

Part2

Safety Products, Innovative Value



Management Approach to Material Topics

Material Topic: Product R&D and Technology Development

Item	2025 Management Approach
Policy	Make continuous improvements, honor our commitments, improve quality, satisfy customers, and provide customers with the highest quality products in line with Cheng Shin's policy.
Commitment	Cheng Shin is committed to providing customers with high-quality products and becoming their trustworthy partner for mutual growth.
Goals and Targets	Continue to develop high-performance, lightweight, low rolling resistance, durable, safe, and smart tires.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported.
Specific Actions	Focusing on sustainable development, the Company develops green materials to reduce carbon emissions and resource consumption.
Mechanisms for evaluating the management approach	Continuous research and development of sustainable, environmentally friendly, or waste recycling product technologies; lightweight, low rolling resistance, durable tires, along with other product development, contributing to a sustainable circular economy.
Results of the management approach evaluation	● 2025 - Completed development on 4 low-energy consumption projects for electric vehicles. - Developed 3 projects on VS-EV electric car tires. - Developed 1 project on YAMAHA T56 EV electric scooter tire. ● 2025 Completed the development of 2 sustainable products using recycled fishing net yarn. - Developed 1 project for the BC 32" large XC ASPEN tire. - Developed 1 project for BC Trail - 2nd Generation Dissector tire. ● 2025 - Completed development on 4 material and formula projects. - Evaluated 1 project on the introduction of rice husk silica for MCR use. - Completed 1 R&D project on MCR bead wire production with rsteel electric furnace. - Completed 1 material development project on pyrolytic carbon black material. - Completed 1 material development project on bio-based processing oil.

Material Topic: Product Quality Management

Item	2025 Management Approach
Policy	"Quality First and Customer Satisfaction" .
Commitment	No production of defective products, no leakage of defective products, no acceptance of defective products.
Goals and Targets	Develop innovative R&D technologies to enhance product performance, improve product differentiation, significantly expand market presence, and strengthen corporate competitiveness.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported
Specific Actions	Continuous research and development of various high-performance tires, including fuel-saving and environmental protection tires, low rolling resistance tires, etc., to enhance product safety and energy efficiency. Pass relevant certification tests around the world to obtain the guarantee of product safety, and ensure the most stringent gatekeeping for consumer safety.
Mechanisms for evaluating the management approach	Product quality management is carried out based on product performance indicators (wet grip, rolling resistance, noise), as well as marketing, labeling, and other product-related laws and regulations.
Results of the management approach evaluation	In 2025, the product performance indicators were certified. In 2025, there were no major violations of laws and regulations related to marketing and labeling of products.

Material Topic: Customer Relationship Management

Item	2025 Management Approach
Policy	Conduct market development and maintain good interactive relationship with customers through visits and business promotion.
Commitment	Provide customers with high-quality products and solve customer feedback problems in a timely manner.
Goals and Targets	Maintain market share, conduct market development at home and abroad, and continue to develop new products for customers.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported.
Specific Actions	In response to the different needs of customers, the Company provides diversified products.
Mechanisms for evaluating the management approach	Conduct the customer satisfaction survey on an annual basis.
Results of the management approach evaluation	Consumers' overall satisfaction with Maxxis tires stayed positive, with the average rating remaining above neutral.

2.1 Safe and Reliable Cheng Shin Tire

Product Excellence Highlights

1. MAXXIS N Vision Concept Tire received the 2025 A' Design Award (Italy).



2. MAXXIS Maxxventure AT ADV Motorcycle Tire received the Golden Pin Design Award (Taiwan).



3. Recognized by the 34th Taiwan Excellence Awards for:

- Premitra HP6 passenger car tire
- VR2 racing passenger car tire
- ATV Non-Steel-Belt Desert Racing Tire



4. MAXXIS Victra Sport VS6 received both the MUSE Design Gold Award (United States) and the Red Dot Design Award (Germany). In addition, the high-performance touring tire Premitra HP6 also received the Red Dot Design Award, demonstrating MAXXIS' s excellence in product innovation and design.



reddot winner 2025



5. MAXXIS was voted Best Mountain Bike Tire Brand by readers of ENDURO Mountainbike Magazine.



6. According to a survey conducted by Vital MTB in North America, MAXXIS ranked No. 1 in mountain bike tire purchase preference, maintaining this distinction for 13 consecutive years.

7. Obtained supplier qualification for the ANFLOW EB200, EB300, and EB400 electric bicycle series, a bicycle brand under DJI.

8. MAXXIS-sponsored athletes achieved outstanding results in international mountain bike competitions, recording:

- 44 first-place finishes
- 36 second-place finishes
- 37 third-place finishes

9. In 2025, MAXXIS expanded its cooperation with BMW Group and obtained original equipment (OE) tire supply qualifications for the BMW 1 Series (European market) and BMW 2 Series.

2.1.1 Product R&D and Technology Development

R&D Investment

Amount invested in R&D in 2025: NTD 3,705,256 thousand.

R&D Achievements

The products successfully developed in 2025 are as follows:

2025 R&D New Product List	
Development of 32" large XC bicycle tires	Development of 2nd generation Dissector mountain bike tires
Development of 2nd generation ultra-lightweight road racing tires	Development of the third generation all-round competition road tire
Development of RAZR RAID + Desert Racing	MCR Multi-purpose tires - MA-AT
Development of MC 2nd generation rain tire product	SYM ADV Model Development

Revenue from products that improve fuel efficiency (NT\$ thousand): 15,451,604

Revenue from products that reduce carbon emissions (NT\$ thousand): 13,057,006

Product R&D Planning and Future Prospects

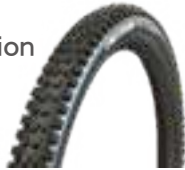
Guided by its sustainability policy, Cheng Shin's R&D department will continue to integrate the concepts of environmental friendliness and sustainable development into product research and development. Going forward, the Company will strengthen the research and application of sustainable and low-carbon materials and expand the development of high-efficiency, energy-saving products. These include green tires with lower rolling resistance, high-performance tires specifically for electric vehicles, and intelligent products aligned with future mobility trends. Through these initiatives, the Company aims to further enhance product safety, durability, and energy efficiency while reducing environmental impact across the entire life cycle.

Regarding product safety, Cheng Shin will continue to adopt more rigorous international standards and testing technologies to ensure that all products pass inspection by global certification bodies, thereby providing consumers with reliable and safe product guarantees. At the same time, the R&D department is actively adopting data-driven, simulation-based, and AI-powered R&D tools to enhance R&D efficiency and innovation capabilities. These will establish a faster and more precise product development process. In the future, Cheng Shin will continue to drive sustainability through innovation. By integrating cross-disciplinary technologies and deepening R&D collaborations with its partners, the Company aims to create greener, safer, and more efficient mobility products, driving corporate net-zero transformation and sustainable value creation.

Technological Leadership, Innovative Cheng Shin

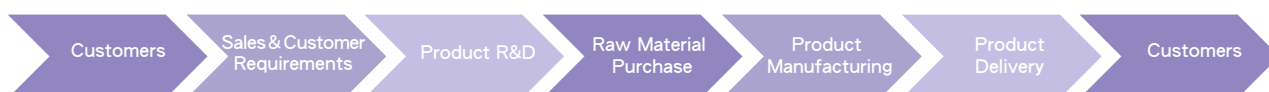
Cheng Shin continues to invest in forward-looking R&D with ESG sustainability principles at its core to actively promote product innovations with higher efficiency and lower environmental impact. On the environmental (E) front, R&D efforts focus on developing sustainable, eco-friendly, and low-carbon materials and processes. The Company is also committed to enhancing energy efficiency, reducing product weight, and effectively lowering noise emissions to minimize the carbon footprint throughout the entire life cycle. On the social front (S), product design prioritizes safety and comfort. By enhancing wear resistance and durability, the Company extends product lifespans, reducing resource waste and creating a more reliable user experience for consumers. In terms of governance (G), Cheng Shin employs scientific R&D processes and a rigorous quality management system to ensure that innovation outcomes comply with relevant regulations and sustainability standards, demonstrating the company's commitment to responsible R&D and sustainable governance.

Product	Sustainability Highlights	Technical Description
Hybrid car tires VICTRA SPORT 6 	• EV Ready • Product Lifespan • Use of recycled materials	The application of new blended materials, an eco-friendly highly dispersed silica formula derived from rice husks, and the brand-new FULL TOUCH technology completely satisfies the performance requirements of both internal combustion engine and electric vehicles. Wear resistance improved by 10%, while wet braking and wet handling performance increased by 5% and 8%, respectively.
Balanced car tires PREMITRA HP6 	• Balanced Performance • Product Lifespan • Energy Efficiency	An innovative combination of eco-friendly rice husk, a new resin formula, and a revamped tread pattern improves wear performance by 11%, dry braking by 4%, and fuel efficiency for internal combustion engine vehicles by 9%.
ER-GT Grand Touring All-Season Passenger Tire 	• Product Lifespan • Product Safety • Energy Efficiency	The new silicon nano-molecule formula, combined with wear-resistant and low-temperature rubber compounds, uses next-generation compounding technology to achieve both “high mileage durability” and superior “snow performance” in all seasons. ER-GT offers high mileage performance while maintaining good grip; its mileage performance is 3% better than competing tires. Optimized contour, tread pattern, and structural design, combined with a next-generation compound, deliver energy-saving performance by 8% compared to existing products. The Company continues to contribute to the preservation of a sustainable, low-carbon environment by developing low-carbon products.
RAZR RAID + Desert Racing Tires ML-ST3 	• Product Lifespan • Product Safety • Energy Efficiency	Featuring a high-durability design and enhanced puncture resistance, this product effectively extends tire service life and mitigates the risk of failure from foreign object penetration, thereby further prolonging tire longevity and reducing replacement frequency. This design reduces waste tire generation and raw material consumption, enhances resource efficiency, and indirectly lowers energy consumption during manufacturing and replacement, delivering environmental benefits across the entire life cycle. In terms of usage, the product offers more stable and controllable handling performance, reducing the risk of accidents in extreme environments and enhancing operational safety. High-reliability designs reduce the need for maintenance and the occurrence of unexpected failures, thereby enhancing operational efficiency.

Product	Sustainability Highlights	Technical Description
BC 32" large XC ASPEN Tires 	• Product Lifespan • Product Safety • Use of recycled materials	The first 32" TLR folding tires with a patented structural design to be developed globally. Compared to 29" tires, rolling performance is improved by 7%, wear resistance by 5%, cornering by 20%, and braking by 10%. The product features a tire casing made from recycled fishing net cord fabric and a highly dispersed silica formula derived from eco-friendly rice husks, achieving a sustainable material ratio of 40%.
BC Trail - 2nd Generation Dissector Tires 	• Product Lifespan • Product Safety • Use of recycled materials	The new tread pattern design maintains the advantage of fast straight-line rolling while enhancing cornering stability, support, and braking performance. The tire casing made from recycled fishing net cord fabric is paired with the next-generation MAXXTERRA tread formula, maintaining grip performance while improving wear resistance by more than 50%.
Multi-purpose Tire - MA-AT 	• Product Lifespan • Product Safety • Energy Efficiency	4 Advantages of Maxxventure AT 1.Hex Cubic: Increases off-road grip by 20% while reducing mud adhesion and noise. 2.Optimized tread pattern arrangement: Balances off-road and highway stability while extending mileage life by 10%. 3.Special angled design: Improves traction and reduces noise at speeds of 60 - 70 km/h. 4.Reusable design introduces a new concept of eco-friendly usage.
MC Rain Tires - MA-WGII 	• Product Lifespan • Product Safety • Energy Efficiency	Featuring a specialized casing structure and a full-silica compound formula, the tire enhances tread stiffness and incorporates a high-drainage pattern to meet the demands of Taiwanese consumers for a balanced riding experience in both sunny and wet conditions. Wet braking distance is shortened by 5%, while wear resistance and handling performance are each improved by 10%.
Electric/high-performance karting tire MD01 	• Product Lifespan • Product Safety	A wear-resistant rubber compound combined with a reinforced rear sidewall structure provides excellent support for go-karts, significantly enhancing cornering stability and handling.

2.1.2 Product Quality Management

The tire has been an indispensable part of all kinds of vehicles, but also a security part of the vehicle. Its quality is involved in the safety of driving and passengers. Based on its customer-centric approach, after confirming customer needs, Cheng Shin designs and produces products that meet customer needs, considering safety as the paramount and crucial core value. Before the products enter mass production, internal testing and verification are conducted for product dimensions, plunger resistance, durability, and high-speed performance. At the same time, product safety is guaranteed by passing the test of relevant certification units around the world to ensure product quality and provide the most rigorous quality control for consumer safety. In 2025, Cheng Shin did not have any violations of health and safety regulations for products and services.



Customer-oriented Process

Acquiring stringent safety standards certifications has allowed its products to shine in every corner of the world, living up to the brand spirit of "Maxxis Everywhere".

Markets	Product Certification	Product Certification Description	Compliance Ratio of Products Sold
European Union		Certificate from the Economic Commission for Europe (ECE)	100%
USA	DOT	US Department of Transportation	100%
Indonesia		Standard National Indonesia	100%
Brazil		National Institute of Metrology, Quality and Technology	100%
India		The ISI Standard Mark	100%
China		China Compulsory Certification	100%
Thailand		TISI-Mark	100%
Philippines		BPS-Mark	100%
Taiwan		Taiwan BSMI Certified	100%

Quality First, Customer Satisfaction

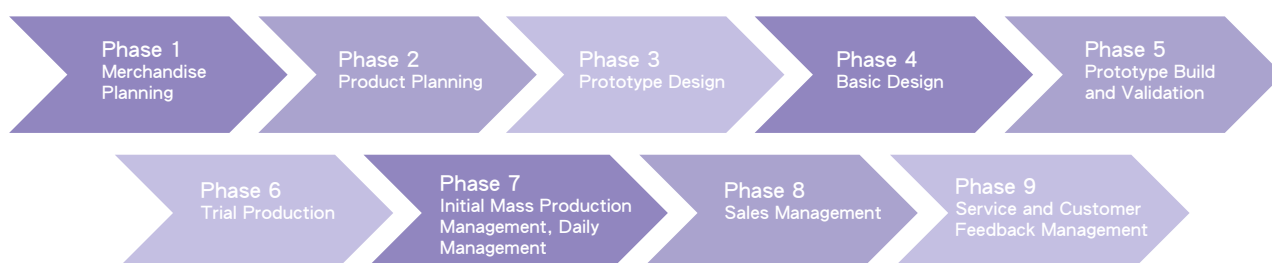
"Quality First, Customer Satisfaction" is Cheng Shin's core competitive product strategy. In terms of quality systems, Cheng Shin has implemented total quality management with both ISO 9001 and IATF 16949 quality management system certifications. A dedicated quality department was also established to promote Cheng Shin's quality management activities:

Region	Quality Management System
Cheng Shin Taiwan and Mainland China	100% implementation of ISO 9001 for all production activities 100% implementation of IATF 16949 for passenger car tire and truck/bus tire production activities

Note: IATF 16949 is a quality management system for the supply chain of the automotive and motorcycle industries.

Quality Activities	Responsibility
Quality Assurance	Company-wide quality assurance system, quality management system establishment/maintenance and management, quality improvement, standardization planning/promotion and management, quality audit activity planning/execution and management
Quality Control	Implementation and evaluation of quality management activities for suppliers, raw materials, processes, semi-finished products, and finished products

Based on the basic quality policy of "Quality First, Customer Satisfaction", the Quality Assurance Department has developed Cheng Shin's quality management structure, which is divided into nine quality management phases, as shown below..



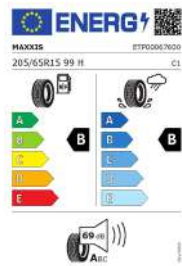
Cheng Shin's quality management system is certified according to ISO 9001 / IATF 16949 standards, which is the basis and guideline for the development of its quality management policies and standard procedures. Its products have also obtained certifications in compliance with European Union regulations and customer requirements. They adhere to chemical usage restrictions to ensure that they do not cause any lasting harm to the environment, promoting sustainability.

By instilling employees with the proper understanding of "quality," Cheng Shin encourages all staff members to uphold the mindset and practices of prioritizing quality in everything they do, including products, work, and services. Every new employee at Cheng Shin receives basic education on quality-related matters during onboarding. In addition, Cheng Shin incorporates relevant quality courses into its annual training programs and every level of staff training to continuously reinforce its commitment to quality and enhance its management practices in this area.

The "Customer Value Proposition" comes from effectively solving "customer concerns". In addition to providing high-quality products and services, Cheng Shin also has a complete and smooth customer service pipeline: Toll-free information hotline: 0800-092123; customer service center e-mail: svc@tw.-maxxis.com.

2.1.3 Clear Product Labeling

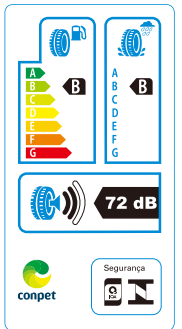
In order to help consumers choose the right tires for their needs, as well as in line with the concepts of environmental protection and safety, Cheng Shin follows global tire labeling regulations in major markets. These regulations primarily focus on three aspects: tire rolling noise, wet grip performance, and rolling resistance. Cheng Shin products are sold worldwide, and all its product offerings adhere to the legal requirements for product information labeling in their respective sales regions. In 2025, Cheng Shin had no violations of marketing and communication-related laws and regulations.



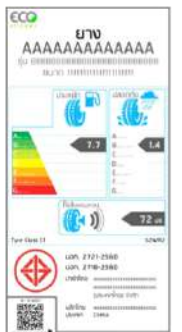
Examples of European Union tire labels



Saudi Arabia Examples of Saudi Arabia tire labels



Examples of Brazilian tire labels



Examples of Thai tire labels

Europe

In June 2020, EU 2020/740 European labeling regulation was announced as the replacement for European labeling regulation EC 1222/2009, and all tires sold to European countries are also required to upload their tire information to the EPREL system. The new label became mandatory from May 2021, and 100% of Cheng Shin tires sold to EU countries comply with the regulations.

Gulf Cooperation Council countries (GCC) / Saudi Arabia

Tires for passenger cars and for commercial light trucks and trucks sold to the Middle East Gulf Countries are required to comply with the Vehicle Tires Rolling Resistance and Wet Grip Requirements (GSO ECE 117:2016) from January 2016 and January 2017 respectively, and all Cheng Shin tires sold to the Gulf countries comply with such requirement. Since November 2015, all tires sold to Saudi Arabia must comply with the Vehicle Tires Rolling Resistance and Wet Grip Requirements (SASO 2857:2016), and all Cheng Shin tires sold to Saudi Arabia comply with such requirements.

Brazil

In September 2020, INMETRO #379 was released, which stipulates the requirements for passenger car tires, commercial light truck tires, and bus tires sold in Brazil. These tires must meet the labeling standards for rolling noise, wet grip performance, and rolling resistance levels. Cheng Shin ensures that all tires sold to Brazil fully comply with these regulations, with 100% adherence to the specified performance standards.

Thailand

The Thailand Industrial Standards Institute (TISI) was established by the Cabinet of the Thai Government to act as the national standards legislature, promulgating and amending laws and regulations. Tires for passenger cars, commercial light trucks and trucks sold in Thailand from September 2019 are required to comply with TISI 2721-2560, which is the standard for marking the performance levels of rolling noise, wet grip and rolling resistance. 100% of the tires sold by Cheng Shin in Thailand comply with the regulations.

Taiwan

In November 2019, the Bureau of Energy, Ministry of Economic Affairs, and Automotive Research & Test Center (ARTC) established the "Energy-Efficient Tire Industry Alliance" to introduce energy-saving labels for car tires, and manufacturers shall apply for energy-saving labels. According to the rolling resistance, the labeling can be divided into three grades: A, B, and C. The rolling resistance of grade A is the lowest one, which can save up to 8% fuel in actual testing, while the fuel-saving of grade B and C is 6% and 4%, respectively.



Examples of Taiwan tire labels

Adherence to Product Regulations

In terms of product compliance, it mainly includes the following categories:

- 1.Regulations on product specifications and standards: Includes product specifications and safety factors in various countries, as well as health and safety regulations, etc.
- 2.Product labeling and disclosure of information: Specifications for labeling on products and for information to be disclosed to the public.
- 3.Product sales and marketing laws: Such as the antitrust, advertising, and marketing laws requiring compliance.
- 4.Product usage and service provision laws: For example, tires over a certain number of years shall not be used for commercial purposes, used or sold as products of inferior quality.

Cheng Shin has always strictly adhered to compliance with relevant laws and regulations, and has dedicated personnel responsible for identifying the regulatory compliance of its developed products, with 100% of its products complying with relevant regulations. During 2025, there were no major violations of the laws as described above in Cheng Shin Taiwan or its subsidiaries, and there have been no significant complaints or reports of non-compliance with regulations from regulatory authorities or local residents through the established communication channels. There were no violations of laws, regulations, or voluntary codes by Cheng Shin in 2025.

Worldwide certifications obtained by the parent company:

Item	Country/Region	Certification
1	Taiwan	BSMI
2	China	CCC
3	Europe	E-Mark
4	Brazil	Inmetro
5	India	BIS
6	Philippines	BPS
7	Indonesia	SNI
8	Thailand	TIS
9	Uruguay	LATU

Cheng Shin has established open channels for stakeholders to communicate directly with Cheng Shin regarding compliance with laws and regulations.

Toll-free service hotline: 0800-092123 (Customer Service Center)
Service hours: Mondays to Fridays 08:00 AM - 05:00 PM
E-mail: svc@tw.maxxis.com

2.2 Protecting Customer Privacy

Technology is changing at a rapid pace. To meet the needs of the digital age, the world is advancing forward at an unprecedented speed. This rapid development has profoundly transformed human life in all aspects, making the protection of large volumes of data ever more critical.

Cheng Shin has always taken the utmost care to protect its customers' intellectual property and identity, and to control every document and data file that is relevant to the confidentiality and secrecy of its products. In addition to business secret certification in 2022, Cheng Shin also completed patent certification in 2023 and obtained the certificate in 2024. Currently, it holds two TIPS A-level intellectual property management scope certificates - for business secrets and patents - which are valid until December 31, 2027. This makes Cheng Shin the first tire manufacturer in Taiwan to pass TIPS certification and implement the TIPS introduction process and regulations, effectively protecting its core business and related brands. Furthermore, the Company is committed to ensuring the highest level of data protection and security. Through continuous updates and the establishment of leak prevention mechanisms, it strives to achieve the goal of "data protection without any leaks." This approach aims to provide complete peace of mind to its customers and suppliers when engaging with Cheng Shin, ensuring their utmost confidence in their engagements with Cheng Shin.

At Cheng Shin Taiwan, the implementation of the customer information management policy focused on:

1. Establishment and comprehensive update of an automated active file encryption system.
2. Establishment of document review mechanism.

Implementation Methodology:

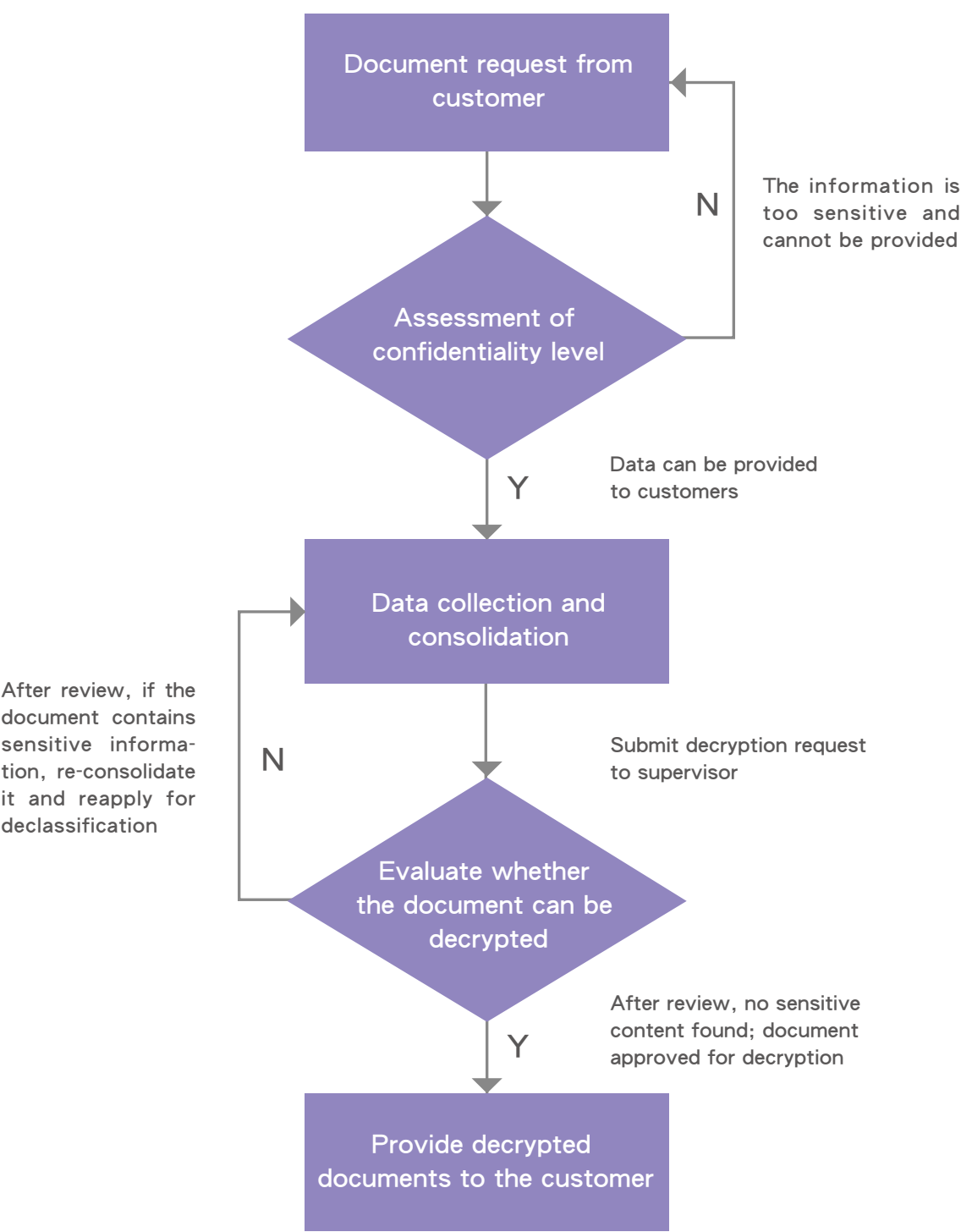
1. System installation and updates were initiated in key departments and subsequently expanded to all departments across the Company.
2. All Cheng Shin documents must be submitted to the designated supervisor for review and decryption.
3. Each department has only a single window for file declassification review mechanism to ensure that each application for declassification is reviewed at the highest standard.

In addition to data encryption, Cheng Shin is committed to protecting the intellectual property of its customers. In addition, the office computers distributed by the Company are equipped with automated electronic data protection systems and Microsoft Document Protection and Data Leakage Protection tools to encrypt and classify documents/emails against unauthorized access of sensitive information. More importantly, any unauthorized operation will be recorded and tracked to the managers and general users of the operation, including decrypted files, printed files, deleted files. In the event of any abnormal operation, the system will immediately alert the system administrator to investigate and analyze abnormal behaviors. Meanwhile, the abnormally opened files will also become garbled text to avoid the risk of disclosure of confidential documents.

In 2025, there were no written complaints of violation of customer privacy or loss of customer data in Cheng Shin. Cheng Shin strictly manages and maintains the storage and use of the intellectual property rights and privacy information provided by customers and keeps confidential the contract products, projects under development, and related product information of customers. With the concerted efforts of all staff and under the operation of the data protection system, Cheng Shin is perfecting its data protection, so that customers can be rest assured and put their trust in Cheng Shin.



Customer Data Confidentiality Process



Customer Satisfaction Survey

To provide tires more in line with the needs of consumers, Cheng Shin keeps close to consumers through market research and market satisfaction surveys every year and develops new products through research and innovation with a rigorous attitude toward customer feedback, including tread design, handling, quietness, ride comfort, and abrasion resistance, etc., to align technology research and development with market demand based on satisfaction analysis, thereby thoroughly understanding the voice of customers and creating customer value.

Cheng Shin conducts annual customer satisfaction surveys through distributed questionnaires to understand customer needs and ensure satisfaction levels. This helps the Company adjust its strategies to align new product development with market demands. For example - Taiwan Region:

A total of 500 copies of the 2025 Taiwan Consumer Satisfaction Survey were distributed and 485 copies were recovered, with a recovery rate of 97%. The questionnaire utilized a five-point scale, where 5 represented "very satisfied," 4 "satisfied," 3 "neutral," 2 "dissatisfied," and 1 "very dissatisfied." Consumers' overall satisfaction with Maxxis tires stayed positive with average rating being above neutral.

The survey results showed that consumers highly commended Maxxis tires for their safety performance, handling stability, and quiet, comfortable ride. Whether on highways, city roads, or in variable road conditions, the tires provide stable grip and excellent handling, enhancing driving safety and driver confidence. At the same time, the products have received unanimous praise from consumers for reducing road noise and enhancing ride comfort. These improvements effectively created a quieter and more pleasant driving experience, demonstrating the value of Maxxis tires in delivering both safety and comfort.

Additionally, Cheng Shin has established a communication channel:

Toll-free information hotline: 0800-092123 Customer Service Center

Service Hours: Mon ~ Fri, 8:00AM ~ 5:00 PM

E-mail: svc@tw.maxxis.com. Professional and enthusiastic information service is provided by dedicated personnel at the Customer Service Center.