsin, Tseng, Yao-Te, Lai Ming-Han
NT\$5,000,000 (inclusive) ~ NT\$10,000,000	Lee, Chin-Chang	Lee, Chin-Chang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000		
NT\$15,000,000 (inclusive) ~ NT\$30,000,000		
NT\$30,000,000 (inclusive) ~ NT\$50,000,000		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000		
NT\$100,000,000 or more		
Total	18 people	18 people

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purposes.

(III) Name of Managers for the Distribution of Employees' Remuneration and Distribution Status

December 31, 2025; Unit: NTD thousand

Position	Name	Stock Amount	Cash Amount	Total	The proportion of the total amount to after-tax net income (%)
President	Hsu, Chih-Ming	0	3,822	3,822	0.08%
President	Lee, Chin-Chang				
Deputy General Manager (Note)	Lin, Yu-Yu				
Deputy General Manager	Lee, Hung-Ko				
Deputy General Manager	Liao, Cheng-Yao				
Deputy General Manager	Liu, Ching-Chung				
Deputy General Manager	Peng, Wen-Hsing				
Deputy General Manager	Lai, Kuo-Ti				
Deputy General Manager	Liu, Chao-Sheng				
Deputy General Manager	Ho, Chin-Fang				
Deputy General Manager	Lo, Chen-Jung				
Deputy General Manager	Chen, Shu-Yu				
Deputy General Manager	Lo, Yung-Li				
Deputy General Manager	Chang, Ghi-Jung				
Deputy General Manager	Chang, Chuan-Shun				
Deputy General Manager	Chen, Han-Hsin				
Deputy General Manager	Tseng, Yao-Te				
Deputy General Manager	Lai Ming-Han				
Assistant Manager	Hu, Ming-Te				
Assistant Manager (Note)	Lin, Chin-Chuan				
Assistant Manager	Chen, Jin-Long				
Assistant Manager (Note)	Yang, Jin-Cheng				
Assistant Manager	Lo, Yuan-Long				
Assistant Manager	Chen, Po-Chia				
Assistant Manager	Chiang, Kui-Yung				
Assistant Manager	Chen, Chih Hsien				
Assistant Manager	Chiang, Chih-Wei				
Assistant Manager	Chih, Ching-Yung				
Assistant Manager	Yao, I-Cheng				
Assistant Manager	Ke, Hung-Te				
Assistant Manager	Chang, Chui-He				
Assistant Manager	Chen, Ming-Ping				
Assistant Manager	Tseng, Yao-Te				
Assistant Manager	Huang, Chih-Chong				
Assistant Manager	Yang, Ti-Wei				
Assistant Manager	Chen, Li-Chen				
Assistant Manager	Chen, Bing-Hao				
Assistant Manager	Xiao Yijun				
Assistant Manager	Chiang, Pei-Chung				
Assistant Manager	Representative: Lee, Hung-Wen				
Assistant Manager	Lin, Hsin-Chang				
Assistant Manager	Lai, Po-Yi				
Assistant Manager	Xie Zhengchang				
Assistant Manager	Lo, Ji-Lin				
Assistant Manager	Wei-Hsiang Su				
Finance Supervisor	Lo, Yung-Li				
Accounting Officer	Yu, Ching-Tang				

Note: Deputy General Manager, Lin, Yu-Yu retired on 2025.03.31, Assistant Manager Lin, Chin-Chuan retired on 2025.07.30, Assistant Manager Yang, Jin-Cheng retired on 2025.11.28; Chang, Chuan-Shun, Chen, Han-Hsin, and Tseng, Yao-Te were promoted to Deputy General Manager on 2025.06.01; Lai Ming-Han was promoted to Deputy General Manager on 2025.09.01; Chen, Li-Chen, Chen, Bing-Hao, and Hsiao, Yi-Chun were promoted to Assistant Manager on 2025.06.01; Chiang, Pei-Chung, Lee, Tsung-Wei, Lin, Hsin-Chang, Lai, Bo-Yi, Hsieh, Cheng-Chang, Lo, Chi-Lin, and Su, Wei-Hsiang were promoted to Assistant Manager on 2025.09.01.

(IV) Remuneration paid by the Company and by all companies included in the consolidated financial statements to Directors, General Managers and Deputy General Managers in the Most Recent Two Fiscal Years to after-tax net profit ratio; and Remuneration Policy, Standards, Portfolios for The Payment of The Remuneration, and Procedure for Determining Remuneration, and their Connection with Business Performance and Future Risks.

1. Total remuneration of Directors, General Managers and Deputy General Managers of the Company to after-tax net income ratio:

Unit: NTD thousand; %

Year/Items	Net income after tax	Total remuneration of Directors, General Managers and Deputy General Managers to net profit after tax ratio
The Company in 2025	4,854,332	3.69%
2025 Consolidated Financial Statements	4,835,490	3.70%
The Company in 2024	8,017,116	2.72%
2024 Consolidated Financial Statements	8,028,188	2.71%

2. The policies, standards and portfolios for the payment of remuneration, the procedures for determining remuneration, and their connection with business performance and future risks:

To the extent that the Company has profit in the year, the Company shall set aside at least 2% of such profit as employee compensation (with no less than 30% of the amount of employee dividends allocated for junior employees) and no more than 3% of such profit as director compensation, provided that the Company shall first offset the cumulative losses, if any. The Independent Directors may not participate in the distribution of the Company's director remuneration and are only paid a fixed compensation and honorarium for attending meetings. The policy of directors' remuneration is based on the Company's "Regulations Governing the Performance Evaluation of the Board of Directors and its Functional Committees", and also includes suggestions that either point out the Company's problems or offer constructive criticism, assisting the Company in problem-solving through substantial actions, drafting and receiving support for proposals at the Board meetings, and material benefits generated from such proposals, participation level in the Company's operations, and attendance at the Board meetings, and reasonable compensations are given upon review from the Remuneration Committee and upon resolution from the Board of Directors.

The compensation policy for managers is determined by the Remuneration Committee of the Company in accordance with the market average of each position's academic background and experiences, the duties and responsibilities of such position, as well as personal contribution to the Company's operation target. The compensation determination process takes into account not only the overall operating performance of the Company but also individual performance achievement rates and contributions to the Company's performance. This includes factors such as the achievement status of the Group's management performance, internationalization and Group-centered performance, talent development, the fulfillment of strategies and objectives, and whether the individual holds concurrent positions. Reasonable compensation is granted upon approval by the Remuneration Committee and the Board of Directors.

III. Corporate Governance of the Company

(I) Implementation of Board Meetings

1. The Board of Directors held 5 meetings (A) in 2025 (as of December 31, 2025).
The attendance of directors (including independent directors) is as follows:

Position	Name (Note 1)	Actual Attendance (B)	Attendance by Proxy	Ratio of Actual Attendance (%) 【B/A】 (Note 2)	Note
Chairman	Representative of Jiu Shun Investment Corporation: Chen, Yun-Hwa	5	0	100%	-
Vice Chairman	Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-Jen	5	0	100%	-
Director	Hsieh Shuen Investment Co., Ltd. Representative: Chen, Shiu-Hsiung	5	0	100%	-
Director	Tseng, Shung-Chu	5	0	100%	-
Director	Jye Luo Memory Co., Ltd. Representative: Lo, Yuan-Long	5	0	100%	-
Director	Min Hsing Investment Co., Ltd. Representative: Chen, Han-Chi	4	1	80%	-
Director	Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao	5	0	100%	-
Director	Hong Jing Investment Co., Ltd. Representative: Lee, Chin-Chang	5	0	100%	-
Independent Director	Wu Chung-Shu	5	0	100%	-
Independent Director	Chu, Po-Young	5	0	100%	-
Independent Director	Chen, Shuei-Jin	5	0	100%	-

Other Required Disclosures:

- I. The date, session number of the Board meeting, proposal contents, opinions of all Independent Directors, and the Company's reactions towards Independent Director's opinions shall be recorded in case the following Board operation occurs:
- (1) Items specified in Article 14-3 of the Securities and Exchange Act: As stated in the table below
 - (2) Other than the matters mentioned above, the resolutions with records or written statements on which independent directors have dissenting opinions or qualified opinions: As stated in the table below.

Date	Proposal Contents	Independent Director's Opinion	Company's Reaction towards Independent Director's Opinions
January 21, 2025 (10th meeting of 12th term)	<ol style="list-style-type: none"> (1) Proposal for the Company's plan of distributing managers' year-end bonus and remuneration. (2) Proposal for the Company's 2024 performance evaluation of the Board and the functional committee. (3) The proposal for a fully dematerialized stock of Maxxis Rubber India Private Limited. (4) Proposal to decide the date and location of the 2025 Annual Shareholders' Meeting of The Company as well as the reasons to convene the meeting. (5) Proposal to accept shareholders' proposal right related matters for the 2025 Annual Shareholders Meeting, submitted for discussion. (6) Proposal for the Company's loan line. 	None	N/A

Date	Proposal Contents	Independent Director's Opinion	Company's Reaction towards Independent Director's Opinions
2025.03.12 (11th meeting of 12th term)	<ul style="list-style-type: none"> (1) Proposal for the distribution of directors' and employees' 2024 remuneration of the Company (2) Proposal to discuss the Company's 2024 Business Report, consolidated financial statements, and individual financial statements. (3) Proposal for the distribution of the Company's 2024 earnings. (4) Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2024. (5) Proposal for independent evaluation of the Company's CPAs. (6) Proposal for the appointment and compensation of the Company's CPAs. (7) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries. (8) Proposal for the amendment to the Company's "Articles of Incorporation". (9) Proposal for the amendment to the Company's "Ethical Corporate Management Best Practice Principles". (10) Amendment to the Company's "Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines". (11) The Company's personnel appointments and dismissals. (12) Proposal for the Company's endorsements/guarantees. (13) Proposal for loaning of funds of the Company. (14) Proposal for the Company's loan line. 	None	N/A
2025.05.13 (12th meeting of 12th term)	<ul style="list-style-type: none"> (1) Proposal to ratify the Company's Q1 2025 Consolidated Financial Statements. (2) Proposal to fix the ex-dividend base date. (3) Proposal for 2024 directors' remuneration distribution. (4) Proposal for personnel changes in the appointment of managers for The Company in 2025. (5) Proposal for the Company's loan line. 	None	N/A
August 12, 2025 (13th meeting of 12th term)	<ul style="list-style-type: none"> (1) Proposal to ratify the Company's Q2 2025 Consolidated Financial Statements. (2) Proposal for completion of The Company's 2024 Sustainability Reports. (3) Retroactive approval of personnel appointments and dismissals by the Company. (4) Proposal to appoint a manager for pension payments. (5) Proposal for personnel changes in the appointment of managers for The Company. (6) Proposal to establish the scope of the Company's grassroots employees. (7) Proposal to amend the Company's "Procedures for the Preparation and Validation of Sustainability Reports". (8) Proposal for the Company's endorsements/guarantees. (9) Proposal for the Company's loan line. 	None	N/A

Date	Proposal Contents	Independent Director's Opinion	Company's Reaction towards Independent Director's Opinions
2025.11.12 (14th meeting of 12th term)	(1) Proposal to ratify the Company's Q3 2025 Consolidated Financial Statements. (2) Proposal to establish the Company's 2026 Audit Plan. (3) The Company's personnel appointments and dismissals. (4) Proposal for the amendment to the Company's "Corporate Governance Best Practice Principles". (5) Amendment to the Company's "Sustainable Development Best Practice Principles". (6) Proposal for the Company's endorsements/guarantees. (7) Proposal for the Company's loan line. (8) The Company has established a Sustainable Development Committee and set forth the "Organizational Regulations of the Sustainable Development Committee". (9) Proposal for the appointment of a Sustainable Development Committee Member for The Company.	None	N/A

II. In regards to the recusal of directors due to conflict of interests, the name of the directors, proposal contents, the reasons for recusal due to conflict of interests and voting result:

1. 2025.05.13 Proposal for personnel changes in the appointment of managers for The Company in 2025: Chairman Chen, Yun-Hwa, Director Chen, Hsiu-Hsiung, and Director Chen, Han-Chi were involved in a conflict of interest and were required to recuse themselves. The chairperson designated Director Tseng, Shung-Chu as the acting chairperson for this proposal. Upon inquiry by the acting chairperson, all the remaining attending directors unanimously approved the proposal.
2. 2025.11.12 Proposal for the appointment of a Sustainable Development Committee Member for The Company: Directors Lo, Tsai-Jen, Lee, Chin-Chang, and Lo, Yuan-Long were involved in a conflict of interest and were required to recuse themselves. Upon inquiry by the chairperson, all the remaining attending directors unanimously approved the proposal.

III. Information disclosure of the Company regarding the frequency and period, scope, method, and content of the Board's self-evaluation. The execution of the Board's evaluation: Please refer to the Execution of the Board's Evaluation on page 34.

IV. Evaluation of the measures taken to strengthen the functionality of the Board in the current and the latest year (e.g. establishing the Audit Committee, enhancing information transparency), and implementation status:

- (1) The Company has independent directors on the Board and an audit committee in place, and holds Board meetings and Audit Committee meetings on a regular basis. We also invite accountants/auditors to sit in on the Board meetings to help the directors have a better understanding of the global market, industry trends, and financial, accounting, and tax regulations, thereby benefiting the management and operations of the Company.
- (2) The Company has amended the Company's Rules for the Election of Directors, Rules, and Procedures for Board Meetings, and adopted corporate governance rules, which are made available on the corporate website and on the Market Observation Post System (MOPS).
- (3) All of the Company's directors including the independent directors must meet the training hours requirement of the annual continuing education.

- (4) The Company discloses information in respect of directors' continuing education, Board meeting attendance, and remuneration of directors on MOPS.
- (5) The Company posts important matters resolved by the Board of Directors, Board attendance, director profiles (including independent directors), and descriptions of the diversification independence of the composition of the Board on the corporate website.

Note1: The names of a corporate shareholder and its representative shall be disclosed if the director or supervisor is a juristic person.

Note2:

- (1) If a director or supervisor resigns before the end of the accounting year, the resignation date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of the number of board meetings held during his or her tenure and the number of such meetings attended.
- (2) If a director or supervisor is re-elected before the end of the accounting year, the names of the current and previous director or supervisor shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of the number of board meetings held during his or her tenure and the number of such meetings attended.

2. The Execution of the Board's Evaluation

The performance evaluation result of the Board and functional committee in 2025 is as follows:

* The performance evaluation result of the Company's Board and its functional committees in 2025 was reviewed and evaluated by the Remuneration Committee on February 9, 2026 and submitted to the Board on February 10, 2026 for resolution.

Evaluation Frequency	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content	Evaluation Result
Once a year	Evaluates the performance of the Board from January 1, 2025 to December 31, 2025	Board of Directors' performance evaluation	Chairman overall evaluation	<ol style="list-style-type: none"> 1. Degree of involvement in company operations 2. Improvement in the quality of the Board's decision making 3. Composition and structure of the Board 4. Election and continuing education of the directors 5. Internal Controls 	<p>The weighted average score was 83.11 points.</p> <p>Recommendations and improvements: Board members to form a committee and learn from each other.</p> <p>General comment: Good.</p>
Once a year	Self-evaluation from members of the Board regarding the Board's performance from January 1, 2025 to December 31, 2025	Evaluation on the performance of Board members	self-evaluation	<ol style="list-style-type: none"> 1. Execution of the Company's goals and tasks 2. Understanding of the director's roles and responsibilities 3. Procedures for participating in the Company's operation 4. Management and communication of the internal relations 5. Expertise and continuing education of the directors 6. Internal Controls 	<p>The weighted average score was 93.91 points.</p> <p>Recommendations and improvements: Strengthen audit functions and understand industry characteristics.</p> <p>General comment: The board of directors has professional knowledge and fulfills its duties diligently.</p>

Evaluation Frequency	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content	Evaluation Result
Once a year	Evaluate the performance of the Remuneration Committee from January 1, 2025 to December 31, 2025	Evaluation on the performance of the Remuneration Committee	Remuneration committee member self-evaluation	<ol style="list-style-type: none"> 1. Procedures for participating in the Company's operation 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the quality of the Remuneration Committee's decision-making 4. Composition and member election of the Remuneration Committee 	<p>The weighted average score was 98.60 points.</p> <p>Recommendations and improvements: Recommend a more structured bonus system.</p> <p>General comment: The operation of the Remuneration Committee is good, with appropriate evaluation of both the contributions and remuneration of managers.</p>
Once a year	Evaluate the performance of the Audit Committee from January 1, 2025 to December 31, 2025	Evaluation on the performance of the Audit Committee	Audit Committee member self-evaluation	<ol style="list-style-type: none"> 1. Degree of involvement in company operations 2. Understanding of the Audit Committee's roles and responsibilities 3. Improvement in the quality of the Audit Committee's decision-making 4. Composition and member election of the Audit Committee 5. Internal Controls 	<p>The weighted average score was 99.09 points.</p> <p>General comment: The Audit Committee member fulfills their duties diligently and demonstrates significant effectiveness.</p>

Note: Executed in line with the Company's "Regulations for Performance Evaluation of the Board and Functional Committees."

(II) Implementation of Audit Committee Operations

1. The Company appoints three independent audit committee members to assist the Board to supervise the Company's performance quality and credibility in accounting, audit, financial reporting process, and financial control. Please refer to Professional Qualifications of Directors and Disclosure on the Independence of Independent Directors for the professional qualifications and experiences of the Audit Committee members (Pages 11~16 of the Annual Report).
2. The major tasks of the Audit Committee in 2025 included:
Financial reports, audit and accounting policy and procedures, policy and procedures related to the internal control system, significant asset or derivatives transactions, significant endorsements and guarantees and loaning of funds, subsidiaries capital increase projects, qualifications and independence evaluation of the independent auditor, the delegation of the independent auditor, Performance Self-Evaluation of the Audit Committee, and legal and regulatory compliance.
3. The Audit Committee held 4 meetings (A) in 2025, the attendance status of independent directors was as follows:

Position	Name	Actual Attendance (B)	Attendance by Proxy	Actual attendance rate (%) (B/A) (Note)	Note
Independent Director	Chu, Po-Young	4	0	100%	-
Independent Director	Wu Chung-Shu	4	0	100%	-
Independent Director	Chen, Shuei-Jin	4	0	100%	-

Other Required Disclosures:

I. If Audit Committee has any of the following circumstances, the date and session number of the Audit Committee meeting, proposal contents, contents of the independent director's dissenting opinion, reserved opinion, or major suggestion, the resolution made by the Audit Committee, and how the Company handled the Audit Committee's opinions shall be specified.

(I) Items specified in Article 14-5 of the Securities and Exchange Act.
Implementation Status in 2025

Date of the Audit Committee meeting	Proposal Contents	The independent director's dissenting opinion, reserved opinion, or major suggestions	Resolution made by Audit Committee	The Company's reactions towards Audit Committee's opinions
2025.03.12 (7th Meeting of 3rd Term)	<ol style="list-style-type: none"> (1) Proposal to discuss the Company's 2024 Business Report, consolidated financial statements, and individual financial statements. (2) Proposal for the distribution of the Company's 2024 earnings. (3) Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2024. 	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 11th meeting of the 12th term of the Board of Directors on March 12, 2025.

	<ul style="list-style-type: none"> (4) Proposal for independent evaluation of the Company's CPAs. (5) Proposal for the appointment and compensation of the Company's CPAs. (6) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries. (7) Proposal for the amendment to the Company's "Articles of Incorporation". (8) Proposal for the amendment to the Company's "Ethical Corporate Management Best Practice Principles". (9) Amendment to the Company's "Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines". (10) Proposal for the Company's endorsements/guarantees. (11) Proposal for loaning of funds of the Company. 			
2025.05.13 (8th Meeting of 3rd Term)	(1) Proposal to ratify the Company's Q1 2025 Consolidated Financial Statements.	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 12th meeting of the 12th term of the Board of Directors on May 13, 2025.
August 12, 2025 (9th Meeting of 3rd Term)	<ul style="list-style-type: none"> (1) Proposal to ratify the Company's Q2 2025 Consolidated Financial Statements. (2) Proposal to amend the Company's "Procedures for the Preparation and Validation of Sustainability Reports". (3) Proposal for the Company's endorsements/guarantees. 	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 13th meeting of the 12th term of the Board of Directors on August 12, 2025.
2025.11.12 (10th Meeting of 3rd Term)	<ul style="list-style-type: none"> (1) Proposal to ratify the Company's Q3 2025 Consolidated Financial Statements. (2) Proposal to establish the Company's 2026 Audit Plan. (3) Proposal for the amendment to the Company's "Corporate Governance Best Practice Principles". (4) Amendment to the Company's "Sustainable Development Best Practice Principles". (5) Proposal for the Company's endorsements/guarantees. 	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 14th meeting of the 12th term of the Board of Directors on November 12, 2025.
<p>(II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.</p> <p>II. In regards to the recusal of independent directors due to conflict of interests, the name of the independent directors, proposal contents, the reasons for recusal due to conflict of interests and voting result: None.</p>				

III. Communication between Independent Directors, Internal Chief Audit Officer, and CPAs (which should include the important matters, methods, and results regarding the Company's finance and operations):

1. Summary of communication between independent directors and Internal Chief Audit Officer in 2025

Meeting Date	Attendees	Discussion Points	Results
2025.03.12 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu Chung-Shu (Video) Independent Director - Chen, Shuei-Jin Internal Chief Audit Officer - Liu, Chao- Sheng CPA - Wang, Yu-Chuan CPA - Lai, Chih-Wei	Presentation 1. Reporting on internal audit activities. (1) Implementation of routine audits (2) Required reports according to the laws (3) Report on the results of audit deficiency tracking (4) Contingent matters report 2. Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2024.	Report acknowledged. No further opinions were given.
2025.05.13 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu Chung-Shu (Video) Independent Director - Chen, Shuei-Jin Internal Chief Audit Officer - Liu, Chao- Sheng CPA - Chou, Chien-Hung (Video)	Presentation Reporting on internal audit activities. (1) Implementation of routine audits (2) Required reports according to the laws (3) Report on the results of audit deficiency tracking (4) Contingent matters report	Report acknowledged. No further opinions were given.
August 12, 2025 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu Chung-Shu (Video) Independent Director - Chen, Shuei-Jin Internal Chief Audit Officer - Liu, Chao- Sheng CPA - Wang, Yu-Chuan	Presentation Reporting on internal audit activities. (1) Implementation of routine audits (2) Required reports according to the laws (3) Annual report on the results of audit deficiency tracking (4) Contingent matters report	Report acknowledged. No further opinions were given.
2025.11.12 Audit Committee	Independent Director - Chu, Po-Young (Video) Independent Director - Wu Chung-Shu (Video) Independent Director - Chen, Shuei-Jin Internal Chief Audit Officer - Liu, Chao- Sheng CPA - Wang, Yu-Chuan (Video)	Presentation 1. Reporting on internal audit activities. (1) Implementation of routine audits (2) Annual report on the results of audit deficiency tracking (3) Contingent matters report 2. Report of the audit plan 2026.	Noted, the issue of unfinished project losses at Cheng Shin in Zhangzhou will be reported in the next special project briefing.

2. Summary of separate communication between independent directors and the CPAs in 2025

Meeting Date	Attendees	Communication and interaction methods and key points	Results
2025.03.12 Communication meeting between governance unit and CPAs	Independent Director - Chu, Po-Young Independent Director - Wu Chung-Shu (Video) Independent Director - Chen, Shuei-Jin CPA - Wang, Yu-Chuan CPA - Lai, Chih-Wei	1. Communication with the governance unit as well as the basis and opinion of the financial report audit 2. Scope of Audit and Materiality 3. Key Audit Matters 4. Material findings during the review 5. CPA independence 6. Regulatory update	Report acknowledged. No further opinions were given.
2025.11.12 Communication meeting between governance unit and CPAs	Independent Director - Chu, Po-Young (Video) Independent Director - Wu Chung-Shu (Video) Independent Director - Chen, Shuei-Jin CPA - Wang, Yu-Chuan (Video)	1. Communication Plan 2. Role and Responsibility of CPA in charge. 3. Audit Plan 4. CPA independence 5. The quality management system of the accounting firm 6. Audit Quality Indicator Information AQI	Report acknowledged. No further opinions were given.

Note:

- (1) If an independent director resigns before the end of the accounting year, the resignation date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of the number of Audit Committee meetings held during his or her tenure and the number of such meetings attended.
- (2) If any Independent Director is re-elected before the end of the accounting year, the names of current and previous Independent Directors shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of the number of Audit Committee meetings held during his or her tenure and the number of such meetings attended.

(III) Corporate Governance Implementation Status, Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations



Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles according to Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established Corporate Governance Best Practice Principles, which are disclosed on the Market Observation Post System and our corporate website, in accordance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
II. Shareholding structure & shareholders' interests			
(I) Does the Company establish an internal operating procedure to handle shareholders' suggestions, inquiries, disputes, and litigations and implement these procedures?	V		(I) For ensuring shareholder's interests, the Company has appointed a dedicated shareholder affairs unit to handle the suggestions, inquiries, and disputes of shareholders.
(II) Does the Company possess the list of its major shareholders as well as the ultimate beneficial owners of those shares?	V		(II) The Company provides a shareholder list via a shareholder service agency and monitors the declaration system of shareholding changes of insiders.
(III) Does the Company establish and execute the risk management and firewall mechanism between affiliated companies?	V		(III) The personnel, assets, and financial management responsibilities of the Company and its affiliated companies are clearly separated. In addition to the subsidiary oversight procedures established and adopted by the Company, the internal auditors regularly monitor the implementation of such procedures.
(IV) Does the Company establish internal rules against insiders trading on undisclosed information?	V		(IV) The Company has established internal rules, Management Procedures for Preventing Insider Trading, and disclosed the rules on its corporate website.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the board of directors have a diversity policy, specific management objectives and implementation for the composition of the board?</p>	V		
<p>(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>	V		None.
<p>(III) Does the Company establish a standard to measure the performance of the Board and perform the evaluation annually? And report the evaluation results to the Board of Directors, and use them as a reference for individual compensation and nomination for reappointment?</p>	V		

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviations
	Yes	No	
(IV) Does the Company regularly evaluate the independence of CPAs?	V	(IV) The Company's Audit Committee and Board of Directors regularly evaluate and request the retained CPAs to submit a "Declaration of Independence" and "Audit Quality Indicators (AQIs)", and also regularly evaluate the five aspects of professionalism, quality control, independence, innovation capability, and supervision of the CPAs, in order to ensure their independence and competence, and to verify their above-average audit experience and training hours in comparison to others in the industry. Additionally, they continue to introduce digital audit tools to improve audit quality. After discussion by the Audit Committee and the Board of Directors on March 11, 2026, the CPAs have been approved, and relevant evaluation items are as follows: <ol style="list-style-type: none"> 1. The CPAs retained by the Company have not provided the audit service to the Company for seven years consecutively. 2. The CPAs of the Company do not hold any shares of the Company. 3. The CPAs of the Company are not engage in any loan borrowing/lending with the Company. 4. The CPAs of the Company and the Company do not have any joint investments or profit sharing. 5. The CPAs of the Company do not hold any concurrent position in the Company nor receive any fixed salary. 6. The CPAs of the Company do not participate in the decision-making process in a management function of the Company. 7. The CPAs of the Company do not have spouses, lineal relatives by blood or by marriage, or collateral relatives by blood within the fourth degree of relationship with the management level of the Company. 8. The CPAs of the Company do not receive any business-related commissions from the Company. 9. The CPAs of the Company have signed the payment amount and method of the service fees in advance. 10. The CPAs of the Company do not charge fees on the condition that certain findings or results are achieved. 11. A statement from the CPAs certifying their independence has been obtained. 12. Audit Quality Indicator (AQI) report of the accounting firm has been obtained. 	None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
IV. Has the TWSE/TPEX listed company established a department or position which is responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information necessary to carry out their duties, coordinating board meetings and shareholders' meetings pursuant to proper legal procedures, company registration and request for change of registration information and preparing minutes of the board meetings and shareholders' meetings)?	V	<p>The Company has established a department to handle corporate governance-related matters, and appointed Deputy General Manager Lo, Yung-Li from the Finance Department as the chief corporate governance officer and two other officers on March 21, 2019. Deputy General Manager Lo, Yung-Li had over three years of experience in the managerial roles of financial operations of public companies. Deputy General Manager Lo, Yung-Li had over three years of experience in the managerial roles of financial operations of public companies.</p> <p>(I) The work functions are as follows:</p> <ol style="list-style-type: none"> Inquire the opinions of the directors prior to a board meeting for the purpose of planning and drafting the meeting agenda, and notify all the directors of the meeting at least 7 days before the meeting and provide them with appropriate information regarding the meeting so that the directors may be aware of the proposals. If any of the proposals involve stakeholders that require recusal, a reminder shall be given to such persons prior to the meeting. Arrange the annual continuing education for the directors and share the internal legal and regulatory compliance matters with the directors quarterly and inform them of the amendments of the relevant laws and regulations on an ad hoc frequency. Register the date of the shareholders annually as required by the law, prepare and file meeting notices, handbooks, and minutes within the prescribed period, and file for a change of information when the Articles of Incorporation is amended or after the re-election of directors. Promote the quality of corporate governance practices for the sustainable development of the Company by formulating guidelines based on the indicators provided by the corporate governance evaluation system, thereby building a culture of corporate governance. Arrange a communication meeting between independent directors and the internal chief audit officer or CPAs. Legal compliance review during Independent Director's nomination, appointment and tenure period. <p>(II) The performance in 2025 is as follows:</p> <ol style="list-style-type: none"> Assisted the directors in business management and provided the information requested by the directors. 	None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviations
	Yes	No	
		<p>Summary</p> <ol style="list-style-type: none"> 2. Assisted the Board and the shareholder meeting in legal and regulatory compliance resolution matters and made filing for change to the competent authority within the time limit. 3. Assist the directors in arranging 2025 directors' continuing education courses, and communicate with the directors from time to time, in order to facilitate directors to understand the company's operating status. 4. Completed the renewal of the directors' and important staff's liability insurance. 5. Sought each director's opinion to draft the agenda before the Board meeting and completed the Board meeting minutes and delivered them to the directors in accordance with the regulation. 6. Filed for registration of the shareholder meeting date, the Annual Report, the notification of the shareholder meeting, the agenda handbook, and the meeting minutes in accordance with the regulations. 7. Report to the Board of Directors the results of his/her review of whether the qualifications of independent directors comply with relevant laws and regulations during their term of office. 8. The performance evaluation of the Board of Directors and all functional committees was conducted, and the evaluation was submitted to the Board of Directors for approval. <p>(III) The continuing education status of the Chief Corporate Governance Officer in 2025: Please refer to page 94 of this Annual Report.</p>	None.
V. Has the Company established communication channels for its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) or created a stakeholders section on its corporate website? Does the Company promptly respond to the concerns of stakeholders regarding important corporate social responsibility issues?	V	<p>The Company has set up the "Corporate Sustainability" section and the "Stakeholders" section on our corporate website and has published the corporate sustainability report annually according to the laws. Moreover, we also post activities related to corporate sustainability on our Facebook Page and YOUTUBE, in order to encourage communication and interactions with stakeholders.</p>	None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviations
	Yes	No	
		  <p>E-mail accounts have been created on the website for banks that we have regular transactions with, as well as other creditors, employees, customers, and suppliers; we maintain open communication channels and respect their lawful rights. At the same time, in the daily operation, the Company conducts discussion and communication with the above-mentioned stakeholders through different communication channels and platforms, and submits the results of the communication to the Board of Directors at least once a year. The latest report to the Board of Director was made on May 13, 2025.</p>	
VI. Does the Company appoint a professional shareholder service agency to handle shareholder affairs?	V		None.
VII. Information Disclosure			
(I) Does the Company have a corporate website to disclose information on financial standing, business, and the status of corporate governance?	V		(I) None.
(II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	V		(II) None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviations
	Yes	No	
(III) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?	V	V	(III) The Company will further improve the annual financial statements report and to give earlier notice to shareholders and to improve information transparency.
VIII. Is there any other important information that facilitates a better understanding of the company's corporate governance practices (e.g. including but not limited to employee rights, employee wellbeing, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation standards, the implementation of customer policies, and purchasing of liability insurance for directors and supervisors)?	V	(I) (1) Employee benefits and care: (1) The Employee Welfare Committee meets regularly and adopts and implements benefits and allowance programs. It is our commitment to look after the welfare of our employees. We also partner with various stores near our offices to provide special offers or employee discounts. Furthermore, we have set up a Food Committee to help our employees maintain a healthy lifestyle and to enhance our food safety management. (2) We also offer a variety of welfare programs to our employees, including: Mandatory insurance coverage; Regular physical examinations, health education and tips, and consolation payment to hospitalized employees; Recreation and fitness facilities and sports events; Convenience stores in the factories, company uniforms, free parking, and employee housing. Our overseas offices also offer free meals, pre-paid round-trip plane tickets to Taiwan, and rides to and from the airport. (3) On-site medical consultation: Once a month, we have doctors and nurses on-site to provide employees with health and medical services. (II) Investor relations: The Company maintains positive interactions with investors and communicates with them via email, on-site visits, and phone interviews. To maintain good communications and interactions with the investors, suggestions, and opinions from investors are also provided to senior management and relevant units for consideration and the proper response is also given on a timely basis.	None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
		<p>(III) Supplier relations: The Company has always managed relations with raw material suppliers by treating them as partners. We pursue a close-knit, long-term partnership with suppliers based on the concept of teamwork, and have set up stringent review procedures, including product verifications, qualification reviews, and on-site plant visits and audits, on the suppliers as the basis for supplier review and approval.</p> <p>(IV) Rights and interests of shareholders: To formulate fair channels of communication with stakeholders, the Company has set up a Stakeholder page on its corporate website and is committed to topics of stakeholders' concern. We undertake stakeholder engagement and communications via different channels and platforms with the seven major stakeholder groups of Cheng Shin, including customers, shareholders, employees, the community, government institutions, suppliers, and transacting financial institutions.</p> <p>(V) Directors' continuing studies: Please refer to pages 90-93 of this Annual Report.</p> <p>(VI) Implementation status of the risk management policy and risk evaluation standard: For the operational risks the Company may face, we implement thoroughly at the system level, and design emergency response mechanisms for specific situations. For details, please refer to pages 146~154 of this Annual Report.</p> <p>(VII) Implementation status of customer policy: The Company has set up post-sale service and customer service sections on our website (website: https://www.est.com.tw). The Company's distributors nationwide also provide consumers with consultation and complaint channels.</p> <p>(VIII) The circumstances regarding the purchase of directors' liability insurance and social responsibilities: The Company has complied with Article 39 of the Corporate Governance Practice Principles by adding a provision to the Company's Articles of Incorporation to cover the compensation liabilities incurred by the directors under the law while performing their respective duties during their tenures. Every year, the Company purchases liability insurance for them and reports to the Board of Directors. The liability insurance for the directors in 2026 has been covered and reported to the Board of Directors on February 10, 2026.</p>	None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviations
	Yes	No	
		(IX) The Company's social responsibilities: In addition to focusing on business development, the Company has also made a long-term investment in corporate social responsibilities such as consumer rights and public interest, and gives back to society as it sees fit.	
<p>IX. Improvements were made in the most recent fiscal year in response to the results of the corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved.</p> <p>The Company's score in the 11th corporate governance evaluation, which was announced in April 2025, was 88.81 points (21%-35% percentile among the listed companies).</p> <p>The main achievements include obtaining external verification of the overall greenhouse gas emissions data, continuously obtaining Class A Disclosure Certificate from the Taiwan Intellectual Property Management Standards (TIPS), enhancing the Board structure and operation, and improving the implementation of sustainable development.</p> <p>Under our corporate governance blueprint, we will continue working towards strengthening the following two areas: "Improving Information Transparency" and "Enhancing Board Composition and Function" in order to enhance the overall level of our corporate governance.</p>			

(IV) Composition, Responsibilities, and Operations of the Remuneration Committee

1. Roles and responsibilities of the Remuneration Committee Review directors and managers' annual and long-term performance targets and the policies, systems, standards, and compositions of salary and bonus on a regular basis in line with the Regulations for Performance Evaluation of the Board and Functional Committees; regularly evaluate the implementation status regarding directors and managers' performance targets, and determine individual contents and amount of salary and bonus.
2. Composition of the Remuneration Committee: The Remuneration Committee of the Company was established on July 19, 2011. As of February 28, 2026, information on the Remuneration Committee members are as follows: ID

Criteria	Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Remuneration Committee: Convener)	Chen, Shuei-Jin	Professional Qualifications: 1. Obtained Certified Public Accountant certification. 2. Professional experience in commerce, finance and accounting, and currently employed by the Yuan Sheng Accounting Firm. Experience: 1. CPA, Deloitte Taiwan 2. CPA, Deloitte & Touche. 3. Adjunct Lecturer, Department of Industrial Management, Nan Kai University of Technology. 4. Independent Director of Merida Industry Co., Ltd. 5. Independent Director of San Neng Group Holdings Co., Ltd. 6. Independent Director of Acelon Chemicals & Fiber Corporation. 7. Director of TAIWAN PAIHO LIMITED.	None of the Company's independent directors are involved in any of the matters listed below and all have met the criteria for independence: 1. None of the categories stated in Article 30 of the Company Act. 2. In line with "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", the person is not involved in any condition stipulated in Clauses 5 to 8 of Article 6-1 two years prior to his/her appointment and during his/her term of service. 3. Compensations received for providing commercial, legal, financial, accounting or related services to the Company, or any affiliate of the	3
Independent Director	Chu, Po-Young	Professional Qualifications: Instructor at public/private university/college and above in the area of commerce, law, finance, accounting, or relevant departments necessary for the business of the company. Presently acts as Professor of Department of Management Science, National Chiao-Tung University. Experience: 1. Chairman of Zhong Tai Sunlight Technology Corp. 2. Director of Union Winner International Co., Ltd. 3. Independent Director of E Ink Holdings Corp. 4. Independent Director of Polytronics Technology Corp. 5. Independent Director of Hsin Kuang Steel Co., Ltd.	None of the Company's independent directors are involved in any of the matters listed below and all have met the criteria for independence: 1. None of the categories stated in Article 30 of the Company Act. 2. In line with "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", the person is not involved in any condition stipulated in Clauses 5 to 8 of Article 6-1 two years prior to his/her appointment and during his/her term of service. 3. Compensations received for providing commercial, legal, financial, accounting or related services to the Company, or any affiliate of the	3

Others	Lin, Chieh- Chung	Professional Qualifications: 1. Professional and qualified physician. Presently acts as a physician at Taichung Veterans General Hospital. Experience: 1. 6th term of President of Taiwan Society of Pediatric Gastroenterology, Hepatology and Nutrition. 2. Director of Taiwan Pediatric Association. 3. Attending Physician, Department of Pediatrics, Taichung Veterans General Hospital. 4. Chief Secretary of China Medical University Children's Hospital. 5. Attending physician, Department of Hepatobiliary Gastroenterology, Children's Hospital of China Medical University. 6. Director of Department of Hepatobiliary Gastroenterology, Department of Pediatric Medicine, Taichung Veterans General Hospital. 7. Resident at Department of Pediatrics, Taichung Veterans General Hospital. 8. Deputy Director, Liver Transplant Center, Taichung Veterans General Hospital. 9. National Defense Medical University, clinical professor.	Company in the past 2 years: None.	0
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3. Operation Status of the Remuneration Committee:

The Remuneration Committee of the Company consists of a total of 3 members. The tenure of the current Remuneration Committee members is from July 5, 2023, to May 30, 2026. A total of 4 (A) Remuneration Committee meetings were held in 2025. The titles and attendance records of the Remuneration Committee members were as follows:

Position	Name	Actual Attendance (B)	Attendance by Proxy	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Chen, Shuei-Jin	4	0	100%	-
Committee Member	Lin, Chieh-Chung	4	0	100%	-
Committee Member	Chu, Po-Young	4	0	100%	-

Other Required Disclosures:

I. If the Board of Directors declines to adopt or amend the recommendations made by the Remuneration Committee, the date and session of the Board of Directors' meeting, proposal contents, details of the resolutions by the Board of Directors, and the Company's response to the opinions of the Remuneration Committee shall be specified:

Implementation Status in 2025

Remuneration Committee	Proposal Contents	Resolution result of the Remuneration Committee	The Company's Response to the opinions of the Remuneration Committee
January 20, 2025 (5th Meeting of 5th Term)	(1) Proposal for 2024 performance evaluation reports on the Board of Directors and the Audit Committee of the Company. (2) Proposal for the Company's plan of distributing managers' year-end bonus and remuneration.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 10th meeting of the 12th term of the Board of Directors on January 21, 2025.
2025.03.07 (6th Meeting of 5th Term)	(1) Proposal for the distribution of directors' and employees' 2024 remuneration of the Company.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 11th meeting of the 12th term of the Board of Directors on March 12, 2025.

Remuneration Committee	Proposal Contents	Resolution result of the Remuneration Committee	The Company's Response to the opinions of the Remuneration Committee
May 12, 2025 (7th Meeting of 5th Term)	(1) Proposal for 2024 directors' remuneration distribution of the Company. (2) Proposal for personnel changes in the appointment of managers for The Company in 2025.	Unanimously approved by all the Audit Committee members present.	The first proposal was unanimously approved by all the directors present at the 12th meeting of the 12th term of the Board of Directors on May 13, 2025. For the second proposal, since Director Chen, Yun-Hwa, Director Chen, Hsiu-Hsiung, and Director Chen, Han-Chi were involved in a conflict of interest and were required to recuse themselves, Chairman Chen, Yun-Hwa designated Director Tseng, Shung-Chu as the acting chairperson. Upon inquiry by the acting chairperson, all the remaining directors unanimously approved the proposal.
August 11, 2025 (8th Meeting of 5th Term)	(1) Assistant Vice President of the Company, Lin, Chin-Chuan Proposal to appoint a manager for pension payments. (2) Proposal for personnel changes in the appointment of managers for The Company in 2025.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 13th meeting of the 12th term of the Board of Directors on August 12, 2025.

II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, the content of the motion, all members' opinions, and the response to members' opinion shall be specified:
None.

Note:

- (1) Where a committee member may be relieved from duties before the end of the fiscal year, please specify the date of his/her discharge in the "Remarks" Section. His/her actual attendance rate (%) to the committee meeting shall be calculated based on the number of meetings called and the actual number of meetings he/she attended, during his/her term of office.
- (2) If a Remuneration Committee member is re-elected before the end of the accounting year, the names of current and previous members shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of the number of Remuneration Committee meetings held during his or her tenure and the number of such meetings attended.

(V) Composition, Responsibilities, and Implementation Status of the Sustainable Development Committee

1. The responsibilities of the Company's Sustainable Development Committee: formulating, promoting, and strengthening the company's sustainable development policies, annual plans, and strategies; reviewing, tracking, and revising the implementation status and effectiveness of sustainable development; supervising the disclosure of sustainable information and reviewing the sustainability report; overseeing the business of the Company's sustainable development code or other sustainability-related tasks as resolved by the Board of Directors.
2. Composition of the Sustainable Development Committee: The Sustainable Development Committee of the Company was established on November 12, 2025. As of February 28, 2026, information on the Sustainable Development Committee members are as follows:

Criteria	Name	Current Position in the Company	Main Experience (Education)	Professional Qualifications and Experience
Committee Chair (Sustainable Development Committee Convener)	Lee, Chin-Chang	Directors, General Managers	Deputy General Manager of Cheng Shin, Assistant Manager of the President's Office, and Manager of the Manufacturing Department.	Experience required for the job duties of the Company, operation judgment, industrial development judgment, global market viewpoint, leadership skills, and capability to make decisions. Possess expertise in ESG/CSR, familiar with corporate governance structures, compliance risk management, information transparency, rules for board operations, and the ability to formulate and supervise sustainability strategies.
Committee Member	Lo, Tsai-Jen	Director, Vice Chairman	General Manager and Chairman of Cheng Shin Rubber (China) Co., Ltd., Chairman of Cheng Shin.	Experience required for the job duties of the Company, operation judgment, industrial development judgment, global market viewpoint, leadership skills, and capability to make decisions. Possess expertise in ESG/CSR, energy-saving and carbon-reduction energy management capabilities, risk management and corporate governance experience, and the ability to formulate and supervise sustainability strategies.
Committee Member (Executive Secretary)	Lo, Yuan-Long	Director, Assistant Manager	Assistant Manager of the President's Office of Cheng Shin, Senior Engineer of the President's Office.	Experience required for the job duties of the Company, operation judgment, industrial development judgment, global market viewpoint, energy management for conservation and carbon reduction, leadership skills, and capability to make decisions. Possess expertise in ESG/CSR, familiar with corporate governance structures, compliance risk management, information transparency, rules for board operations, and the ability to formulate and supervise sustainability strategies.

Criteria	Name	Current Position in the Company	Main Experience (Education)	Professional Qualifications and Experience
Committee Member	Lo, Yung-Li	Vice President, Finance Department, Spokesman, Chief Corporate Governance Officer	Vice President, Finance Department of Cheng Shin Group	Experience required for the job duties of the Company, professional judgment in financial matters, leadership skills and capability to make decisions, familiar with corporate governance structures, compliance risk management, information transparency, and rules for board operations. Possess expertise in ESG/CSR, link sustainability performance with financial impact, evaluate ESG investments and disclosure regulations.
Committee Member (Chief Sustainability Officer)	Wei-Hsiang Su	Assistant Manager of the Marketing Planning Department	Planning Department and Purchasing Manager of Cheng Shin Group.	Experience required for the job duties of the Company, operation judgment, industrial development judgment, global market viewpoint, leadership skills, and capability to make decisions. Possess expertise in ESG/CSR, energy-saving and carbon-reduction energy management capabilities, experience in implementing public welfare and Society service, and the ability to formulate and supervise sustainability strategies.

3. Implementation Status of the Sustainable Development Committee:

The Sustainable Development Committee of the Company consists of a total of 5 members. The tenure of the current committee members is from November 12, 2025, to May 30, 2026. A total of 1 (A) Sustainable Development Committee meeting was held in 2025. The qualifications and attendance records of the committee members were as follows:

Position	Name	Actual Attendance (B)	Attendance by Proxy	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Lee, Chin-Chang	1	0	100%	-
Committee Member	Lo, Tsai-Jen	1	0	100%	-
Committee Member	Lo, Yuan-Long	1	0	100%	-
Committee Member	Lo, Yung-Li	1	0	100%	-
Committee Member	Wei-Hsiang Su	1	0	100%	-

Implementation Status in 2025:

Meeting Date	Proposal Contents	Resolution made by the Sustainable Development Committee	The Company's Response to the opinions of the Sustainable Development Committee
December 29, 2025 (1st Meeting of 1st Term)	<ul style="list-style-type: none"> (1) Organizational Report of the Company's CSR Task Force. (2) The Company's report on new and revised indicators in response to the 2026 ESG assessment. (3) The Company's timeline report for drafting the 2025 ESG Report. (4) The Company's human rights due diligence progress report. (5) Report on the Company's 2025 Sustainability Performance and Future Goals. 	<p>Committee Member Lo, Yung-Li proposed the establishment of a Chief Sustainability Officer in response to the company's ESG operations and assessment needs. The rest of the report was acknowledged. No further opinions were given.</p>	<p>Reported at the 15th meeting of the 12th term of the Board of Directors on February 10, 2026, noted by all directors present.</p>

(VI) Discrepancies of the Company's implementation of sustainable development status from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause:

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
I. Has the Company established a governance structure for promoting the sustainable development, and set up a unit that specializes (or is involved) in the promotion of sustainable development, and does the board of director authorize the senior management for handling such matter, and the supervision status of the board of directors?	V		<p>In 2015, the Company established and promoted a "Corporate Social Responsibility Responsible Unit," with the Planning Department designated as the responsible unit. Moreover, upon resolution from the Board of Directors on January 18, 2022, the unit was renamed the "Sustainable Development Task Force". The task force oversees four major groups, namely, Corporate Governance, Society, Environmental, and Product, which are comprised of managers from the Finance Department, HR Department, Marketing and Planning, Administration Department, and R&D Department from each plant. On August 12, 2024, the Board of Directors authorized General Manager Lee, Chin-Chang to serve as the convener to integrate sustainable management into the Company's business strategy, implement the operation of corporate governance, and improve the mechanism of risk management, and actively face and control the risks that should be considered during the operation process to achieve sustainable business management and create sustainable business development. The Company issues corporate social responsibility reports every year, and has changed its name to the sustainability report starting in 2022; also reports the Implementation Status to the Board of Directors at least once a year, most recently on May 13, 2025, to the Board of Directors. The content of the report is to promote the integration of sustainability promotion strategy and operational goals. The Board of Directors also supervises and promotes the task force for short-, medium-, and long-term dynamic operational goals to implement environmental protection and energy saving, and strengthen overall management. In addition, the Company's Sustainability Report was approved by the Board of Directors and completed on August 12, 2025.</p> <p style="text-align: center;">None.</p>

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
<p>II. Does the Company follow the materiality principle to conduct a risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management-related policy or strategy?</p>	V	<p>The Board of Directors approved the establishment of a Sustainable Development Committee under its jurisdiction on November 12, 2025, to strengthen the functions and management mechanisms of the Board. The committee consists of three Directors and two senior executives as committee members.</p> <p>The Company disclosed information for the year 2025, covering all branches in Taiwan and the subsidiary in mainland China. In accordance with the principle of materiality, relevant risk assessments for significant issues have been conducted. Based on assessed risks, various internal regulations have been established. Different levels of risk control are carried out by responsible units within the Company according to the categories of risk factors. Control measures are planned and executed following evaluations, with the aim of minimizing uncertainties in business operations. The Company has also paid attention to climate change, energy, resource and other relevant issues, and set goals and regularly reviewed the results of the implementation.</p> <p>Please find the relevant established policies and procedures of risk management on pages 146~154.</p>	None.
<p>III. Environmental Topics</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p>	V	<p>I. The Company implements the ISO14001 Environmental Management System, in which the Safety and Health Department is responsible for implementing environmental management policies, assisting in promoting voluntary greenhouse gas reduction plans, establishing an enterprise environmental management system, committing to product designs that conform to environmental protection concepts, improving equipment and working environment to reduce exhaust gas, waste water, noise, waste generated in the process and save energy, properly proceeding with recycling, and strengthening industrial safety advocacy, and continuing the preventions and controls of various pollution. Additionally, each year, an external audit is conducted to ensure the effectiveness of our management system.</p>	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
		<p>2. Third-party management system assurance (Metal Industries Research & Development Centre) for ISO14001:2015 version update has been obtained on November 14, 2020 for the Company's Taiwan operations. External follow-up review has been carried out from September 26 to September 28, and from October 2 to October 4, 2023, and the certificate 5XWE001-09 is valid until November 13, 2026. Third-party management system assurance (Hangzhou Wantai Certification Co., Ltd.) for ISO50001:2018 Energy Management System version update has been obtained on January 12, 2024 for the Company's China operations, and the certificate is valid until December 1, 2026. In order to meet the expectations and requirements of stakeholders, the Company adheres to the principles of "Energy Saving, Resources Recycling, Operation Safety, and Pollution Prevention," and comprehensively implements 5S management activities with regular audits of each department.</p>	

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	V	<p>Since a tire's fuel efficiency is highly relevant to our environment, we use lightweight designs and implement material simplification to reduce the weight of tires and the amount of semi-finished materials when developing new products. These design methods not only enhance the fuel efficiency of tires but are also highly effective in reducing the waste produced during the manufacturing process. In light of these benefits, we have been promoting low-rolling resistance tires and increasing production efficiency in our product development, thereby making a contribution to environmental sustainability. In addition, the raw materials used comply with EU regulations and the environmental protection requirements of major car manufacturers. All manufacturers need to submit a third-party notarized inspection report for REACH and ROHS. The Company fully uses environmentally friendly processing oils with low aromatic content, and related raw materials (Processing oil, oil-extended synthetic rubber, and resin) are required to be submitted to a third-party notary report by PAHS. In addition, to comply with and correspond to the requirements of EUDR regulations (due diligence), Cheng Shin has implemented and completed risk assessments on 11 relevant suppliers during 2025. These assessments are followed up through irregular meetings with suppliers to ensure accurate implementation of progress tracking and intelligence capture.</p>	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
(III) Does the Company evaluate current and future climate change potential risks and opportunities and take relevant response measures?	V	<p>To respond to the risks and impact posed by the extreme climate, the Company has asked the ESG Promotional Team to call on the responsible staff of each department to work in groups to identify the material climate risk issues related to the Company in accordance with the materiality principle and Task Force on Climate-Related Financial Disclosures (TCFD) and analyze the impact level and opportunities. Through the identification of the physics and transition risks, the matrix of climate change risks and opportunities is drawn and the climate change core actions and strategies aiming at the material risks are stipulated to take risk countermeasures, reinforce the Company's adaptability to the extreme climate and lower the risks. Meetings are held regularly to review the effectiveness of the mitigating measures to stipulate standardized procedures and shorten the response time of handling similar risks in the future.</p>	None.
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V	<ol style="list-style-type: none"> Both the Company's main plant and the Douliu plant have received the Energy Efficiency and Carbon Reduction Marks from the Environmental Protection Administration. In March 2017, Douliu 2nd plant became the 78th factory (and the first in the rubber product manufacturing industry) in Taiwan to have received the Clean Production Evaluation System Certification from the Industrial Development Bureau. In July 2018, we underwent a follow-up audit by the Industrial Development Bureau. According to the Regulations Governing the Inventory, Registration and Verification of Greenhouse Gas Emissions, for the main plant of the Company is the first batch of reportable objects (direct emission greater than 25,000 t-CO₂e), and the Xizhou emissions greater than 25,000 t-CO₂e), greenhouse gas inventory should be implemented and recorded. 	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause																								
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		<p>3. The greenhouse gas statistics of all the plants of the Company in Taiwan are as follows: There was a 10.29% reduction in 2025 compared to 2024.</p> <table border="1"> <thead> <tr> <th>Greenhouse Gas Emission(t-CO2e)</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Category I: Direct Emission</td> <td>39,325.1561</td> <td>37,009.3616</td> </tr> <tr> <td>Category II: Energy Indirect Emission</td> <td>77,796.5687</td> <td>68,064.7036</td> </tr> <tr> <td>Total</td> <td>117,121.7248</td> <td>105,074.0652</td> </tr> </tbody> </table> <p>Note: The emission amount for 2025 is expected to be verified in April 2026, and the data may be subject to change.</p> <p>4. The water use management policy is formulated in accordance with the ISO14001 Environmental Management System: The boilers use RO purified water, the residual water is used by the manufacturing process, and the water used by the manufacturing process is recycled, with the goal of regulatory compliance in mind to reduce the water used by the manufacturing process and wastewater discharge. The source of water includes running water and groundwater. The wells extracting groundwater have all obtained the certificates of water rights and their extraction follows the permitted volume. The total water consumption in 2025 decreased by 7.7% compared to 2024, and the wastewater discharge volume decreased by 13.9%.</p> <table border="1"> <thead> <tr> <th>Water Resources Usage (tons)</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Running Water</td> <td>172,729</td> <td>205,565</td> </tr> <tr> <td>Groundwater</td> <td>460,779</td> <td>379,224.5</td> </tr> <tr> <td>Total</td> <td>633,508</td> <td>584,789.5</td> </tr> </tbody> </table>	Greenhouse Gas Emission(t-CO2e)	2024	2025	Category I: Direct Emission	39,325.1561	37,009.3616	Category II: Energy Indirect Emission	77,796.5687	68,064.7036	Total	117,121.7248	105,074.0652	Water Resources Usage (tons)	2024	2025	Running Water	172,729	205,565	Groundwater	460,779	379,224.5	Total	633,508	584,789.5	
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Implementation item	Implementation Status		Discrepancies from the Sustainable Development Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
<p>IV. Social Topics</p> <p>(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	V	<p>1. The Company follows the International Bill of Human Rights. In accordance with the "Responsible Business Alliance Code of Conduct," the Company sets its "Responsible Business Alliance Code of Conduct regarding Labor Profile and Business Ethics" and prescribes the following procedures in its management policy: "Prohibition of Child Labor and Misuse Remedy Management Procedure", "Anti-Discipline, Anti-Forced Labor, Anti-Prisoner Management Procedure", "Student, Interns, and Part-Time Workers Management Procedure", "Anti-Discrimination Management Procedure", "Whistleblower Protection and Anti-Retaliation Management Procedure", "Privacy and Confidentiality Management Procedure", etc. The Company regularly reviews and assesses the relevant policies and procedures, and incorporates these policies and procedures into the 3-hour training programs for the new employees. The Company did not hire any underage workers, and we have not received any reports of child labor. Additionally, the Labor Standards Act in Taiwan stipulates that employers cannot force employees to work, and the management of foreign employees is the same as that of local employees. One of the items under our annual raw material supplier audit also prohibits suppliers from hiring child labor, and their employee recruiting and hiring process should comply with the Labor Standards Act. In 2025, there were no violations by our suppliers.</p>	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
(II) Has the Company established appropriately managed employee welfare measures (including salary and compensation, leave, and other benefits), and properly linked operational performance or achievements with employee salary and compensation?	V	<p>2. To elevate work efficiency, improve labor conditions, and promote harmony between employees and employers, the Company has established labor unions in accordance with local regulations. All employees are protected by the collective agreements signed by the overseas subsidiaries and labor unions. As of the end of 2025, in the region of Taiwan, a total of 2,336 employees, accounting for 55.70% of the total number of employees, have joined the labor union. Although there is a trade union established in Taiwan, there is no collective agreement signed. In case where relevant issues need to be discussed, the Company provides diverse communication channels and adopts a positive communication method.</p> <p>The Company has established a reasonable remuneration policy and is in line with the annual operating performance and operation management guidelines (including sustainable governance indicators). In addition, remunerations are provided based on the personal performance achievement rate and the performance evaluation result on contribution to the Company. The Company regularly organizes employee education and training to improve employees' business ethics, in order to encourage employees to improve together with the Company and to enhance employee welfare. In October 2022, the Company officially launched the Employee Shareholding Trust Plan, which provides employee benefits that are superior to government regulations. Please refer to pages 128~131 for more details.</p>	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V	<p>1. The Company establishes the occupational safety and health management system for years, including personnel education and training, early risk assessment, the determination of the occupational safety and health management system goals and objectives, the documents issuance for the occupational safety and health management system, the verification and confirmation of the occupational safety and health management system performance (internal audit), and the external assessment and verification of the occupational safety and health management system. A third-party management system certification (Metal Industry Research and Development Centre); certification information: ISO45001:2018/CNS45001:20185/TOSHMS, certification number: 514S001-05, expiration date: 2028/5/2, with a recertification follow-up in 2025.</p> <p>2. The safety devices of the machinery and equipment are inspected by the operators daily before operation. Dangerous machinery and equipment are routinely inspected each year. The health and safety officers perform an on-site inspection daily, conduct auditing from time to time, and issue a checklist for safety improvements in case of any violations. Operating environment inspection is performed semi-annually.</p>	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
		<p>Summary</p> <p>3. Each new employee is required to participate in general health and safety educational training; advanced training is also provided based on the type of machinery and equipment he/she will be operating once he/she arrives at the operating site. The Learning and Development Division under the HR Department arranges for training and seminars regarding health and safety from time to time for employees to participate in. Regulations related to health and safety, environmental protection, training information, and SDS downloads are also made available by the Safety & Health Department on the Company's intranet.</p> <p>4. Each year in July, we offer health checkups to our employees pursuant to the Labor Health Protection Act at selected hospitals. Employee health checkups include general (for all employees) and specialized health checkups (for employees who work in a hazardous environment). In 2025, the number of employees who received specialized health checkups was 811. Employees with abnormality found in their chest X-ray, or cholesterol level, blood pressure or blood sugar level above normal range will be notified for a follow-up appointment. In addition, the Company especially provides the logistics drivers with annual checkups for night vision, visual field, electrocardiogram, and heart-related functions, so as to prevent driving accidents caused by health factors.</p> <p>5. The Company has invited a contract physician to organize employee healthcare seminars, promote a smoke-free workplace, put up health promotional posters, promote health consultations, and more. In 2025, a total of 125 employee health consultation sessions were held across all plants, serving 743 participants. In 2025, a total of 6 health seminars and 1 health promotion activity (fitness) were organized, with a total of 288 participants.</p>	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWE/TPEX Listed Companies and cause
	Yes	No	
		<p>6. In accordance with the 2025 Frequency-Severity Indicator across all industries announced by the Occupational Safety and Health Administration on August 14, 2024, for the 210 rubber products manufacturing industry: Disabling Injury Frequency Rate (FR): 2.54; Disabling Injury Severity Rate (SR): 143; Frequency-Severity Indicator (FSI): 0.60. The Company had 7 incidents of occupational hazards that required employees to be away from work in 2025; the total number of employees involved in such incidents was 7 (accounting for 0.16% of the total number of employees as of December 31, 2025); and a Disabling Injury Frequency Rate (FR): 1.48; Disabling Injury Severity Rate (SR): 67; Frequency-Severity Indicator (FSI): 0.31, which was far lower than the industry average. In accordance with the Company's rules, the unit where the occupational hazard occurs is required to fill out an Occupational Hazard Investigation Form to research its cause and to draft improvement measures for review and follow-up. All occupational hazard incidents have been improved.</p> <p>7. There were no fire incidents of the Company in 2025; no casualties were reported; casualties were 0; casualties accounted for 0% of the total number of employees. Relevant corrective actions taken in response to fires: Not applicable.</p>	None.
(IV) Has the Company established effective career development training plans?	V	The Company is dedicated to creating a continuous and abundant learning environment. Each year, its employees participate in educational training regarding vocational development for enhancing their capabilities in respect of career development. Please refer to the relevant items of educational training and required hours on page130 of the Annual Report.	None.

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
(V) For issues regarding customers' health and safety, privacy, sales, and labeling, does the Company's product and service comply with related regulations and international rules and set policies to protect consumers' and customers' rights and provide appeal procedures?	V		None.
		<p>"Quality first, customers satisfied" is Cheng Shin's core competitive strategy for its products. With respect to the internal regulations on the products' qualities, Cheng Shin implements Total Quality Management (TQM) from Japan and acquires ISO9001 and IATF16949 certifications for quality management systems, and establishes the Quality Department to promote the company's quality management activities. In order to help consumers select suitable tires, automotive markets around the world have tire labeling requirements. Our products are sold globally and all types comply with the product information labeling regulations of the respective sales regions. In response to environmental and safety considerations, each region and country has established tire certification labeling regulations, primarily targeting rolling noise, wet grip, and rolling resistance of the tires. Passenger car, light commercial vehicle, and truck/bus tires, among others, must have labels on the tire tread indicating the performance levels of rolling noise, wet grip, and rolling resistance. The tires that Cheng Shin sells to various regions and countries comply with the regulations. The Company has disclosed its advertisement and labeling information of the products and services on the corporate website, and all the certifications and awards received for regulatory compliance can be found in the "About Maxxis" section (URL: http://www.cst.com.tw). In addition to establishing a "Stakeholders" section, the Company has set up a post-sale service department and a customer service section on our website (URL: http://www.cst.com.tw) and nationwide distributors that can provide consumers with consultation and complaint channels.</p>	

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V	1.	<p>The Company referred to SAQ5.0 in 2024 to formulate the Supplier Sustainability Code of Conduct and Declaration, and from 2025 onward, suppliers are required to jointly implement it. The Code of Conduct is stringently integrated into the supplier selection and risk assessment process, which is carried out in the order of supplier qualification reviews, sample quality verifications, and on-site visits as the criteria for supplier audit and approval. In addition to joining the Global Platform for Sustainable Natural Rubber (GPSNR), The Company continuously adheres to and promotes the policies established by GPSNR to natural rubber suppliers, such as "community livelihoods and health care, well-functioning ecosystems (including commitments to no deforestation and biodiversity protection), and respect for all human rights commitments." The Company also builds a due diligence system to actively respond to the European Union Deforestation Regulation (EUDR). Environmental assessments and other evaluations are 100% included in the supplier review phase, requiring 100% compliance and audit. Some raw materials are introduced into a sustainable supply chain circular economy model, actively promoting the development and implementation of sustainable raw materials (renewable and recyclable). Starting from 2024, the carbon-related information of upstream raw materials will also be included as an item for annual tracking and management. By procuring locally, we reduce the carbon emissions associated with transporting major raw materials and stimulate local economic development. This approach mitigates the impact of shipping complications, such as tariffs, war, extreme weather, outdated port infrastructure, and labor shortages, thereby diversifying procurement risks and strengthening supply chain resilience.</p> <p>None.</p>

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
		<p>Summary</p> <p>2. We grade the supplier evaluation results into four tiers: A, B+, B, or C. For recognized qualified suppliers, re-evaluation is scheduled based on their annual delivery quality performance. If a supplier consistently receives an A rating in annual delivery performance, they will be re-evaluated at least once every three years, following the same process as the new supplier approval process, to ensure continuous improvement in supplier quality. In 2025, the Company had a total of 86 qualified suppliers. After evaluation, the annual assessment plan scheduled on-site assessments for 40 suppliers, including 1 new supplier evaluated according to the development plan. The implementation results indicated a 100% qualification rate with an achievement rate of 100%.</p> <p>3. In addition to supplier assessment and evaluation, Cheng Shin requires suppliers of raw materials to provide inspection reports from quality laboratories or third-party organizations for each shipment, and to conduct batch-by-batch or random inspections to ensure the quality of raw materials supplied. In addition to the quality control of Cheng Shin's own products, we also trace back to the upstream sources and demand the input of quality raw materials to ensure that we provide consumers with safer and more quality-assured products.</p> <p>4. The Company pays close attention to suppliers' recruitment, training, health, safety, environment, anti-corruption, and complies with various international treaties and local labor laws under the Responsible Business Alliance (RBA). The Company's internal employees sign the "Letter of Commitment for the Code of Ethical Conduct for Employees" to prevent abuses and combat corruption.</p>	

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
		<p>5. To ensure the timely raw material supply for production and operation, the Company has developed the "Procurement Risk Management Measures" for internal implementation. Moreover, the Company decides on an emergency topic based on changes in the external environment every year and organizes emergency response drills. In 2025, two drills were conducted: one was the risk assessment for new/revised regulations, and the other was the supply chain disruption drill.</p>	
<p>V. Does the Company refer to international reporting rules or guidelines to publish a Sustainable Development Report to disclose non-financial information about the Company? Has the said Report acquired third-party certification party verification or statement of assurance?</p>	V	<p>1. The Company's Sustainability Report was compiled by various departments which the Sustainable Development Steering Group was responsible for coordinating, in accordance with the framework under the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD), and the standards and requirements of the Sustainability Accounting Standards Board (SASB).</p> <p>2. In order to ensure the quality of information disclosure, the Company has commissioned PricewaterhouseCoopers Taiwan to issue a limited assurance report in accordance with the Standards of Assurance No. 3000. This report was released after being approved by the Board of Directors on August 12, 2025.</p>	None.
<p>VI. If the Company has established its Sustainable Development Code of Practice according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the policies and its practices: The Board of Directors has approved the establishment of the "Sustainable Development Best Practice Principles", and operations are implemented according to these principles. The relevant operations and principles have been reviewed and improved, and no discrepancies have been found.</p> <p>VII. Other important information which facilitates a better understanding of the Company's promotion of sustainable development practices: Upholding the concept of "Building A Better Society", Cheng Shin commits itself to charity and social philanthropy, continues to integrate internal and external resources, and fulfills its corporate social responsibilities. We are involved in social philanthropy in multiple manners, through "Industry-academy cooperation", "Sports Sponsorship", "Arts and Cultural Promotion", "Educational Support", and "Community Feedback", we actively participate in charity activities, caring for the community, and giving back to society.</p>			

With regard to the care for the underprivileged, we provided free meal boxes for disadvantaged groups, poor families, and the elderly living alone. We donated the luggage trolleys at several airports and ports around Taiwan. As for education, we provided all kinds of scholarships and student aids to encourage students to realize their potential of continuing their educations. In addition, Cheng Shin's donation to the public can be seen on the community park benches and at blood donation events.

Cheng Shin also continues to annually hold public welfare lectures and sponsor all types of sports events in Taiwan such as the national tennis group championships with First Financial Holding Company and the national table tennis championships with Taiwan Cooperative Financial Holding Company. Cheng Shin also promotes all types of cycling sports and sponsors the cycling events around Taiwan such as Changhua Classic 100. Charity donations - In 2025, the total amount of charitable donations in Taiwan reached NT\$10,644,437. In 2025, the total amount of charitable donations in China by the Company reached CNY 453,081.

Industry-Academy cooperation. In 2025, Cheng Shin went into schools and carried out "MAXXIS University Recruitment Tours" in Kunshan, participating in a total of 19 recruitment events. This injected new vitality into Cheng Shin's talent needs and established a solid foundation for cooperation with universities.

(VII) Climate-related information for TWSE/TPEx-listed companies

1. Implementation of climate-related information

Items and implementation status

1. Describe the board's and management's oversight and governance over climate-related risks and opportunities.
Implementation status: In response to climate change and the energy usage crisis, the Company's Board of Directors conducts the monitoring, and the Sustainability Development Task Force works with various department personnel to assess the "likelihood of impacts" and "degree of impacts" of various risks based on materiality criteria. Eight climate change risks and opportunities have been identified, integrating Cheng Shin's development with policies and solutions related to economic growth, environmental protection, and sustainable development. They also establish short, medium, and long-term objectives to continuously enhance climate resilience and foster an environmentally sustainable culture.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (short, medium and long term).

Implementation Status:

CATEGORY	Potential Risks and Opportunities	Financial impact on the Company	Response Strategies and Transformation Action
Climate-related transitional risk	The cost of raw materials is rising.	<p>Short-term, mid-term, long-term:</p> <ul style="list-style-type: none"> • Due to the inability to pass on costs, the Company has to absorb them itself, resulting in increased operating costs and decreased profits. • The increase in product prices led to decreased competitiveness, reduced orders, and subsequently a decline in revenue and profit. 	<p>Short-term:</p> <ul style="list-style-type: none"> • Procurement management: Enhance the flexibility of raw material procurement by hedging with futures and short-term contracts, establishing procurement strategies (such as batch purchasing), and optimizing inventory management to reduce the impact of price fluctuations. • Inventory strategy: Accelerate inventory turnover and use low-cost materials to reduce costs. • Operational efficiency: Procure new equipment, optimize scheduling and logistics, and implement systems to reduce material wastage and enhance production efficiency. • Price strategy: Establish a customer cost transmission mechanism and adjust the selling price of certain products. • Price negotiation: Reach short-term price adjustment agreements with key customers (such as floating prices, cost-plus pricing) to share risks collectively.

CATEGORY	Potential Risks and Opportunities	Financial impact on the Company	Response Strategies and Transformation Action
		<ul style="list-style-type: none"> The pressure on inventory requires early procurement of raw materials, leading to increased operating costs, and the occupation of capital may affect cash flow. 	<ul style="list-style-type: none"> Information sharing: Establish a real-time market information sharing platform to enhance forecasting and response speed. Inventory adjustment: Adjust safety stock to avoid excessive hoarding or the risk of shortages. Supply chain digitization: Implement supply chain management systems (such as integrating supplier barcodes with the in-house ERP system) to enhance transparency and operational efficiency. Supplier evaluation: Implement a supplier performance evaluation system to strengthen strategic relations. Process management: Collaborate with suppliers to optimize production processes, introduce efficient energy-saving equipment to reduce energy consumption and defect rates, and unlock production line potential to support lean manufacturing. <p>Mid-term:</p> <ul style="list-style-type: none"> Product Strategy: Focus on high value-added products (such as electric vehicle tires and energy-saving tires) to meet customer and society demand. Brand management: Enhance brand value and reduce consumer sensitivity to Price. Technology upgrade: Introduce automated equipment and smart manufacturing systems, optimize production processes, enhance raw material usage efficiency and reduce waste, and adopt new technologies to improve production efficiency. Long-term contracts: Strengthen cooperation with key suppliers to establish mid- to long-term contracts, ensuring supply stability and price assurance. Sustainable supply chain: Collaborate with suppliers to promote ESG objectives, such as carbon emission management and the use of recycled materials. Supply chain strategy: Diversify sources of supply, promote regional procurement and localized production.

CATEGORY	Potential Risks and Opportunities	Financial impact on the Company	Response Strategies and Transformation Action
Climate-related physical risks	The severity of extreme weather events increases.	<p>Short-term, mid-term, long-term:</p> <ul style="list-style-type: none"> • Damage to production facilities, Energy Supply, and firefighting equipment can render the company unable to operate normally or affect its response capacity, leading to increased repair costs, asset impairment, and even delayed deliveries which may result in breach of contract penalties or affect reputation. 	<p>Long-term:</p> <ul style="list-style-type: none"> • Industry-academia collaboration: Collaborate with academic and research institutions to drive material and process innovation, foster deep communication and exchange with upstream and downstream enterprises, share R&D data, and reduce transitional risk. • Product optimization: Adjust product specifications and develop material substitution methods that do not affect product quality in order to effectively reduce raw material consumption. • Industry alliances: Participate in industry associations or alliances to jointly respond to fluctuations in the raw material market and changes in policies. • Optimize global deployment: Adjust global supply chain configuration and strategic partners based on geopolitical factors and raw material sources. • Supplier evaluation: Conduct sustainability risk assessments of suppliers to ensure their stable procurement and sales capabilities, and adjust the company's procurement plans based on the results. <p>Short-term:</p> <ul style="list-style-type: none"> • Equipment maintenance: Strengthen equipment maintenance and regularly inspect the drainage system and building structure. • Safety management: Establish an inventory of spare parts for automated fire protection, safety, and environmental facilities to ensure immediate repair in the event of equipment damage. • Disaster preparedness: Pay attention to extreme weather forecasts and prepare for disaster prevention in advance. • Energy Management: Strengthen control over air compression, steam, and nitrogen leakage in the curing machines. • Supplier Collaboration: Regularly communicate with electricity, steam, and nitrogen suppliers, share material plans with them, enhance awareness of safety stock and crisis management capabilities, and develop seasonal plans with key suppliers.

CATEGORY	Potential Risks and Opportunities	Financial impact on the Company	Response Strategies and Transformation Action
	<ul style="list-style-type: none"> • Damage to raw materials, supply disruptions, or logistics anomalies can lead to an inability to ship products, resulting in increased procurement costs, and even delayed deliveries which may result in breach of contract penalties or affect reputation. • Sudden incidents causing employee casualties are recognized as occupational disasters, resulting in the need to provide medical and wage compensation. • Flooding causes storage pit overflows or power outages lead to increased emissions, thereby violating environmental regulations and resulting in fines. 	<ul style="list-style-type: none"> • Order management: Regularly coordinate with customers to properly manage orders. • Sources of suppliers: Increase the number of suppliers and strengthen supply coordination. • Raw material reserve: Reserve raw materials in advance and increase the warehouse capacity at delivery locations. <p>Mid-term:</p> <ul style="list-style-type: none"> • Disaster response management: Establish a disaster response mechanism and a comprehensive organizational structure, and regularly conduct heatstroke emergency drills. • Facility transformation: Renovate low-lying workshops vulnerable to flooding. • Supplier Collaboration: Communicate with electricity, steam, and nitrogen suppliers from time to time. • Supplier risk management: Develop supplier risk management measures to ensure the adequate supply of raw materials and safety stock. • Procurement management: Ensure the diversification of raw material supply to safeguard production stability. • Sources of suppliers: Increase the number of suppliers and strengthen supply coordination. • Delivery adjustment: Coordinate with downstream vendors to flexibly adjust delivery schedules. • Flood prevention measures: Require suppliers to develop measures to prevent delays in delivery due to flooding. <p>Long-term:</p> <ul style="list-style-type: none"> • System evaluation: Re-evaluate and inspect the drainage system and cooling measures. • Government collaboration: Seek support from local government to improve surrounding drainage facilities. • Supplier Collaboration: Continuously and from time to time communicate with electricity, steam, and nitrogen suppliers. 	<ul style="list-style-type: none"> • Order management: Regularly coordinate with customers to properly manage orders. • Sources of suppliers: Increase the number of suppliers and strengthen supply coordination. • Raw material reserve: Reserve raw materials in advance and increase the warehouse capacity at delivery locations. <p>Mid-term:</p> <ul style="list-style-type: none"> • Disaster response management: Establish a disaster response mechanism and a comprehensive organizational structure, and regularly conduct heatstroke emergency drills. • Facility transformation: Renovate low-lying workshops vulnerable to flooding. • Supplier Collaboration: Communicate with electricity, steam, and nitrogen suppliers from time to time. • Supplier risk management: Develop supplier risk management measures to ensure the adequate supply of raw materials and safety stock. • Procurement management: Ensure the diversification of raw material supply to safeguard production stability. • Sources of suppliers: Increase the number of suppliers and strengthen supply coordination. • Delivery adjustment: Coordinate with downstream vendors to flexibly adjust delivery schedules. • Flood prevention measures: Require suppliers to develop measures to prevent delays in delivery due to flooding. <p>Long-term:</p> <ul style="list-style-type: none"> • System evaluation: Re-evaluate and inspect the drainage system and cooling measures. • Government collaboration: Seek support from local government to improve surrounding drainage facilities. • Supplier Collaboration: Continuously and from time to time communicate with electricity, steam, and nitrogen suppliers.

CATEGORY	Potential Risks and Opportunities	Financial impact on the Company	Response Strategies and Transformation Action
Climate-related opportunities	Through R&D and the development of innovative products or services	Short-term, mid-term, long-term: <ul style="list-style-type: none"> Develop low-carbon, recyclable, and renewable sustainable materials to meet customer expectations and enhance competitiveness, which will increase R&D expenses and revenue growth, while also reducing procurement costs and carbon tax expenditures. 	<ul style="list-style-type: none"> Regional risk management: Collaborate with key suppliers to develop regional risk maps to properly assess procurement plans. Supplier evaluation: Implement a supplier climate resilience scoring system, including flood risk, emissions, and continuity plans. Order management: Establish a mid to long-term customer order management system, flexibly adjust production to meet order demands. Sources of suppliers: Increase the number of suppliers and strengthen supply coordination. Delivery adjustment: Coordinate with downstream vendors to flexibly adjust delivery schedules. Flood prevention measures: Continuously require suppliers to develop measures to prevent delays in delivery due to flooding.
			<p>Short-term:</p> <ul style="list-style-type: none"> R&D Innovation: Develop electric vehicle solid tires, tires for electric buses, and tires specifically for electric heavy trucks to meet the needs of electric vehicle customers. Recycled materials: Increase the use of recycled materials, such as rice husk white smoke, and collaborate with raw material suppliers to discuss other applicable recycled materials. Commercialization of Existing Products: Mass production of successfully developed electric vehicle tires and sustainable recycled products. Curing technology: Expand the use of electric heating curing systems. Collaborative development: Work with material and equipment suppliers to strengthen the development and research of recyclable steel and recycled rubber. Technical exchange: Conduct technical exchanges on electric vehicle products with existing customers.

CATEGORY	Potential Risks and Opportunities	Financial impact on the Company	Response Strategies and Transformation Action
		<ul style="list-style-type: none"> Recycling and reusing leftover materials will increase R&D expenses and reduce procurement costs. 	<p>Mid-term:</p> <ul style="list-style-type: none"> Product optimization: Conduct research on low rolling resistance optimization materials for products with high market share to enhance product performance. Manufacturing process improvement: Optimize the process media of some products. Recycled Materials: Introduce recycled carbon black, recycled rubber, and sustainable processing agents to continuously enhance the variety and proportion of recycled materials in certain products. Intelligent Technology: Investment in the development of smart technology tires. Energy transition: Convert the energy use of some processes from electricity to natural gas. Marketing Promotion: Promote well-reputed products to other potential Domestic well-known brand customers. Standards development: Jointly establish testing specifications and standards for certain products with benchmark enterprises and collaborate with third-party organizations for regular verification. <p>Long-term:</p> <ul style="list-style-type: none"> Product optimization: Adjust the raw material composition and increase production scale to reduce R&D costs and enhance product cost-effectiveness. Recycled materials: Introduce sustainable synthetic rubber and replace primary raw materials with sustainable ones. Marketing Promotion: Promote well-reputed products to other potential Domestic well-known brand customers. Industry-academia collaboration: Collaborate with academic and research institutions to drive material and process innovation.
3.	Describe the financial impact of extreme climate events and transformational actions.	In response to the impact of extreme climate events on the group's operations, the group has incorporated climate risks into the overall risk management framework and has developed corresponding transformation actions. Please refer to item (2) for details.	

4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.
- Implementation Status:
- (1) Convene the Sustainable Development Task Force and divide groups with relevant department's responsible persons → (2) Identify and list the main risks and opportunities of Cheng Shin, and discuss their relevance to Cheng Shin → (3) Assess the urgency and incidence of the risks and opportunities → (4) Assess the intensity of the impact posed by climate change risks to Cheng Shin → (5) Draw climate risk and opportunity matrix → (6) Formulate climate risk response measures and assess whether the cost is correspondent to effects to carry out mitigation measures → (7) Regularly review the effectiveness of the mitigation measures. If the improvement is not satisfactory, reduce the level of impact through a second discussion or risk transfer → (8) Review the process and formulate standardized procedures for future related impacts, in order to reduce the response time to risk treatment in the future.
5. If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.
- Implementation status: the Company selects material climate risks and opportunities each year for scenario analysis and management, and discloses them in the Company's Sustainability Report and CDP questionnaire.
- The Company has selected and analyzed the financial impact posed by the carbon fee levied by the government agency for the Company's specific operating locations under different scenarios with reference to the trend of domestic law and regulation and the public information of international peers;
- For the parameters, assumptions, analysis factors and main financial impact used in the aforementioned scenario analysis, please refer to the Company's 2025 Sustainability Report.
6. If there is a transition plan for managing climate-related risks, describe the plan, as well as the metrics and targets used to identify and manage physical risks and transition risks.
- Implementation Status: The global demand for environmentally friendly products will continue to grow, particularly in the automotive industry. The demand for electric vehicles and high-performance low-emission tires will significantly increase. Governments worldwide will implement stricter environmental regulations, such as Taiwan's carbon fee mechanism, forcing companies to accelerate their transformation. Additionally, there have been significant advancements in tire manufacturing technology and materials science in recent years, particularly in the use of renewable materials and the enhancement of tire longevity. Cheng Shin has passed the ISO 14001:2015 environmental management system third-party certification. Through the effective implementation of environmental policies, combining climate risk and opportunities with dependencies and impacts, the company implements its environmental strategies and objectives. This ensures that, on the path of transformation, it can meet international and domestic regulatory standards, respond to stakeholder requirements, and collaborate with supply chain and research organizations to jointly develop technologies and products.

Cheng Shin's current transition plan includes:

- (1) In response to the "Net-Zero Pathway for the Manufacturing Sector" released by Taiwan's Ministry of Economic Affairs, we set 2019 as the base year for greenhouse gas reduction, with the reduction target set to reduce emissions by 22% by 2030 compared to the base year.
- (2) In August 2024, Cheng Shin set a renewable energy target: achieving a 12% share of renewable energy by 2030.
- (3) Responses to the energy saving goal of reducing energy consumption by 1% annually as specified by the Bureau of Energy, the plant has detailed the energy saving target for next year and the performance of this year's implementation in order to facilitate the exploration of the effectiveness of energy saving measures each year.
- (4) In response to the Renewable Energy Development Act, Cheng Shin has installed a solar photovoltaic system, providing 8.66 million kWh in 2025, of which 4.61 million kWh are not sold back to the grid. After deductions, this can reduce CO2e emissions by approximately 1,714 tons.

In terms of resource planning, Cheng Shin will take measures to acquire the necessary resources, including R&D investment, financial arrangements, talent cultivation, and supply chain management. Through these measures, the Company is committed to achieving its sustainable development goals and maintaining competitiveness in the global market. In terms of metrics and targets, Cheng Shin manages the energy use at production sites by setting an energy usage metric and target of 13.05 GJ per ton of total product weight. This is to address the potential cost impact of future collection of greenhouse gas emission carbon fees due to transitional risks.

7. If internal carbon pricing is used as a planning tool, elaborate on the basis for setting the price.

Implementation status: Relevant information is being collected for research and introduction.

8. If climate-related targets have been set, please provide information about the covered activities, scope of greenhouse gas emissions, planning schedule, progress achieved each year, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, please explain the source and quantity of the offset carbon emissions or the number of RECs used for the purpose.

Implementation: The Company has set 2019 as the base year for greenhouse gas reduction, and the reduction target is to reduce the emission by 22% by 2030 compared with the base year; covering the tire production activities of each plant, the scope of greenhouse gas emissions:

Scope 1: direct emissions from burning fossil fuels, and Scope 2: Indirect emissions from energy use. The Company actively

responds to the government's renewable energy policy and adopts self-generation and self-use for green electricity consumption.

From May 2024 to the end of October 2025, the Company has consumed a total of 2.133 million kWh of electricity and obtained a total of 2,133 renewable energy certificates (T-REC), with T-REC numbers 23SP0406-B025000001 - 1376. The carbon reduction amount can reach approximately 1,056 tons per year.

9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).

1-1 GHG inventory and assurance in the last 2 years
1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons of CO ₂ e), intensity (metric tons of CO ₂ e/NTD million), and data coverage for the most recent two years.		2024		2025	
		Item (Unit)	Emissions (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NTD million of revenue)	Emissions (metric tons of CO ₂ e)
The Company	Scope 1	39,423.4137		37,009.3616	
	Scope 2	74,613.3876		68,064.7036	
	Subtotal	114,036.8013		105,074.0652	
All subsidiaries included in the consolidated financial statements	Scope 1	33,565.5450	-	18,804.4973	-
	Scope 2	867,418.1930		804,607.6845	
	Subtotal	900,983.7380		823,412.1818	
	Total	1,015,020.5393	10.546	928,486.2470	10.228
The Company	Scope 3	294,140.7776	17.528	392,649.1084	23.398

Data coverage: All plants in Taiwan (including Headquarter Plant, Plant II, Plant III, Zhongzhuang Plant, Xizhou Plant, and Douliu Plants I, II and V) and all subsidiaries in the consolidated financial statements.

For the 2025 annual emission data, inventory inspection and external verification will be performed according to the ISO14064-1:2018 version. After the verification, the data may be revised. The complete assurance and information will be disclosed in the 2025 sustainability report. Currently, Scope 3 emissions have not been verified by a third party and are based on the company's internal inventory data.

Group-wide Scope 1 + Scope 2 emissions intensity = Group-wide Scope 1 + Scope 2 emissions/consolidated revenue; the Company's Scope 3 emissions intensity = Company's Scope 3 emissions/revenue indicated in the parent company only financial statements.

1-1-2 Greenhouse Gas Assurance Information

Describe the circumstances of assurance in the last two years, including the scope of assurance, assurance body, assurance criteria, and assurance opinions up to the printing date of the annual report.

For the 2025 annual emission data, inventory inspection and external verification will be performed according to the ISO14064-1:2018 version. After the verification, the data may be revised.

Assurance scope: All plants in Taiwan (including Headquarter Plant, Plants 2, 3, Zhongzhuang, Xizhou, Douliou 1, Plants 2, and 5, Taipei Office)

Assurance institution: The external verification is commissioned to PricewaterhouseCoopers, Taiwan, and greenhouse gas verification report has been obtained.

The verification is expected to be completed in May 2026, and the complete and confident information will be disclosed in the 2025 sustainability report.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans.

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.

In 2023, we established the Energy Conservation and Carbon Reduction Committee, and set 2019 as the base year for greenhouse gas reduction. The reduction target is to reduce emissions by 22% by 2030 in comparison to the emissions in the base year.

Reduction actions will be divided into three major aspects: Update and replacement of equipment (energy leakage, etc.); C. improvement of process.

As of the date of publication of the annual report, the statistics on the reduction performance for 2025 are still under progress. The complete information will be disclosed in the 2025 report.

(VIII) Implementation of Ethical Corporate Management, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof:

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
<p>I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Has the Company established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	V	(I)	None.
	V	(II)	

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
(III) Has the Company established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines consequences of violation and complaint procedures, and periodically reviewed and revised such policies?	V	(III) The Company has incorporated the rules, in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, into its Rules and Procedures for Board Meetings, Workplace Rules, related party transactions, execution of business contracts, accounting policies, and internal control system, which stipulates the prohibition of conflicts of interest, accepting gifts and gratuities and other unethical business practices, as well as its commitment to ethical corporate management.	
II. Implementation of Ethical Corporate Management	V	(I) The Company has included clauses related to ethical conduct in the contractual agreements with its business counterparties, which allow the Company to terminate agreements and claim damages or terminate partnerships due to the counterparties' violations of the clauses.	(I) None.
(II) Has the Company established a business unit, which is supervised by the Board and is exclusively or concurrently dedicated to business ethics and integrity, to report to the Board on the implementation status regularly (at least)?	V	(II) On March 14, 2023, the Company established the Ethical Corporate Management Group, consisting of the General Manager's Office Legal Office and formulating the Ethical Corporate Management Best Practice Principles Operating Procedures, and Guidelines, which stipulates that the Company shall report to the Board of Directors at least once a year on its performance. On May 13, 2025, the operation status and supervision implementation report were submitted to the Board of Directors as follows:	(II) None.

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
	Summary		
		<p>Education and Training</p> <p>Arrange 0.5 hour of ethical business education and training for new employees. In 2024, the total number of hours of education and training on ethical corporate management (anti-corruption, anti-bribery, employee code of conduct, and corporate culture) was 3,685 hours.</p>	
		<p>Commitments</p> <p>All personnel involved in procurement, quotation, inquiry and contact with suppliers, sales personnel, personnel at the managerial level (including director) and above, and personnel stationed in overseas plants shall sign the "Letter of Commitment for the Code of Ethical Conduct for Employees" and submit the same to the Human Resources Department. The same procedure applies to new employees and staff who are transferred.</p> <p>The "Letter of Commitment for Integrity and Confidentiality" signed by the contractors are reviewed along with the contracts by the legal affairs unit. The same procedure applies to new partners.</p>	

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate communication channels, and implemented the policies?		<p>Promotion</p> <p>E-mails are delivered to directors and managerial officers on "Reducing Violations in Insider Share Transfer" and "Insider Trading Prevention Regulations" on a quarterly basis.</p> <p>The Company informs directors, via email, that they may not trade shares during the book-closure period before the date of the announcement of the financial report, in order to prevent director from violating regulations.</p> <p>Ethical corporate management and important operational procedures are all published on the Company intranet, and internal announcements are issued to reiterate the Company's emphasis on ethical corporate management. Department heads are requested to educate and promote this to their respective teams.</p>	(III) None.
	V	<p>Violations</p> <p>As of April 30, 2025, there are no violations.</p> <p>(III) The Company has a "Stakeholders" section on the corporate website providing a platform for its stakeholders to express their opinions and complaints.</p>	

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
(IV) Has the Company established an effective accounting system and internal control system to facilitate ethical corporate management, which is audited by either internal auditors or certified public accountants on a regular basis?	V	(IV) The internal auditors are appointed and authorized under the rules of the Company and revise the internal control system from time to time in accordance with applicable laws and regulations, implement the system under the law and regulations and routinely submit audit reports to the Board for review.	(IV) None.
	V	(V) The Company provides training for new employees on the day of their arrival, and such training includes a 0.5-hour ethical corporate management training. In addition, ethical and code of practice training is provided to current employees, and descriptions and promotions of conduct that employees shall comply with and refrain from are also provided in the employee service rules. In 2025, the Company recorded a total of 4,053 hours for ethical corporate management education and training, which covered promotion and test and was included in the annual performance evaluation.	(V) None.
III. Implementation Status of the Grievance System (I) Has the Company established a grievance and rewards system and a reporting hotline? Can the employees with alleged violations be reached by an appropriate contact person for a follow-up?	V	(I) The Company has established a grievance system and whistleblowing procedures both on its intranet and on its website providing a channel for its employees and relevant personnel to report unethical business behaviors or improper conduct. The investigation of reported or suspected violations will be undertaken by a responsible unit assigned by the Company.	None.

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
(II) Has the Company established standard operating procedures and confidentiality measures for the investigation of reported incidents? (III) Does the Company have proper measures in place to protect whistleblowers from reprisals?	V	(II) The Company's Workplace Rules stipulate whistleblowing procedures and confidentiality measures, which enhance its code of conduct and ethics. (III) The Company takes protective measures and maintains the anonymity of whistleblowers to prevent reprisals. Any employee in violation of the Company's ethical standards will be subject to disciplinary actions according to the Company's rewards and disciplinary system.	
IV. Enhancing Information Disclosure Has the company disclosed its ethical corporate management policies and results of implementation on the company's website and the Market Observation Post System?	V	The Company has made available its Ethical Corporate Management Best Practice Principles, corporate culture, missions and values, and other information on its website and the Market Observation Post System.	None.
V. If the company has established ethical corporate management policies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies ("Best Practice Principles"), please describe any discrepancy between the policies and its practices: The Company has adopted the Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines. There is no discrepancy between our practices and the Best Practice Principles.			
VI. Other important information which facilitates a better understanding of the Company's ethical corporate management practices: The Company has made available on its website the Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines, Rules, and Procedures for Board Meetings, Management Procedures for Preventing Insider Trading, and a Stakeholders Section. With a vision for sustainable business, we seek to implement ethical corporate management and comply with applicable laws and regulations as the fundamental principles of our business.			

(IX) Other important information regarding corporate governance that should be also disclosed together:

1. The Company has formulated the "Procedures to Prevent Insider Trading" and set up key management controls as well as specified management tasks in handling internal material information and in preventing insider trading. The aforementioned mechanisms are used as management mechanisms to prevent insider trading, prevent improper leaks of Company information, and ensure the timeliness and accuracy of externally published information.

2. Directors' Continuing Education:

Position	Name	Period of training		Organizer	Course Name	Hours from continuing education	Total training hours in 2025
		From	Until				
Representative of Corporate Director	Chen, Yun-Hwa	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	6
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Representative of Corporate Director	Chen, Hsiu-Hsiung	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	6
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Representative of Corporate Director	Lo, Tsai-Jen	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	12
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
		2025.11.13	2025.11.13	Taiwan Corporate Governance Association	Exploration of Operational Risks and Legal Responsibilities of Directors and Supervisors under Corporate Governance	3	

Position	Name	Period of training		Organizer	Course Name	Hours from continuing education	Total training hours in 2025
		From	Until				
		2025.11.13	2025.11.13	Taiwan Corporate Governance Association	Crisis Decryption - How to Achieve Sustainable Business in the Era of Black Swans	3	
Director	Tseng, Shung-Chu	2025.11.13	2025.11.13	Taiwan Corporate Governance Association	Exploration of Operational Risks and Legal Responsibilities of Directors and Supervisors under Corporate Governance	3	6
		2025.11.13	2025.11.13	Taiwan Corporate Governance Association	Crisis Decryption - How to Achieve Sustainable Business in the Era of Black Swans	3	
Representative of Corporate Director	Lee, Chin-Chang	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	6
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Representative of Corporate Director	Lo, Yuan-Long	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	6
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Representative of Corporate Director	Chen, Han-Chi	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	6
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	

Position	Name	Period of training		Organizer	Course Name	Hours from continuing education	Total training hours in 2025
		From	Until				
Representative of Corporate Director	Wu, Hsuan-Miao	2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	6
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Independent Director	Wu Chung-Shu	2025.06.04	2025.06.04	Taiwan Academy of Banking and Finance	Corporate Governance Forum - U.S. Tariff Policy and Corporate Response Strategies for Supply Chain Restructuring	3	12
		2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	
		2025.08.22	2025.08.22	Chinese National Association of Industry and Commerce, ROC	Directors and Supervisors Study - "2025 Taishin and Shin Kong Net Zero Summit"	3	
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Independent Director	Chu, Po-Young	2025.05.06	2025.05.06	Taiwan Corporate Governance Association	From Operational Compliance to Reputation Maintenance: Preparation and Challenges for Corporations Facing the Sustainability Wave	3	12
		2025.06.13	2025.06.13	Taiwan Corporate Governance Association	Global economic situation and outlook	3	

Position	Name	Period of training		Organizer	Course Name	Hours from continuing education	Total training hours in 2025
		From	Until				
		2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
Independent Director	Chen, Shuei-Jin	2025.05.08	2025.05.08	Taiwan Corporate Governance Association	The Path of Corporate Sustainability and Resilience Management	3	18
		2025.06.17	2025.06.17	Taiwan Corporate Governance Association	Discussion on the important civil and criminal liabilities of Directors and case studies	3	
		2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	
		2025.11.13	2025.11.13	Taiwan Corporate Governance Association	Exploration of Operational Risks and Legal Responsibilities of Directors and Supervisors under Corporate Governance	3	
		2025.11.13	2025.11.13	Taiwan Corporate Governance Association	Crisis Decryption - How to Achieve Sustainable Business in the Era of Black Swans	3	

3. Managers' participation in training and learning about corporate governance

Position	Name	Period of training		Organizer	Course Name	Hours from continuing education	Total training hours in 2025
		From	Until				
Accounting Officer	Yu, Ching-Tang	2025.06.04	2025.06.04	Accounting Research and Development Foundation of the Republic of China	How to Apply "Robotic Process Automation" (RPA) to Enhance Internal Controls Efficiency Professional Training Course	6	12
		2025.07.30	2025.07.30	Accounting Research and Development Foundation of the Republic of China	IFRS 18 "Presentation of Financial Statements and Disclosures" Standards and Practical Analysis	6	
Chief Corporate Governance Officer	Lo, Yung-Li	2025.07.21	2025.07.22	Taiwan Corporate Governance Association	Greenhouse Gas Management Implementation Workshop and Sustainable Development Promotion Conference - Taichung Session	9	15
		2025.08.12	2025.08.12	Taiwan Corporate Governance Association	Trump 2.0: Corporate response strategies for global tax reform and supply chain restructuring	3	
		2025.11.12	2025.11.12	Taiwan Corporate Governance Association	Technology and Trends - AI Development and Business Impact	3	

(X) Disclosure matters of the status of Internal Control:

- Statement of Internal Control System:
Announcement of the Statement of Internal Control on the Market Observation Post System > Single Company > Corporate Governance > Company Regulations > Internal Controls
(<https://mops.twse.com.tw/mops/#/web/t06sg20>)
- A separate audit report shall be disclosed where an independent registered public accounting firm has reviewed the Company's internal control system: N/A
Market Observation Post System > Single Company > Corporate Governance > Company Regulations/Internal Controls > Internal Control Project Review Report
(<https://mops.twse.com.tw/mops/#/web/t06hsg20>)

(XI) Important Resolutions of Shareholders' Meetings and Board Meetings in the Most Recent Year and as of the Date of the Annual Report

1. Shareholders' Meeting Resolution and Implementation Status

Year	Date	Proposal	Resolution	Implementation Status
2025 General Shareholders' Meeting	May 26, 2025	Proposal to ratify the 2024 Business Report and financial statements.	This case was put to a vote (including electronic voting), The number of votes in favor: 2,218,558,816 shares, accounting for 94.60% of the total voting shares present; The number of votes against: 2,461,847 shares; Abstained/Non-voting shares: 123,973,568 shares; Invalid votes: 0 votes, the proposal was approved as originally presented.	Completed according to the Shareholders' Meeting Resolution announcement.
		Proposal for the distribution of the Company's 2024 earnings.	This case was put to a vote (including electronic voting), The number of votes in favor: 2,040,419,482 shares, accounting for 87.01% of the total voting shares present; The number of votes against: 366,018 shares; Abstained/Non-voting shares: 304,208,731 shares; Invalid votes: 0 votes, the proposal was approved as originally presented.	A cash dividend of NT\$2.4 per share was distributed on July 17, 2025.
		Discuss the proposal for the amendment to the Company's "Articles of Incorporation".	This case was put to a vote (including electronic voting), The number of votes in favor: 2,217,225,684 shares, accounting for 94.55% of the total voting shares present; The number of votes against: 366,444 shares; Abstained/Non-voting shares: 127,402,103 shares; Invalid votes: 0 votes, the proposal was approved as originally presented.	Amend the Articles of Incorporation according to the Shareholders' Meeting Resolution and complete the change registration with the Ministry of Economic Affairs on June 6, 2025.

2. Important Resolutions of the Board of Directors

Meeting Date	Important Resolutions of the Board of Directors	Resolution Result
January 21, 2025 (10th meeting of 12th term)	<ol style="list-style-type: none"> (1) Proposal for the Company's plan of distributing managers' year-end bonus and remuneration. (2) Proposal for the Company's 2024 performance evaluation of the Board and the functional committee. (3) The proposal for a fully dematerialized stock of Maxxis Rubber India Private Limited. (4) Proposal to decide the date and location of the 2025 Annual Shareholders' Meeting of The Company as well as the reasons to convene the meeting. (5) Proposal to accept shareholders' proposal right related matters for the 2025 Annual Shareholders Meeting, submitted for discussion. (6) Proposal for the Company's loan line. 	Unanimously approved by all the directors present.
2025.03.12 (11th meeting of 12th term)	<ol style="list-style-type: none"> (1) Proposal for the distribution of directors' and employees' 2024 remuneration of the Company (2) Proposal to discuss the Company's 2024 Business Report, consolidated financial statements, and individual financial statements. (3) Proposal for the distribution of the Company's 2024 earnings. (4) Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2024. (5) Proposal for independent evaluation of the Company's CPAs. (6) Proposal for the appointment and compensation of the Company's CPAs. (7) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries. (8) Proposal for the amendment to the Company's "Articles of Incorporation". (9) Proposal for the amendment to the Company's "Ethical Corporate Management Best Practice Principles". (10) Amendment to the Company's "Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines". (11) The Company's personnel appointments and dismissals. (12) Proposal for the Company's endorsements/guarantees. (13) Proposal for loaning of funds of the Company. (14) Proposal for the Company's loan line. 	For proposals 5, 6, and 7, as the accountant was involved in a conflict of interest and was required to recuse themselves, they were unanimously approved by all the directors present. The remaining proposals were unanimously approved by all the directors present.

Meeting Date	Important Resolutions of the Board of Directors	Resolution Result
2025.05.13 (12th meeting of 12th term)	<ol style="list-style-type: none"> (1) Proposal to ratify the Company's Q1 2025 Consolidated Financial Statements. (2) Proposal to fix the ex-dividend base date. (3) Proposal for 2024 directors' remuneration distribution. (4) Proposal for personnel changes in the appointment of managers for The Company in 2025. (5) Proposal for the Company's loan line. 	<p>For the fourth proposal, since Director Chen, Yun-Hwa, Director Chen, Hsiu-Hsiung, and Director Chen, Han-Chi were involved in a conflict of interest and were required to recuse themselves, the chairman designated Director Tseng, Shung-Chu as the acting chairperson for this proposal. Upon inquiry by the acting chairperson, all the remaining directors unanimously agreed on the proceedings. The remaining proposals were unanimously approved by all the directors present.</p>
August 12, 2025 (13th meeting of 12th term)	<ol style="list-style-type: none"> (1) Proposal to ratify the Company's Q2 2025 Consolidated Financial Statements. (2) Proposal for completion of The Company's 2024 Sustainability Reports. (3) Retroactive approval of personnel appointments and dismissals by the Company. (4) Proposal to appoint a manager for pension payments. (5) Proposal for personnel changes in the appointment of managers for The Company. (6) Proposal to establish the scope of the Company's grassroots employees. (7) Proposal to amend the Company's "Procedures for the Preparation and Validation of Sustainability Reports". (8) Proposal for the Company's endorsements/guarantees. (9) Proposal for the Company's loan line. 	<p>Unanimously approved by all the directors present.</p>
2025.11.12 (14th meeting of 12th term)	<ol style="list-style-type: none"> (1) Proposal to ratify the Company's Q3 2025 Consolidated Financial Statements. (2) Proposal to establish the Company's 2026 Audit Plan. (3) The Company's personnel appointments and dismissals. (4) Proposal for the amendment to the Company's "Corporate Governance Best Practice Principles". (5) Amendment to the Company's "Sustainable Development Best Practice Principles". (6) Proposal for the Company's endorsements/guarantees. (7) Proposal for the Company's loan line. (8) The Company has established a Sustainable Development Committee and set forth the "Organizational Regulations of the Sustainable Development Committee". (9) Proposal for the appointment of a Sustainable Development Committee Member for The Company. 	<p>For the ninth proposal, as Director Lo, Tsai-Jen, Director Lee, Chin-Chang, Director Lo, Yuan-Long, and Deputy General Manager Lo, Yung-Li were involved in a conflict of interest and were required to recuse themselves, the chairperson inquired with the remaining directors who unanimously approved the proposal. The remaining proposals were unanimously approved by all the directors present.</p>

(XII) In the most recent year and up to the date of publication of the Annual Report, there were no dissenting opinions by directors on important resolutions passed by the Board of Directors, with no records or written statements.

IV. CPA Service Fee Information

(I) CPA Service Fee Information

Unit: NT\$ thousand

Name of the Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Note
Pricewaterhouse Coopers, Taiwan	Chou, Chien-Hung Wang, Yu-Chuan	2025.01.01 ~ 2025.12.31	5,900	6,369	12,269	Information on Non-audit Fees: Transfer pricing report fees and countries report fees, fees for direct deduction method verifications for dual-status business entities, global minimum tax system tax consulting service fees, cash capital increase for India service fees, service fees for the Ministry of Economic Affairs' digital transformation subsidy plan, service fees for the investment industry plan for repatriated offshore funds, assurance and consulting service fees for sustainability reports, consulting service fees for FIRS S1/S2 implementation, and consulting service fees for greenhouse gas inventory.

Note: If there has been a change of certified public accountants or independent public accounting firm during the current fiscal year, the Company shall disclose the information regarding the audit period covered by the predecessor auditor and successor auditor, the reasons for the change of auditors in the commentary column, as well as to disclose audit and non-audit fees paid. Non-audit fees should be accompanied by a description of the content of such services.

- (II) Disclosure of the amount and reasons for the decrease in audit fees where there has been a change of auditors and the audit fees are lower than the previous fiscal year: N/A.
- (III) If the audit fees decrease by more than 10% compared to the previous year, the amount, percentage, and reasons for the decrease should be disclosed: N/A.

- V. Information on Changes in CPA
- (I) Regarding the Previous CPA: N/A
 - (II) Regarding the Succeeding CPA: N/A
 - (III) The former CPA's written response regarding the disclosures the Company is making pursuant to Sections 1, 2, and 3, Paragraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: N/A.
- VI. Disclosure of any of the Company's Chairman, General Manager, General Manager, Manager in charge of financial or accounting affairs who has held a position at the Company's independent certified public accounting firm or its affiliates within the last year: None.

VII. Transfer or Pledge of Shares by Directors, Managers, and Shareholders who hold 10% of the Company's shares or more during the current fiscal year and as of the date of the Annual Report

(I) Changes in Share Ownership of Directors, Managers, and Substantial Shareholders

Position	Name of Director or Major Shareholder	Change in Equity in 2025		Up to February 28 for 2026	
		Number of Shares Held +(-)	Number of Shares Pledged +(-)	Number of Shares Held +(-)	Number of Shares Pledged +(-)
Chairman	Jiu Shun Investment Corporation	0	0	0	0
Representative of the Chairman	Chen, Yun-Hwa	(618,000)	0	0	0
Vice Chairman	Jye Luo Memory Co., Ltd.	0	0	0	0
Representative of the Vice Chairman	Lo, Tsai-Jen	0	0	0	0
Director	Hsieh Shuen Investment Co., Ltd.	0	0	0	0
Director Representative who concurrently serves as the CEO	Chen, Hsiu-Hsiung	(933,070)	0	0	0
Director	Tseng, Shung-Chu	0	0	0	0
Director	Min Hsing Investment Co., Ltd.	0	0	0	0
Director Representative	Chen, Han-Chi	449,180	0	0	0
Director	Jiu Shun Investment Corporation	0	0	0	0
Director Representative	Wu, Hsuan-Miao	0	0	0	0
Director	Jye Luo Memory Co., Ltd.	0	0	0	0
Director Representative	Lo, Yuan-Long	0	0	0	0
Director	Hong Jing Investment Co., Ltd.	0	0	0	0
Director Representative/ Deputy General Manager	Lee, Chin-Chang	0	0	0	0
Independent Director	Chu, Po-Young	0	0	0	0
Independent Director	Wu Chung-Shu	0	0	0	0
Independent Director	Chen, Shuei-Jin	0	0	0	0
President	Hsu, Chih-Ming	0	0	0	0

Position	Name of Director or Major Shareholder	Change in Equity in 2025		Up to February 28 for 2026	
		Number of Shares Held +(-)	Number of Shares Pledged +(-)	Number of Shares Held +(-)	Number of Shares Pledged +(-)
Deputy General Manager	Peng, Wen-Hsing	0	0	0	0
Deputy General Manager	Liao, Cheng-Yao	0	0	0	0
Deputy General Manager	Lee, Hung-Ko	0	0	0	0
Deputy General Manager	Lai, Kuo-Ti	0	0	0	0
Deputy General Manager	Liu, Chao-Sheng	0	0	0	0
Deputy General Manager (Chief Financial Officer)	Lo, Yung-Li	0	0	0	0
Deputy General Manager	Chen, Shu-Yu	0	0	0	0
Deputy General Manager	Ho, Chin-Fang	0	0	0	0
Deputy General Manager	Lo, Chen-Jung	0	0	0	0
Deputy General Manager	Chang, Ghi-Jung	0	0	0	0
Deputy General Manager	Liu, Ching-Chung	0	0	0	0
Deputy General Manager	Chang, Chuan-Shun	0	0	0	0
Deputy General Manager	Chen, Han-Hsin	701,180	0	0	0
Deputy General Manager	Tseng, Yao-Te	0	0	0	0
Assistant Manager	Lai Ming-Han	0	0	0	0
Assistant Manager	Chiang, Kui-Yung	0	0	0	0
Assistant Manager	Hu, Ming-Te	0	0	0	0
Assistant Manager	Chen, Jin-Long	0	0	0	0
Assistant Manager	Lo, Yuan-Long	0	0	0	0
Assistant Manager	Chen, Po-Chia	701,180	0	0	0
Assistant Manager	Lai Ming-Han	0	0	0	0
Assistant Manager	Chen, Chih Hsien	0	0	0	0

Position	Name of Director or Major Shareholder	Change in Equity in 2025		Up to February 28 for 2026	
		Number of Shares Held +(-)	Number of Shares Pledged +(-)	Number of Shares Held +(-)	Number of Shares Pledged +(-)
Assistant Manager	Chiang, Chih-Wei	0	0	0	0
Assistant Manager	Chih, Ching-Yung	0	0	0	0
Assistant Manager	Yao, I-Cheng	0	0	0	0
Assistant Manager	Chang, Chui-He	0	0	0	0
Assistant Manager	Huang, Chih-Chong	0	0	0	0
Assistant Manager	Yang, Ti-Wei	0	0	0	0
Assistant Manager	Lai, Chung-Hsin	0	0	0	0
Assistant Manager	Chen, Ming-Ping	0	0	0	0
Assistant Manager	Ke, Hung-Te	0	0	0	0
Assistant Manager	Chen, Li-Chen	412,000	0	0	0
Assistant Manager	Chen, Bing-Hao	412,000	0	0	0
Assistant Manager	Xiao, Yi-Jun	0	0	0	0
Assistant Manager	Chiang, Pei-Chung	0	0	0	0
Assistant Manager	Lee, Zong-Wei	0	0	0	0
Assistant Manager	Lin, Hsin-Chang	0	0	0	0
Assistant Manager	Lai, Po-Yi	0	0	0	0
Assistant Manager	Xie, Zheng-Chang	0	0	0	0
Assistant Manager	Lo, Ji-Lin	0	0	0	0
Assistant Manager	Wei-Hsiang Su	0	0	0	0
Accounting Officer	Yu, Ching-Tang	0	0	0	0
Major Shareholder	Lo, Ming-Han	0	0	0	0
Major Shareholder	Jye Luo Memory Co., Ltd.	0	0	0	0

- (II) Information about Equity Transfer - Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Equity Transfer Data Query > Post-declaration Form for Insider Shareholding Changes
(https://mops.twse.com.tw/mops/#/web/query6_1)
- (III) Information about Equity Pledged Under Lien - Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Insider Creation/Release of Pledge > Insider Pledge and Release Announcement
(https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

Shares pledged to related parties: None.

VIII. Information of the Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familiar Relationship within the Second Degree of Kinship:

Relationship Among Top Ten Largest Shareholders June 15, 2025 (Note 2)

Name (Note 1)	Number of Shares Held		Shares Held By Spouse and Minor Children Number of Shares Held		Total Shares Held in Other's Name		Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familiar Relationship within the Second Degree of Kinship, their Names and Relations		Note
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Relation	
Lo, Ming-Han	370,176,378	11.42%	0	0%	0	0%	Lo, Tsai-Jen; Lo, Min-Ling; Chen, Hsiu-Hsiung, Chen, Yun-Hwa	Within second degree of kinship	-
Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-Jen	324,430,630	10.01%	0	0%	0	0%	Lo, Yuan-Yu; Lo, Yuan-Lung Lo, Ming-Han; Lo, Ming-Ling Chen, Hsiu-Hsiung, Chen, Yun-Hwa	Within second degree of kinship	-
Yuanta Taiwan High Dividend Fund Account	201,294,521	6.21%	0	0%	0	0%	None.	None.	-
Chen, Yun-Hwa	179,358,531	5.53%	21,280,443	0.66%	13,391,000	0.41%	Lo, Ming-Han; Lo, Tsai-Jen Lo, Ming-Ling, Chen, Hsiu-Hsiung,	Within second degree of kinship	-
Taishin International Bank Co., Ltd. trusted for custody of the Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust Account of Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund	172,950,000	5.34%	0	0%	0	0%	None.	None.	-

Name (Note 1)	Number of Shares Held		Shares Held By Spouse and Minor Children Number of Shares Held		Total Shares Held in Other's Name		Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familial Relationship within the Second Degree of Kinship, their Names and Relations		Note
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Relation	
Lo, Tsai-Jen	91,662,430	2.83%	27,429,793	0.85%	0	0%	Lo, Yuan-Yu; Lo, Yuan-Long Lo, Ming-Han; Lo, Ming-Ling Chen, Hsiu-Hsiung, Chen, Yun-Hwa	Within second degree of kinship	-
Lo, Yuan-Yu	71,811,216	2.22%	0	0%	0	0%	Lo, Tsai-Jen; Lo, Yuan-Lung	Within second degree of kinship	-
Chen, Hsiu-Hsiung	66,725,386	2.06%	62,340,446	1.94%	31,280,000	0.97%	Lo, Ming-Han; Lo, Ming-Ling; Lo, Tsai-Jen, Chen, Yun-Hwa	Spouse and second-degree relative	-
Lo, Ming-Ling	62,340,446	1.92%	66,725,386	2.06%	0	0%	Chen, Shiu-Hsiung, Lo, Ming-Han; Lo, Tsai-Jen, Chen, Yun-Hwa	Spouse and second-degree relative	-
Lo, Yuan-Long	61,064,766	1.88%	203,000	0.01%	0	0%	Lo, Tsai-Jen, Lo, Yuan-Yu	Within second degree of kinship	-

Note1: The names of the shareholders shall be listed individually (corporate shareholders shall include both the company name and the name of the representative)

Note2: The latest book closure date.

Note3: Percentage in share ownership shall be the total shares held whether in the names of the individual, his/her spouse, or children who are minors or under nominee accounts.

Note4: Relationships between the aforementioned shareholders (including juristic and natural persons) shall be disclosed according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. The number of shares held by the Company, directors, supervisors, managers, and entities directly or indirectly controlled by the Company in the reinvestment business as well as the consolidated shareholding ratio

Affiliated Companies (Note)	Ownership by the Company		Ownership by Directors, Supervisors, Managers, and Entities Directly or Indirectly Controlled by the Company		Total Ownership	
	Number of Shares	Share-holding Ratio	Number of Shares	Share-holding Ratio	Number of Shares	Share-holding Ratio
MAXXIS International Co., Ltd.	35,050,000	100%	0	0%	35,050,000	100%
CST Trading Ltd.	72,900,000	100%	0	0%	72,900,000	100%
Cheng Shin Rubber USA, Inc.	1,800,000	100%	0	0%	1,800,000	100%
MAXXIS TRADING LTD.	237,811,720	100%	0	0%	237,811,720	100%
New Pacific Industry Company Limited	5,000,000	50%	0	0%	5,000,000	50%
Cheng Shin Rubber Canada, Inc.	1,000,000	100%	0	0%	1,000,000	100%
MAXXIS Tech Center Europe B.V.	1,000,000	100%	0	0%	1,000,000	100%
PT MAXXIS International Indonesia	199,992,500	99.99625%	7,500	0.00375%	200,000,000	100%
Maxxis Rubber India Private Limited	2,358,980,883	99.99919%	19,117	0.00081%	2,359,000,000	100%
Maxxis Trading Company Limited	10,000,000	100%	0	0%	10,000,000	100%
PT. MAXXIS TRADING INDONESIA	9,990	99.9%	10	0.1%	10,000	100%
Maxxis Europe B.V.	2,000,000	100%	0	0%	2,000,000	100%
MAXXIS RUBBER JAPAN CO., LTD.	5,000	100%	0	0%	5,000	100%

Note:

- (1) Investments of the Company are accounted for using the equity method.
- (2) Up to 2025.

Chapter 3: Financing

I. Recordable items in capital and share:

(I) Sources of Capital

Year/Month	Issuance Price Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by Assets Other Than Cash	Others
August 1988	10	162,509,490	1,625,094,900	162,509,490	1,625,094,900	Capital increase from retained earnings	None.	-
August 1989	10	203,136,863	2,031,368,630	203,136,863	2,031,368,630	Capital increase from retained earnings	None.	-
August 1990	10	243,764,236	2,437,642,360	243,764,236	2,437,642,360	Capital increase from retained earnings	None.	-
May 1991	10	263,265,375	2,632,653,750	263,265,375	2,632,653,750	Capital increase from retained earnings	None.	Jing (80) Shang No.118965 dated September 7, 1991
July 1992	10	315,918,450	3,159,184,500	315,918,450	3,159,184,500	Capital increase from retained earnings	None.	Jing (81) Shang No.118426 dated August 31, 1992
July 1993	10	363,306,218	3,633,062,180	363,306,218	3,633,062,180	Capital increase from retained earnings	None.	Jing (82) Shang No.115285 dated August 13, 1993
July 1994	10	421,435,213	4,214,352,130	421,435,213	4,214,352,130	Capital increase from retained earnings	None.	Jing (83) Shang No.112989 dated September 2, 1994
August 1995	10	501,507,903	5,015,079,030	501,507,903	5,015,079,030	Capital increase from retained earnings	None.	Jing (84) Shang No.111207 dated August 16, 1995
August 1996	10	551,658,693	5,516,586,930	551,658,693	5,516,586,930	Capital increase from retained earnings	None.	Jing (85) Shang Zi No. 111479 dated August 12, 1996
July 1997	10	606,824,562	6,068,245,620	606,824,562	6,068,245,620	Capital increase from retained earnings	None.	Jing (86) Shang Zi No.111867 dated July 18, 1997
December 1998	10	679,643,509	6,796,435,090	679,643,509	6,796,435,090	Capital increase from retained earnings	None.	Jing (87) Shang Zi No. 087142412 dated December 29, 1998
August 1999	10	747,607,860	7,476,078,600	747,607,860	7,476,078,600	Capital increase from retained earnings	None.	Jing (88) Shang Zi No. 088127496 dated August 4, 1999
August 2000	10	784,988,253	7,849,882,530	784,988,253	7,849,882,530	Capital increase from retained earnings	None.	Jing (89) Shang Zi No. 089127105 dated August 1, 2000
August 2001	10	836,012,489	8,360,124,890	836,012,489	8,360,124,890	Capital increase from retained earnings	None.	Jing (90) Shang Zi No.09001288800 dated August 22, 2001
August 2002	10	886,173,238	8,861,732,380	886,173,238	8,861,732,380	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09101319120 dated August 15, 2002
August 2003	10	957,067,097	9,570,670,970	957,067,097	9,570,670,970	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09201240400 dated August 8, 2003
August 2004	10	1,048,945,538	10,489,455,380	1,048,945,538	10,489,455,380	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09301149390 dated August 18, 2004
September 2005	10	1,138,105,908	11,381,059,080	1,138,105,908	11,381,059,080	Capital increase from retained earnings	None.	Jing Shou Shang Zi No.09401168800 dated September 5, 2005
September 2006	10	1,217,773,322	12,177,733,220	1,217,773,322	12,177,733,220	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09501191430 dated August 30, 2006
September 2007	10	1,303,017,454	13,030,174,540	1,303,017,454	13,030,174,540	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09601224190 dated September 14, 2007

Year/Month	Issuance Price Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by Assets Other Than Cash	Others
September 2008	10	1,498,470,072	14,984,700,720	1,498,470,072	14,984,700,720	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09701236220 dated September 15, 2008
September 2009	10	1,648,317,079	16,483,170,790	1,648,317,079	16,483,170,790	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09801202660 dated September 4, 2009
August 2010	10	2,060,396,349	20,603,963,490	2,060,396,349	20,603,963,490	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 09901193360 dated August 25, 2010
August 2011	10	2,472,475,619	24,724,756,190	2,472,475,619	24,724,756,190	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 10001194070 dated August 22, 2011
August 2012	10	2,818,622,206	28,186,222,060	2,818,622,206	28,186,222,060	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 10101174280 dated August 27, 2012
August 2013	10	3,241,415,536	32,414,155,360	3,241,415,536	32,414,155,360	Capital increase from retained earnings	None.	Jing Shou Shang Zi No. 10201172870 dated August 29, 2013

February 28, 2026; Unit: Shares

Type of Shares	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
TWSE Listed Common Stock	3,241,415,536	0	3,241,415,536	None.

(II) Sources of Capitalst of Majority Shareholders

June 15, 2025 (Note)

Share	Number of Shares Held	Share-holding Ratio
Name of major shareholder		
Lo, Ming-Han	370,176,378	11.42%
Jye Luo Memory Co., Ltd.	324,430,630	10.01%
Yuanta Taiwan High Dividend Fund Account	201,294,521	6.21%
Chen, Yun-Hwa	179,358,531	5.53%
Taishin International Bank Co., Ltd. trusted for custody of the Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust Account of Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund	172,950,000	5.34%
Lo, Tsai-Jen	91,662,430	2.83%
Lo, Yuan-Yu	71,811,216	2.22%
Chen, Hsiu-Hsiung	66,725,386	2.06%
Lo, Ming-Ling	62,340,446	1.92%
Lo, Yuan-Long	61,064,766	1.88%

Note: The latest book closure date.

(III) Dividend Policy and Implementation

Our dividend policy is as follows:

1. If the Company has pre-tax earnings for the fiscal year after the accounts are closed, the Company shall first set aside an amount to pay any business income tax due, offset the losses of previous years, and set aside ten percent (10%) of the residual amount as the legal reserve, and shall, pursuant to applicable laws and regulations, set aside a portion of the after-tax earnings for its special reserve. To the extent that there is any balance of the Company's after-tax earnings remaining, the total earnings available for distribution shall consist of the remainder of such balance and the retained earnings from the previous year. The Board of Directors may propose a profit distribution plan for approval at the shareholders' meeting. The dividends to the shareholders under such a plan shall be ten to eighty percent (10-80%) of the total distributable earnings, from which the cash dividends shall not be lower than ten percent (10%) of the total dividends declared.
2. Proposed Dividend Payment by the Shareholders' Meeting
3. After the appropriation of legal reserve, the total after-tax earnings of the Company available for distribution, which include retained earnings carried forward from the previous year(s), was NT\$35,262,241,846 in the 2025 Fiscal Year. It is proposed that NT\$5,834,547,965 of cash dividends be paid to the shareholders (at NT\$1.8 per share) in accordance with the Articles of Incorporation of the Company.
4. Material Changes in Expectations of the Company's Dividends and Execution Status: None.

(IV) Impact of the proposed stock dividend payment by the shareholders' meeting on the business performance and earnings per share of the Company:

The Company did not declare any stock dividend, and therefore no impact was expected on the business performance and earnings per share of the Company.

(V) Remuneration for Employees and Directors

1. Percentage or Range of Employees' and Directors' Remuneration under the Articles of Incorporation

To the extent that the Company has profit in the year, the Company shall set aside at least 2% of such profit as employee compensation (with no less than 30% of the amount of employee dividends allocated for junior employees) and no more than 3% of such profit as director compensation, provided that the Company shall first offset the cumulative losses, if any.

Employee dividends shall be distributed in the form of shares or cash, and director dividends shall be distributed in the form of cash. The distribution of dividends shall be approved by more than one-half of the Directors present at the Board of Directors' meeting attended by at least two-thirds of all Directors, and shall be reported at the shareholders' meeting.

The recipients of employee dividends in the form of shares or cash in accordance with the preceding subparagraph may include the employees of the Company's subsidiaries who meet certain conditions; the terms of the distribution shall be decided by the Board of Directors.

2. The Basis of the Estimate of Compensation to Employees and Directors, the Basis of Calculating the Number of Shares where Stock Bonuses are Paid, as well as Accounting Treatment in Case of Deviation between the Amount of Actual Payment and the Estimate: The deviation will be recognized as profit or loss in the following fiscal year.
3. Status of Employee Compensation Appropriations as Approved by the Board of Directors:

- (1) Employees' remuneration is to be appropriated in cash or shares. If there is any difference with the estimated amount of the recognized expenses in the year, the difference, reason, and action should be disclosed:

The Company allocated NT\$119,218 thousand as cash compensation to employees and NT\$89,413 thousand as Directors' Remuneration in 2025. Compared to the Company's revenue and profit status in 2025 with that of 2024, and considering the payout level in 2024, after review by the Remuneration Committee, it was submitted to the Board for resolution and approval. It is proposed to distribute NT\$119,218 thousand as cash remuneration to employees and NT\$89,413 thousand as Directors' Remuneration. There is no difference in the recognized expenses for directors' and employees' remuneration in 2025.

- (2) Amount and ratio of employees' remunerations in shares on the after-tax earnings in the Parent company only financial statements and total employees' remuneration in the year: None.

4. Actual distribution of employees' and directors' remuneration in the previous year:

The following summarizes the actual distribution of employees' remuneration and directors' remuneration in the previous year (2024):

Items	Approved Distribution (NT\$)	Deviation	Reason for Deviation
Employees' Remuneration	188,216,423	—	None.
Directors' Remuneration	141,162,318	—	None.

Note: The Board of Directors of the Company is authorized to determine the compensation of the directors based on director compensation of comparable companies in the industry; provided, however, independent directors may not participate in the distribution of compensation set forth in Article 36 of the Articles of Incorporation of the Company.

(VI) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds:

Type of corporate bonds		Cheng Shin Rubber Ind. First Offering of Unsecured Ordinary Bonds of 2021
Issuance Date		2021.08.05
Par value		NT\$1 million
Location of Issuance and Transaction		N/A
Par Value		At Par
Total Amount		NT\$8 billion
Interest		0.60%
Maturity		5 Years Due Date: 2026.08.05
Guarantee Agency		None.
Trustee		Taipei Fubon Commercial Bank
Underwriters		Yuanta Securities Co., Ltd.
Certifying Lawyers		N/A
Certifying CPA		PricewaterhouseCoopers, Taiwan CPA Wu, Yu-Long, CPA Chou, Chien-Hung
Redemption method		50% of the principal will be paid at the end of the fourth year and the remaining 50% will be paid at the end of the fifth year from the issuance date
Outstanding Principal		NT\$8 billion
Redemption or early redemption		None.
Restrictions		None.
Company's name, date, and corporate bonds of credit rating		Taiwan Ratings Rating Date: 2021/03/25 Corporate credit rating result twA
Other rights	Converted (exchange or subscription) common stock, depository receipts, or other prices of securities as of the Annual Report publish date.	N/A
	Regulations of Issuance and Conversion/Exchange/Subscription	N/A
Potential Dilutive Effects on other Shares and Impact on the Rights of Existing Shareholders due to Regulations of Issuance and Conversion/Exchange/Subscription or Terms of Issue		N/A
Name of Exchange		N/A

- III. Issuance of preferred shares: None.
- IV. Issuance of overseas depository receipts: None.
- V. Issuance of stock subscription warrants to employees and restriction on employee right to obtain new shares: None.
- VI. Issuance of new shares in connection with the merger or acquisition of other companies: None.
- VII. Recordable items of the implementation status of the capital utilization plan
 - (I) Plan Contents: Please refer to the Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Fundraising > Fundraising Plan Execution (https://mopsov.twse.com.tw/mops/web/bfhtm_q2)
 - (II) Implementation Status - Please refer to: Market Observation Post System > Single Company > Equity Changes/Securities Issuance > Fundraising > Fundraising Plan Execution (https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

Chapter 4: Operation Overview

I. Business contents

(I) Business scope:

1. Major contents of business

- (1) C801990 Other Chemical Materials Manufacturing.
- (2) C802160 Sticky Tape Manufacturing.
- (3) C804010 Tires Manufacturing.
- (4) C804020 Industrial Rubber Products Manufacturing.
- (5) C804990 Other Rubber Products Manufacturing.
- (6) CB01010 Machinery and Equipment Manufacturing.
- (7) D101011 Power Generation.
- (8) F112040 Wholesale of Petrochemical Fuel Products.
- (9) F212050 Retail Sale of Petrochemical Fuel Products.
- (10) F401010 International Trade.
- (11) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion in business

Below are the proportions of major products in the business of the Company in 2025:

Unit: NTD thousand

Major Products Items	2025	
	Amount	%
Radial cover - car	34,209,671	37.68%
Radial cover - truck	12,320,162	13.57%
Motorecycle cover	18,542,111	20.43%
Bicycle cover	12,104,346	13.33%
Inner tube	3,317,723	3.65%
Other tires	9,743,438	10.73%
Other products	795,774	0.88%
Return, allowance, Freight and insurance costs, and others	-252,353	-0.28%
Total	90,780,872	100%

3. The Company's Current Products: PCR, TBR, MC, BC, Inner tube, Other tires.

4. New Products in Development

BC Cross-Country All-round Tire Product Development	Product Development of 10-Inch Wet Tire for Formula Student
BC New DH Product Development	Product Development for 4x4 Vehicles - Rugged Terrain & Heavy Duty
City Tire MA-V1 Product Development of RE	High Performance A/S Product Development for Passenger Cars
City Tire MA-3Di Product Development of RE	Ultra High Performance Summer Product Development for EV SUV & Passenger Cars
Development of OE for 125c.c. Scooter	Light Truck Product Development of OE for Commercial Vehicle
Development of OE for 150c.c. Scooter	Summer Product Development of OE for SUV Vehicle
MCR Lightweight Manual Racing Motorcycle Tire Product Development	Summer Product Development of OE for Passenger Car
Development of ATV Short Course RAZR SC	Product Development of Regional Series for Eroupe
Development of UT High-Speed Crawling Rock Tire	North American 17.5-inch Camping Trailer Product Development

(II) Industry Overview:

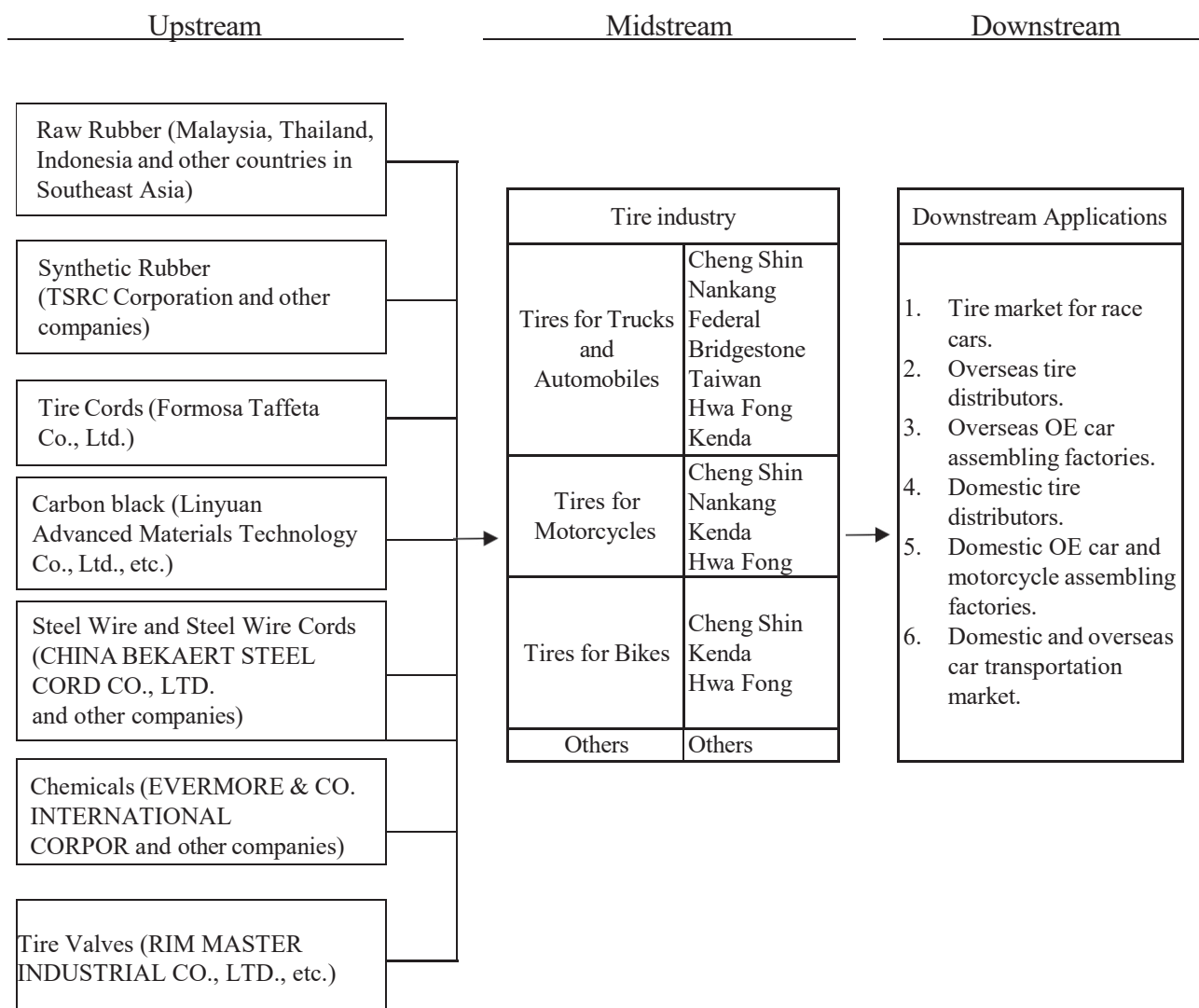
1. Industry Situation and Development

With the domestic rapid economic development and the continuous development and innovation of this industry, tire businesses are also flourishing, which improves the industrial technology for higher-level tires. The Company's main products are cover tires for automobiles and motorcycles. Due to the small domestic market and limited road areas, especially after Taiwan's accession to the WTO and the accelerated opening of imports, the already saturated domestic sales market has become more challenging. In view of this, the Company will be dedicated to the development of tires with high performance, lightweight, low rolling resistance, safety, and intelligence, so that the Company will be able to develop its market by continuously providing more leading products.

2. Relationship Among the Supply Chain

After developing for decades, the rubber industry in Taiwan has formed a complete supply chain with upstream, midstream, and downstream: Upstream consists of the capital-intensive raw material industry; midstream is composed of the technology-intensive processing industry; downstream applications can be categorized into the tire market for race cars, domestic and overseas OE car assembling factories, domestic and overseas tire distributors, and the car transportation market. The diagram for upstream, midstream and downstream is as follows:

Diagram of Relationship Among Tire Industry in Taiwan



3. Product Development Trends and Competition Landscape

For the entire market of tire products, the traditional cross-ply tires have been replaced gradually by radial tires and the main reason is that the radial tires are able to reduce the possibility of flat tires and would provide the effects of oil saving, abrasion resistance, and driving safety. Also, the development trend of tire products is the low aspect ratio and high-performance tires. In response to increasing market demands and people's growing concerns about environmental quality, new products such as high-performance tires, low rolling resistance tires, safety tires, intelligent tires, and all-steel radial tires are being introduced. By improving its proprietary technology, the Company aims to increase product differentiation and enhance its future development strength; relying on the continuous expansion of leading products to explore and capture the market.

(III) Overview of Technology, Research and Development

1. Costs of Research and Development During the Current Fiscal Year and as of the Date of the Annual Report Unit: NT\$ thousand

Items \ Year	2025	Up to February 28 for 2026 (Note)
Research and development expenses	3,705,256	584,577
Net Operation Income	90,780,872	14,325,632
Percentage of net operating income	4.08%	4.08%

Note: 2026 information comes from self-prepared financial data from the Company.

2. Successfully Developed Technologies or Products

Development of premium tour all-season passenger car tires	Grand Touring A/S Product Development for Passenger Cars
Ultra High Performance Product Development for Passenger Cars - Summer Type & A/S Type	Light Truck Product Development of OE for Electric Commercial Vehicle
Ultra High Performance Summer Product Development for EV SUV	Light Truck Product Development of OE for Commercial Vehicle
All-Season Product Development of OE for MPV Vehicle	New Product Development for Big Scooter
Motorcycle Product Development of OE for ICE & BEV	MCR sports tire product development
BC New DH Construction Tire Development	RAZR XT Europe Development
Off-Road Product Development for Commercial Truck	

(IV) Long-Term and Short-Term Business Development Plan

1. Short-term plans:
- (1) Continuing to develop products from all lines and formulating different sales models tailored to local markets based on the existing business
 - (2) Promoting production process rationalization and flexibility to harmonize production and distribution and to reach the most profitable business scale; implementing comprehensive quality management to achieve the goal of delivering top-quality products.
2. Long-term plan:
- (1) Optimizing quality and developing private-label products to increase market share and establish complete global distribution channels and brand management strategies.
 - (2) Continuously conducting R&D activities to maintain a leading position in manufacturing technology in the market and to take full advantage of the economics of large-scale production.

II. Market, Production and Sales Overview

(I) Analysis of Market

1. Analysis of Market and Production and Marketing Situation

(1) Sales markets:

Distribution Regions: market analysis is made based on our distribution regions- North America, Central and South America, Europe, Middle East, and Africa, Asia, and Oceania.

(2) Market Share:

The Company continues to be the largest professional tire manufacturer in Taiwan in terms of revenue. Ching Hsin is ranked as the 12th largest tire manufacturer by Tire Business, the world's leading tire magazine.

(3) Future Market Supply and Demand and Prospect:

In recent years, Cheng Shin Maxxis has actively sought to tap into niche markets. Aimed at the Tesla electric vehicle tire replacement market, we have launched MAXXIS' first electric tire VICTRA SPORT EV (VS-EV). Besides receiving the "Taiwan Excellence Award" and the "SEMA Best Product Award" in the U.S., it has also been recognized with numerous international design awards, including the "Paris Design Award," the "IDEA Design Award" with over 40 years of history in the U.S., the "2023 Red Dot Product Design Award," and the "USA IDA Bronze Award" in 2024. These are among the largest and most influential design competitions in the world. MAXXIS EV tire participated in the international design competition for the first time, and won the product design award for its outstanding design capability and product R&D. VS-EV is a tire designed specifically for electric vehicles, combining the latest technologies such as sound-absorbing foam technology, new-generation rubber formula, and high-strength steel wire to provide electric vehicle owners with a high level of balanced performance that is "swift and quiet, speedy as lightning". The corresponding target vehicle models for the first wave focus on the 18-inch and 19-inch sizes of the Tesla Model 3. Moreover, new tire sizes for various major electric vehicle brands have successively hit the market and have started selling in overseas markets.

Furthermore, MAXXIS is highly recognized by professional drivers, and when combined with excellent product performance, it complements each other, winning numerous awards.

MAXXIS kart tires, with their excellent performance, have consistently received unanimous recognition from international racing organizations and drivers, leading to significant growth in global market demand. Starting from 2026, MAXXIS will also supply the North American Champion of the Future series under the PRESA brand, and plans to gradually expand to various competitions in Asia Pacific, South Africa, and Latin America from 2027.

In the most challenging and highly regarded King of the Hammers event in the North American off-road racing scene, MAXXIS UTV tires Roxxzilla assisted top driver Kyle Chaney in making history, becoming the first side-by-side driver to win the fiercely competitive 4400 Unlimited Class Championship. Dubbed the "Super Bowl of off-road races," the 4400 class sees drivers, with their superb driving skills and tenacity, rise above a field of strong competitors to conquer the challenging rock canyons and high-speed desert sections of Johnson Valley. They secured the championship with an absolute advantage of over half an hour ahead of the second place, showcasing the excellent performance of Maxxis tires.

In the globally iconic Dakar Rally, MAXXIS RAZR RAID+ tires also performed brilliantly, assisting Nico Cavigliasso in achieving an impressive third place overall in the Challenger SSV category. At the same time, Puck Klaassen became the fifth female driver in the history of the category to win a stage championship, securing 2 stage wins out of 12. Based on the technological foundation of RAZR XT and RAZR RAID, the RAZR RAID+ has significantly enhanced tire performance, offering excellent puncture resistance and consistently stable grip. It maintains precise control and exceptional durability even in extreme conditions.

In the 2025 bicycle racing season, MAXXIS once again wrote its most brilliant chapter, achieving a total of 60 gold medals, 48 silver medals, and 51 bronze medals. Especially in the Downhill race, young rider Jackson Goldstone from Santa Cruz Syndicate achieved remarkable results this year. Not only did he win the World Championship (Rainbow Jersey), but he also secured first place in four consecutive World Cup events, and won the Year Overall Championship! Behind every medal is the outstanding performance of MAXXIS tires in extreme conditions and the perfect cooperation with the athlete.

In terms of user surveys, Vital MTB, a well-known mountain climbing media in North America, has released its consumer survey results in 2025, and MAXXIS has continued to be ranked first; among more than 100,000 survey participants, more than 37% chose MAXXIS as their preferred brand for tires. In the German authoritative cycling media Enduro Mountainbike Magazine's announcement of the Year Most Popular Brands of Mountain Bikes and Accessories, MAXXIS was once again awarded the 2025 Best Tire Brand and has been crowned the world's best tire brand for six consecutive years.

The survey collected responses from 14,495 participants worldwide. In the two major categories of the German-speaking region (GER) and the international market (INT), MAXXIS tires were voted the BEST BRAND with the highest votes, demonstrating MAXXIS's high level of trust and market leadership in the global mountain biking field. Achieving this accolade for the sixth consecutive time not only reaffirms and proves MAXXIS's excellent strength in product technology, durability, and performance, but also reflects the long-term recognition the brand has earned through continuous investment in R&D and quality enhancement.

In 2025, MAXXIS was awarded the "Best Supplier of the Year" by General Motors (GM) for its outstanding performance, marking the ninth consecutive year MAXXIS has received this honor. This is not only a recognition of our product quality and service but also the best reward for the efforts of all MAXXIS employees. This award recognizes global supply chain partners who excel in several core criteria, including safety, innovation, and resilience. The list of awardees was carefully selected by General Motors' global cross-functional team. The selection criteria included the company's performance throughout the year, alignment with GM's core values, and support for sustainability goals. This year, a total of 92 companies from 12 countries were selected as General Motors' Best Suppliers of the Year, with MAXXIS once again listed among them, highlighting our company's outstanding position in the global automotive industry.

In addition, when it comes to ESG sustainability, MAXXIS has released the METROloads PRO product in conjunction with recycled carbon black + rice husk white smoke + marine recycled yarn. This product has also won the recognition of world design awards of IF, RED DOT in Germany, and GOOD DESIGN in Japan!

In expanding the overseas market, Cheng Shin MAXXIS Group continues to deliver the CE 04 electric scooter and 1-series passenger car to BMW in Germany, and has made new achievements in the field of heavy-duty motorcycles. Cheng Shin MAXXIS has passed BMW's rigorous testing to qualify as the OEM tire supplier for the F 800 GS heavy-duty motorcycle model and has started deliveries at the end of 2023. The German Volkswagen Crafter and Caddy5 models are also equipped with Cheng Shin MAXXIS tires. In recent years, Cheng Shin's efforts in the European OE market have borne fruit, creating a domino effect on other automakers. It is expected that more manufacturers and models will choose to use Cheng Shin MAXXIS tires as part of their offerings.

In 2025, significant breakthroughs have been made in our cooperation for OEM tire assembly in North America. With excellent quality and service, our company has once again received recognition from Ford in North America, securing the contract to manufacture the OEM spare tire for their most prominent pickup truck models globally. Along with the OEM spare tire package for General Motors pickup trucks in North America, Cheng Shin MAXXIS tires have once again become the absolute market leader for OEM spare tires for pickup truck models in North America. Additionally, the company is collaborating with Toyota Motor Corporation in North America to jointly develop the OEM spare tire for their latest large electric SUV set to launch in 2027, demonstrating that years of collaboration experience have made us an indispensable and important supply chain partner for Toyota in North America. In the European luxury car market, we have also received recognition from the German Parent Company, securing contracts to manufacture OEM spare tires for various high-end SUVs assembled by BMW in North America, making us the sole OEM spare tire supplier in the region. This highlights Cheng Shin MAXXIS's strong competitiveness in the fiercely competitive North American market.

Cheng Shin Maxxis products have been sold in over 180 countries worldwide. In addition to strategically mapping the overseas repair market, we actively expand our distribution channels and locations. With the rapid growth of emerging markets and sustained economic recovery in the North American region, the global automotive industry is thriving, increasing the demand for vehicle tires. Since the financial crisis, the automotive industry has been growing at a steady pace, further fueling the strong demands in certain markets, such as China, Southeast Asia, South Asia, Mexico, New Zealand, and Australia. As a result, major tire manufacturers around the world continue to invest in building new facilities to meet the anticipated demands in these markets.

Chen Shin Tire Group's production line of go-kart tires in Taiwan has been put into production, and the third branch factory has officially started its production in 2023, making the Chen Shin Group's global layout more complete, and the entire business, sales and internal resources are also improved, in order to carry out global strategic integration and distribution more efficiently.

(4) Competitive Niches:

The Company will uphold the core value of "Integrity and innovation", "Honorable Brand" and "Safety First, Human First" advocated by Chairman Yun-Hwa Chen as well as the operating concept of "Three One Hundred Percents" and gather suppliers, customers and employees to develop cohesion towards the family of Cheng Shin MAXXIS. We will follow the human resource concept based on talent, reinforce the strategic organization capacity with the effective capacity to integrate resources of the Group and enhance the technical force so that Cheng Shin Tire is able to continue to advance in the global tire industry!

In 2025, Cheng Shin Group was once again recognized as one of the Top 10 Global Brands in Taiwan with a brand value of USD 289 million, an honor sponsored by the Bureau of Foreign Trade of the Ministry of Economic Affairs, Taiwan External Trade Development Council, and Interbrand, a global brand consultancy. In terms of marketing, a global market strategy is adopted with a multi-brand approach using Cheng Shin, MAXXIS, and PRESA to cater to different cultural needs. English brand names are used, incorporating elements of Western culture to gain acceptance from Western consumers. The Cheng Shin brand is not only well-known in the Greater China market as a tire brand but also recognized as a best-selling brand under a famous trademark in China. In the future, we aim to accelerate the enhancement of brand recognition, successfully market our products, and regularly participate in auto shows both domestically and internationally. Through involvement in major events and sponsorship, we will immerse our brand in the hearts of consumers using a diversified platform approach.

(5) Advantages and Disadvantages of Developmental and Action Plans

Advantages:

With the joint efforts of our factory building staff, our facilities in Indonesia and India began production in 2017. The additional production capacity of Cheng Shin Group enables us to satisfy the increasing demand for tires and to further improve the market share of Cheng Shin tires globally. Under the CEPT (Common Effective Preferential Tariff) Scheme of ASEAN, regional growth strengthened. The geographic advantages of our facilities in Indonesia, along with those in Thailand and Vietnam, readily support the rapid supply of tires to the market, and enable us to provide more competitive locally manufactured products to consumers.

With collaborations with global automakers, we have made significant progress in promoting our tires for some of the best-selling car models around the world. Recently, we have successfully entered the supply chain of BMW automotive supply chain in Europe. All of the achievements demonstrate Cheng Shin Group's step-by-step progress towards further product exposure and market share in the future.

As the global consumption activities slow down, consumers are becoming more price-sensitive in purchasing replacement tires. In comparison to main strain tire manufacturers in Europe, US, and Japan, Cheng Shin tires maintain a leading position in the market by providing competitive products with outstanding quality at affordable prices, thereby creating great opportunities for Cheng Shin to expand its market share.

Disadvantages and countermeasures

In 2026, the changes in the geopolitical situation will drive raw materials, supply chain, and trade deployment. Under the conditions of low growth and high debt, the influence of the so-called "America First" policy by the newly elected US President Trump will extend far beyond the US and impact the global economic and trade landscape. Countries are strengthening tariffs and trade barriers on tire exports from China and its overseas production capacity. The oversupply of Chinese tires is leading to intense global price competition, forcing the profit margins of traditional mature products to be squeezed.

In response to the unfavorable international market conditions, Cheng Shin is actively diversifying its production capacity layout to reduce reliance on a single market and avoid trade barriers. To deal with such challenges, Cheng Shin partnered with suppliers and customers to form mutually-beneficial strategies based on past partnership experiences, thereby enhancing the scale and sales volume of our Group in spite of adversities. Cheng Shin has been closely monitoring the fluctuations in market supply and demand and keeping in touch with each regional distributor for the latest market information to timely announce the price adjustment. At the same time, Cheng Shin has continued the process of integrating new and previous products, replacing them with products of high-added value and high capacity utilization to meet the ever-growing market demands and the rapidly changing severe challenges of today.

Facing the operational environment in 2026 and the next three to five years, we envisage even more drastic changes, therefore we must promptly strengthen our ability to adapt, our core capabilities, and our competitiveness. Only by possessing world-class capabilities and competitiveness will we be able to adapt to the complicated and highly changeable market from now on. Therefore, in the future, we will take advantage of our capabilities in technology, sales and distribution, manufacturing, and management to build our core operations, achieve globalization, and enhance the regional sales and technical support so that the global headquarters can work closely with different regions and utilize local manufacturing to strengthen ties.

2. Analysis of the Domestic Market

(1) 2025 Domestic Market Overview:

The year 2025 is a year of significant upheaval in the global political and economic landscape. With the return of the Trump administration in the United States, tariff barriers and trade protectionism have become the norm, leading to further fragmentation of the global supply chain and forcing the manufacturing industry to adopt greater flexibility in capacity allocation.

Despite the volatile international situation, Taiwan has benefited from the full explosion of the AI industry chain, which has driven the booming export of related technology industries, thereby stabilizing the domestic job market and increasing average wages.

In terms of domestic consumption, in 2025, benefiting from salary adjustments in the military, public, and educational sectors as well as adjustments in basic wages, the momentum of private consumption remained stable. In this wave, Cheng Shin Rubber is actively optimizing the brand value of MAXXIS, not only maintaining a high market share in the AM market but also successfully entering the OEM supply for several popular automobile models (such as BMW X1, X2; Ford Territory; Mitsubishi X-Force; Hon Hai BRIA, etc.).

With the efforts of all our colleagues and distribution partners, we successfully resisted the impact of external fluctuations and achieved our operational goals for the Year 2025.

(2) Business outlook to 2026:

Looking ahead to 2026, with the Taiwan-U.S. tariff issues resolved and an election year in Taiwan, the domestic market is expected to prosper. However, the company still needs to continue improving on the following three points.

A. Market Deployment and Channel Deepening:

The Company will continue to consolidate its position in the development of packages for major domestic automobile brands (such as Toyota, Hyundai, FORD, Mitsubishi, and Hon Hai), with a particular focus on prioritizing the layout for pure electric (EV) and hybrid vehicle models that are planned for redesign or new introduction in 2026. In addition to original equipment manufacturer (OEM) packages, we continue to cultivate service centers of major automotive brands (OES), offering more competitive contract packages to ensure an absolute leading position in the aftermarket (AM).

B. Product Innovation and Green Deployment:

In response to global sustainable development and Taiwan's net-zero emissions policy, in 2026, we will launch a new generation of passenger car tires that comply with the CNS1431 automotive tire standards (wet grip, rolling resistance, and inertial rolling noise). Additionally, we will introduce several environmentally friendly green materials to contribute to the protection of the Earth.

C. Core Values and Sustainable Operations:

We firmly believe that in the face of an uncertain international environment, adhering to integrity and innovation is our only path forward. In 2026, we will advance both "digital experience" and "green products" in parallel to strengthen MAXXIS's brand core of "100% quality, 100% service, 100% trust." Cheng Shin not only provides high-quality tires but also shows care for society and commitments to the environment. We are confident that MAXXIS will be the brand of choice for consumers in 2026 and even further into the future.

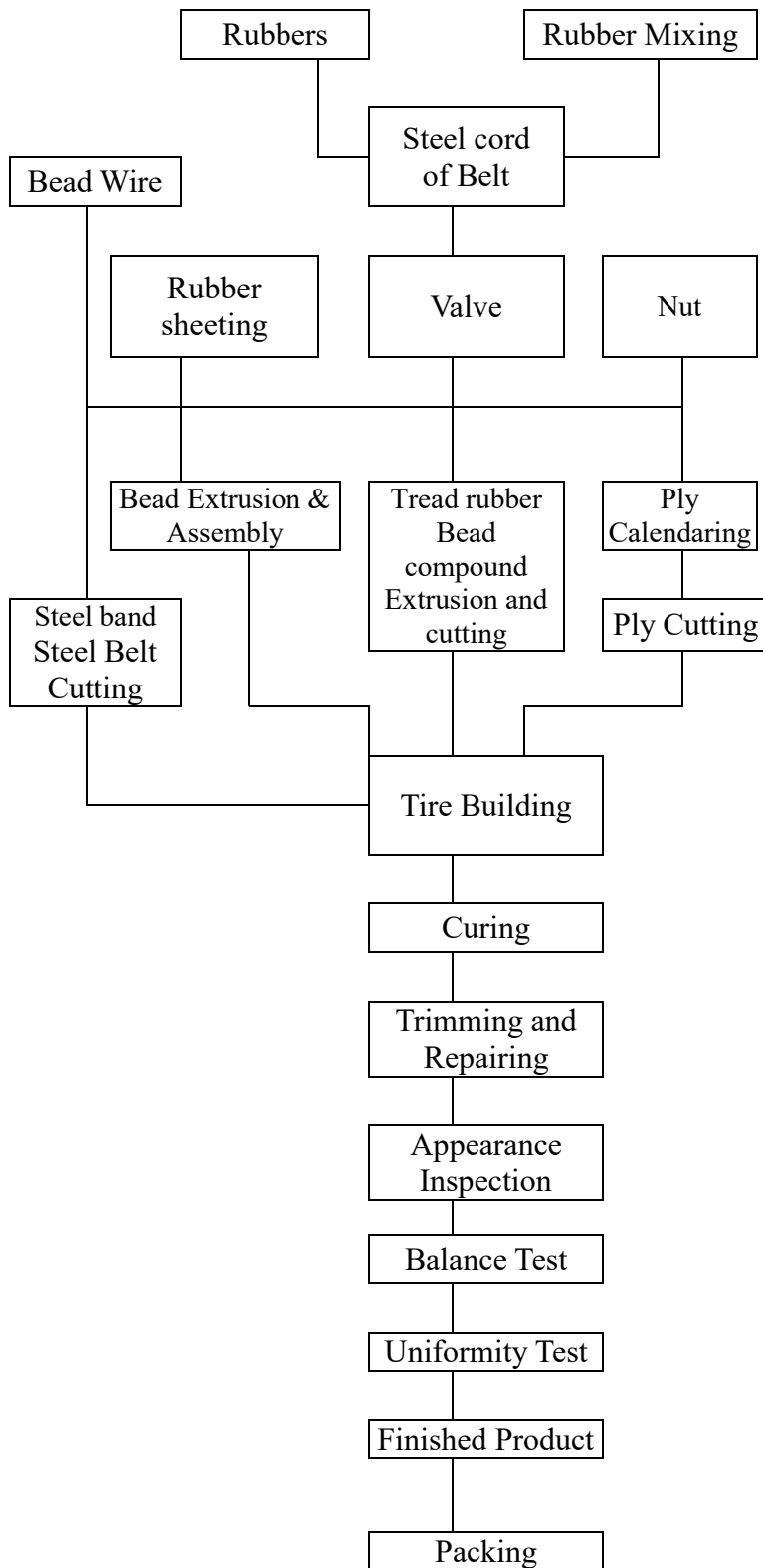
(II) Key Functions and Manufacturing Process of Core Products

Core Products: tires

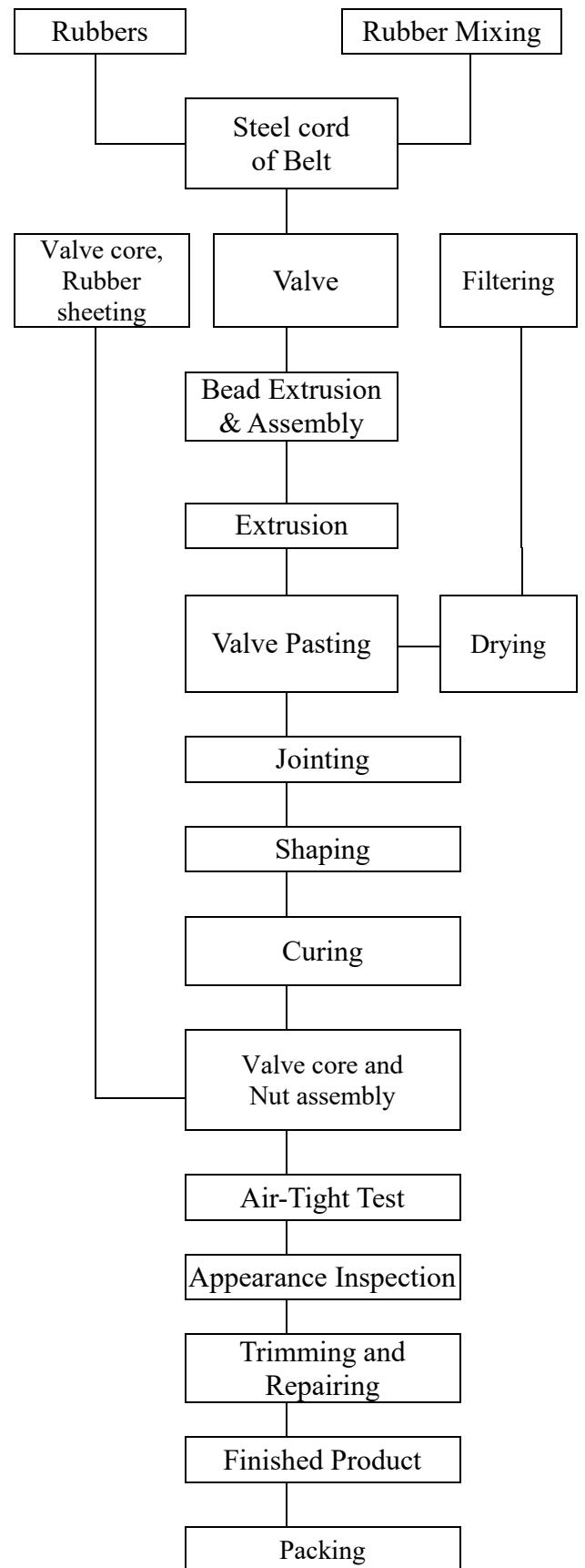
Application: transportation

Manufacturing Process:

PCR Tires Manufacturing Flowchart



Tubes Manufacturing Flowchart



(III) Supply of Key Materials

Raw material name	Quantity (tons)	Supplier
Rubber	152,897	SRI TRANG AGRO INDUSTRY PUBLIC CO., etc.
Synthetic Rubber	134,929	TSRC Corporation, etc.
Fabric	35,796	FORMOSA TAFFETA Co., Ltd., etc.
Carbon black	147,013	Linyuan Advanced Materials Technology Co., Ltd., etc.
Steel wires and Tire Cord Fabric	64,552	China Bekaert Steel Cord Co., Ltd., etc.
Chemicals	85,370	EVERMORE & CO., INTERNATIONAL CORPOR etc.
Valve	89,150 (thousand sets)	Rim Master Industrial Co., Ltd., etc.

(IV) Name of the customer and the amount and proportion of the sales (purchase) amount that have accounted for more than 10% of the total sales (purchase) amount in any of the recent two years

1. Suppliers with 10% or more of the total procured amount:

Unit: NTD thousand

Items	2024				2025			
	Name	Amount	Percentage in Total Net Supply (%)	Relationship with the Company	Name	Amount	Percentage in Total Net Supply (%)	Relationship with the Company
1	None.	-	-	-	None.	-	-	-
	Net Purchases	52,212,831	100.00	-	Net Purchases	48,276,411	100.00	-

2. Customers with total sales accounting for 10% or more of the operating revenue:

Unit: NTD thousand

Items	2024				2025			
	Name	Amount	Percentage in Total Net Supply (%)	Relationship with the Company	Name	Amount	Percentage in Total Net Supply (%)	Relationship with the Company
1	None.	-	-	-	None.	-	-	-
	Net Sales Amount	96,247,057	100.00	-	Net Sales Amount	90,780,872	100.00	-

Note: Customers with more than 10% of the total sales (purchase) in any of the most recent two years, their purchase amount and their proportion, and specify the reason for their changes. However, for transaction parties that cannot be disclosed due to contract terms or for non-related individual parties, codes may be used.

III. Analysis of the employees in the most recent two years

Year		2024	2025	Up to February 28, 2025 for the current year February 28, 2026
Number of Staff	Technicians	4,484	4,621	4,577
	Clerk	2,484	2,652	2,611
	Position	15,005	15,271	14,990
	Total	21,973	22,544	22,178
Average age		38	39	39
Average Service Years		9.82	9.96	10.23
Academic distribution ratio	PhD	14	14	14
	Master's	515	515	509
	Bachelor's (community college)	6,701	6,992	6,839
	High school	6,068	6,653	6,400
	Below high school	8,675	8,370	8,416

IV. Environmental protection expenditure: Any losses suffered by the Company in the most recent fiscal year and up to the Annual Report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

- (I) Compensation affair: None.
- (II) Environmental protection audit result

Sanction Date	Sanction No.	Violated Regulation	Fact of Violation	Sanction Detail
2025.06.13	20-114-030014	Article 20, Paragraph 1 of the Air Pollution Control Act	The Zhongzhuang Plant holds an operation permit for the tire manufacturing process (M01) (Fu Shou Huan Kong Cao Zheng Zi No. N1005-08). On September 30, 2024, the county Environmental Protection Bureau dispatched personnel to inspect and conduct checks on the discharge pipeline P005 for hazardous air pollutants (xylene and toluene) as part of the process. The inspection results showed that the measured value of hazardous air pollutant xylene was 0.29g/s, which did not meet the emission standard (xylene emission standard is 0.231g/s).	NT\$120,000

Estimated amount that may be incurred in the future and responsive measures:

- (1) Source reduction: Modify the process from original wiping to spraying; reduce from 2.4g/piece to 1.2g/piece.
- (2) Regular Monitoring: Conduct outsourced monitoring once every six months.

V. Labor relations:

- (I) The Company's employee benefit measures, continuing studies, training, retirement system, and their implementations, as well as interactions between the management and the employees and measures taken to protect the employees' benefits

1. Employee Benefits:

The Company does not discriminate any talents of recruitment and employment based on race, gender, age, religion, nationality or political party. In terms of appointment, the Company aims to recruit talents and create cultural diversity, and implements local employment and returns to the local society in principle. By the end of 2025, the Company had a total of 4,194 employees in the Taiwan headquarters. The ratio of female employees was 15.52%; the ratio of female managers was 0.4%; the ratio of senior managers was 1.0%. Due to the characteristics of the industry, the proportion of female employees was relatively low. In Taiwan, a total of 51 employees with physical and mental disabilities were hired, accounting for 1.24%, meeting the legal standards. The Company's employees, including the senior management, accept the fair and rigorous performance appraisal mechanism and take it as the basis for promotion and reward. The primary standards for salary adjustment and promotion are job capabilities and performance, and there are no gender-based differences in work bonuses. At the end of 2025, the salary ratio of management female executives to management male executives was 97%, and the salary ratio of non-management female employees to non-management male employees was 95%.

(Note: Salary ratio refers to the average salary of females in the category / Average salary of men in the category)

For the welfare of our employees, we provide benefits in addition to salaries to our employees that are more preferential than what's required under the law. The welfare matters of the Company can be divided into four categories according to their nature, including related security, Living welfare, festival activities, and employee support, as follows:

Employee shareholding trust:

In order to achieve the Company's goals of taking care of employee welfare, motivating outstanding talents, assisting fellow colleagues in long-term savings to ensure a stable life after retirement or resignation, and enhancing employee engagement by enabling them to hold company shares, the "Cheng Shin Rubber Industry Co. Ltd. and its Subsidiaries Employee Shareholding Association" was established and approved by the Board of Directors on May 11, 2022. The Employee Shareholding Trust Plan was officially launched in October 2022. Fellow colleagues allocate a fixed amount from their monthly salary, while the Company also contributes an additional 100% of the amount, both being deposited into a dedicated trust account to achieve talent retention and assist fellow colleagues in accumulating wealth for future retirement planning.

As of the end of 2025, the ratio of number of participating employees in the association was 60%.

Statutory benefits:

Social insurance, public holidays, healthcare examination, medical consultation to attending physician, pension, and employee benefits.

Living benefits:

Meals, uniform, housing, parking, store discounts, and leisure center.

Holiday activities:

Bonus and/or gifts for Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival, year-end bonus, year-end party allowance, field trip allowance, and family day.

Employee support:

Medical allowance, condolence payments, wedding/funeral/disability benefits, group insurance, and accident insurance, and scholarship for employees' children.

Maternity/paternity leave:

We also provide maternity/paternity benefits to our employees pursuant to the law. In 2025, the number of employees applying for maternity/paternity leave is as follows:

Items	Male	Female	Total
Employees who actually applied for maternity/paternity leave in 2025	30	30	60
Employees expected to be on maternity/paternity leave in 2025 (A)	16	22	38
Employees actually reinstated from maternity/paternity leave in 2025 (B)	16	22	38
Rate of returning to work (B/A)	100%	100%	100%

2. Employee Education and Training:

We are committed to building a continuous and fulfilling learning environment for employee education and training purposes. Under this core value, we adopted "Rules Governing Education and Training" to plan training courses based on professional skills required for each department and offer developmental opportunities to the entity and individuals by way of internal and external training. We also provide general knowledge, technical, and management training classes targeted at different job functions and levels of employees to enhance their professional and management skills. We invite outside experts to give lectures, and train speakers from within the Company as part of the conveyance of important knowledge and know-how of the Company, thereby sustaining our corporate culture and strengthening employee competitiveness.

In 2025, the Company organized a total of 3,766 in-person courses, including vocational, routine, and project-based courses, while simultaneously promoting various digital courses offered with unlimited sessions to provide ongoing learning opportunities for employees. The total training hours for employees throughout the year reached 85,119.56 hours, with each manager having an average training time of 16.56 hours and each employee having an average training time of 20.3 hours.

(1) New employee training:	Aimed to provide new employees with an orientation to the training courses including the Company's corporate culture, safety training, quality concepts, policy and procedures to help them adapt to the new environment and fit into the culture of the organization. Once the orientation training is completed, employees still need to take the on-site training and obtain the qualification and capability for the job. The new employees will also be assigned mentors for assistance.
(2) Training by job level:	A series of topical courses designed for different job levels to improve employees' management skills and efficiency. The training will be given on topics such as presentation training and report writing for trainee level employees; communication skills, daily management and problem-solving steps to enhance the efficiency of junior management; policy management, leadership case study for officer level management. In recent years, we have optimized the learning roadmap, incorporating previously project-based courses for enhancing middle and senior management capabilities into the annual routine tiered training to cultivate a growth mindset among middle and senior management. The training also includes conceptual courses on work safety and corporate culture, along with specialized courses in risk prevention and cost management. Moreover, we have started cultivating management skills earlier, even before reaching managerial positions, to further refine the tiered training system.

(3) Special course:	Plan different professional courses for each position, so that colleagues can get perfect training in each stage. For example, in the initial stage of entering the factory, provide job training according to the knowledge and skills required by each position; In addition, it provides professional functional training in the fields of production management, R&D, quality assurance and other professional departments to guide colleagues to focus on their own work, realize themselves and give full play to their potential; For the employees of special technical posts, such as maintenance electrician, electric welder, CNC lathe, etc., the training plan for special types of work is provided to help them obtain professional qualification certificate, so as to ensure that the employees have the professional ability required by the job; With the assistance of internal lecturer training and Twi teaching, the company's exclusive internal lecturers are trained to teach professional courses from and across units, so as to assist the transfer and inheritance of intellectual capital and become the hub of knowledge and model transfer within the organization.
(4) Project-based programs:	A variety of project-based programs designed to meet the employees' learning needs in different areas based on the annual training target. These programs include five core tools to elevate quality management, enhancing managerial skills for trainee management and R&D trainings.
(5) Personal development:	We provide opportunities for our employees to acquire new knowledge by offering financial support for language learning and hosting talks on topics such as coffee and lifestyle, health, labor laws, and regulations.

Other than on-the-job training and on-site demonstrations, we also emphasize the integration of theoretical knowledge and practical experiences.

3. Retirement System and Implementation Status: We comply with the requirements of the Labor Standards Act and Labor Pension Act.

(1) Former pension system:	The Company sets aside 2% of the employee's total salary each month as pension funds and deposits it to the designated account under the name of the Labor Pension Funds Supervisory Committee at the Bank of Taiwan. Before the end of each year, the Company shall assess the balance in the designated account. If the total available amount of the appropriation is less than the amount required for the payment of pensions to all the employees who are eligible to retire in the following year, calculated according to the above method, the Company will make up the deficiency in one single appropriation before the end of March in the following year. For 2025, the amount of pension funds recognized by the Company according to the aforementioned pension regulations was NT\$9,115 thousand.
(2) New pension system:	The new pension system is available to all employees who came on board as of July 1, 2005. If an employee chooses to be subject to the new pension system, the Company will appropriate a set amount of pension funds into such employee's personal bank account (appropriation by the Company). Alternatively, the employee may appropriate 1-6% as pension funds to his/her personal bank account (appropriation by the employee). For 2025, the amount of pension funds recognized by the Company according to the aforementioned pension regulations was NT\$120,640 thousand.

4. Other Material Contracts:

In order to pursue the improvement of work efficiency and working conditions, and to promote harmony between the employer and the employee, the Company has established trade union organizations in accordance with local laws and regulations. Although there is an enterprise trade union established in Taiwan, no collective agreement has been signed yet. When there is any related issue to be discussed, the Company provides diversified communication channels and also adopts a positive communication method.

(II) In the most recent year and up to the date of publication of the Annual Report, the losses incurred due to labor disputes (including no violation of the Labor Standards Law in the result of labor inspection, the date of punishment, the name of punishment, the provisions of violation of laws and regulations, the content of punishment) and the estimated amount and countermeasures that may occur in the future shall be listed. If it cannot be reasonably estimated, the fact that it can not be reasonably estimated shall be stated:

1. The penalties for violations in 2025 and up to the date of publication of the annual report are as follows: No penalty was imposed.
2. Response measures: The Company comprehensively reviews the compliance with the Labor Standards Act and aims to achieve our goal of zero violations.

VI. Information and communications security management:

(I) Specify the information and communications management framework, information and communications security policy, substantial management programs, and resources invested toward information and communications management and more:

1. Information security risk management framework:

On November 10, 2022, the Company's Board of Directors resolved to establish an Information Security Team under the Information Service Department as a dedicated unit. Assistant Manager Po-Chia Chen serves as the Chief Information Security Officer, and Manager Hsiang-Hsien Hsiao serves as the Information Security Officer, along with the allocation of three dedicated information security personnel. Their responsibilities include information security maintenance and operation, information security policy promotion, information security incident response, information security audits, and information security education and drills. The annual audit plan also includes information and communications security management operation reviews, and the Information Security Team is required to report the implementation status of information and communications security to the Board of Directors at least once a year, with the most recent report completed on November 12, 2025.

In addition, the company has established a comprehensive information security governance framework, which includes an Information Security Committee composed of the President and senior executives from various departments. An Information Security Working Group, Information Security Audit Group, and Information Security Response Group are also set up, with the Manager of the Information Department acting as the management representative and the Assistant Manager of the Information Department serving as the Chief Information Security Officer. Through the division of labor and operations of the Committee and dedicated groups, three lines of defense are formed: strategic planning, audit supervision, and incident response, to strengthen the company's information security governance and operational resilience.

2. Information and communications security policy:

The Company has established the "Information Security Manual" and set the vision for information security management: strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability. All various information security measures have been listed for implementation along with enhanced audit management. According to the information security governance framework, the company has been implementing the following management schemes since 2023 based on the five facets of ISO27001 and NIST CSF: Identify, Protect, Detect, Respond, and Recover. These management mechanisms ensure that when the company faces emerging information security threats such as ransomware attacks, data breaches, and AI-generated attacks, it can mitigate operational risks through prevention, detection, and rapid recovery.

3. Substantial management programs, and resources invested toward information and communications management:

With the aim to quickly and successfully resume business operations and lower the extent of possible losses and risks when the event of information system damage occurs, countermeasures are in place such as the regular analysis of disasters' impact on operations performed every year, the designing and upgrading of the proper software and hardware equipment and resources based on their risk levels, and the improvement of the operation procedures. The Company continues to invest in information security infrastructure, with accumulated investments exceeding NTD 37 million in areas such as equipment upgrades, vulnerability scanning and penetration testing, endpoint protection, cloud disaster recovery, and SOC from 2023 to 2026.

Impact of information system damage on the Company's business and responsive measures: The Company's information system is established with two highly reliable host computers, remote backup, and a data backup mechanism based on its risk level to ensure continuous service. In addition, the backup data are stored and saved at another location and the drill of mock tests and emergency responses is regularly performed to ensure the normal operation and safeguards of the information system. The risk of system crash due to unpredictable natural disasters and personal negligence is also lowered, in order to ensure that the expected system recovery timeline is met.

4. Information Security Management System Certification: In May 2024, the Company has passed the information security management system (ISO27001:2022) certification, valid from 2024/05/16 to 2027/05/15, and obtained the international on-board information security TISAX:AL2 certification, valid from 2024/07/15 to 2027/07/14. The certification scope covers corporate information security management systems, business continuity management, data protection, and related information security control measures, ensuring the Company's ability to defend against supply chain information security risks at an international standard.
5. The cybersecurity performance of the Company in 2025 is as follows:
 - Major information and communications security incidents: 0 cases
 - Vulnerability Scanning: Executed once a year (outsourced)
 - Social engineering exercises: 2 times
 - SAP DR exercise: 1 time
 - Network drill (Business Continuity): 1 time
 - Achievement rate of information security management objectives: 100%
 - Information Security Education and Training: Over 2 hours per person
 - 26 pieces of threat intelligence promotion, 18 group cybersecurity communication meetings.
 - AI detects and blocks high-risk network anomalies.
 - Detection of daily botnet or malicious login records (Average 50/1000 incorrect login events)
6. The company has always been the most rigorous attitude to completely protect the customer's intellectual property and identity privacy, control every product confidentiality and confidentiality of documents and information files. Therefore, through the continuous updating of data and the establishment of a leakage protection mechanism, we strive to achieve "data protection without leakage," so that customers and suppliers can completely rest assured when dealing with Cheng Shin.

- (II) In the most recent year and up to the date of publication of the Annual Report, the losses incurred due to major information and communications security incidents, and estimated amount and countermeasures that may occur in the future shall be listed. If it cannot be reasonably estimated, the fact that it can not be reasonably estimated shall be stated: None.

Response Measures: N/A.

VII. Important contracts: None.

Chapter 5: Review and Analysis of Financial Position and Operating Results and Risk Management

I. Comparative Analysis of Financial Position

Unit: NTD thousand

Year Items	2025	2024	Difference	
			Amount	%
Current assets	70,082,889	63,019,749	7,063,140	11.21
Real estate, property, plants, and equipment	55,416,742	61,724,202	(6,307,460)	-10.22
Intangible assets, net	172,425	186,009	(13,584)	-7.30
Other assets	17,209,468	21,324,503	(4,115,035)	-19.30
Total assets	142,881,524	146,254,463	(3,372,939)	-2.31
Current liabilities	21,964,566	25,437,469	(3,472,903)	-13.65
Non-current liabilities	33,382,245	30,440,649	2,941,596	9.66
Total liabilities	55,346,811	55,878,118	(531,307)	-0.95
Share capital	32,414,155	32,414,155	0	0
Capital surplus	116,376	104,251	12,125	11.63
Retained earnings	58,558,675	61,469,417	(2,910,742)	-4.74
Other equity interest	(4,108,122)	(4,182,315)	74,193	-1.77
Treasury Stock	-	-	-	-
Non-controlling interest	553,629	570,837	(17,208)	-3.01
Total equity	87,534,713	90,376,345	(2,841,632)	-3.14
Analysis of variations exceed 20% and the amount reaches NT\$10 million: None.				

II. Financial Performance Review and Analysis

(I) Financial performance analysis

Unit: NTD thousand

Items	Year		Amount of increase (decrease)	Ratio (%) of Change
	2025	2024		
Revenue	90,780,872	96,247,057	(5,466,185)	-5.68
Operating costs	(70,148,830)	(73,003,134)	(2,854,304)	-3.91
Gross operating profit	20,632,042	23,243,923	(2,611,881)	-11.24
Operating Expenses	(13,476,751)	(13,232,119)	244,632	1.85
Operating Profit	7,155,291	10,011,804	(2,856,513)	-28.53
Non-operating income and expenses	(312,486)	730,827	(1,043,313)	-142.76
Profit before income tax	6,842,805	10,742,631	(3,899,826)	-36.30
Income tax expense	(2,007,315)	(2,714,443)	(707,128)	-26.05
Net Profit for the Year	4,835,490	8,028,188	(3,192,698)	-39.77
Other comprehensive income (loss) after tax	90,150	2,824,434	(2,734,284)	-96.81
Total comprehensive income	4,925,640	10,852,622	(5,926,982)	-54.61

Analysis if variations exceed 20% and amount reaches NT\$10 million:

- (1) Decrease in operating profit: mainly due to the decrease in gross operating profit and the increase in operating expenses.
- (2) Decrease in non-operating income and expenses: mainly due to the increase in foreign exchange losses.
- (3) Decrease in profit before income tax and net profit for the year: mainly due to the decrease in gross operating profit, the increase in operating expenses, and the increase in foreign exchange losses.
- (4) Decrease in other comprehensive income and total comprehensive income for the current period: mainly due to the increase in the conversion difference loss of foreign operations.

(II) Analysis of changes in Revenue: Sales revenue decreased by 5.68% from last year, mainly due to price competition in the China market and the impact of high tariff policies on the North American automobile market, leading to a decline in sales of passenger radial tires and passenger spare tires; and the unfavorable impact of the depreciation of CNY, VND, IDR, USD, and INR against NTD.

(III) Analysis of changes in gross profit: Gross profit decreased by 11.24% from last year, mainly due to the decline in sales and the appreciation of NTD. Although the group's raw material costs, direct labor, and manufacturing expenses overall showed a downward trend, the reduction was limited.

III. Cash flow review and analysis

(I) Liquidity analysis for the most recent two years

Items \ Year	2025	2024	Percentage of increase (decrease)
Cash Flow Ratio (%)	61.71	69.56	-11.29%
Cash Flow Adequacy Ratio (%)	175.50	189.36	-7.32%
Cash Reinvestment Ratio (%)	2.09	4.14	-49.52%
Description of increase or decrease in ratios: (Analysis of change if fluctuation exceeds 20% or more)			
(1) Decrease in cash flow reinvestment ratio: mainly due to the decrease in net cash inflow from operating activities.			

(II) Cash flow analysis for the coming year

Cash balance amount at the beginning of the year (1)	Net cash provided by operating activities (2)	Projected annual cash outflow (3)	Projected cash balance (1)+(2)-(3)	Measures for managing cash deficit	
				Investment plan	Financing plan
\$22,399,032	\$15,585,245	\$13,097,691	\$24,886,586	-	-
<p>1. Change in projected cash flow for the next year:</p> <p>Operating activities: It is mainly estimated that the Company's revenue will increase and the profit will be stable.</p> <p>Investment activities: The Company's machinery and equipment replacement and expansion of capacity.</p> <p>Financing: Primarily refers to distribution of cash dividends and repayment of bank loans.</p> <p>2. Measures for managing cash deficit and liquidity analysis: N/A.</p>					

IV. Impact of major capital expenditure on financial operations in recent years

(I) Usage of major capital expenditures and sources of funds Unit: NTD thousand

Plan Item	Actual or projected source of funds	Actual or projected completion date	Funds Required	Actual or projected capital expenditure status	
				2025	2026
Add and update equipment	Bank loans and company fund	2025	\$2,928,289	\$2,928,289	-
Add and update equipment	Bank loans and company fund	2026	\$2,275,934	-	\$2,275,934

(II) Projected benefits:

- Mainly to improve tire production capacity and efficiency.

2. Analysis of other projected benefits:

Continue to expand production capacity, upgrade equipment automation, and increase market share in the global tire industry.

V. Reinvestment policy over the latest year and major reasons for profit or loss; plan for improvement and investment plan for the coming year:

- (I) The Company's reinvestment policy considers long-term investment as its priority, and various investment plans are prudently assessed based on the Company's long-term development plans. Subsidiaries with production functions are directly or indirectly 100% owned to strengthen roots in the local market. Subsidiaries with marketing functions are likewise directly invested or jointly incorporated with our strategic partners to strengthen local sales networks.
- (II) Investment plan for the next year: The Company's investments will be focused on its core businesses; besides improving the efficiency of existing production capacity and making full use of existing capacity, we will also invest in additional plant capacity and machinery equipment depending on business expansion.

VI. Risk Analysis and Evaluation:

- (I) Impact of interest rate and exchange rate fluctuation and inflation on the Company's profitability and future response measures:

1. Changes in interest rates

The Company's external borrowings are in USD and NTD. In 2025, the U.S. Federal Reserve (FED) cut interest rates by 0.75%, bringing the benchmark interest rate to 3.50%~3.75%. The U.S. economic data continues to perform well, and the expectation for interest rate cuts in 2026 has decreased. The interest rate for NTD remains relatively low and stable, and overall, the interest rate risk is within a controllable range.

The Company monitors and pays close attention to the policies of central banks and the latest market status, and the allocation of funds within the Group is also adjusted to reduce exposure to external liabilities.

2. Changes in exchange rates

As the Company operates business internationally, the financial reports of our overseas subsidiaries are denominated in local currencies. As a result, the group is exposed to exchange rate risks arising from various types of currencies. The group consistently monitors exchange rate fluctuations. Any shifts in political or economic environments in the invested countries may result in a fluctuation in the exchange rate between the reference currency of those subsidiaries and the New Taiwan Dollar.

The Company mainly employs natural hedging of offsetting receipts and payments for the net foreign exchange receipts and payments in daily operations. It continuously monitors foreign exchange market trends, records, and adjusts the currency as appropriate based on capital conditions to minimize exchange rate losses or reduce risks to a tolerable level.

3. Inflation

In 2025, the Consumer Price Index (CPI) annual growth rate was 1.66%, marking the lowest in nearly 5 years, indicating stable price performance in Taiwan. In light of the uncertainty in the global economic forecast, the Company is not in a position to predict inflation or contraction. Since the tire products of the Company are consumer products whose raw material prices and market demands are moderately or highly volatile to inflation or contraction, the global economic environment will have an impact on the Company's sales. Nonetheless, no material adverse impact is expected for the overall operation.

(II) Policies and Future Action Plans for High-risk, High-Leveraged Investments, Fund Lending to Third Parties, Endorsements, and Guarantees, Transactions in Financial Derivatives, and Main Reasons for Profit (Loss):

The Company has established the "Procedures for the Loaning of Funds and Providing Endorsements/Guarantees to Others" and "Procedures for Acquisition or Disposal of Assets"; all relevant transactions have been handled in accordance with the procedures. The Company is not engaged in any high-risk or highly leveraged investment. All derivative transactions are for hedging purposes to mitigate the risks of exchange rate and interest rate fluctuation.

(III) Budget for future R&D plan and projected investment in R&D:

1. R&D plans

No	Recent R&D plans	Projected date for completion and commercial production
1	Construction of FEA Analysis Technology for TBR Product Spiral Structures	2026Q3
2	32" MTB Trail / Enduro Tire Product Development	2026Q4
3	PCR Tire Cavity Resonance Noise Reduction Research Project	2026Q4
4	Application of RR Simulation: Light Weight-Dependent RRC Reduction Technology	2026Q4
5	New Generation Product Development of UT Carnivore	2027Q4
6	Development of U.S. Version Steel-Belted Tire RAZR XT +	2028Q4

2. Expected research and development expenses

The R&D investment in 2026 Year is projected to be approximately 4-5% of the annual revenue of the current year, in order to maintain the Company's R&D competitiveness.

3. Intellectual property (IP) information disclosure

- (1) Intellectual property management and system strategies: Since its establishment, Cheng Shin has viewed research and development as the foundation of technology. Technology is considered an "intangible asset," and the company places great emphasis on obtaining intellectual property rights for technological protection. Since 2015, to enhance the company's R&D capabilities, Cheng Shin has been promoting a balanced investment in short-term, medium-term, and long-term technological development. This ensures synchronized growth in both the quality and quantity of the company's patents. Through the protection of intellectual property rights, the value of "technology" and "patents" is created, with the ultimate goal of generating revenue through "patent commercialization."

In August 2020, the company integrated the control of "patents", "trademarks" and "business secrets" by the intellectual property group to realize systematic management of the group's intellectual property; In the future, besides patents, trademarks and business secrets can make the company's internal intellectual property management strategy more perfect.

In 2024, the Company's intellectual property management has developed from the self-control program of each factory to the management by the Group's "Intelligent Property Center". The intellectual properties include "patents", "trademarks", "trade secrets", and PDCA management cycle is implemented according to the Taiwan Intellectual Property Management System (TIPS).

- (2) Intellectual Property Governance Structure: To implement intellectual property strategies, Cheng Shin's intellectual property governance is primarily managed by the "President's Office Intellectual Property Team." The highest-ranking intellectual property officer collaborates with supporting and cooperating units such as the R&D Centers and IT Service Department to jointly promote and maintain operations related to the intellectual property management system. The Company regularly holds management review meetings to examine the Intellectual Property Management system. It considers internal and external issues related to intellectual property and stakeholders, determines the risks and opportunities that need to be addressed, and establishes intellectual property management policies in compliance with relevant legal requirements and the Company's compliance obligations. The Company also sets intellectual property management goals and annually reports the implementation plan and Implementation Status to the Board to ensure the continuous suitability, adequacy, and effectiveness of the Company's Intellectual Property Management system.

(3) Intellectual Property Management System: The President's Office Intellectual Property Team at Cheng Shin's Taiwan headquarters is not only the highest decision-making and execution unit for intellectual property management in Taiwan but also plays a key role in assisting global subsidiaries in promoting intellectual property operations. It is responsible for coordinating global intellectual property strategies and the establishment and implementation of the intellectual property management system. This includes planning for patent and trademark applications, maintenance management, infringement response procedures, and the establishment of systems and risk control mechanisms for trade secrets. Through the aforementioned model of centralized management and local support, Cheng Shin effectively integrates global resources to enhance the overall utilization efficiency of intellectual property and corporate competitiveness. Cheng Shin obtained TIPS Class-A certification for "trade secrets" and "patent rights" in 2023 and completed the TIPS Class-A continuous certification in 2025. The TIPS Class-A certificate is valid until December 31, 2027. The Cheng Shin intellectual property management system is detailed as follows:

- A. Trademark Management: To protect the rights of Cheng Shin's brand and trademarks, the Company has established a comprehensive trademark management policy that covers processes such as trademark applications, maintenance, and infringement responses. Cheng Shin will conduct preliminary searches and assessments for trademarks corresponding to new products or technologies to ensure that the trademarks are distinctive and meet the application criteria. After application, the dedicated unit will regularly track the trademark examination progress and handle renewals and oppositions in accordance with the regulations of each country to ensure the continued validity of trademark rights.
- B. Patent management: Cheng Shin possesses abundant R&D capabilities, continually creating higher-performance tires. Before each new product is launched, patent rights protection must be obtained to ensure the Company's production, sales, import and export, and usage are secure. This not only protects the innovative achievements but also ensures the Company's products are safeguarded, demonstrating Cheng Shin's high regard for intellectual property protection.

If a patent proposal is deemed unsuitable for patent application after review by the Intellectual Property Evaluation Committee, the Committee can issue a resolution to transfer the technical proposal to the Trade Secret Management Review Committee for further evaluation and management of trade secret protection. This institutionalized process ensures that each technological achievement receives the most appropriate form of intellectual property protection, enhancing corporate competitiveness and technological security.

- C. Trade Secrets Management: Cheng Shin currently manages 49 trade secrets. To protect the company's trade secrets, the company has clearly defined the regulations for trade secrets and has established a comprehensive trade secrets management policy that includes mechanisms such as trade secrets flow control processes, declassification processing, and data destruction. Cheng Shin's management at all levels shows a high level of commitment to the protection of trade secrets.

In daily management, Cheng Shin regularly conducts educational promotions, emphasizing the importance of confidential level information and protection principles. It also closely collaborates with the information department to strengthen information security protection and reduce the risk of data leakage. In addition, through the permission control mechanism, the viewing audience and maturity of the documents are restricted, and a watermark is added to the documents to indicate the identity of the borrower. All information related to trade secrets must be transmitted through the company's provided email system or internal storage space, and it is strictly prohibited to take related data out of the storage area to protect the company's sensitive data and trade secrets.

- (4) Intellectual property risk and response measures: Cheng Shin enhances the quality of intellectual property utilization to improve its added value and corporate competitiveness by adhering to the regulations of trademark, patent, and trade secret management systems for maintenance and management. Cheng Shin also emphasizes the integration and cooperation with external resources by collaborating with external professional firms to conduct trademark and patent infringement monitoring, legal analysis, and response recommendations. The Cheng Shin intellectual property risk and response measures are detailed as follows:
 - A. Trademark and product counterfeiting monitoring: Cheng Shin regularly tracks whether other manufacturers are attempting to register or counterfeit Cheng Shin's trademarks. In such cases, proactive actions, such as filing for cancellations or sending warning letters, are undertaken to ensure the legitimate use of Cheng Shin's trademarks.
 - B. Patent Infringement Handling Mechanism: In the event of patent infringement disputes, Cheng Shin conducts patent analysis and comparison for confirmation. According to the results of the infringement comparison, if Cheng Shin infringes on another company's patents, the company will initiate product recall operations and compensation procedures. Conversely, if another company infringes on Cheng Shin's patents, a compensation procedure will be activated, including sending warning letters to the infringing company and determining a compensation amount to protect the rights of Cheng Shin's products and ensure the protection of our patent rights.

- C. Remedies for Trade Secret Infringement: When trade secrets are infringed upon, leaked, or suspected of being leaked, Cheng Shin has established notification and emergency dispute response procedures that allow relevant personnel to promptly take appropriate measures. Additionally, related trade secret disciplinary mechanisms are implemented, demonstrating Cheng Shin's proactive commitment to the protection of trade secrets.
- D. Third-party intellectual property risk prevention and control mechanism: In addition to the aforementioned proactive maintenance of its intellectual property rights, Cheng Shin also emphasizes risk management of intellectual property when collaborating with external manufacturers for raw material procurement, technology introduction, or licensing. To prevent potential infringement of others' intellectual property in procurement items, the Company explicitly stipulates non-infringement warranty clauses in relevant contracts and purchase orders. Cheng Shin provides dual protection for its own rights and strengthens the consensus on intellectual property protection with its partners, reducing legal risks and ensuring the operational stability of the supply chain.
- (5) Intellectual property ownership/outcome (the Company's total patent cases as of December 31, 2025)

As a world-class leader in the rubber and tire industry, Cheng Shin demonstrates high foresight and strategic positioning in the global layout of patents and trademarks. The intellectual property protection network covers global markets, ensuring that its technologies and brand are well protected worldwide.

- A. Patent: In terms of R&D, Cheng Shin continues to invest substantial resources, with a domestic patent layout focusing on enhancing the overall performance of tires, with a total of over 150 valid patents. Among all technologies, Cheng Shin particularly emphasizes key performance aspects such as tire "safety," "environmental friendliness," "handling performance," and "noise reduction technology." For example, methods to improve noise and wet performance, designs to reduce tire noise, and enhancements to tire driving safety.

Patent Distribution Overview		
Group distribution Patent Category	Parent Company	Subsidiary
Invention patent	62	184
Utility patent	3	149
Design patent	390	333
Total	1,121	

B. Trademark: In terms of brand protection, Cheng Shin actively protects the identity and rights of its MAXXIS brand across various tire products through comprehensive trademark registrations. In the field of tires for heavy motorcycles, trademarks such as "SUPERMAXX" and "MAXXVENTURE" have been registered. For bicycle tires, it includes road bike tires like "HIGHROAD" and mountain bike tires like "MINION." For car tires, based on performance classification, trademarks have been registered for the eco-friendly and energy-saving "MECOTRA," the ultra-high-performance "VICTRA," and the comfortable and quiet "WALTZ," among others. In addition, Cheng Shin has registered over 17 different trademarks for special-purpose products such as beach tires, demonstrating a high regard for intellectual property protection and comprehensive planning before the launch of new products.

Trademark Distribution Overview		
Group distribution	Parent Company	Subsidiary
Region		
Domestic	154	12
Overseas	651	1235
Total	2,052	

- (6) Incentive Policy: To encourage innovation and enhance the quality of intellectual property output, Cheng Shin has established a comprehensive incentive mechanism to encourage employees to actively propose promising technical proposals. When a proposal is evaluated and deemed to have patent application value, the patent application process will be initiated, and the relevant departments will issue bonuses according to regulations to provide encouragement. In addition, if a patent proposal is deemed unsuitable for patent application after review by the Intellectual Property Evaluation Committee, the Committee can issue a resolution to transfer the technical proposal to the Trade Secret Management Review Committee for further evaluation and management of trade secret protection. If the proposal is ultimately confirmed to have trade secret value, the proposer will receive a trade secret proposal reward.
- (7) Talent Development: To enhance the operational effectiveness of Cheng Shin's intellectual property management system and improve employees' awareness of intellectual property, the company regularly arranges courses on Cheng Shin's intellectual property management system, fundamental concepts of intellectual property, information security training for the protection of trade secrets, and the latest regulations and case studies. These courses assist employees in establishing a correct understanding of intellectual property protection. The implementation status of education and training is as follows:

<ul style="list-style-type: none"> ● For new hires and general staff members,
<p>Providing a foundational intellectual property course, which includes fundamental concepts of intellectual property and Cheng Shin Rubber Company's intellectual property management regulations, a total of 628 participants have completed the education and training.</p>
<ul style="list-style-type: none"> ● For personnel responsible for intellectual property related matters
<p>Providing external training for the self-evaluation course under the Industrial Development Bureau TIPS program, which includes content on corporate governance and the operation of intellectual property management systems. The course lasts 24 hours, and 2 participants were sent to obtain the self-evaluator qualification. In the Year, two new self-evaluators were added and two existing self-evaluators were scheduled for retraining to ensure continuous improvement of the system.</p>

(IV) Impact of changes in domestic and foreign policy and laws on the Company's financial operations and response measures:

The Company's management is always monitoring any public policy and law that might have an impact on the Company's business and operations. The change in key domestic and international policy and law this year did not have any major impact on the Company's financial operations. In the future, the Company will keep itself timely updated on relevant information and develop timely and necessary responses to meet the Company's operational needs.

(V) Impact of technological changes (including information and security risks) and industry changes on the Company's financial operations and response measures:

1. Over the latest year and as of the date of the Annual Report, there is no change in technology and industry environment that had an impact on the Company's financial operations.
2. The Company has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification, establishing the information security policy and vision. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.

(VI) Impact of changes to the corporate image on corporate crisis management and response measures:

The Company has a good corporate image. There is no major change that would have an impact on the Company's crisis management over the latest year and as of the date of the Annual Report.

(VII) Projected benefits and potential risks associated with mergers and acquisitions activities: None.

(VIII) Projected benefits and potential risks associated with facility expansion: None.

- (IX) Risks associated with the concentration of supply and sales concentration: None.
- (X) Impact of transfer of a significant number of shares by directors, supervisors, and/or major shareholders holding 10% or more of the total outstanding shares, risks associated and response measures: None.
- (XI) Impact of change in ownership, risks associated and response measures: None.
- (XII) Disclosure of issues in dispute, the monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the Annual Report where the Company and/or any of its directors, supervisors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None.
- (XIII) Other significant risks:

Based on the materiality principle of ESG, the Company conducts the relevant risk evaluation of the important issues and stipulates the relevant risk management policies and measures according to the evaluated risks as follows:

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
Corporate Governance and Operations Management	Financial Risk	Exchange Rate Risk	<ul style="list-style-type: none"> ◆ As the Company operates business internationally, the financial reports of our overseas subsidiaries are denominated in local currencies. As a result, the group is exposed to exchange rate risks arising from various types of currencies. The group consistently monitors exchange rate fluctuations. Any shifts in political or economic environments in the invested countries may result in a fluctuation in the exchange rate between the reference currency of those subsidiaries and the New Taiwan Dollar. ◆ The Company mainly employs natural hedging of offsetting receipts and payments for the net foreign exchange receipts and payments in daily operations. It continuously monitors foreign exchange market trends, records, and adjusts the currency as appropriate based on capital conditions to minimize exchange rate losses or reduce risks to a tolerable level. 	Finance Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
		Interest rate risk	<ul style="list-style-type: none"> ◆ The U.S. economic data continues to perform well, and the expectation for interest rate cuts in 2026 has decreased. The interest rate for NTD remains relatively low and stable, and overall, the interest rate risk is within a controllable range. ◆ The Company monitors and pays close attention to the policies of central banks and the latest market status, and the allocation of funds within the Group is also adjusted to reduce exposure to external liabilities. 	Finance Department
		Inflation	<p>In 2025, the Consumer Price Index (CPI) annual growth rate was 1.66%, marking the lowest in nearly 5 years, indicating stable price performance in Taiwan. In light of the uncertainty in the global economic forecast, the Company is not in a position to predict inflation or contraction. Since the tire products of the Company are consumer products whose raw material prices and market demands are moderately or highly volatile to inflation or contraction, the global economic environment will have an impact on the Company's sales. Nonetheless, no material adverse impact is expected for the overall operation.</p>	Finance Department
	Business Continuity Risk	Raw Material Price and Raw Material Supply Risk	<ul style="list-style-type: none"> ◆ Raw Material Price Alert: Raw material price alert: Cheng Shin has established a dedicated team to monitor international commodity exchange prices and other relevant sources to provide real-time surveillance of major raw material markets. The information gathered is input into the system, and any abnormal signals are immediately reported to senior executives, allowing for close observation and understanding of market trends. Additionally, the Company continues to mitigate procurement risks by engaging in global sourcing, exploring alternative materials (including recycled and recyclable options), and developing potential suppliers. ◆ During the new material development phase, the Company investigates whether suppliers a. use prohibited substances and conflict minerals, or b. source from areas of illegal deforestation or protected zones. They are required to submit related supporting documents, such as reports or declarations from REACH, RoHS, PAHs, 	President's Office

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
			CMRT & EMRT, supply chain management assessment questionnaires, due diligence, among others, and finally conduct risk assessment management to reduce procurement risks.	
		Product R&D Management	<ul style="list-style-type: none"> ◆ Receive updates on regulations and amendments, conduct regular compliance audits, and perform self-reviews. ◆ Regularly collect market information and perform benchmark analysis, in order to understand market development trend, and to plan product generations, and update safety, environmental, and other related laws and regulations. ◆ Continue to investigate the market demand, establish R&D technology to facilitate the development of new products; also, comply with laws and regulations, and various customer quality and performance requirements. 	R&D Centers
		Transportation risk	<ul style="list-style-type: none"> ◆ Cooperate with several large manufacturers for inland and marine transportation, and establish a deep relationship with them through long-term cooperation, so as to avoid the export obstacles caused by the increase of current market demand and fill the temporary shortage gap. ◆ Freight rate stabilization mechanism: Inland transportation and manufacturers set rolling mechanisms of oil prices and adopt reasonable long-term freight prices; In order to stabilize the transportation cost under the current situation of the sharp rise of market price, the freight rate contract is signed by sea transportation. 	Production Planning Department
		Prevention of Infectious Diseases	<ul style="list-style-type: none"> ◆ The prevention and control of infectious diseases are handled in accordance with the notices issued by the Taiwan Centers for Disease Control of the Ministry of Health and Welfare. ◆ Irregularly distribute health education information or coordinate with resident doctors to organize health seminars to enhance employees' knowledge of self-protection. 	Safety and Health Department
		Energy Supply	<ul style="list-style-type: none"> ◆ Implement the management of energy equipment, regular inspection of the first, second and third level equipment and predictive detection of the thermal imager, develop energy management methods, improve energy efficiency, and set annual energy-saving targets of the factory. 	Engineering Center

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
			<p>Through effective improvement measures, Cheng Shin seeks to reduce the risk of energy supply.</p>	
	Intellectual Property Management	Intellectual Property Risk	<p>◆ Cheng Shin products are sold in more than 180 countries around the world, and the following measures are taken to prevent infringement:</p> <p>A. Preventing infringements by other companies on Cheng Shin: In addition to continuous monitoring of the patent landscape by the Company's Intellectual Property unit, related departments also monitor external products to identify any similarities with our own products. If any potentially infringing or overly similar products are identified, they are promptly reported to the Intellectual Property unit for verification of possible infringement.</p> <p>B. Preventing infringement by Cheng Shin on other companies: Prior to launching a new product, Cheng Shin's patent engineers conduct a global patent search related to the product, in order to ensure that Cheng Shin's product has been implemented with the design around to prevent infringing the patent rights of others, following which inventors are requested to submit patent applications according to the patent application requirements specified in the "Patent Procedure Management Regulations", thereby ensuring that all Cheng Shin's new market products are equipped with patent protection and without infringing the patent rights of others as the highest principle.</p> <p>※ In case of patent infringement, Cheng Shin activates its internal management regulations, conducts patent comparison analysis, and confirms the status of patent infringement. Once confirmed, legal measures are pursued to ensure the protection of Cheng Shin's patent rights.</p>	Intellectual Property Management

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
			<p>※ Cheng Shin consolidates its trademark rights based on different product categories and proceeds with trademark registrations in required regions. Before applying for trademark registrations, a global name search and risk assessment will be conducted to ensure no conflicts, thus safeguarding the global sales of Cheng Shin products. Regular monitoring for counterfeiting activities are implemented to track whether other companies are attempting to register or imitate Cheng Shin Group's trademarks. In such cases, proactive actions, such as filing for trademark cancellations or sending cease and desist letters, will be implemented to against those infringing the trademark rights of the Company, thereby ensuring the legitimate use of Cheng Shin's trademarks.</p> <p>※ Information is classified into four categories: open, internal use only, confidential, and top-secret. All definitions are implemented in accordance with internal regulations. If certain information is classified as trade secrete, it is controlled in accordance with the highest principle. Information security issue is controlled in cooperation with the information department, in order to reduce the risk of disclosure of controlled data.</p>	
	Digital Information Security Risks	Confidential Information Protection	<p>◆ The Company has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification. The Company has established the information security policy and vision: "strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability." All various information security measures have been listed for implementation along with enhanced audit management. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.</p>	IT Service Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
Workplace Safety and Health	Safety risk management	Material Disaster	<ul style="list-style-type: none"> ◆ Establishment of "Disaster Incident Management Regulations": Specify emergency response measures, emergency contact systems, and disaster countermeasures. ◆ In response to major industrial safety incidents such as fire and explosion, the Company has initiated the self-inspection, review, and prevention on the cause of the incident, and communicates with other plants within the Group. ◆ Establishment of "Comprehensive Contingency Measures": In China, we have established the "Comprehensive Contingency Measures" for accidents such as fire explosion, poisoning, machinery harm, vehicle harm, dust explosion, electric shock, and suffocation, detailing the emergency team organization and the major responsibilities of each team, and emergency handling procedures to conform to the "Defense Production Act", the "Safety and Health Regulations for Manufacturing Procedures", and the "Manufacturing Safety Accident Countermeasure Guidelines for the Manufacturing Department". 	Safety and Health Department
		Risk of Infectious Diseases	<ul style="list-style-type: none"> ◆ The prevention and control of infectious diseases are handled in accordance with the notices issued by the Taiwan Centers for Disease Control of the Ministry of Health and Welfare. ◆ Regularly distribute health education information or coordinate with resident doctors to organize health seminars to enhance employees' knowledge of self-protection. 	Safety and Health Department
	Environment Risk	Environment Control Ability	<ul style="list-style-type: none"> ◆ The Company implements the environmental management system (ISO14001) with annual external and internal audits, formulates environmental policies, sets up objectives, implements properly and performs, audit and review, in order to achieve continuous improvement in environmental performance. 	Safety and Health Department
		Greenhouse Gas Emissions	<ul style="list-style-type: none"> ◆ The "Energy Saving and Carbon Reduction Committee" establishes the greenhouse gas emission reduction strategy and goal, and 	Safety and Health Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
			<p>also responses to the energy saving goal of reduction of energy consumption by 1.5% annually specified by the Bureau of Energy. We have set out the energy saving target for next year and the performance of this year's implementation in order to explore the benefits of energy saving measures each year.</p> <ul style="list-style-type: none"> ◆ The Company introduces the ISO50001 energy management system to achieve better energy management performance. ◆ In accordance with the "Climate Change Response Act and the Regulations Governing the Inventory, Registration and Verification of Greenhouse Gas Emissions", inventory and registration are conducted on an annual basis for plants with annual direct and indirect emissions greater than 25,000 metric tons of carbon dioxide equivalent. ◆ In accordance with the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies" issued by the Financial Supervisory Commission, Cheng Shin has sequentially conducted greenhouse gas inventories at each of its manufacturing plants. 	
		Environmental Management	<ul style="list-style-type: none"> ◆ The Company implements the environmental management system (ISO14001) with annual external and internal audits, formulates environmental policies, sets up objectives, implements properly and performs, audit and review, in order to achieve continuous improvement in environmental performance. ◆ The Company has obtained the ISO14001 environmental management system certification. The validity of the certificate is maintained continuously from the daily management implementation to ensure that the air pollution control, water pollution control, and waste management meet the legal requirements. ◆ In line with the Environmental Protection Bureau's implementation of multiple environmental permits, Cheng Shin actively accepts counseling to integrate the various certificates to comply with subsequent regulations. ◆ Each unit carries out the President's policy to create a sustainable environment and reduce waste. Reduce the amount of air 	Safety and Health Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
Society			pressure energy consumption and sewage discharge.	
		Climate risk	<ul style="list-style-type: none"> ◆ The sustainability team and the staff of various departments evaluate and identify the physical climate risks, such as heavy rainfall and prolonged droughts, based on the materiality criteria, and implement countermeasures in response to the risks. 	Safety and Health Department
	Human Resources Risk	Human Capital	<ul style="list-style-type: none"> ◆ To accelerate the development of managerial talent, we implement systematic training programs to nurture potential middle and senior-level executives. We accelerate the training time for mid- and senior-level executives to implement the Company's Talent Pool Program. ◆ By offering specialized learning and growth opportunities, we motivate employees and enhance the capabilities of our talent pool. This approach not only meets the learning needs of our employees but also ensures that they acquire crucial skills, thereby implementing our talent development plan effectively. 	Human Resources Department
		Human Resource Management	<ul style="list-style-type: none"> ◆ Diversify the talent recruitment channels. ◆ Enhance employee care and promote employee retention intention. ◆ Encourage employees to seek new skills and obtain qualifications to perform a variety of jobs, in order to enhance overall competence and increase management flexibility. 	Human Resources Department
	Occupational Safety Risk	Safety and health standard operation management	<ul style="list-style-type: none"> ◆ In order to ensure the safety and health of the working environment, reduce the cost of accidents and reduce the loss of man-hours, we implemented the ISO45001 occupational safety and health management system, ensure the achievement of safety and health objectives and performance, consider organizational risks and opportunities and identify occupational security risks in the group and seek to eliminate hazards or risks or control them to reduce their impact. 	Safety and Health Department
Legal Compliance	Regulations Rationalization	<ul style="list-style-type: none"> ◆ In response to the government's announcement of amended regulations, we will systematically compile the latest regulations issued. The responsible teams will assess the compliance of these 	President's Office Safety and Health Department	

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
			<p>regulations to ensure that subsequent actions align with legal requirements. This process aims to guarantee that our operations adhere to legal standards and allows for the necessary adjustments to internal guidelines as needed.</p> <p>◆ If there are any relevant laws and regulations on the environmental issues such as greenhouse gas, the Company actively participates in the contingency team organized by the government, pays attention to the draft laws and regulations and relevant changes, and keeps track of the relevant information at all times.</p>	

VII. Other Important Issues: None.

Chapter 6: Other Specially Recorded Issues

I. Related Information on Affiliates:

Consolidated Operating Report for Affiliated Enterprises, consolidated financial statements of affiliates, Relation report, please refer to:

Market Observation Post System > Single Company > Electronic Document Download > Affiliates Three Books Area (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. The Company's shares held or disposed of by subsidiaries in the most recent years as of the publication date of the Annual Report: None.

Please refer to: Market Observation Post System > Themed Areas > Investment Area > Private Placement Area > Private Placement Area (<https://mops.twse.com.tw/mops/#/web/t116sb01>)

III. Other Necessary Supplementary Statement: None.

IV. Any event that occurred in the most recent years as of the publication date of the report which has a material impact on shareholders' rights and interests or the price of securities against Item 3 of Paragraph 2 under Article 36 of the Securities and Exchange Act: None.

Cheng Shin Rubber Industry Co., Ltd.



Chairman



*Unleash The Driver Within With
Next- Level Handling*



VICTRA **6** *SPORT*

Next Generation Ultra-High-Performance tire

Ultimate Handling

Rain or Shine



red dot winner 2025



Vehicle Fitments:



Sedans



SUVs



MAXXIS

CHENG SHIN RUBBER IND. CO., LTD.