



Stock Code: 2105

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

**2026 Annual General Meeting Handbook**

**Time and Date:** 9:00 a.m., May 26 (Tuesday), 2026

**Place:** Conference room of the new office building of Cheng Shin Rubber Ind. Co., LTD. located at B2, No. 215, Meigang Rd., Huangcuo Village, Dacun Township, Changhua County

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Cheng Shin Rubber Industry Co., Ltd.  
2026 Annual General Shareholders' Meeting Procedure

- I. Call Meeting to Order
- II. Chairperson's Remarks
- III. Report Items
- IV. Ratification Items
- V. Election Items
- VI. Discussion Items
- VII. Extraordinary Motions
- VIII. Adjournment

Cheng Shin Rubber Industry Co., Ltd.  
2026 Annual General Shareholders' Meeting Agenda

Meeting Method: Onsite meeting

Date and Time: May 26, 2026 (Tuesday) 9:00 A.M.

Venue: B2, Conference Room, New Office Building of the Company

(No. 215 Meigang Rd., Huangcuo Village, Dacun Township,  
Changhua County)

- I. Call the meeting
- II. Chairperson's Remarks
- III. Report Items
  - (I) The Company's 2025 Business Report.
  - (II) The Company's 2025 Audit Committee's Review Report.
  - (III) Report on 2025 Distribution of Directors' and Employees' Remuneration of the Company.
  - (IV) Report on the Company's 2025 Distribution of Earnings in Cash Dividends.
  - (V) Report on External Endorsements and Guarantees of the Company.
  - (VI) Report on the Revision of the Company's "Ethical Corporate Management Best Practice Principles."
- IV. Ratification Items
  - (I) Adoption of 2025 Business Report and Financial Statements.
  - (II) Adoption of 2025 Earnings Distribution Proposal.
- V. Election Items  
Election of the Company's directors (including independent directors).
- VI. Discussion Items  
Removal of the restriction on the non-compete clause for the Company's newly-appointed directors.
- VII. Extraordinary Motions
- VIII. Adjournment

# Report Items

# Report Items

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Proposal 1

Proposal:

The Company's 2025 Business Report, submitted for review.

Explanation:

The Company's 2025 Business Report (please refer to pages 4~7 of this Handbook for details).

# **Cheng Shin Rubber Industry Co., Ltd.**

## **2025 Business Report**

We thank all shareholders for your support and trust over the past year. In 2025, the global trade environment continued to be turbulent, with frequent adjustments in U.S. tariff policies bringing high uncertainty. Traditional industries were the first to bear the brunt and faced severe challenges. At the same time, the Chinese tire market experienced excess capacity due to large-scale investments, leading to intense domestic price competition. Additionally, rising overseas trade barriers further exacerbated the competitive landscape of the entire industry, comprehensively testing enterprises' operational resilience and adaptability. In such a challenging environment, Cheng Shin has always worked diligently without any slack, steadily enhancing overall competitiveness through continuous strengthening of operational constitution and organizational effectiveness, and progressing towards deepening brand value. It has successfully established Taiwan's international brand "MAXXIS," marketing in more than 180 countries worldwide, fully showcasing Cheng Shin's global strategic strength rooted in the international market.

Looking ahead to 2026, Cheng Shin's goals remain clear. With "100% quality, 100% service, and 100% reliability" at its core, the company will continue to create customer satisfaction and market trust. Furthermore, Cheng Shin aims to strengthen the group's integration in procurement, sales, production, and R&D, comprehensively enhancing technological capabilities and innovative momentum. Cheng Shin has long been an important partner for many international automobile manufacturers worldwide, and it will continue to deepen cooperation in the future by providing high-quality tire products and professional services. In the aftermarket sector, the company launched new products "PREMITRA HP6" and "VICTRA SPORT 6," incorporating a new generation of eco-friendly rice husk silica formulas. This not only enhances the overall performance of the tires but also effectively reduces carbon emissions, demonstrating Cheng Shin's commitment and actions towards sustainable development.

Looking into the future, we aim to implement the sustainable operation philosophy based on the culture, and we look forward to excel further with all partners jointly and to achieve greater value.

We hereby report the 2025 consolidated and parent-company-only operational status of the Company as follows:

(I) Results of Operations based on our Business Plan

1. Production and Sales:

Unit: Thousand tires; %

Year	2025 production	2025 sales	2024 sales	Percentage of increase/decrease
Core Products				
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: NT\$ 1000; %'

Year	2025 Year	2024	Percentage of increase (decrease)
Item			
Net operating revenue	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: NT\$ 1000; %'

Year	2025 Year	2024	Percentage of increase (decrease)
Item			
Net operating revenue	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 (loss) 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 Year is NT\$90.7 billion, with a target achievement rate of 85%.

## (III) Analysis of Financial Income and Expenditure and Profitability

Consolidated:

Unit: NT\$ 1000; %'

Item		Year	2025 Year	2024	Percentage of increase (decrease)	
Financial Income and Expenditure	Revenue		90,780,872	96,247,057	-5.68%	
	Gross 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 (NTD)		1.50	2.47	-39.27%	

Parent-company-only:

Unit: NT\$ 1000; %'

Item		Year	2025 Year	2024	Percentage of increase (decrease)	
Financial Income and Expenditure	Revenue		14,059,167	16,781,196	-16.22%	
	Gross 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 (NTD)		1.50	2.47	-39.27%	

## (IV) Research and Development

- ◎ Product Development for MA-3Di City Commuting Tire
- ◎ SUZUKI XF0A1 Product Development
- ◎ RAXR RAID + Desert Racing Development
- ◎ Third-generation All-Purpose Racing Road Tire Development
- ◎ Racing Tire Product Development for Passenger Cars - Rugged Terrain & Heavy Duty
- ◎ High Performance Summer Product Development for Passenger Cars
- ◎ Development of the European-oriented Regional Series products
- ◎ Summer Tire Product Development for Japanese OE Hybrid Electric SUV
- ◎ YAMAHA NMAX Product Development
- ◎ Off-Road Product Development for Commercial Truck
- ◎ Student Formula 10-inch Specification Product Development
- ◎ Grand Touring A/S Product Development for Passenger Cars
- ◎ Ultra High Performance Summer Product Development for EV SUV and Passenger Cars
- ◎ Taiwanese OE Crossover SUV Summer & All-Season Tire Product Development
- ◎ Taiwanese OE Commercial Vehicle Summer Tire Product Development

Responsible Person:

Chen, Yun-Hwa



General Manager:

Li, Chin-Chang



Accounting Manager:

Yu, Ching-Tang



# Report Items

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## Proposal 2

### Proposal:

The Company's 2025 Audit Committee's Review Report, submitted for review.

### Explanation:

The financial statements of the Company for the year 2025 have been approved by the Board of Directors, and have been audited and certified by CPAs Chou, Chien-Hung and Wang, Yu-Chuan, of PwC Taiwan. The financial statements, along with the business report and earnings distribution statement, have been submitted to the Audit Committee for review and a review report has been submitted. (Please refer to Page 9 of the Handbook for details.)

## Audit Committee's Review Report

It is approved as follows.

The Board of Directors has prepared and submitted the Company's 2025 Business Report, Financial Statements (including parent company only and consolidated financial statements) and the Earnings Distribution Proposal, of which the Financial Statements have been audited and certified by the independent auditors, Chou, Chien-Hung and Wang, Yu-Chuan, of PwC Taiwan. We have not found any inconsistencies with applicable laws in our review of the aforementioned documents. Therefore, we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted to

2026 Annual General Shareholders' Meeting of Cheng Shin Rubber Industry Co., Ltd.

Audit Committee Convener: Chu, Po-Young

朱博湧

March 11, 2026

# Report Items

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## Proposal 3

### Proposal:

Report on 2025 Distribution of Directors' and Employees' Remuneration of the Company, submitted for review.

### Explanation:

- I. According to Article 34-1 of the Articles of Incorporation of the Company, and in response to the comparison of the revenue and profit in 2025 with that in 2024, along with the consideration of the distribution status in 2024, it is proposed to distribute the 2025 remuneration of directors and employees.
- II. In 2025, the profit was NT\$5,960,881,232, with the appropriation of 1.5% of the profit as the remuneration of directors (excluding the remuneration of independent directors) at an amount of NT\$89,413,218; and appropriation of 2% of the profit as the remuneration of employees at an amount of NT\$119,217,625, and all of the remunerations are to be distributed in cash, with no difference from the expense recognition estimated amount for 2025.

# Report Items

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## Proposal 4

### Proposal:

Report on the Company's 2025 Distribution of Earnings in Cash Dividends, submitted for review.

### Explanation:

- I. According to Article 34 of the Company's Articles of Incorporation, when the board of directors decides to distribute all or part of the dividends and bonuses, legal reserves, and capital reserves in cash, the meeting of board of directors is attended by two-thirds or more of the authorized directors, the proposal is resolved by a majority of directors in attendance, and the resolution is reported to the shareholders' meeting.
- II. Cash dividends of NT\$5,834,547,965 are distributed to shareholders, with a distribution of NT\$1.8 per share, calculated in proportion rounded to the integer dollar amount (fraction less than NT\$1 is rounded off). The sum of fractional amounts less than NT\$1 from the distribution is recognized under Other Income of the Company.
- III. This case has been approved by a resolution of the board of directors and the board of directors determined ex-dividend reference date and related matters for distribution.

# Report Items

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## Proposal 5

### Proposal:

Report on External Endorsements and Guarantees of the Company, submitted for review.

### Explanation:

As of December 31, 2025, the balance of the Company's external endorsements and guarantees amounted to US \$223,500 thousand and Indian Rupees 2,600,000 thousand, equivalent to NT\$7,933,825 thousand (please see page 13 of the Handbook for details), and in accordance with the Procedures for Endorsement and Guarantee of the Company, it is hereby submitted for approval.

Cheng Shin Rubber Industry Co., Ltd. Endorsement and Guarantee of Obligations to Third Parties

December 31, 2025

Obligor	Guaranteed Obligation	Type of Guarantee	Balance on Guarantee	Bank Name	Start Date	Due Date	Note
PT. Maxxis International Indonesia	Loan Guarantee	Long-term Loans	USD 30,000,000	First Commercial Bank	2022.10.03	2029.12.13	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 20,000,000	Bank of America	2025.03.27	2026.03.27	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 31,000,000	CTBC Bank	2025.07.31	2026.07.31	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 15,000,000	Bank of America	2025.09.03	2026.09.03	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 30,700,000	Standard Chartered Bank	2025.10.31	2026.10.31	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 12,000,000	Cooperative Bank	2020.04.30	2027.05.25	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 12,000,000	Chang Hwa Commercial Bank	2022.06.24	2027.08.16	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 12,000,000	Hua Nan Bank	2022.09.12	2027.10.28	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 30,000,000	Mega Bank	2022.10.14	2027.12.16	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 14,000,000	The Shanghai Commercial & Savings Bank, Ltd.	2023.04.20	2028.05.18	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	INR 1,050,000,000	Standard Chartered Bank	2025.03.27	2026.03.27	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	INR 800,000,000	CTBC Bank	2025.07.31	2026.07.31	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	USD 16,800,000	Bank of America	2025.08.17	2026.08.16	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	INR 750,000,000	HSBC Bank	2025.08.31	2026.08.31	

# Report Items

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## Proposal 6

### Proposal:

Report on the Revision of the Company's "Ethical Corporate Management Best Practice Principles."

### Explanation:

To establish sound corporate governance, implement business philosophy and policies, actively prevent dishonest behavior, and create sustainable development for the Company, it is proposed to amend the Company's "Ethical Business Conduct Guidelines" as detailed on pages 84-91 of the Handbook.

# **Ratification Items**

# Ratification Items

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Proposal 1

Proposed by the Board of Directors

Proposal:

Adoption of 2025 Business Report and financial statements, submitted for ratification.

Explanation:

- I. The 2025 Business Report and financial statements of The Company itself have been prepared and approved by the Board of Directors. The financial statements have been audited by CPAs, Chou, Chien-Hung and Wang, Yu-Chuan, of PwC Taiwan. The Business Report has been submitted to the Audit Committee for review, and no discrepancies are found. Therefore, a written audit report has been issued and is on record for approval. (Please refer to pages 4-7, page 9, and pages 17-44 of the Handbook for details.)
- II. Please ratify it.

Resolution:

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25005278

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

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Cheng Shin Rubber Ind. Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the *Other matter* section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the report of other auditors are sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 financial statements are stated as follows:

### ***Appropriateness of cut-off on sales revenue***

#### Description

For the accounting policy of sales revenue recognition, please refer to Note 4(33). For the detail of sales revenue, please refer to Note 6(23). For the year ended December 31, 2025, the sales revenue amounted to NT\$90,780,872 thousand.

The Group's main business is the manufacturing and sales of various tires and rubber products. The main sources of sales revenue are from the assembly plants and dealers. In accordance with the contract terms with some assembly plants, as inspections are completed in the assembly plants, the transfer of control to the merchandise is completed and sales revenue is recognized. The sales revenue recognition process involves many manual controls and adjustments are likely to occur. As a result, the timing of sales revenue recognition could be inappropriate. Therefore, we included the appropriateness of cut-off on sales revenue as one of the key areas of focus for this year.

#### How our audit addressed the matter

The procedures that we have conducted in response to the above key audit matter are summarized as follows:

1. We obtained an understanding of the Group's sales revenue cycle, reviewed internal control process and contracts of assembly plant sales in order to assess the effectiveness of managements' control of revenue recognition on assembly plant sales.
2. We tested the Group's sales transactions around the year-end date to check whether assembly plant sales are recorded in the proper period. We also tested whether changes in inventory and cost of goods sold were carried over and recorded in the proper period in order to assess the appropriateness of cut-off on sales revenue.

***Timing of reclassification of unfinished construction and uninspected equipment to property, plant and equipment.***

Description

For the accounting policy on property, plant and equipment, please refer to Note 4(17). For the details of property, plant and equipment, please refer to Note 6(8). As at December 31, 2025, the unfinished construction and equipment under acceptance amounted to NT\$1,545,739 thousand.

To maintain market competitiveness, the Group continuously expands plants, replaces old production lines with new ones and incurs significant amounts of capital expenditures every year. The unfinished construction and uninspected equipment are measured at cost. When the finished construction's inspection report is issued and the uninspected equipment is ready for use, they are reclassified to property, plant and equipment and starts accrual of depreciation expense. The inspection process involves management's judgement, thus, the timing of reclassification and accrual of depreciation expense could be inappropriate. Therefore, we indicated that the audit of timing of depreciation recognition after reclassification of unfinished construction and uninspected equipment to property, plant and equipment as one of the key areas of focus for this year.

How our audit addressed the matter

The procedures that we have conducted in response to the above key audit matter are summarized as follows:

1. We obtained an understanding of the Group's property, plant and equipment process cycle, reviewed the internal control process and purchase contracts of property, plant and equipment in order to assess the effectiveness of managements' control of timing of reclassification of unfinished construction and uninspected equipment to property, plant and equipment.
2. We tailored our audit over fixed asset classification to check whether reclassification of assets are accurate and recorded in the proper period.
3. We verified the status of unfinished construction and uninspected equipment and assessed the reasonableness of the recognition of unfinished construction and uninspected equipment.

### ***Other matter – Scope of the audit***

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT\$17,330,624 thousand and NT\$18,264,123 thousand, constituting 12% and 12% of the consolidated total assets as of December 31, 2025 and 2024, respectively, and the total liabilities of NT\$4,916,213 thousand and NT\$6,115,594 thousand, constituting 9% and 11% of the consolidated total liabilities as of December 31, 2025 and 2024, respectively, and total operating revenues of NT\$15,532,857 thousand and NT\$15,970,983 thousand, constituting 17% and 17% of consolidated total net operating revenue for the years then ended, respectively.

### ***Other matter – Parent company only financial statements***

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Group as at and for the years ended December 31, 2025 and 2024.

### ***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditor's responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Chou, Chien-Hung

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Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2026

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

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

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

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 22,399,032	16	\$ 26,609,220	18
1120	Financial assets at fair value through other comprehensive income - current	6(2)	35,588	-	33,345	-
1136	Financial assets at amortised cost - current	6(3)	16,330,749	11	4,557,523	3
1150	Notes receivable, net	6(4)	4,626,439	3	2,522,756	2
1170	Accounts receivable, net	6(4)	8,273,121	6	9,021,802	6
1180	Accounts receivable - related parties	7	22,823	-	43,484	-
130X	Inventories	6(5)	16,468,259	11	18,695,388	13
1410	Prepayments		825,020	1	1,008,705	1
1460	Non-current assets or disposal groups classified as held for sale, net	6(6)	314,352	-	-	-
1470	Other current assets		787,506	1	527,526	-
11XX	<b>Current Assets</b>		<u>70,082,889</u>	<u>49</u>	<u>63,019,749</u>	<u>43</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(2)	58,187	-	58,187	-
1535	Financial assets at amortised cost - non-current	6(3) and 8	10,328,300	7	13,789,343	10
1550	Investments accounted for under equity method	6(7)	191,554	-	178,639	-
1600	Property, plant and equipment, net	6(8)	55,416,742	39	61,724,202	42
1755	Right-of-use assets	6(9)	3,930,063	3	4,604,945	3
1760	Investment property, net	6(10)	662,568	1	702,766	1
1840	Deferred income tax assets	6(29)	1,676,506	1	1,568,311	1
1900	Other non-current assets	6(11)	534,715	-	608,321	-
15XX	<b>Non-current assets</b>		<u>72,798,635</u>	<u>51</u>	<u>83,234,714</u>	<u>57</u>
1XXX	<b>Total assets</b>		<u>\$ 142,881,524</u>	<u>100</u>	<u>\$ 146,254,463</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(12)	\$ 1,236,965	1	\$ 3,467,624	2
2110	Short-term notes and bills payable	6(13)	1,500,000	1	-	-
2130	Current contract liabilities	6(23)	766,182	1	728,119	1
2150	Notes payable		3,734	-	90,160	-
2170	Accounts payable		6,566,717	5	7,552,862	5
2200	Other payables	6(14)	4,171,246	3	4,082,321	3
2230	Current income tax liabilities	6(29)	518,117	-	753,117	1
2250	Current provisions		115,835	-	-	-
2280	Current lease liabilities	7	111,504	-	162,135	-
2320	Long-term liabilities, current portion	6(16)(17)	6,380,122	4	7,948,269	5
2399	Other current liabilities, others	6(15)	594,144	-	652,862	-
21XX	<b>Current Liabilities</b>		<u>21,964,566</u>	<u>15</u>	<u>25,437,469</u>	<u>17</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(16)	-	-	4,000,000	3
2540	Long-term borrowings	6(17)	28,712,543	21	22,299,816	15
2550	Provisions for liabilities - non-current		209,078	-	213,181	-
2560	Current tax liabilities-non current	6(29)	300,958	-	-	-
2570	Deferred income tax liabilities	6(29)	2,229,357	2	1,790,095	1
2580	Non-current lease liabilities	7	81,267	-	165,326	-
2600	Other non-current liabilities	6(18)	1,849,042	1	1,972,231	2
25XX	<b>Non-current liabilities</b>		<u>33,382,245</u>	<u>24</u>	<u>30,440,649</u>	<u>21</u>
2XXX	<b>Total Liabilities</b>		<u>55,346,811</u>	<u>39</u>	<u>55,878,118</u>	<u>38</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent</b>						
	Share capital	6(19)				
3110	Share capital - common stock		32,414,155	23	32,414,155	22
	Capital surplus	6(20)				
3200	Capital surplus		116,376	-	104,251	-
	Retained earnings	6(21)				
3310	Legal reserve		18,701,446	13	17,893,214	13
3320	Special reserve		4,182,315	3	6,921,572	5
3350	Unappropriated retained earnings		35,674,914	25	36,654,631	25
	Other equity interest	6(22)				
3400	Other equity interest		( 4,108,122)	( 3)	( 4,182,315)	( 3)
31XX	<b>Equity attributable to owners of the parent</b>		<u>86,981,084</u>	<u>61</u>	<u>89,805,508</u>	<u>62</u>
36XX	Non-controlling interest		<u>553,629</u>	<u>-</u>	<u>570,837</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>87,534,713</u>	<u>61</u>	<u>90,376,345</u>	<u>62</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 142,881,524</u>	<u>100</u>	<u>\$ 146,254,463</u>	<u>100</u>

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

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

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(23) and 7	\$ 90,780,872	100	\$ 96,247,057	100
5000	Operating costs	6(5)	( 70,148,830)	( 77)	( 73,003,134)	( 76)
5900	Net operating margin		20,632,042	23	23,243,923	24
	Operating expenses	7				
6100	Selling expenses		( 6,321,671)	( 7)	( 5,936,689)	( 6)
6200	General and administrative expenses		( 3,444,839)	( 4)	( 3,602,308)	( 4)
6300	Research and development expenses		( 3,705,256)	( 4)	( 3,705,004)	( 4)
6450	Expected credit (loss) gain	12(2)	( 4,985)	-	11,882	-
6000	Total operating expenses		( 13,476,751)	( 15)	( 13,232,119)	( 14)
6900	Operating profit		7,155,291	8	10,011,804	10
	Non-operating income and expenses					
7100	Interest income	6(24)	1,138,008	1	1,087,906	1
7010	Other income	6(25)	742,851	1	915,140	1
7020	Other gains and losses	6(26)	( 1,414,524)	( 1)	( 331,448)	-
7050	Finance costs	6(27) and 7	( 796,278)	( 1)	( 941,717)	( 1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	17,457	-	946	-
7000	Total non-operating revenue and expenses		( 312,486)	-	730,827	1
7900	<b>Profit before income tax</b>		6,842,805	8	10,742,631	11
7950	Income tax expense	6(29)	( 2,007,315)	( 3)	( 2,714,443)	( 3)
8200	<b>Profit for the year</b>		\$ 4,835,490	5	\$ 8,028,188	8

(Continued)

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

Items	Notes	Year ended December 31			
		2025		2024	
		AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(18)			
			\$ 17,332	-	\$ 77,355
8316	Unrealized gain on valuation of equity instruments at fair value through profit or loss	6(2)(22)	2,243	-	10,450
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)	457	-	3,320
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	(3,466)	-	(15,471)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		16,566	-	75,654
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(22)	91,571	-	3,430,982
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(22)(29)	(17,987)	-	(682,202)
8360	Components of other comprehensive income that will be reclassified to profit or loss		73,584	-	2,748,780
8300	<b>Other comprehensive income for the year</b>		\$ 90,150	-	\$ 2,824,434
8500	<b>Total comprehensive income for the year</b>		\$ 4,925,640	5	\$ 10,852,622
Profit (loss) attributable to:					
8610	Owners of the parent		\$ 4,854,332	5	\$ 8,017,116
8620	Non-controlling interest		(18,842)	-	11,072
			\$ 4,835,490	5	\$ 8,028,188
Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 4,942,848	5	\$ 10,821,577
8720	Non-controlling interest		(17,208)	-	31,045
			\$ 4,925,640	5	\$ 10,852,622
Basic earnings per share					
9750	Basic earnings per share	6(30)	\$ 1.50		\$ 2.47
Diluted earnings per share					
9850	Diluted earnings per share	6(30)	\$ 1.50		\$ 2.47

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



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

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 6,842,805	\$ 10,742,631
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(28)	8,168,460	9,448,246
Depreciation on right-of-use assets	6(9)(28)	231,665	245,014
Depreciation on investment property	6(10)(28)	47,042	46,823
Amortization expense	6(11)(28)	85,211	75,843
Expected credit loss (gain)	12(2)	4,985	( 11,882 )
Share of profit of associates and joint ventures accounted for using equity method	6(7)	( 17,457 )	( 946 )
Net gain on financial assets or liabilities at fair value through profit or loss	6(26)	( 28,993 )	-
Loss on disposal of property, plant and equipment	6(8)(26)	160,699	141,009
Loss on disposal of intangible asset	6(11)(26)	1	-
Interest expense	6(27)	796,278	941,717
Interest income	6(24)	( 1,138,008 )	( 1,087,906 )
Deferred government grants revenue		( 194,156 )	( 198,204 )
Impairment loss on non-financial assets	6(8)(10)(26)	30,327	6,752
Unrealized foreign exchange loss on foreign currency loans		109,254	19,790
Changes in operating assets and liabilities			
Changes in operating assets			
Net changes in financial assets and liabilities at fair value through profit or loss		28,993	-
Notes receivable, net		( 2,103,683 )	1,624,361
Accounts receivable		743,656	263,412
Accounts receivable - related parties		20,661	22,917
Inventories		1,965,063	( 1,074,381 )
Prepayments		166,417	( 278,513 )
Other current assets		( 50,795 )	58,375
Other non-current assets		52,240	( 176,339 )
Changes in operating liabilities			
Contract liabilities - current		38,063	186,274
Notes payable		( 86,426 )	( 60,248 )
Accounts payable		( 986,145 )	370,459
Other payables		210,854	( 100,128 )
Other current liabilities		( 58,718 )	106,989
Accrued pension liabilities		( 10,480 )	( 15,052 )
Other non-current liabilities		( 12,465 )	( 18,755 )
Cash inflow generated from operations		15,015,348	21,278,258
Interest received		938,496	720,888
Dividends received		5,000	5,000
Interest paid		( 803,606 )	( 957,166 )
Income tax paid		( 1,730,675 )	( 3,369,411 )
Income tax refund received		129,657	16,994
Net cash flows from operating activities		<u>13,554,220</u>	<u>17,694,563</u>

(Continued)

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

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost		(\$ 13,130,755 )	(\$ 8,804,059 )
Proceeds from repayments of financial assets at amortised cost		5,016,180	2,082,601
Acquisition of property, plant and equipment	6(8)(31)	( 2,928,289 )	( 2,684,858 )
Proceeds from disposal of property, plant and equipment		189,769	130,867
Proceeds from disposal of right-of-use assets		-	10,763
Acquisition of intangible assets	6(11)	( 71,339 )	( 51,484 )
Decrease in refundable deposits		7,782	3,794
Decrease in other non-current liabilities		133,186	21,141
Net cash flows used in investing activities		<u>( 10,783,466 )</u>	<u>( 9,291,235 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(12)(32)	3,185,749	4,047,461
Decrease in short-term borrowings	6(12)(32)	( 4,784,515 )	( 3,732,503 )
Increase in short-term notes and bills payable	6(13)(32)	1,500,000	-
Decrease in short-term notes and bills payable	6(13)(32)	-	( 300,000 )
Repayments of corporate bonds	6(16)(32)	( 4,000,000 )	-
Proceeds in long-term borrowings	6(17)(32)	12,200,000	8,219,811
Repayments in long-term borrowings	6(17)(32)	( 7,065,187 )	( 7,840,773 )
Decrease in guarantee deposits received	6(32)	( 25,105 )	( 651 )
Repayments of principal portion of lease liabilities	6(9)(32)	( 161,088 )	( 165,030 )
Cash dividends paid	6(21)(32)	( 7,779,397 )	( 6,482,831 )
Cash dividends paid to non-controlling interests		-	( 22,718 )
Capital surplus arising from donated assets		12,180	36,105
Dividends extinguished by prescription claimed by shareholders		( 55 )	( 1,898 )
Net cash flows used in financing activities		<u>( 6,917,418 )</u>	<u>( 6,243,027 )</u>
Effect of exchange rate changes on cash and cash equivalents		( 63,524 )	873,328
Net (decrease) increase in cash and cash equivalents		( 4,210,188 )	3,033,629
Cash and cash equivalents at beginning of year	6(1)	26,609,220	23,575,591
Cash and cash equivalents at end of year	6(1)	<u>\$ 22,399,032</u>	<u>\$ 26,609,220</u>

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 25005300

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

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Cheng Shin Rubber Ind. Co., Ltd. (the “Company”) as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the *Other matter* section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagement of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the report of other auditors are sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

### ***Appropriateness of cut-off on sales revenue***

#### Description

For the accounting policy of revenue recognition, please refer to Note 4(33). For the details of sales revenue, please refer to Note 6(21). For the year ended December 31, 2025, the sales revenue amounted to NT\$ 14,059,167 thousand.

The Company's main business is the manufacturing and sales of various tires and rubber products. The main sources of sales revenue are from the assembly plants and dealers. In accordance with the contract terms with some assembly plants, as inspections are completed in the assembly plants and the transfer of control of the merchandise is completed, sales revenue is recognized. The sales revenue recognition process involves many manual controls and adjustments are likely to occur. As a result, the timing of sales revenue recognition could be inappropriate. The aforementioned issue arises from the Company's subsidiaries, recognized under investments accounted for using equity method. Therefore, we included the appropriateness of cut-off on sales revenue as one of the key areas of focus for this year.

#### How our audit addressed the matter

The procedures that we have conducted in response to the above key audit matter are summarized as follows:

1. We obtained an understanding of the Company's sales revenue cycle, reviewed internal control process and contracts of assembly plant sales in order to assess the effectiveness of managements' control of revenue recognition on assembly plant sales.

2. We tested the Company's sales transactions around the year-end date to check whether assembly plant sales are recorded in the proper period. We also tested whether changes in inventory and cost of goods sold were carried over and recorded in the proper period in order to assess the appropriateness of cut-off on sales revenue.

***Timing of reclassification of unfinished construction and uninspected equipment to property, plant and equipment.***

Description

For the accounting policy of property, plant and equipment, please refer to Note 4(16). For the details of property, plant and equipment, please refer to Note 6(7). As at December 31, 2025, the unfinished construction and equipment under acceptance amounted to NT\$ 991,689 thousand.

To maintain market competitiveness, the Company continuously expands plants, replaces old production lines with new ones and incurs significant amounts of capital expenditures every year. The unfinished construction and uninspected equipment are measured at cost. When the finished construction's inspection report is issued and the uninspected equipment is ready for use, they are reclassified to property, plant and equipment and starts accrual of depreciation expense. The inspection process involves human judgement, thus, the timing of reclassification and accrual of depreciation expense could be inappropriate. Therefore, we indicated that the audit of timing of depreciation recognition after reclassification of unfinished construction and uninspected equipment to property, plant and equipment as one of the key areas of focus for this year.

How our audit addressed the matter

The procedures that we have conducted in response to the above key audit matter are summarized as follows:

1. We obtained an understanding of the Company's property, plant and equipment process cycle, reviewed internal control process and purchase contracts of property, plant and equipment in order to assess the effectiveness of managements' control of timing of reclassification of unfinished construction and uninspected equipment to property, plant and equipment.

2. We tailored our audit over fixed asset classification to check whether reclassification of assets are correct and recorded in the proper period.
3. We verified the status of unfinished construction and uninspected equipment and assessed the reasonableness of the recognition of unfinished construction and uninspected equipment.

***Other matter – Scope of the audit***

We did not audit the financial statements of certain investments recognised under the equity method that are included in the parent company only financial statements. The balances of investments accounted for under equity method were NT\$ 16,488,708 thousand and NT\$ 14,766,847 thousand, representing 13% and 12% of total assets as at December 31, 2025 and 2024, respectively; and the share of profit of subsidiaries, associates and joint ventures accounted for using equity method were NT\$ 1,121,474 thousand and NT\$ 1,087,509 thousand, representing 23% and 10% of the total comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other auditors.

***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the

Company's financial reporting process.

***Auditor's responsibilities for the audit of the parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Chou, Chien-Hung

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Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2026

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

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

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

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 2,224,920	2	\$ 4,477,468	3
1120	Financial assets at fair value through other comprehensive income - current	6(2)	35,588	-	33,345	-
1136	Financial assets at amortised cost - current	6(3)	598,474	-	-	-
1150	Notes receivable, net	6(4)	6,931	-	15,944	-
1170	Accounts receivable, net	6(4)	902,748	1	1,024,971	1
1180	Accounts receivable - related parties	7	1,138,475	1	1,410,236	1
1200	Other receivables		21,747	-	31,788	-
1210	Other receivables - related parties	7	1,877,296	2	1,992,434	2
130X	Inventories	6(5)	1,789,480	1	2,016,090	2
1410	Prepayments		84,391	-	126,217	-
1470	Other current assets		5,147	-	18,945	-
11XX	<b>Current Assets</b>		<u>8,685,197</u>	<u>7</u>	<u>11,147,438</u>	<u>9</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(2)	58,187	-	58,187	-
1550	Investments accounted for using the equity method	6(6)	103,225,386	82	98,728,051	79
1600	Property, plant and equipment, net	6(7)	12,978,996	10	13,672,406	11
1755	Right-of-use assets	6(8)	62,801	-	82,397	-
1760	Investment property, net	6(9)	286,701	-	287,246	-
1780	Intangible assets	6(10)	41,363	-	26,553	-
1840	Deferred income tax assets	6(27)	746,440	1	799,137	1
1900	Other non-current assets		3,072	-	4,119	-
15XX	<b>Non-current assets</b>		<u>117,402,946</u>	<u>93</u>	<u>113,658,096</u>	<u>91</u>
1XXX	<b>Total assets</b>		<u>\$ 126,088,143</u>	<u>100</u>	<u>\$ 124,805,534</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2110	Short-term notes and bills payable	6(11)	\$ 1,500,000	1	\$ -	-
2130	Current contract liabilities	6(20)	129,224	-	81,937	-
2150	Notes payable		3,734	-	-	-
2170	Accounts payable		836,430	1	985,416	1
2180	Accounts payable - related parties	7	39,686	-	25,406	-
2200	Other payables	6(13) and 7	1,537,199	1	1,638,179	1
2230	Current tax liabilities	6(27)	277,681	-	475,824	1
2250	Current provisions		17,997	-	-	-
2280	Current lease liabilities	7	23,987	-	32,624	-
2320	Long-term liabilities, current portion	6(14)(15)	5,490,000	5	7,840,000	6
2399	Other current liabilities, others	6(13)	70,951	-	88,706	-
21XX	<b>Current Liabilities</b>		<u>9,926,889</u>	<u>8</u>	<u>11,168,092</u>	<u>9</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(14)	-	-	4,000,000	3
2540	Long-term borrowings	6(15)	26,580,000	21	17,910,000	15
2560	Current tax liabilities-non current		235,504	-	-	-
2570	Deferred income tax liabilities	6(27)	2,045,824	2	1,659,389	1
2580	Non-current lease liabilities	7	39,627	-	50,467	-
2600	Other non-current liabilities	6(6)(16)	279,215	-	212,078	-
25XX	<b>Non-current liabilities</b>		<u>29,180,170</u>	<u>23</u>	<u>23,831,934</u>	<u>19</u>
2XXX	<b>Total liabilities</b>		<u>39,107,059</u>	<u>31</u>	<u>35,000,026</u>	<u>28</u>
<b>Equity</b>						
Share capital						
3110	Shares capital - common stock	6(17)	32,414,155	26	32,414,155	26
Capital surplus						
3200	Capital surplus		116,376	-	104,251	-
Retained earnings						
3310	Legal reserve		18,701,446	15	17,893,214	14
3320	Special reserve		4,182,315	3	6,921,572	6
3350	Unappropriated retained earnings		35,674,914	28	36,654,631	29
Other equity interest						
3400	Other equity interest	6(20)	( 4,108,122)	( 3)	( 4,182,315)	( 3)
3XXX	<b>Total equity</b>		<u>86,981,084</u>	<u>69</u>	<u>89,805,508</u>	<u>72</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 126,088,143</u>	<u>100</u>	<u>\$ 124,805,534</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

CHENG SHIN RUBBER IND. CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(21) and 7	\$ 14,059,167	100	\$ 16,781,196	100
5000	Operating costs	6(5)	( 10,948,586)	( 78)	( 12,053,337)	( 72)
5900	Net operating margin		3,110,581	22	4,727,859	28
5910	Unrealized loss from sales		205,417	1	63,295	1
5950	Gross profit from operation		3,315,998	23	4,791,154	29
	Operating expenses					
6100	Selling expenses		( 1,368,459)	( 9)	( 1,449,178)	( 9)
6200	General and administrative expenses		( 957,841)	( 7)	( 942,884)	( 6)
6300	Research and development expenses		( 818,936)	( 6)	( 774,004)	( 4)
6000	Total operating expenses		( 3,145,236)	( 22)	( 3,166,066)	( 19)
6900	Operating profit		170,762	1	1,625,088	10
	Non-operating income and losses					
7100	Interest income	6(22) and 7	91,821	1	156,963	1
7010	Other income	6(23) and 7	1,124,686	8	1,123,656	6
7020	Other gains and losses	6(24)	( 124,010)	( 1)	374,996	2
7050	Finance costs	6(25)	( 485,102)	( 3)	( 385,831)	( 2)
7070	Share of profit of associates and joint ventures accounted for using equity method	6(6)	4,974,093	35	6,193,628	37
7000	Total non-operating income and losses		5,581,488	40	7,463,412	44
7900	<b>Profit before income tax</b>		5,752,250	41	9,088,500	54
7950	Income tax expense	6(27)	( 897,918)	( 7)	( 1,071,384)	( 6)
8200	<b>Profit for the year</b>		\$ 4,854,332	34	\$ 8,017,116	48

(Continued)

CHENG SHIN RUBBER IND. CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(16)	\$ 17,332	-	\$ 77,355	-
8316	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	6(2)	2,243	-	10,450	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)	457	-	3,320	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(3,466)	-	(15,471)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		16,566	-	75,654	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(20)	89,937	1	3,411,009	20
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(20)(27)	(17,987)	-	(682,202)	(4)
8360	Components of other comprehensive income that will be reclassified to profit or loss		71,950	1	2,728,807	16
8300	<b>Other comprehensive income for the year</b>		\$ 88,516	1	\$ 2,804,461	16
8500	<b>Total comprehensive income for the year</b>		\$ 4,942,848	35	\$ 10,821,577	64
9750	Basic earnings per share	6(28)	\$ 1.50		\$ 2.47	
9850	Diluted earnings per share	6(28)	\$ 1.50		\$ 2.47	

The accompanying notes are an integral part of these parent company only financial statements.

CHENG SHIN RUBBER IND. CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus				Retained Earnings			Other equity interest		Total equity
		Share capital - common stock	Treasury stock transactions	Gain on sale of assets	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income	
<b>Year ended December 31, 2024</b>											
Balance at January 1, 2024		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 17,468	\$ 17,172,449	\$ 5,870,977	\$ 36,826,502	(\$ 6,935,802)	\$ 14,230	\$ 85,432,555
Profit for the year		-	-	-	-	-	-	8,017,116	-	-	8,017,116
Other comprehensive income for the year	6(20)	-	-	-	-	-	-	65,204	2,728,807	10,450	2,804,461
Total comprehensive income		-	-	-	-	-	-	8,082,320	2,728,807	10,450	10,821,577
Appropriation and distribution of 2023 earnings:											
Legal reserve		-	-	-	-	720,765	-	( 720,765 )	-	-	-
Special reserve		-	-	-	-	-	1,050,595	( 1,050,595 )	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	( 6,482,831 )	-	-	( 6,482,831 )
Capital surplus arising from donated assets		-	-	-	36,105	-	-	-	-	-	36,105
Dividends extinguished by prescription claimed by shareholders		-	-	-	( 1,898 )	-	-	-	-	-	( 1,898 )
Balance at December 31, 2024		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 51,675	\$ 17,893,214	\$ 6,921,572	\$ 36,654,631	(\$ 4,206,995)	\$ 24,680	\$ 89,805,508
<b>Year ended December 31, 2025</b>											
Balance at January 1, 2025		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 51,675	\$ 17,893,214	\$ 6,921,572	\$ 36,654,631	(\$ 4,206,995)	\$ 24,680	\$ 89,805,508
Profit for the year		-	-	-	-	-	-	4,854,332	-	-	4,854,332
Other comprehensive income for the year	6(20)	-	-	-	-	-	-	14,323	71,950	2,243	88,516
Total comprehensive income		-	-	-	-	-	-	4,868,655	71,950	2,243	4,942,848
Appropriation and distribution of 2024 earnings:											
Legal reserve		-	-	-	-	808,232	-	( 808,232 )	-	-	-
Reversal of special reserve		-	-	-	-	-	( 2,739,257 )	2,739,257	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	( 7,779,397 )	-	-	( 7,779,397 )
Capital surplus arising from donated assets		-	-	-	12,180	-	-	-	-	-	12,180
Dividends extinguished by prescription claimed by shareholders		-	-	-	( 55 )	-	-	-	-	-	( 55 )
Balance at December 31, 2025		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 63,800	\$ 18,701,446	\$ 4,182,315	\$ 35,674,914	(\$ 4,135,045)	\$ 26,923	\$ 86,981,084

The accompanying notes are an integral part of these parent company only financial statements.

CHENG SHIN RUBBER IND. CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 5,752,250	\$ 9,088,500
Adjustments			
Adjustments to reconcile profit (loss)			
Unrealised gain on inter-company transaction		( 183,279 )	( 75,491 )
Depreciation	6(7)(26)	1,276,232	1,288,853
Depreciation expense on right-of-use assets	6(8)(26)	33,863	36,320
Depreciation on investment property	6(9)(26)	545	545
Amortisation expense	6(10)(26)	41,049	34,309
Gain on disposal of property, plant and equipment	6(7)(24)	( 23,659 )	( 25,228 )
Share of profit of associates and joint ventures accounted for using equity method	6(6)	( 4,974,093 )	( 6,193,628 )
Interest income	6(22)	( 91,821 )	( 156,963 )
Dividends income	6(23)	( 462 )	( 324 )
Interest expense	6(25)	485,102	385,831
Effect of exchange rate changes on cash and cash equivalents		54,595	( 162,452 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		9,013	( 2,984 )
Accounts receivable		122,223	( 180,991 )
Accounts receivable - related parties		271,761	520,972
Inventories		251,257	( 322,096 )
Other current assets		124,418	123,175
Changes in operating liabilities			
Contract liabilities - current		47,287	( 8,820 )
Notes payable		3,734	( 20,000 )
Accounts payable		( 148,986 )	( 73,883 )
Accounts payable - related parties		14,280	( 11,462 )
Other payables		( 99,566 )	( 8,202 )
Accrued pension liabilities		( 21,694 )	( 33,019 )
Other current liabilities		( 17,755 )	26,533
Cash inflow generated from operations		2,926,294	4,229,495
Interest received		4,466	16,240
Dividends received		2,109,160	1,437,124
Interest paid		( 493,861 )	( 385,498 )
Income tax paid		( 429,080 )	( 1,565,452 )
Net cash flows from operating activities		<u>4,116,979</u>	<u>3,731,909</u>

(Continued)

CHENG SHIN RUBBER IND. CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost		(\$ 598,474 )	\$ -
Proceeds from repayments of financial assets at amortised cost		-	922,433
Other receivables - related parties		111,692	( 268,332 )
Acquisition of investments accounted for using equity method		( 1,272,042 )	( 1,288,066 )
Acquisition of property, plant and equipment	6(7)	( 585,085 )	( 560,843 )
Proceeds from disposal of property, plant and equipment		63,910	74,360
Acquisition of intangible assets	6(10)	( 55,859 )	( 31,156 )
Decrease in refundable deposits		1,045	20,783
Net cash flows used in investing activities		( 2,334,813 )	( 1,130,821 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Decrease in short-term borrowings	6(11)(30)	-	( 600,000 )
Increase in short-term notes and bills payable	6(11)(30)	2,000,000	-
Decrease in short-term notes and bills payable	6(11)(30)	( 500,000 )	( 300,000 )
Repayments of corporate bonds	6(14)(30)	( 4,000,000 )	-
Proceeds from long-term borrowings	6(15)(30)	12,200,000	7,900,000
Repayments of long-term borrowings	6(15)(30)	( 5,880,000 )	( 4,200,000 )
Increase (decrease) in guarantee deposits received	6(30)	897	( 676 )
Repayments of principal portion of lease liabilities	6(8)(30)	( 33,744 )	( 35,897 )
Cash dividends paid	6(19)(30)	( 7,779,397 )	( 6,482,831 )
Capital surplus arising from donated assets		12,180	36,105
Dividends extinguished by prescription claimed by shareholders		( 55 )	( 1,898 )
Net cash flows used in financing activities		( 3,980,119 )	( 3,685,197 )
Effect of exchange rate changes on cash and cash equivalents		( 54,595 )	162,452
Net decrease in cash and cash equivalents		( 2,252,548 )	( 921,657 )
Cash and cash equivalents at beginning of year	6(1)	4,477,468	5,399,125
Cash and cash equivalents at end of year	6(1)	\$ 2,224,920	\$ 4,477,468

The accompanying notes are an integral part of these parent company only financial statements.

# Ratification Items

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Proposal 2

Proposed by the Board of Directors

Proposal:

Adoption of 2025 earnings distribution proposal, submitted for ratification.

Explanation:

- I. The 2025 earnings distribution proposal of the Company has been approved by the Board of Directors and submitted to the Audit Committee for review and approval by the shareholders' meeting.
- II. After the 2025 after-tax earnings of the Company is recognized as legal reserve according to laws, the earnings are combined with the accumulated undistributed earnings of the previous year, resulting in distributable earnings of NT\$35,262,241,846. In accordance with the provisions of the Company's Articles of Incorporation, it is proposed to distribute shareholders' dividends of NT\$5,834,547,965, i.e., cash dividends of NT\$1.8 per share are to be distributed. The distribution of earnings referred to in the preceding paragraph shall be prioritized based on the earnings of the current year (2025). In case of insufficiency, the undistributed earnings of the previous year shall be used for distribution. The accumulated undistributed earnings after distribution shall be NT\$29,427,693,881. (Please refer to the Earnings Distribution Statement on Page 46 of this Handbook for details.)
- III. It is calculated proportionally based on the record in the shareholder register on the base date rounded up to NT\$ (rounded off to the nearest NT\$). The sum of fractional amount less than NT \$1 under the distribution shall be included in the Company's other income.
- IV. Please ratify it.

Resolution:



Cheng Shin Rubber Industry Co., Ltd.

# Earnings Distribution Statement

## 2025 Year

	Unit: NT\$
Beginning Balance of Retained Earnings	<b>\$30,806,259,878</b>
The re-measurement of the benefit plan determined and recognized as retained earnings	<b>14,322,355</b>
Undistributed Earnings at the End of the Period	<b>30,820,582,233</b>
Net income after tax of 2025 Year	<b>4,854,332,236</b>
Provision for legal reserve	<b>(486,865,459)</b>
Revert to the special earnings reserve in accordance with the law	<b>74,192,836</b>
Earnings available for distribution	<b>35,262,241,846</b>
Distribution items:	
Cash dividend of NT\$1.8 per share.	<b>(5,834,547,965)</b>
End of Period Appropriation	<b>\$29,427,693,881</b>

Responsible Person:

Chen, Yun-Hwa



General Manager:

Li, Chin-Chang



Accounting Manager:

Yu, Ching-Tang



# **Election Items**

# Election Items

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Proposal 1

Proposed by the Board of Directors

Proposal:

Election of the Company's directors (including independent directors), submitted for election.

Explanation:

- I. The original term of the Company's Directors is from May 31, 2023, to May 30, 2026, and is scheduled for complete re-election at the 2026 General shareholders' meeting.
- II. According to the Articles of Incorporation, this election involves 11 directors (including four Independent Directors). The newly-appointed directors will serve a term from May 31, 2026, to May 30, 2029. The term is three years, and re-election is permissible for consecutive terms.
- III. The election of the Company's directors (including independent directors) adopts a candidate nomination system. Shareholders shall elect from the list of candidates for directors (including independent directors) that have been reviewed and approved by the Board of Directors. The relevant information for candidates for directors (including independent directors) is as follows:

## List of Director Candidates:

Serial No.	Name	Gender	Main educational background	Main experience	Number of Shares Held
1	Jiu Shun Investment Corporation Representative: Chen, Yun-Hwa	Male	Honorary Doctor of Management, National Yunlin University of Science and Technology	Chairman of Cheng Shin Rubber Industry Co., Ltd. President, Assistant Manager of the President's Office, Manager of the Planning Department, Deputy Manager of the Sales Department of Cheng Shin Rubber Industry Co., Ltd.	13,391,000
2	Hsieh Shuen Investment Co., Ltd. Representative: Chen, Hsiu-Hsiung	Male	College of Chemical Industry, Shizuoka University	CEO of Cheng Shin Rubber Industry Co., Ltd. Chairman and President of Xiamen Cheng Shin Received Outstanding Constructor Award on the 30th	15,580,000
3	Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-Jen	Male	Department of Marketing and Materials Management, Anniversary of the Xiamen Special Economic Zone Newark College of	Vice Chairman of Cheng Shin Rubber Industry Co., Ltd. Chairman of Cheng Shin	324,430,630

			Engineering	Rubber (China) Co., Ltd.	
4	Tseng, Shung- Chu	Male	13th Entrepreneurship Program Class, Graduate Institute of Business Administration (GIBA), National Chengchi University (NCCU)	Director of Cheng Shin Rubber Industry Co., Ltd. Chairman of Merida Industry Co. Ltd.	21,893,000
5	Min Hsing Investment Co., Ltd. Representative: Chen, Han-Chi	Female	Master of Accounting Science, University of Illinois at Urbana- Champaign	Director of Cheng Shin Rubber Industry Co., Ltd. Deputy Manager of the Finance Department of Cheng Shin Rubber Industry Co., Ltd.	6,425,000
6	Jye Luo Memory Co., Ltd. Representative: Lo, Yuan-Long	Male	PhD in Physics, University of Washington	Director of Cheng Shin Rubber Industry Co., Ltd. Assistant Manager of Cheng Shin Rubber Industry Co., Ltd.	324,430,630
7	Hong Jing Investment Co., Ltd. Representative: Li, Chin- Chang	Male	Master of International Business Management Institute of Dayeh University	President of Cheng Shin Rubber Industry Co., Ltd. President of Cheng Shin Rubber (China) Co., Ltd.	33,331,000

List of Independent Director Candidates:

Serial No.	Name	Gender	Main educational background	Main experience	Number of Shares Held
1	Chu, Po-Young	Male	Ph.D. In Business Administration, Purdue University, U.S.A.	Adjunct Professor, Department of Management Science and EMBA Program, National Yang-Ming National Chiao Tung University. Director, Union Crown International (Cayman Islands). Chairman, Chung Sun Solar Technology Co., Ltd. Chairman, Tien Mei Biotechnology Co., Ltd. Independent Director, Juding Technology Co., Ltd. Independent Director, Shin Kong Steel Co., Ltd. Independent Director, E Ink Holdings Co., Ltd.	0
2	Wu, Chung-Shu	Male	Ph.D. in Economics, Northwestern University, U.S.A. Bachelor in Economics, National Taiwan University.	Chairman of the Taiwan Institute of Economic Research. Adjunct Professor, Department of Economics, National Taiwan University. Adjunct Research Fellow, Institute of	0

				<p>Economics, Academia Sinica. Chairman of the Taiwan Asia-Pacific Industry Analysis Professional Association. Chair Professor, Department of Economics, Soochow University. Director of the National Taiwan University Economic Research Foundation. Chairman of the Taiwan Fuhrwright Alumni Association. Director of the Tang Prize Education Foundation. Independent Director of Flyhong Technology Co., Ltd. Independent Director of Far Eastern New Century Co., Ltd.</p>	
3	Shu, En-De	Male	<p>Ph.D. in Accounting, National Taiwan University.</p>	<p>Professor, Department of Accounting, Tunghai University. Executive Director, Accounting and Industry Research Center, Tunghai University. Independent Director, Fu-Cai Investment</p>	0

				Holdings Co., Ltd. Independent Director, Che-Wang Electronics Co., Ltd.	
4	Lin, Chieh-Chung	Male	EMBA Master in Accounting, Tunghai University. Bachelor in Medicine of China Medical University Children's Hospital.	Attending Physician, Department of Pediatric Gastroenterology, Taichung Veterans General Hospital. Director, Faculty Development Department, Teaching Division, Taichung Veterans General Hospital. Salary Committee Member, Cheng Shin Rubber Industry Co., Ltd.	0

IV. Submitted for election.

Election results:

# Discussion Items

# Discussion Items

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Proposal 1

Proposed by the Board of Directors

Proposal:

Removal of the restriction on the non-compete clause for the Company's newly-appointed directors, respectfully requesting approval.

Explanation:

- I. Handle in accordance with Article 209 of the Company Act, which stipulates that 'a director who engages in activities for themselves or others that fall within the scope of the company's business shall explain the significant details of their activities to the shareholders' meeting and obtain its permission'.
- II. At the Company's General Shareholders' Meeting in 2026, newly-appointed directors (including independent directors) with non-compete actions as defined by Article 209 of the Company Act are proposed to have these restrictions removed, provided that it does not harm the interests of the Company.
- III. To facilitate shareholders in exercising their voting rights electronically, the details for the removal of the non-compete restrictions for the Company's newly-appointed directors and independent director candidates are included in the agenda manual (as detailed in the table below). However, the individuals for whom the removal applies will be limited to those actually elected as directors (including independent directors).

Position	Name	Company	Position	Business items that are the same as or similar to those of our company
Director	Hsieh Shuen Investment Co., Ltd. Representative: Chen, Hsiu-Hsiung	Chin Chou Cheng Shin Enterprise Co. Ltd.	Director	Rubber parts distribution (International trade)
		Cheng Shin Logistics (Xiamen) Co. Ltd.	Director	International container shipping services (International trade)
		New Pacific Industry Company Limited	Director	Machinery and equipment manufacturing industry

IV. Please ratify it.

Resolution:

# **Extraordinary Motions**

## **Adjournment**

## Appendix 1

# Cheng Shin Rubber Industry Co., Ltd.

## Articles of Incorporation

- Article 1 The Company shall be incorporated as a company limited by shares under the Company Act, and its name shall be 正新橡膠工業股份有限公司. The English name of the Company shall be Cheng Shin Rubber Industry Co., Ltd.
- Article 2 The scope of business of the Company is as follows:
- I. C801990 Other Chemical Material Manufacturing
  - II. C802160 Adhesive Tape Manufacturing
  - III. C804010 Tire Manufacturing
  - IV. C804020 Industrial Rubber Products Manufacturing
  - V. C804990 Other Rubber Products Manufacturing
  - VI. CB01010 Machinery and Equipment Manufacturing
  - VII. D101011 Electric Power Generation
  - VIII. F112040 Petroleum Products Wholesale Industry
  - IX. F212050 Petroleum Products Retail Industry
  - X. F401010 International Trade
  - XI. ZZ99999 In addition to the permitted businesses, may operate businesses that are not prohibited or restricted by laws and regulations.
- Article 3 The total reinvestment of the Company may exceed 40% of the paid-in share capital.
- Article 4 The Company establishes its head office in Taichung City, and may establish branches in other places after the resolution of the Board of Directors if necessary.
- Article 5 The Company may guarantee external business for the same industry.

### Chapter II Shareholding

- Article 6 The total capital of the Company is set at NT\$ thirty-two billion four hundred and fourteen million one hundred and fifty-five thousand three hundred and sixty dollars, divided into three billion two hundred and forty-one million four hundred and fifteen thousand five hundred and thirty-six shares, ten New Taiwan dollars per share, issued in full.

- Article 7 The shares issued by the Company may be exempted from printing stocks, and the securities centralized custody institution shall be contacted to register the shares issued by it, and shall be handled in accordance with the regulations of the institution.
- Article 8 The Company's share issues are handled in accordance with the "Guidelines for the Handling of Publicly Listed Companies' Share Issues" promulgated by the competent authority.
- Article 9 The name change and transfer of the Company's shares shall not be carried out within 60 days before the regular Shareholders' Meeting, 30 days before the extraordinary Shareholders' Meeting, or within 5 days before the base date when the Company decides to distribute dividends, bonuses or other benefits.

### Chapter III Shareholders' meeting

- Article 10 The Company holds general and extraordinary shareholders' meetings.
- I. The general meeting shall be convened at least once a year. It shall be convened by the Board of Directors within six months after the close of each fiscal year.
- II. The extraordinary meeting shall be held in accordance with the relevant statutory requirements whenever deemed necessary.
- The Company may convene the shareholders' meeting via video or through other methods announced by the central competent authority.
- Article 11 The Regular Shareholders' Meeting shall be convened 30 days before the meeting. The convening of the Extraordinary Shareholders' Meeting shall be 15 days before the meeting. The date, place, and reason for the meeting shall be notified to all shareholders in writing or electronically according to laws and regulations. Notice to shareholders holding less than a thousand (1,000) shares may be given by public announcement.
- Article 11-1 When the Company convenes a Regular Shareholders' Meeting, shareholders with more than one percent of the shares may submit a written proposal to the Company for the Regular Shareholders' Meeting. However, the proposal is limited to one item. Any proposal with more than one item shall not be included, and its related operations are handled in accordance with the Company Act and related regulations.
- Article 12 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney affixed with the

Company's seal stating therein the scope of power authorized to the proxy and such proxy shall be archived. In addition to the provisions of Article 177 of the Company Act, all matters shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" prescribed by the competent authority.

Article 13 The Chairman of the Board of Directors shall be the Chairman of the Board of Directors at the Shareholders' Meeting. When the Chairman of the Board is on leave or for any reason unable to exercise his powers, it shall be handled in accordance with Article 208 of the Company Act. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 14 Unless otherwise stipulated by the Company Act, the resolutions of the Shareholders' Meeting shall be attended by shareholders representing more than half of the total number of shares issued, and shall be executed with the approval of more than half of the voting rights of the shareholders present.

The shareholders may exercise their voting rights by mail or electronic transmission in accordance with the applicable laws and regulations. The notice of the shareholders' meeting shall specify the instructions for voting by mail or electronic transmission.

Article 15 Shareholders have one voting right per share, but those who are restricted or have no voting rights listed in Article 179 of the Company Act shall not be subject to this limit.

A shareholder who exercises his voting rights by mail or electronic transmission will be deemed to have waived his rights to vote on any ad hoc motions and amendments to the original proposals at such meeting.

Article 16 The minutes of the resolutions of the Shareholders' Meeting shall be prepared and signed or stamped by the chairman, and the minutes shall be distributed to all the shareholders within 20 days after the meeting, the distribution of the minutes shall be in accordance with the provisions of Article 183 of the Company Act.

The minutes of the meeting shall record the year, month, day, venue, name of the chairman, method of resolution, major resolution process and resolution results, and shall be permanently preserved during the existence of the Company.

The attendance register and proxy forms shall be kept for at least one year; provided, however, records concerning an action initiated by a shareholder pursuant to Article 189 of the Company Act shall be kept until the conclusion of the lawsuit.

#### Chapter IV Board of Directors

Article 17 The Company shall have 9-13 directors. A candidate nomination system shall be adopted. Candidates shall be nominated and elected at the shareholders' meeting from the list of candidates. The term of office shall be three years, and the director may be eligible for reelection. However, the provisions of Article 26-3 of the Securities and Exchange Act shall not be violated.

There shall be at least three Independent Directors among the number of Directors to be elected referred to in the preceding paragraph, and the Independent Directors shall represent at least one-third of the Board. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the Independent Directors, and other related matters shall comply with applicable laws and regulations prescribed by the competent authority. The election of Independent Directors and non-Independent Directors shall be held concurrently, provided that the number of Independent Directors and non-Independent Directors elected are calculated separately.

The total shareholding ratio of all directors shall be in accordance with the regulations of the securities regulatory authority.

Article 18 The Directors shall elect one person as the Chairman of the Board, and may elect one person as the Vice Chairman of the Board in the same way. The Chairman shall represent the Company externally and internally serve as the Chairman of the Shareholders' Meeting and the Board of Directors.

Article 19 The powers of the board of directors are as follows:

I. Approve important regulations.

- II. Decide on the business directions of the Company.
- III. Approve budgets and financial statements;
- IV. Submit proposals regarding distribution of profits;
- V. Submit proposals regarding capital increase or reduction;
- VI. Sale and purchase and investment of real property;
- VII. Appoint and remove key management of the Company;
- VIII. Guarantee for companies in the same industry;
- IX. Decide on adjustment of the organizational structure and other important matters of the Company;
- X. Prepare and review annual and quarterly financial statements; and
- XI. Other powers and duties conferred by the Company Act or by the shareholders at the shareholders' meeting.
- XII. The authority referred to in the preceding paragraph shall be reported to the shareholders' meeting or submitted for ratification when necessary in accordance with the provisions of the Company Act.

Article 20 In the event of a vacancy of one-third of the total number of Directors or all Independent Directors are dismissed, the Board of Directors shall convene a by-election at an Extraordinary Shareholders' Meeting within 60 days. The term of office of the by-election Director shall be the term of the original Director.

Article 21 The Board of Directors meets at least once every quarter and may convene at any time in case of emergency or request of more than half of the Directors. The convening of the board of directors of the Company may be in writing, via email or fax.

Article 22 The board of directors shall be chaired by the chairman. When the Chairman of the Board is on leave or for any reason unable to exercise his powers, it shall be handled in accordance with Article 208 of the Company Act.

Article 23 When the Board of Directors meets, it is the principle that the Directors shall be present in person. If a Director is unable to attend the meeting due to special circumstances, such director may appoint another director as his proxy. If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person. A director who appoints another director as his proxy to attend the

meeting shall fill out a proxy form setting forth the scope of authorization with respect to the matters to be discussed at such a meeting. A director may only be appointed as a proxy by one other director. A director who resides overseas may, in writing, appoint a shareholder residing in Taiwan as his proxy to regularly attend the meetings of the Board of Directors.

Article 24 Unless otherwise provided by the Company Act, resolutions of the board of directors shall be attended by a majority of the directors and taken with the consent of a majority of the attending directors.

Minutes of Board meetings must be signed or stamped by the Chairman and notes takers and distributed to all the Directors within 20 days after the meeting. and shall be included in the important records of the Company, and properly preserved indefinitely during the existence of the Company.

The preparation and distribution of the meeting minutes specified in paragraph 1 may be done through electronic means.

Article 24-1 The Board of Directors is authorized to determine the remuneration of the directors by referencing the standards within the industry; provided, however, independent directors shall not participate in the distribution of earnings as set forth in Article 34-1 herein.

Article 25 During the term of office of the Directors, the Company may purchase liability insurance for the liability for compensation in accordance with the law for the scope of the execution of the affairs.

#### Chapter V Audit Committee

Article 26 The Company shall establish an audit committee in accordance with laws and regulations, consisting of all independent directors. The number of members shall not be less than three, with one person being the convener and at least one person possessing accounting or financial expertise.

The number of Audit Committee members, their term, duties, meeting rules and the resources to be provided when exercising their duties shall be regulated by the organizational rules of the Audit Committee.

Article 27 The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The original Company Act, Securities and Exchange Act, and other relevant laws and

regulations stipulate that the supervisory authority shall be exercised by the audit committee.

Article 28 The board of directors of the Company may establish various functional committees. The functional committee of each type shall, in accordance with the regulations provided by the competent authority, enact the rules governing the exercise of its duties. These rules shall be effective upon the resolution adopted by the Board of Directors' meeting.

#### Chapter VI Managers and Staff

Article 29 The Company may have several managers who shall manage all affairs of the Company in accordance with the decisions of the board of directors.

The engagement, discharge, and remuneration of the managers shall be adopted by at least a majority of the Directors present at a meeting attended by at least a majority of the Directors holding office.

Article 30 The General Manager shall be ordered by the Board of Directors to supervise the business of the Company, and the General Manager shall be represented by the Deputy General Manager if he is unable to perform his duties due to circumstances.

Article 31 The Company's organizational system and the number of posts and appointment methods for employees at all levels shall be determined by the Board of Directors.

#### Chapter VII Accounting

Article 32 The accounting year of the Company is from January 1 to December 31, and the final accounts shall be handled at the end of each year.

Article 33 At the end of each fiscal year of the Company, the Board of Directors shall compile various forms stipulated in Article 228 of the Company Act and submit them to the Regular Shareholders' Meeting for recognition.

Article 34 From the profits as shown through the final annual account, the sum to pay all taxes and make up previous loss, if any, shall be first withheld, then 10% shall be reserved as legal reserve. Then the sum for special reserve which shall be duly appropriated or restored according to laws. The final balance, if any, added with the initial unappropriated retained

earnings, shall be duly distributed as bonus to shareholders after the proposal by board of directors and adoption of shareholders' meeting. When the board of directors decides to distribute all or part of the dividends and bonuses, legal reserves, and capital reserves in cash, the meeting of board of directors is attended by two-thirds or more of the authorized directors, the proposal is resolved by a majority of directors in attendance, and the resolution is reported to the shareholders' meeting. The issue of new shares of a company shall be determined by the board of directors by a resolution.

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.

Article 34-1 When the Company has a profit for a fiscal year, it shall appropriate no less than 2% of the profit as the remuneration of employees (no less than 30% of the remuneration of employees described in this paragraph shall be appropriated as the remuneration of entry-level employees), and no more than 3% of the profit of the current year shall be appropriated as the remuneration of directors; however, when the Company still has accumulated losses, such losses shall be compensated first.

The remuneration of employees shall be distributed in the form of shares or cash, and the remuneration of directors shall be distributed in the form of cash. The distribution of remunerations 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.

#### Chapter VIII Supplementary Provisions

Article 35 The organizational charter and enforcement rules of the Company shall be separately formulated by the Board of Directors.

Article 36 Any matters not specified these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 37 These Articles of Incorporation was established on December 15, 1969. The 1st amendment was made on June 25, 1971. The 2nd amendment was made on April 25, 1972. The 3rd amendment was made on October 25, 1972. The 4th amendment was made on November 25, 1973. The 5th amendment was made on May 1, 1974. The 6th amendment was made on May 30, 1975. The 7th amendment was made on September 16, 1976. The 8th amendment was made on May 16, 1977. The 9th amendment was made on June 30, 1977. The 10th amendment was made on March 16, 1978. The 11th amendment was made on August 16, 1978. The 12th amendment was made on February 20, 1979. The 13th amendment was made on August 20, 1980. The 14th amendment was made on May 24, 1981. The 15th amendment was made on June 13, 1982. The 16th amendment was made on May 15, 1983. The 17th amendment was made on April 8, 1984. The 18th amendment was made on April 21, 1985. The 19th amendment was made on April 27, 1986. The 20th amendment was made on April 25, 1987. The 21st amendment was made on May 9, 1988. The 22nd amendment was made on April 20, 1989. The 23rd amendment was mad on April 20, 1990. The 24th amendment was made on April 23, 1991. The 25th amendment was made on April 23, 1992. The 26th amendment was made on April 17, 1993. The 27th amendment was made on April 21, 1994. The 28th amendment was made on April 21, 1995. The 29th amendment was made on April 23, 1996. The 30th amendment was made on April 24, 1997. The 31st amendment was made on April 24, 1998. The 32nd amendment was made on April 23, 1999. The 33rd amendment was made on April 25, 2000. The 34th amendment was made on April 25, 2001. The 35th amendment was made on May 29, 2002. The 36th amendment was made on May 27, 2003. The 37th amendment was made on May 25, 2004. The 38th amendment was made on June 14, 2005. The 39th amendment was made on June 13, 2006. The 40th amendment was made on June 15, 2007. The 41st amendment was made on June 13, 2008. The 42nd amendment was made on June 4, 2009. The 43rd amendment was made on June 15, 2010. The 44th amendment was made on June 15, 2011. The 45th amendment was

made on June 15, 2012. The 46th amendment was made on June 18, 2013. The 47th amendment was made on June 17, 2014. The 48th amendment was made on June 15, 2016. The 49th amendment was made on June 15, 2017. The 50th amendment was made on June 16, 2020. The 51st amendment was made on July 29, 2021. The 52nd amendment was made on May 31, 2022. The 53rd amendment was made on May 31, 2023. The 54th amendment was made on May 26, 2025.

Cheng Shin Rubber Industry Co., Ltd.



Chairman: Chen, Jung-Hua



## **Cheng Shin Rubber Industry Co., Ltd.**

### **Rules and Procedures of Shareholders' Meeting**

#### **Article 1**

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meeting, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### **Article 2**

The rules of procedure for the Company's shareholders' meeting, except as otherwise provided by laws, regulations or Articles of Incorporation, shall be as provided in these Rules.

#### **Article 3**

Unless otherwise provided by laws, the Company's shareholders' meetings shall be convened by the board of directors.

Changes to how the company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.

The Company shall prepare electric versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System before 30 days before the date of a general shareholders' meeting or before 15 days before the date of the an extraordinary shareholders' meeting.

If the Company has the paid-in capital of NT\$10 billion or more, the transmission of these electronic files shall be made by 30 days before the general shareholders' meeting. The Company shall have prepared the shareholders' meeting agenda and supplemental meeting materials 15 days before the date of the shareholders' meeting, making them available for review by shareholders at any time. These materials shall also be displayed at the Company itself and the professional shareholder services provider.

The Handbook and Supplementary Information for the Meeting referred to in the preceding paragraph shall be provided to shareholders for reference on the day of the shareholders' meeting in following ways:

- I. When the entity shareholders' meeting is convened, it shall be issued at the shareholders' meeting.
- II. When a video-assisted shareholders' meeting is held, it shall be distributed on the place of the shareholders' meeting and transmitted to the video conference platform by electronic files.
- III. When a video shareholders' meeting is held, the electronic file shall be transmitted to the video conference platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election/dismissal of Directors, changes in the Articles of Incorporation, capital reduction, application of halting public offering, permission for the Directors to compete with the Company, capitalization of retained earnings, capitalization of capital reserves, dissolution/merging/splitting of the Company, or all items pertaining to Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or items pertaining to Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and shall not be raised as extempore motions.

Where the reasons for convening the shareholders' meeting already specifies the election of all Directors and the date elected Directors take office, once the election is completed in the shareholders' meeting, the date the elected Directors take office may not be changed by extempore motions or other methods in the same meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Company a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Shareholders may submit proposed proposals to urge the Company to promote the public interest or fulfill its social responsibilities. The Procedures shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Act. Any proposal with more than one item may be excluded in the proposal.

Prior to the book closure date before a regular shareholders meeting is held, this Company shall publicly announce that it will receive shareholder proposals by written or electronic, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### **Article 4**

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, this does not apply if a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Company before 2 business days before the meeting date.

If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting by video conference, he shall notify the Company in writing to revoke the proxy two days before the meeting of the shareholders' meeting. In the event of revocation within the deadline, the voting rights of the proxy representative shall be present and exercised.

#### **Article 5 (Principles determining the time and place of a shareholders' meeting)**

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. When the Company convenes a video shareholders' meeting, it shall not be restricted by the place of the meeting mentioned in the preceding paragraph.

**Article 6** (Preparation of Document such as Attendance Book)

The Company shall specify in its shareholders, solicitors, trustees (hereinafter referred to as Shareholders) meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. The shareholders shall be accepted and registered on the video platform of the shareholders' meeting 30 minutes before the meeting, and the shareholders who complete the registration shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

If the shareholders' meeting is convened by video, and the shareholders wish to attend by video, they shall register with the Company two days before the meeting.

To convene the video shareholders' meeting, the Company shall upload the handbook of meeting, annual report and other relevant information to the video platform of the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose it until the end of the meeting.

**Article 6-1** (Convening virtual shareholders' meetings and particulars to be included in shareholders' meeting notice)

The Company shall convene a video Shareholders' Meeting and shall specify the following matters in the Notice of the Shareholders' Meeting:

- I. Methods for shareholders to participate in video meetings and exercise their rights.

- II. The handling of blockages arising from the video conference platform or the participation of video parties due to natural disasters, incidents or other force majeure circumstances includes at least the following matters:
- (I) The continuous preceding blockage has not been solved so as to postpone or to continue the meeting, and the date to postpone or to continue the meeting if necessary.
  - (II) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponing or continuing of the meeting.
  - (III) If the video-assisted shareholders' meeting cannot be continued, after deducting the number of shares participating in the shareholders' meeting by video, and the total number of shares present at the shareholders' meeting reaches the statutory quota of the shareholders' meeting, the shareholders' meeting shall continue, and the shareholders participating in the shareholders by video shall be included in the total number of shareholders' shares present, and all the proposals of the shareholders' meeting shall be regarded as abstention.
  - (IV) In the event that the results of all motions have been announced, but no provisional motions have been made, the manner of handling them shall be handled.
- III. A video shareholders' meeting shall be convened and shall specify the appropriate alternative measures provided to shareholders who may have difficulties participating in the shareholders by video.

**Article 7** (The chairman and non-voting participation of a shareholders' meeting)

If a shareholders' meeting is convened by the board of directors of the Company, the Chairman of the Board shall preside at such meeting. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the Vice Chairman of the Board shall preside at such meeting. The Chairman of the Board shall designate a managing director to preside as the chairman if a Vice Chairman is not appointed, or if the Vice Chairman of the Board is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the Chairman of the Board shall designate a director to preside as the chairperson. If the Chairman of the Board fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least

one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

#### **Article 8** (Audio or video recording of shareholders meetings)

The Company beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.

If the shareholders' meeting is convened by video meeting, the company shall keep records of the shareholders' registration, check in, ask question, voting and vote counting, and record the whole process of the video conference continuously and uninterruptedly.

The Company shall properly keep the materials and audio and video recordings mentioned in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted with the video conference service for preservation.

#### **Article 9**

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in and the number of shares registered on the video conferencing platform plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned; if the shareholders' meeting is convened by video, the Company itself shall additionally announce the adjournment on the shareholders' meeting video platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued

shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. If the shareholders' meeting is convened by video meeting, and the shareholders wish to participate in the meeting by video, they shall re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### **Article 10**

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant matters (including extempore motions and amendments to the original motions) shall be decided on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote and an adequate voting time.

#### **Article 11 (Shareholder speech)**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

Shareholders present who only made a statement but did not speak shall be deemed to have not made a statement. In the event of any inconsistency between the contents of shareholder's speech and those recorded on the slip, the contents of shareholder's speech shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When the shareholders attend the speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the speaking shareholder and the chairman shall stop the offender.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After the speech is given by an attending shareholder, the chairman may personally respond or designate relevant personnel to respond.

A video shareholders' meetings is convened and shareholders who participate by video may, after the chairman announces to call the meeting, until the announcement of the adjournment of the meeting, ask questions in words on the video platform of the shareholders' meeting, and not exceed two questions on each proposal are allowed, two hundred words per each and is not applicable for provisions of items 1 to 5.

If the questions asked in the preceding paragraph do not violate the provisions or do not exceed the scope of the proposal, it is advisable to disclose the questions on the video platform of the shareholders' meeting.

## **Article 12** (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is

exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

### **Article 13**

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. But with respect to the extraordinary motions and amendments to original proposals of that shareholders' meeting, it is deemed as abstention. Therefore, the Company itself should avoid submitting extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this does not apply if a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or by video conference, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

In the event that an amendment or a substitute comes out of the same proposal, the chairperson shall fix the order of balloting in consolidation with the original proposal. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

The Company convenes a video Shareholders' Meeting, and the shareholders who participate by video shall vote on the proposals and the voting on the election proposals through the video platform after the Chairman announces to convene the meeting, and shall complete the voting before the Chairman announces the end of the voting, and shall be deemed to abstain when time out.

When the shareholders' meeting is convened by video conference, and the voting and election results shall be counted in one lump sum after the chairman announces the voting. When the Company convenes a video-assisted shareholders' meeting, a shareholder who has registered to attend the shareholders' meeting by video in accordance with Article 6 shall, if he wishes to attend the entity shareholders' meeting in person, shall deregister the registration in the same manner two days before the shareholders' meeting.

A person who exercises the right to vote in writing or electronically, without revoking his expression of intent, and participates in the shareholders' meeting by video, shall not exercise the right to vote on the original proposal or propose amendments to the original proposal or to exercise the right to exercise the right to vote on the original proposal except for extraordinary motions.

#### **Article 14**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. In the event of a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.

## **Article 15**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including a summary of votes). If there is an election for directors, the number of votes for each candidate should be disclosed. During the existence of the Company, it shall be permanently preserved.

Where a shareholders' meeting is convened by video, the minutes of the shareholders' meeting shall, in addition to the matters to be recorded in accordance with the preceding provisions, and shall record the time from the beginning of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the minute taker, and the handling method and handling situation of the video conference platform or the participation of the video conference platform or by video in the event of a blockage due to natural disasters, incidents or other force majeure circumstances.

The Company shall convene a video shareholders' meeting, besides that in accordance with the provisions of the preceding paragraph, and shall indicate in the proceedings that there will be alternative measures provided by shareholders who have difficulties participating in the shareholders by video.

## **Article 16 (Public Disclosure)**

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares and the number of shares attended by shareholders in writing or electronically obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting. When the shareholders' meeting is convened by video conference, the Company shall upload the above information to the video platform of the shareholders' meeting at least 30 minutes prior to the meeting and continue to disclose it until the end of the meeting.

When the Company convenes a video Shareholders' Meeting and announces to convene the meeting, the total number of shareholders' shares present shall be disclosed on the video platform. The same shall apply if the total number of shares and voting rights of the shareholders present at the meeting is also counted.

**Article 17** (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 18** (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

**Article 19** (Disclosure of information at virtual meetings)

If the shareholders' meeting is convened by video meeting, the Company shall immediately disclose the voting results of each proposal and the election results on the video platform of the shareholders' meeting in accordance with the regulations after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.

**Article 20** (Location of the chair and secretary of virtual-only shareholders' meeting)

When the Company convenes a video shareholders' meeting, the Chairman and the minute taker shall be at the same place, and the Chairman shall announce the address of that place at the time of the meeting.

**Article 21** (Handling of disconnection)

If the shareholders' meeting is convened by video meeting, the Chairman shall, at the time of announcing the meeting, separately announce that, besides the matter stipulated in Article 44-20(4) of the Regulations Governing the Administration of Shareholder Services of Public Companies, which does not require an extension or continuation of the meeting, the provisions of Article 182 of the Company Act shall not apply to the date of postponement or renewal of the meeting before the Chairman announces the adjournment of the meeting due to natural disasters, events or other force majeure circumstances that cause blockages to the participation of the video conference platform or by video participation for more than 30 minutes.

The meeting shall be postponed or renewed in the event of the preceding paragraph, and shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponement or renewal of the meeting.

The number of shares, exercised voting rights and voting rights of shareholders who have registered to participate in the original shareholders' meeting by video and completed their registration in accordance with Paragraph 1 shall be included in the total number of shares, voting rights and voting rights of the shareholders present at the original shareholders' meeting.

When postponing or renewing the shareholders' meeting in accordance with the provisions of Paragraph 1, there is no need to repeat the discussion and resolution of the proposal that has completed the voting and counting the votes, and announces the voting results or the list of directors and supervisors elected.

If the Company convenes a video-assisted shareholders' meeting and in case it cannot be running as Paragraph 1, once the total number of shares present deduct the shares in video still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue and no need to postpone or renew the meeting in accordance with the provisions of Paragraph 1.

In the event of a meeting that should continue in the preceding paragraph, the number of shares present at a shareholders' meeting shall be included in the total number of shares of the shareholders present, but all the proposals of the shareholders' meeting shall be deemed to be abstained.

The Company shall postpone or renew the meeting in accordance with the provisions of paragraph 1, and shall handle the relevant pre-operations in accordance with the provisions of Item 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, in accordance with the date of the original shareholders' meeting and the provisions of each article.

For the period specified in the second paragraph of Article 12 and the third paragraph of Article 13 of the Rules for the Use of Power of Attorney by the Company attending the

Shareholders' Meeting, and Item 2 of Article 44-5, Article 44-15, and Article 44-17 of the Guidelines for the Handling of Shares of Publicly Issued Stock Companies, the Company shall postpone or renew the date of the shareholders' meeting in accordance with Paragraph 1 herein.

**Article 22** (Handling of digital divide)

When the Company convenes a video shareholders' meeting, it shall provide appropriate alternative measures to shareholders who will have difficulties in attending the shareholders by video.

**Article 23**

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

**Article 24**

The original rules were abolished and the Company's "Rules and Procedures of Shareholders' Meeting" was re-promulgated: May 31, 2022.

## Appendix 3

# Cheng Shin Rubber Industry Co., Ltd.

## Director Election Procedures

- Article 1 Unless otherwise provided by laws or the Articles of Incorporation, the election of Directors of the Company itself shall be conducted in accordance with these regulations.
- Article 2 In the election of directors of the Company, each share carries voting rights equal to the number of directors to be elected. The Board of Directors shall print election ballots equal in number to the directors to be elected, indicating the number of votes, and distribute them to each attending shareholder at the shareholders' meeting. The voter's name may be replaced by the printed attendance certificate number on the ballot. The votes referred to in the preceding paragraph may be concentrated to elect one person or distributed to elect several people. Those who exercise voting rights electronically will not have separate ballots issued.
- The election of Independent Directors shall adopt a candidate nomination system in accordance with Article 192-1 of the Company Act. The election of Independent Directors and non-Independent Directors shall be held concurrently, provided that the number of Independent Directors and non-Independent Directors elected are calculated separately. Shareholders shall elect from the list of candidates for Independent Directors.
- Article 3 Directors of the Company itself are elected by the Shareholders' meeting from among candidates with legal capacity, and in accordance with the number specified in the Articles of Incorporation. Voting rights are exercised electronically, and those candidates who receive the highest number of votes, as represented by the election ballots, are elected as directors in order. In the event that two or more individuals have the same number of votes exceeding the stipulated quota, the decision shall be made by drawing lots among those with the same number of votes. If any are absent, the chairperson will draw lots on their behalf.
- If the personal data of the Director elected in the preceding paragraph is found to be inaccurate or not in compliance with relevant laws and regulations, the election shall be invalidated.
- Article 4 Before the commencement of the election, the chairperson shall designate a certain number of ballot counters and ballot supervisors, who must be shareholders, to carry out all related duties.
- Article 5 The election of directors shall be conducted with ballot boxes set up by the

Board of Directors, which shall be opened and inspected publicly by the ballot supervisors before voting.

Article 6 The voter should select one from the "candidate" list prepared by the Company itself to fill in the "electee" column on each ballot; however, shareholders who exercise their voting rights through electronic voting are not subject to this limitation.

Article 7 Ballots are invalid under any of the following circumstances:

(I) No ballots prepared by the person with the authority to convene are needed.

(II) Ballots that are blank when placed in the ballot box.

(III) Illegible or altered writing.

(IV) Does not match the electee filled in with the list of Director Candidates upon verification.

(V) Writing anything other than the number of electoral votes allocated.

(VI) The ballot lists two or more electees on the same ballot.

Article 8 The vote counting for election proposals at the shareholders' meeting shall be conducted publicly at the meeting venue. After voting is completed, the ballots are opened on-site, and the results, including the list of directors elected and the number of votes they received, are announced on-site by the chair or a person designated by the chair.

Article 9 Notification of election shall be issued separately by the Company's Board of Directors to the elected directors.

Article 10 Any matters not specified in these regulations shall be handled in accordance with the Company Act, the Articles of Incorporation of the Company itself, and relevant laws and regulations.

Article 11 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 12 This regulation was established after being approved by the general shareholders' meeting on May 29, 2002.

This regulation was amended and approved by the general shareholders' meeting on June 13, 2008.

This regulation was amended and approved by the general shareholders' meeting on June 4, 2009.

This regulation was amended and approved by the general shareholders' meeting on June 18, 2013.

This regulation was amended and approved by the general shareholders' meeting on June 15, 2017.

This regulation was amended and approved by the general shareholders' meeting on July 29, 2021.

## Appendix 4

# Cheng Shin Rubber Industry Co., Ltd.

## Ethical Corporate Management Best Practice Principles

### Article 1 (Purpose and Scope of Application)

The Company itself has specially established these guidelines to build a corporate culture of integrity, ensure healthy development, and provide a reference framework for sound business operations. This Code applies to The Company itself and each Subsidiary.

### Article 2 (Prohibition of Dishonest Behavior)

The Company's Directors, managers, employees, appointees, or those with substantial control (hereinafter referred to as the Company's personnel) are prohibited from directly or indirectly offering, promising, soliciting, or accepting any improper benefits, or engaging in other dishonest conduct such as violating integrity, illegal acts, or breaching fiduciary duties in the course of business execution to obtain or maintain benefits.

The targets of the aforementioned conduct include public officials, political candidates, political parties or party officials, as well as any public or private enterprises or institutions and their directors (or council members), supervisors, managers, employees, and those with substantial control or related parties.

### Article 3 (Types of benefits)

The term "benefit" in this code refers to anything of value, including money, gifts, commissions, positions, services, privileges, kickbacks, facilitation fees, hospitality, entertainment, and other items of value in any form or under any name. However, this does not apply if it pertains to normal social etiquette, is occasional, and poses no risk of affecting specific rights and obligations.

### Article 4 (Legal Compliance)

The Company itself shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, and Act on Recusal of Public Servants due to Conflicts of Interest, as well as related regulations for listed and TPEX-listed companies or other relevant laws governing business conduct, as a fundamental prerequisite for implementing integrity management.

## Article 5 (Policy)

The Company itself, based on the business philosophy of integrity, transparency, and accountability, has formulated policies grounded in integrity. These have been approved by the Board of Directors, and a sound corporate governance and risk control mechanism has been established to create an operating environment for sustainable development.

## Article 6 (Scope of Prevention Plan)

The Company itself should establish a risk assessment mechanism for dishonest behavior, regularly analyze and assess business activities within the scope of operations that pose a higher risk of dishonest behavior, and formulate preventive measures accordingly, while periodically reviewing the appropriateness and effectiveness of these measures.

The Company itself should consider standards or guidelines commonly used domestically and internationally to formulate preventive measures covering the following behaviors:

- I. Bribery and accepting bribes.
- II. Providing illegal political donations.
- III. Improper charitable donations or sponsorships.
- IV. Providing or accepting unreasonable gifts, hospitality, or other improper benefits.
- V. Infringing trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights.
- VI. Engage in unfair competition activities.
- VII. The products and services in research and development, procurement, manufacturing, delivery, or sales may directly or indirectly harm the rights, health, and safety of consumers or other stakeholders.

## Article 7 (Prohibition of Bribery and Accepting Bribes)

The Company's personnel, during the execution of business, are prohibited from directly or indirectly offering, promising, soliciting, or accepting any form of improper benefits to or from clients, agents, contractors, suppliers, public officials, or other stakeholders.

## Article 8 (Prohibition of Providing Illegal Political Donations)

The Company's personnel, when making direct or indirect donations to political parties, organizations, or individuals participating in political activities, shall comply with the Political Donations Act and related internal operational procedures. Such donations must not be used to seek commercial benefits or transactional advantages.

The Company itself provides political contributions in accordance with the following regulations: after reporting to the parent company for the Chairperson's approval and notifying responsible personnel or units, the amount is subject to approval according to the signing authority level in the approval authority table before it can proceed.

- (I) It should be confirmed that compliance is met with the political donation-related regulations of the recipient's country, including the limits and forms of providing political donations.
- (II) Decisions should be made into written records.
- (III) Political donations should be recorded in accordance with regulations and accounting-related procedures.
- (IV) When providing political donations, one should avoid engaging in business dealings, applying for permits, or handling other matters involving the Company's interests with government-related entities.

#### Article 9 (Prohibition of Improper Charitable Donations or Sponsorships)

The Company's personnel, when making charitable donations or sponsorships, shall comply with relevant laws and internal procedures and must not engage in disguised bribery.

The charitable donations or sponsorships provided by the Company itself shall be handled according to the following matters, after reporting for the Chairperson's approval. Each subsidiary, after reporting for approval by the highest executive of the subsidiary and notifying responsible personnel or units, must proceed only after the amount is approved according to the signing authority level in the approval authority table.

- (I) Compliance with the regulations of the locality where operations are conducted is required.
- (II) Decisions should be made into written records.
- (III) The recipients of charitable donations shall be charitable organizations and must not engage in disguised bribery.
- (IV) After charitable donations or sponsorships, the use of the funds should be verified to ensure alignment with the purpose of the donation.

#### Article 10 (Prohibition of Providing or Accepting Unreasonable Gifts, Hospitality, or Other Improper Benefits)

The Company's personnel are prohibited from directly or indirectly providing or accepting any unreasonable gifts, hospitality, or other improper benefits to establish business relationships or influence commercial transactions.

When the Company's personnel directly or indirectly offer, accept, promise, or solicit the benefits stipulated in Article 3, except in the following circumstances, they must comply with the provisions of this code and proceed according to the relevant procedures before doing so:

- I. Compliance with the regulations of the locality where operations are conducted is required.
- II. Based on business needs, during domestic or international visits, hosting foreign guests, promoting business, and communication and coordination, actions taken in accordance

with local etiquette, customs, or traditions.

- III. Participating in or inviting others to hold normal social activities based on standard social customs, business purposes, or relationship promotion.
- IV. Due to business needs, invite customers or be invited to attend specific business activities, factory tours, etc., and clearly specify the cost-sharing method, number of participants, accommodation level, and duration of the aforementioned activities.
- V. Participate in publicly held folk festival activities that invite the general public to attend.
- VI. Rewards, assistance, consolations, or commendations by supervisors.
- VII. Providing or accepting money, property, or other benefits from relatives or friends with whom one regularly interacts.
- VIII. Reasonable gifts received due to engagement, marriage, childbirth, relocation, employment, promotion, retirement, resignation, departure, and injuries, illnesses, or deaths of oneself, one's spouse, or direct relatives.
- IX. Other conditions that comply with company regulations.

#### Article 11 (Prohibition of Infringement of Intellectual Property Rights)

When the Company's personnel are hired, they sign a confidentiality commitment and must comply with intellectual property-related regulations, the Company's internal procedures, and contract provisions. Without the consent of the intellectual property owner, they shall not use, disclose, dispose of, damage, or engage in any other actions that infringe upon intellectual property.

#### Article 12 (Prohibition of engaging in unfair competition activities)

The Company itself conducts business activities in accordance with relevant competition laws and is prohibited from fixing prices, rigging bids, limiting production and quotas, or sharing or dividing the market by allocating customers, suppliers, operating areas, or types of commerce.

#### Article 13 (Prevent harm to stakeholders from products or services)

The Company's personnel, during the processes of research and development, procurement, manufacturing, delivery, or sales of products and services, shall adhere to relevant regulations and international standards to ensure transparency and safety of product and service information. They shall formulate and disclose policies for the protection of consumers' or other stakeholders' rights and implement these in operational activities to prevent the products and services from directly or indirectly harming the rights, health, and safety of consumers or other stakeholders. In principle, if there are facts sufficient to recognize that the goods or services may endanger the safety and health of consumers or other stakeholders, the batch of products should be immediately recalled or the service should be discontinued.

#### Article 14 (Organization and responsibilities)

The Company's personnel should exercise the duty of care of a good administrator, oversee the prevention of dishonest behavior by the Company, and constantly review the effectiveness of such implementation and continuously make improvements to ensure the implementation of the ethical business conduct policy.

For the sound management of ethical business operations, The Company itself primarily handles the following matters.

- I. Assist in integrating integrity and ethical values into the company's business strategy and coordinate with legal systems to establish relevant preventive measures to ensure ethical business conduct.
- II. Regularly analyze and assess the risk of dishonest behavior within the scope of operations, and formulate plans to prevent dishonest behavior, including setting related standard operating procedures and behavioral guidelines within each plan.
- III. Plan internal organization, staffing, and responsibilities, and establish mutual supervision and checks and balances mechanisms for business activities within the scope of operations that pose a higher risk of dishonest behavior.
- IV. Promotion and coordination of integrity policy advocacy training.
- V. Plan a whistleblowing system to ensure the effectiveness of its implementation.
- VI. Assist the Board of Directors and management in auditing and evaluating whether the preventive measures established for implementing ethical business conduct are effectively operating, and periodically assess compliance with relevant business process progress to produce a report.

#### Article 15 (Legal Compliance in Business Execution)

The Company's personnel, when executing business, shall comply with legal regulations and prevention plans.

#### Article 16 (Avoidance of Benefits)

The Company itself should establish a policy to prevent conflicts of interest, to identify, monitor, and manage the risks of dishonest behavior that may arise from conflicts of interest. Additionally, appropriate channels should be provided for Directors, managers, and other related parties attending or participating in the Board of Directors meetings to proactively disclose whether they have any potential conflicts of interest with the Company.

Directors, managers, and other related parties of the Company itself who are present or attending the Board of Directors meetings and who have a conflict of interest with the agenda items listed by the Board in relation to themselves or the corporations they represent, should disclose the important content of such conflicts at the current Board meeting. If there is a risk of harm to the Company's interests, they must not participate in the discussion and voting,

should recuse themselves from the discussion and voting, and may not exercise voting rights as proxy for any other Director. Directors shall also self-regulate and must not provide improper mutual support.

The Company's personnel are prohibited from using their position or influence within the Company to secure improper benefits for themselves, their spouses, parents, children, or any other person.

#### Article 17 (Accounting and internal control)

For business activities that pose a higher risk of dishonest behavior, The Company itself should establish an effective accounting system and internal control system. There must be no off-the-books accounts or secret accounts, and the systems should be reviewed regularly to ensure that their design and implementation remain effective.

The Company itself's internal audit unit should, based on the assessment results of the risk of dishonest behavior, draft relevant audit plans, including the subjects, scope, items, frequency, etc., and verify the compliance with preventive measures accordingly. It may also appoint a CPA to conduct audits or, if necessary, engage professionals to assist.

The results of the aforementioned audits shall be reported to senior management and included in an audit report submitted to the Board of Directors.

#### Article 18 (Operating Procedures and Behavioral Guidelines)

The Company itself shall, in accordance with Article 6, establish operating procedures and behavioral guidelines, specifically regulating the points of attention that the Company's personnel should adhere to when executing business. The content shall at least cover the following matters:

- I. Standards for Determining the Provision or Acceptance of Improper Benefits.
- II. Handling procedures for providing legal political donations.
- III. Handling procedures and amount standards for providing proper charitable donations or sponsorships.
- IV. The rules for avoiding conflicts of interest related to duties, and the procedures for reporting and handling them.
- V. Confidentiality regulations regarding confidential and commercially sensitive information obtained in business.
- VI. Regulations and handling procedures for suppliers, customers, and business transaction counterparties involved in dishonest behavior.
- VII. Procedures for handling violations of the Ethical Corporate Management Best Practice Principles.
- VIII. Disciplinary actions taken against the violators.

#### Article 19 (Education and training and assessment)

The Chairperson, President, or senior management of The Company itself shall regularly convey the importance of integrity to the Directors, employees, and appointees.

The Company itself should regularly hold educational training and advocacy sessions for directors, managers, employees, appointees, and those with substantial control, and invite counterparts engaged in business conduct with the company to participate. This ensures that they fully understand the company's determination, policies, preventive measures regarding integrity management, and the consequences of violating dishonest behavior.

The Company itself should integrate the ethical business conduct policy with employee performance evaluations and human resource policies, and establish a clear and effective reward and punishment system.

#### Article 20 (Whistleblowing System)

The Company itself has a whistleblower mailbox, and both the human resources and audit units can facilitate reporting. Whistleblowers may also report to Independent Directors, managers, direct supervisors, or other appropriate personnel. External whistleblowers can make reports through the whistleblower mailbox or by contacting the supervisory personnel of other group enterprises and organizations. The relevant handling units must keep the identity of the whistleblower and the content of the report confidential to protect whistleblowers from inappropriate treatment as a result of their report.

If the reported incident involves directors or senior management, the unit receiving the report should present it to the Company's Independent Directors. If the investigation reveals significant violations or the potential for substantial harm to the group's enterprises and organizations, the receiving unit and the investigating unit should immediately prepare a report and notify the Company's Independent Directors in writing.

The Company itself should incorporate the effectiveness of implementing ethical business conduct policies and successful whistleblowing into employee performance evaluations and human resource policies.

The Company itself shall report and take disciplinary action against personnel of the Company itself who violate ethical and integrity conduct, in accordance with relevant laws or personnel regulations, and shall timely announce information on cases of integrity violations and handling situations on the internal website or in meetings.

If the penalized personnel believe that the Company's handling is inappropriate and that their legal rights have been infringed, they may file an appeal to the Independent Directors or managers, the heads of the human resources and audit units, direct supervisors, or other appropriate personnel for redress.

#### Article 21 (Disclosure of information)

The Company itself should establish quantitative data to promote ethical business conduct, continuously analyze and evaluate the effectiveness of promoting the ethical policy, and disclose its ethical business measures, implementation status, the aforementioned quantitative data, and promotional effectiveness on the company's website, in the annual report and the prospectus, as well as disclose the content of the Ethical Business Conduct Guidelines on the Market Observation Post System.

#### Article 22 (Review and Revise of Ethical Business Conduct Policy and Measures)

The Company itself should remain attentive to the development of domestic and international regulations related to ethical business conduct and encourage directors, managers, and employees to provide suggestions. These suggestions should be used to review and improve the company's established ethical business conduct policies and promotional measures to enhance the effectiveness of their implementation.

#### Article 23 (Implementation)

The Ethical Business Conduct Guidelines of the Company itself are implemented after approval by the Board of Directors and will be presented to the shareholders' meeting. Any revisions shall follow the same procedure.

When the Company itself submits the code of ethical conduct to the Board of Directors for discussion in accordance with the preceding provisions, it shall fully consider the opinions of each Independent Director and record their opposing or qualified opinions in the minutes of the Board meeting. If an Independent Director cannot personally attend the Board meeting to express their opposition or reservations, they should, except for justified reasons, provide a written opinion in advance, which will also be recorded in the minutes of the Board meeting.

#### Article 24 (Drafting and Revision Time)

This code was approved by the Board of Directors on November 9, 2016.

The first revision was approved by the Board of Directors on April 26, 2017.

The second revision was approved by the Board of Directors on August 9, 2019.

The third revision was approved by the Board of Directors on March 12, 2025.

## Appendix 5

### **Other Explanatory Matters**

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Instructions for handling shareholder proposals at this shareholders' meeting:

Explanation:

- I. According to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting; however, no proposal containing more than one item will be included in the meeting agenda, and the number of words of a proposal shall be limited to not more than 300 words.
- II. The Company's general shareholders' meeting held this year accepts shareholder proposals and applications: The acceptance period is from March 20, 2026 to March 30, 2026, and relevant information has been announced on MOPS according to laws.
- III. As of March 30, the Company has not received any application for shareholder proposal rights. It's hereby stated.

# Cheng Shin Rubber Industry Co., Ltd.

## Share Ownership of Directors

### As of March 27, 2026

Position	Name	Number of Shares Held	Held percentage (%)
Chairperson	Jiu Shun Investment Corporation Representative: Chen, Yun-Hwa	13,391,000	0.41%
Director	Hsieh Shuen Investment Co., Ltd. Representative: Chen, Hsiu-Hsiung	15,580,000	0.48%
Director	Luo Jie Memorial Co., Ltd. Representative : Lo, Tsai-Jen	324,430,630	10.01%
Director	Tseng, Shung-Chu	21,893,000	0.68%
Director	Hong Jing Investment Corporation's Representative: Li, Chin-Chang	33,331,000	1.03%
Director	Luo Jie Memorial Co., Ltd. Representative: Lo, Yuan-Long	324,430,630	10.01%
Director	Min Hsing Investment Co., Ltd.'s Representative: Cheng, Han-Chi	6,425,000	0.20%
Director	Jiu Shun Investment Corporation's Representative: Wu, Hsuan-Miao	13,391,000	0.41%
Independent director	Wu Chung-Shu	0	0.00%
Independent director	Chu, Po-Young	0	0.00%
Independent director	Chen, Shuei-Jin	0	0.00%
Share Ownership of All Directors		415,050,630	12.81%

\*The Company has established the Audit Committee; therefore, there is no shareholding of supervisors.

The statutory number of shares held by all the Directors is 77,793,972 shares.