



Stock Code: 2105

CHENG SHIN RUBBER IND. CO., LTD.

2025 Annual General Meeting Handbook

Time and Date: 9:00 a.m., May 26 (Monday), 2025

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.
2025 Annual General Shareholders' Meeting Procedure

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

Cheng Shin Rubber Industry Co., Ltd.

2025 Annual General Shareholders' Meeting Agenda

Meeting Method: Onsite meeting

Date and Time: May 26, 2025 (Monday) 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 Meeting to Order
- II. Chairperson's Remarks
- III. Report Items
 - (I) The Company's 2024 Business Report
 - (II) The Company's 2024 Audit Committee's Review Report.
 - (III) Report on the Company's 2024 Distribution of Remunerations of Directors and Employees.
 - (IV) Report on the Company's 2024 Distribution of Earnings in Cash Dividends.
 - (V) Report on External Endorsements and Guarantees of the Company.
- IV. Ratification Items
 - (I) Adoption of 2024 Business Report and Financial Statements.
 - (II) Adoption of 2024 Earnings Distribution Proposal.
- V. Discussion Items
 - (I) Discuss the Amendment to Articles of Incorporation.
- VI. Extraordinary Motions
- VII. Adjournment

Report Items

Report Items

Item No. 1

Proposal: The Company's 2024 Business Report, submitted for review.

Explanation: The Company's 2024 Business Report (please refer to pages 4~6 of this Handbook for details).

Cheng Shin Rubber Industry Co., Ltd.

2024 Business Report

We thank all shareholders for your support and trust over the past year. The tire market remained competitive in 2024, and the rise of Chinese auto manufacturers and the low price competition in China made the competition even more challenging. However, the Company's revenue in 2024 maintained the same level as the previous year. The net profit for 2024 was NT\$8,028,188 thousand, an increase of 11.53% from the same period of last year, which was indeed remarkable.

Cheng Shin has always focused on the development of its core business, and continues to develop the market for a long period of time. We aim to establish the Taiwan's international brand of "MAXXIS" for product sales and marketing in more than 180 countries worldwide. In recent years, the Company has been actively advancing into the supply chain of high-end vehicles with enhancement of the popularity and visibility of our brand. In addition, we also cooperate with new partners to transform wastes into high-performance tire materials, in order to achieve sustainable cycle and application in practice, which is also an important step for the Company to head towards sustainability.

Cheng Shin is more than a professional tire manufacturer, and we have also established a strong enterprise culture of "100% quality, 100% service, and 100% reliability." We have been active in the promotion of the brand around the world, and every sales channel of the Company has displayed the "MAXXIS CULURAL" posters, such that consumers are able to realize and feel the 100% quality, service, and reliability of MAXXIS, and to recognize our brand with great trust!

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 2024 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 Core Products	2024 production	2024 sales	2023 sales	Percentage of increase/decrease
Radial cover - car	27,377	27,704	30,560	-9.35%
Radial cover - truck	3,000	2,957	3,203	-7.68%
Motorcycle cover	48,846	48,189	44,220	8.98%
Bicycle cover	84,646	82,455	73,681	11.91%
Inner tube	91,660	89,105	79,246	12.44%
Other tires	14,594	14,647	14,239	2.87%

2. Operation:

Consolidated:

Unit: NT\$ 1000; %

Year Item	2024	2023	Percentage of increase (decrease)
Net operating revenue	96,247,057	96,201,313	0.05%
Operating costs	73,003,134	72,812,628	0.26%
Operating Expenses	13,232,119	13,030,879	1.54%
Operating Profit	10,011,804	10,357,806	-3.34%
Net income after tax	8,028,188	7,197,962	11.53%

Parent-company-only:

Unit: NT\$ 1000; %

Year Item	2024	2023	Percentage of increase (decrease)
Net operating revenue	16,781,196	17,446,799	-3.82%
Operating costs	12,053,337	12,259,953	-1.69%
Operating Expenses	3,166,066	3,117,712	1.55%
Operating (loss) profit	1,625,088	2,020,789	-19.58%
Net income after tax	8,017,116	7,182,382	11.62%

(II) Budget Execution Status

The actual operating amount of the Company in 2024 is NT\$96.2 billion, with a target achievement rate of 89%.

(III) Analysis of Financial Income and Expenditure and Profitability

Consolidated:

Unit: NT\$ 1000; %

Year			2024	2023	Percentage of increase (decrease)
Item					
Financial Income and Expenditure	Operating revenue		96,247,057	96,201,313	0.05%
	Gross profit		23,243,923	23,388,685	-0.62%
	Net income after tax		8,028,188	7,197,962	11.53%
Profitability analysis	Return on Assets (ROA) (%)		6.10	5.67	7.58%
	Return on Equity (ROE) (%)		9.10	8.45	7.69%
	Ratio of paid-in capital (%)	Operating Profit	30.89	31.95	-3.32%
		Net income before tax	33.14	32.41	2.25%
	Net Profit Margin (%)		8.34	7.48	11.50%
	Earnings per share (NT\$)		2.47	2.22	11.26%

Parent-company-only:

Unit: NT\$ 1000; %

Year			2024	2023	Percentage of increase (decrease)
Item					
Financial Income and Expenditure	Operating revenue		16,781,196	17,446,799	-3.82%
	Gross profit		4,727,859	5,186,846	-8.85%
	Net income after tax		8,017,116	7,182,382	11.62%
Profitability analysis	Return on Assets (ROA) (%)		6.84	6.36	7.55%
	Return on Equity (ROE) (%)		9.15	8.49	7.77%
	Ratio of paid-in capital (%)	Operating Profit	5.01	6.23	-19.58%
		Net income before tax	28.04	28.28	-0.85%
	Net Profit Margin (%)		47.77	41.17	16.03%
	Earnings per share (NT\$)		2.47	2.22	11.26%

(IV) Research and Development

- | | |
|---|---|
| <ul style="list-style-type: none"> ◎Grand Touring A/S Product Development for Passenger Cars ◎Ultra High Performance Summer Product Development for EV SUV ◎All-Season Product Development of OE for MPV Vehicle ◎Light Truck Product Development of OE for Electric Commercial Vehicle ◎Motorcycle Product Development of OE for ICE & BEV ◎BC New DH Construction Tire Development ◎MCR Sport Tire Product Development | <ul style="list-style-type: none"> ◎Racing Tire Product Development for Passenger Cars ◎Product Development for 4x4 Vehicles - All-Terrain & Rugged Terrain ◎New Product Development for Big Scooter ◎All-Season Product Development of OE for MPV Vehicle ◎Off-Road Product Development for Commercial Truck ◎RAZR XT Europe Development |
|---|---|

Responsible Person:

Chen, Yun-Hwa



General Manager:

Li Chin-Chang



Accounting Manager:

Yu, Ching-Tang



Report Items

Item No. 2

Proposal: The Company's 2024 Audit Committee's Review Report, submitted for review.

Explanation: The financial statements of the Company for the year 2024 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 8 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 2024 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, and an audit report has been issued. The Business Report, Financial Statements, and the proposed profit distribution have been reviewed by us, the Audit Committee of the Company. 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

2025 Annual General Shareholders' Meeting of
Cheng Shin Rubber Industry Co., Ltd.

Audit Committee Convener: Chu, Po-Young

Handwritten signature in black ink, reading '朱博湧' (Chu, Po-Young).

March 12, 2025

Report Items

Item No. 3

Proposal: Report on the Company's 2024 Distribution of Remunerations of Directors and Employees, 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 2024 with that in 2023, along with the consideration of the distribution status in 2023, it is proposed to distribute the 2024 remuneration of directors and employees.

II. In 2024, the profit was NT\$9,410,821,168, 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\$141,162,318; and appropriation of 2% of the profit as the remuneration of employees at an amount of NT\$188,216,423, and all of remunerations are to be distributed in cash.

III. There is no difference in the recognition of the remuneration of employees in 2023. However, the recognition of remuneration of directors in 2024 was of NT\$134,104,202, an increase of NT\$7,058,116, and such amount is to be recognized as the profit and loss adjustment for 2025.

Report Items

Item No. 4

Proposal: Report on the Company's 2024 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\$7,779,397,286 are distributed to shareholders, with a distribution of NT\$2.4 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

Item No. 5

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

Explanation: As of December 31, 2024, the balance of the Company's external endorsements and guarantees amounted to US \$254,501 thousand and Indian Rupees 2,600,000 thousand, equivalent to NT\$9,339,876 thousand (please see page 12 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, 2024

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	Long-term Loans	USD 10,000,000	CTBC Bank	2024.10.16	2029.11.13	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 20,000,000	Bank of America	2024.03.27	2025.03.27	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 15,000,000	Bank of America	2024.09.03	2025.09.03	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 31,000,000	CTBC Bank	2024.10.16	2025.04.30	
PT. Maxxis International Indonesia	Loan Guarantee	Short-term Loans	USD 30,700,000	Standard Chartered Bank	2024.10.31	2025.10.31	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 25,001,000	Cooperative Bank	2020.04.30	2027.05.25	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 16,000,000	Chang Hwa Commercial Bank	2022.06.24	2027.08.16	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Long-term Loans	USD 16,000,000	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	INR1,050,000,000	Standard Chartered Bank	2024.01.31	2025.01.31	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	USD 16,800,000	Bank of America	2024.08.17	2025.08.16	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	INR800,000,000	CTBC Bank	2024.09.15	2025.07.31	
Maxxis Rubber India Pvt. Ltd.	Loan Guarantee	Short-term Loans	INR750,000,000	HSBC Bank	2024.09.30	2025.08.31	

Ratification Items

Ratification Items

Item No. 1 Proposed by the Board of Directors

Proposal: Adoption of 2024 business report and financial statements, submitted for ratification.

Explanation: I. The business report and financial statements of the Company for the year 2024 have been prepared and approved by the Board of Directors, and 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 4-6, page 8 and pages 15-42 of the Handbook for details.)

II. Please ratify it.

Resolution:

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR24005232

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, 2024 and 2023, 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, 2024 and 2023, 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 generally accepted auditing standards in 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 2024 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 2024 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(32). For the detail of sales revenue, please refer to Note 6(22). For the year ended December 31, 2024, the sales revenue amounted to NT\$96,247,057 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 and the transfer of control to 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. 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(16). For the details of property, plant and equipment, please refer to Note 6(7). As at December 31, 2024, the unfinished construction and equipment under acceptance amounted to NT\$2,259,994 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\$18,264,123 thousand and NT\$13,151,533 thousand, constituting 12% and 9% of the consolidated total assets as of December 31, 2024 and 2023, respectively, and the total liabilities of NT\$6,115,594 thousand and NT\$2,183,742 thousand, constituting 11% and 4% of the consolidated total liabilities as of December 31, 2024 and 2023, respectively, and total operating revenues of NT\$15,970,983 thousand and NT\$14,340,257 thousand, constituting 17% and 15% 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, 2024 and 2023.

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.

Chou, Chien-Hung

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' 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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 26,609,220	18	\$ 23,575,591	16
1120	Financial assets at fair value through other comprehensive income - current	6(2)	33,345	-	22,895	-
1136	Financial assets at amortised cost - current	6(3) and 8	4,557,523	3	2,073,637	2
1150	Notes receivable, net	6(4) and 8	2,522,756	2	4,147,117	3
1170	Accounts receivable, net	6(4)	9,021,802	6	9,275,745	7
1180	Accounts receivable - related parties	7	43,484	-	66,401	-
130X	Inventories	6(5)	18,695,388	13	17,042,864	12
1410	Prepayments		1,008,705	1	732,017	-
1470	Other current assets		527,526	-	218,883	-
11XX	Current Assets		63,019,749	43	57,155,150	40
Non-current assets						
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	13,789,343	10	9,160,974	7
1550	Investments accounted for under equity method	6(6)	178,639	-	179,373	-
1600	Property, plant and equipment, net	6(7)	61,724,202	42	66,977,367	48
1755	Right-of-use assets	6(8)	4,604,945	3	4,625,540	3
1760	Investment property, net	6(9)	702,766	1	673,845	-
1840	Deferred income tax assets	6(28)	1,568,311	1	2,303,446	2
1900	Other non-current assets	6(10)	608,321	-	452,036	-
15XX	Non-current assets		83,234,714	57	84,430,768	60
1XXX	Total assets		\$ 146,254,463	100	\$ 141,585,918	100

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 3,467,624	2	\$ 3,011,371	2
2110	Short-term notes and bills payable	6(12)	-	-	300,000	-
2130	Current contract liabilities	6(22)	728,119	1	541,845	-
2150	Notes payable		90,160	-	150,408	-
2170	Accounts payable		7,552,862	5	7,182,403	5
2200	Other payables	6(13) and 8	4,082,321	3	4,262,273	3
2230	Current income tax liabilities	6(28)	753,117	1	1,819,876	2
2280	Current lease liabilities	7	162,135	-	143,772	-
2320	Long-term liabilities, current portion	6(15)(16)	7,948,269	5	1,822,121	2
2399	Other current liabilities, others	6(14)	652,862	-	545,873	-
21XX	Current Liabilities		25,437,469	17	19,779,942	14
Non-current liabilities						
2530	Corporate bonds payable	6(15)	4,000,000	3	8,000,000	5
2540	Long-term borrowings	6(16)	22,299,816	15	23,750,894	17
2550	Provisions for liabilities - non-current		213,181	-	198,167	-
2570	Deferred income tax liabilities	6(28)	1,790,095	1	1,408,891	1
2580	Non-current lease liabilities	7	165,326	-	245,944	-
2600	Other non-current liabilities	6(17)	1,972,231	2	2,207,015	2
25XX	Non-current liabilities		30,440,649	21	35,810,911	25
2XXX	Total Liabilities		55,878,118	38	55,590,853	39
Equity						
Equity attributable to owners of parent						
	Share capital	6(18)				
3110	Share capital - common stock		32,414,155	22	32,414,155	23
	Capital surplus	6(19)				
3200	Capital surplus		104,251	-	70,044	-
	Retained earnings	6(20)				
3310	Legal reserve		17,893,214	13	17,172,449	12
3320	Special reserve		6,921,572	5	5,870,977	5
3350	Unappropriated retained earnings		36,654,631	25	36,826,502	26
	Other equity interest	6(21)				
3400	Other equity interest		(4,182,315)	(3)	(6,921,572)	(5)
31XX	Equity attributable to owners of the parent		89,805,508	62	85,432,555	61
36XX	Non-controlling interest		570,837	-	562,510	-
3XXX	Total equity		90,376,345	62	85,995,065	61
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 146,254,463	100	\$ 141,585,918	100

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items		Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	\$ 96,247,057	100	\$ 96,201,313	100
5000	Operating costs	6(5)	(73,003,134)	(76)	(72,812,628)	(76)
5900	Net operating margin		23,243,923	24	23,388,685	24
	Operating expenses	7				
6100	Selling expenses		(5,936,689)	(6)	(5,735,566)	(6)
6200	General and administrative expenses		(3,602,308)	(4)	(3,478,091)	(4)
6300	Research and development expenses		(3,705,004)	(4)	(3,783,394)	(4)
6450	Expected credit gain (loss)	12(2)	11,882	-	(33,828)	-
6000	Total operating expenses		(13,232,119)	(14)	(13,030,879)	(14)
6900	Operating profit		10,011,804	10	10,357,806	10
	Non-operating income and expenses					
7100	Interest income	6(23)	1,087,906	1	791,273	1
7010	Other income	6(24)	915,140	1	700,248	-
7020	Other gains and losses	6(25)	(331,448)	-	(145,533)	-
7050	Finance costs	6(26) and 7	(941,717)	(1)	(1,186,931)	(1)
7060	Share of profit (loss) of associates	6(6)				
	and joint ventures accounted for					
	under equity method		946	-	(10,253)	-
7000	Total non-operating revenue and expenses		730,827	1	148,804	-
7900	Profit before income tax		10,742,631	11	10,506,610	10
7950	Income tax expense	6(28)	(2,714,443)	(3)	(3,308,648)	(3)
8200	Profit for the year		\$ 8,028,188	8	\$ 7,197,962	7

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(17)	\$ 77,355	-	\$ 31,580	-
8316	Unrealized gain on valuation of equity instruments at fair value through profit or loss	6(2)(21)	10,450	-	5,057	-
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(6)	3,320	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(15,471)	-	(6,316)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		75,654	-	30,321	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	3,430,982	4	(1,330,318)	(1)
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(21)(28)	(682,202)	(1)	263,913	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		2,748,780	3	(1,066,405)	(1)
8300	Other comprehensive income (loss) for the year		<u>\$ 2,824,434</u>	<u>3</u>	<u>(\$ 1,036,084)</u>	<u>(1)</u>
8500	Total comprehensive income for the year		<u>\$ 10,852,622</u>	<u>11</u>	<u>\$ 6,161,878</u>	<u>6</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 8,017,116	8	\$ 7,182,382	7
8620	Non-controlling interest		11,072	-	15,580	-
			<u>\$ 8,028,188</u>	<u>8</u>	<u>\$ 7,197,962</u>	<u>7</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 10,821,577	11	\$ 6,157,051	6
8720	Non-controlling interest		31,045	-	4,827	-
			<u>\$ 10,852,622</u>	<u>11</u>	<u>\$ 6,161,878</u>	<u>6</u>
	Basic earnings per share	6(29)				
9750	Basic earnings per share		<u>\$ 2.47</u>		<u>\$ 2.22</u>	
	Diluted earnings per share	6(29)				
9850	Diluted earnings per share		<u>\$ 2.47</u>		<u>\$ 2.21</u>	

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

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
		Capital surplus				Retained earnings			Other equity interest			
									Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income		
Notes	Share capital - common stock	Treasury stock transactions	Gain on sale of assets	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings			Total	Non-controlling interest	Total equity
Year ended December 31, 2023												
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 15,181	\$ 16,665,921	\$ 7,588,138	\$ 32,946,205	(\$ 5,880,150)	\$ 9,173	\$ 83,811,199	\$ 575,616	\$ 84,386,815
	-	-	-	-	-	-	7,182,382	-	-	7,182,382	15,580	7,197,962
6(21)	-	-	-	-	-	-	25,264	(1,055,652)	5,057	(1,025,331)	(10,753)	(1,036,084)
	-	-	-	-	-	-	7,207,646	(1,055,652)	5,057	6,157,051	4,827	6,161,878
Appropriation and distribution of 2022 earnings:												
	-	-	-	-	506,528	-	(506,528)	-	-	-	-	-
	-	-	-	-	-	(1,717,161)	1,717,161	-	-	-	-	-
6(20)	-	-	-	-	-	-	(4,537,982)	-	-	(4,537,982)	-	(4,537,982)
	-	-	-	-	-	-	-	-	-	-	(17,933)	(17,933)
	-	-	-	2,306	-	-	-	-	-	2,306	-	2,306
	-	-	-	(19)	-	-	-	-	-	(19)	-	(19)
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 17,468	\$ 17,172,449	\$ 5,870,977	\$ 36,826,502	(\$ 6,935,802)	\$ 14,230	\$ 85,432,555	\$ 562,510	\$ 85,995,065
Year ended December 31, 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	\$ 562,510	\$ 85,995,065
	-	-	-	-	-	-	8,017,116	-	-	8,017,116	11,072	8,028,188
6(21)	-	-	-	-	-	-	65,204	2,728,807	10,450	2,804,461	19,973	2,824,434
	-	-	-	-	-	-	8,082,320	2,728,807	10,450	10,821,577	31,045	10,852,622
Appropriation and distribution of 2023 earnings:												
	-	-	-	-	720,765	-	(720,765)	-	-	-	-	-
	-	-	-	-	-	1,050,595	(1,050,595)	-	-	-	-	-
6(20)	-	-	-	-	-	-	(6,482,831)	-	-	(6,482,831)	-	(6,482,831)
	-	-	-	-	-	-	-	-	-	-	(22,718)	(22,718)
	-	-	-	36,105	-	-	-	-	-	36,105	-	36,105
	-	-	-	(1,898)	-	-	-	-	-	(1,898)	-	(1,898)
	\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 51,675	\$ 17,893,214	\$ 6,921,572	\$ 36,654,631	(\$ 4,206,995)	\$ 24,680	\$ 89,805,508	\$ 570,837	\$ 90,376,345

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 10,742,631	\$ 10,506,610
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(27)	9,448,246	10,310,056
Depreciation on right-of-use assets	6(8)(27)	245,014	261,942
Depreciation on investment property	6(9)(27)	46,823	38,956
Amortization expense	6(10)(27)	75,843	88,920
Expected credit (gain) loss	12(2)	(11,882)	33,828
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(6)	(946)	10,253
Loss on disposal of property, plant and equipment	6(7)(25)	141,009	183,152
Interest expense	6(7)(26)	941,717	1,186,931
Interest income	6(23)	(1,087,906)	(791,273)
Deferred government grants revenue		(198,204)	(190,120)
Impairment loss on non-financial assets	6(7)(25)	6,752	-
Unrealized foreign exchange loss (gain) on foreign currency loans		19,790	(602,116)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		1,624,361	(710,970)
Accounts receivable		263,412	231,180
Accounts receivable - related parties		22,917	6,134
Inventories	(	( 1,074,381)	3,726,574
Prepayments	(	( 278,513)	184,781
Other current assets		58,375	120,733
Other non-current assets	(	( 176,339)	8,864
Changes in operating liabilities			
Contract liabilities - current		186,274	(12,477)
Notes payable	(	( 60,248)	(19,316)
Accounts payable		370,459	18,745
Other payables	(	( 100,128)	(536,492)
Other current liabilities		106,989	228,135
Accrued pension liabilities	(	( 15,052)	(7,097)
Other non-current liabilities	(	( 18,755)	16,353
Cash inflow generated from operations		21,278,258	24,292,286
Interest received		720,888	672,000
Dividends received		5,000	10,000
Interest paid	(	( 957,166)	(1,209,832)
Income tax paid	(	( 3,369,411)	(2,678,154)
Income tax refund received		16,994	123,998
Net cash flows from operating activities		17,694,563	21,210,298

(Continued)

CHENG SHIN RUBBER IND. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(\$ 8,804,059)	(\$ 8,386,789)
Proceeds from repayments of financial assets at amortised cost		2,082,601	907,422
Acquisition of property, plant and equipment	6(7)(30)	(2,684,858)	(3,164,535)
Payment for capitalized interests	6(7)(26)(30)	-	(2,714)
Proceeds from disposal of property, plant and equipment		130,867	137,327
Proceeds from disposal of right-of-use assets		10,763	-
Acquisition of intangible assets	6(10)	(51,484)	(50,891)
Decrease in refundable deposits		3,794	2,731
Decrease in other non-current liabilities		21,141	38,152
Net cash flows used in investing activities		(9,291,235)	(10,519,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(11)(31)	4,047,461	5,163,051
Decrease in short-term borrowings	6(11)(31)	(3,732,503)	(6,869,044)
Increase in short-term notes and bills payable	6(12)(31)	-	3,850,000
Decrease in short-term notes and bills payable	6(12)(31)	(300,000)	(5,050,000)
Repayments of corporate bonds	6(15)(31)	-	(2,500,000)
Proceeds in long-term borrowings	6(16)(31)	8,219,811	13,365,349
Repayments in long-term borrowings	6(16)(31)	(7,840,773)	(13,553,024)
Decrease in guarantee deposits received	6(31)	(651)	(7,570)
Repayments of principal portion of lease liabilities	6(8)(31)	(165,030)	(175,808)
Cash dividends paid	6(20)(31)	(6,482,831)	(4,537,982)
Cash dividends paid to non-controlling interests	6(31)	(22,718)	(17,933)
Capital surplus arising from donated assets		36,105	2,306
Dividends extinguished by prescription claimed by shareholders		(1,898)	(19)
Net cash flows used in financing activities		(6,243,027)	(10,330,674)
Effect of exchange rate changes on cash and cash equivalents		873,328	(125,977)
Net increase in cash and cash equivalents		3,033,629	234,350
Cash and cash equivalents at beginning of year	6(1)	23,575,591	23,341,241
Cash and cash equivalents at end of year	6(1)	<u>\$ 26,609,220</u>	<u>\$ 23,575,591</u>

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 24005333

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, 2024 and 2023, 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, 2024 and 2023, 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 2024 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 2024 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(32). For the details of sales revenue, please refer to Note 6(22). For the year ended December 31, 2024, the sales revenue amounted to NT\$ 16,781,196 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, 2024, the unfinished construction and equipment under acceptance amounted to NT\$ 1,262,275 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\$ 14,766,847 thousand and NT\$ 12,045,114 thousand, representing 12% and 10% of total assets as at December 31, 2024 and 2023, respectively; and the share of profit of subsidiaries, associates and joint ventures accounted for using equity method were NT\$ 1,087,509 thousand and NT\$ 1,365,944 thousand, representing 10% and 22% 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.

Wang, Yu-Chuan

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	4,477,468	3	\$	5,399,125	5
1120	Financial assets at fair value through	6(2)						
	other comprehensive income - current			33,345	-		22,895	-
1136	Financial assets at amortised cost -	6(3)						
	current			-	-		922,433	1
1150	Notes receivable, net	6(4)		15,944	-		12,960	-
1170	Accounts receivable, net	6(4)		1,024,971	1		843,980	1
1180	Accounts receivable - related parties	7		1,410,236	1		1,931,208	2
1200	Other receivables			31,788	-		37,049	-
1210	Other receivables - related parties	7		1,992,434	2		1,727,356	1
130X	Inventories	6(5)		2,016,090	2		1,674,375	1
1410	Prepayments			126,217	-		115,623	-
1470	Other current assets			18,945	-		18,947	-
11XX	Current Assets			11,147,438	9		12,705,951	11
Non-current assets								
1517	Financial assets at fair value through	6(2)						
	other comprehensive income - non-							
	current			58,187	-		58,187	-
1550	Investments accounted for using the	6(6)						
	equity method			98,728,051	79		89,549,421	76
1600	Property, plant and equipment, net	6(7)		13,672,406	11		14,473,837	12
1755	Right-of-use assets	6(8)		82,397	-		37,332	-
1760	Investment property, net	6(9)		287,246	-		287,791	-
1780	Intangible assets	6(10)		26,553	-		29,706	-
1840	Deferred income tax assets	6(28)		799,137	1		1,540,568	1
1900	Other non-current assets			4,119	-		24,902	-
15XX	Non-current assets			113,658,096	91		106,001,744	89
1XXX	Total assets		\$	124,805,534	100	\$	118,707,695	100

(Continued)

CHENG SHIN RUBBER IND. CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			Notes	December 31, 2024		December 31, 2023				
				AMOUNT	%	AMOUNT	%			
Current liabilities										
2100	Short-term borrowings	6(11)	\$	-	-	\$	600,000	1		
2110	Short-term notes and bills payable	6(12)		-	-		300,000	-		
2130	Current contract liabilities	6(22)		81,937	-		90,757	-		
2150	Notes payable			-	-		20,000	-		
2170	Accounts payable			985,416	1		1,059,299	1		
2180	Accounts payable - related parties	7		25,406	-		36,868	-		
2200	Other payables	6(13) and 7		1,638,179	1		1,685,600	2		
2230	Current income tax liabilities	6(28)		475,824	1		1,367,939	1		
2280	Current lease liabilities	7		32,624	-		19,308	-		
2320	Long-term liabilities, current portion	6(15)(16)		7,840,000	6		1,500,000	1		
2399	Other current liabilities, others	6(14)		88,706	-		62,173	-		
21XX	Current Liabilities			11,168,092	9		6,741,944	6		
Non-current liabilities										
2530	Corporate bonds payable	6(15)		4,000,000	3		8,000,000	7		
2540	Long-term borrowings	6(16)		17,910,000	15		16,550,000	14		
2570	Deferred income tax liabilities	6(28)		1,659,389	1		1,305,100	1		
2580	Non-current lease liabilities	7		50,467	-		18,296	-		
2600	Other non-current liabilities	6(6)(17)		212,078	-		659,800	-		
25XX	Non-current liabilities			23,831,934	19		26,533,196	22		
2XXX	Total liabilities			35,000,026	28		33,275,140	28		
Equity										
Share capital										
3110	Shares capital - common stock	6(18)		32,414,155	26		32,414,155	27		
Capital surplus										
3200	Capital surplus	6(19)		104,251	-		70,044	-		
Retained earnings										
		6(20)								
3310	Legal reserve			17,893,214	14		17,172,449	15		
3320	Special reserve			6,921,572	6		5,870,977	5		
3350	Unappropriated retained earnings			36,654,631	29		36,826,502	31		
Other equity interest										
		6(21)								
3400	Other equity interest		(4,182,315)	(3)	(6,921,572)	(6)
3XXX	Total equity			89,805,508	72		85,432,555	72		
Significant contingent liabilities and unrecognised contract commitments										
3X2X	Total liabilities and equity		\$	124,805,534	100	\$	118,707,695	100		

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
Items						
4000	Sales revenue	6(22) and 7	\$ 16,781,196	100	\$ 17,446,799	100
5000	Operating costs	6(5)	(12,053,337)	(72)	(12,259,953)	(70)
5900	Net operating margin		4,727,859	28	5,186,846	30
5910	Unrealized loss (profit) from sales		63,295	1	(48,345)	(1)
5950	Gross profit from operation		4,791,154	29	5,138,501	29
	Operating expenses					
6100	Selling expenses		(1,449,178)	(9)	(1,428,992)	(8)
6200	General and administrative expenses		(942,884)	(6)	(975,723)	(6)
6300	Research and development expenses		(774,004)	(4)	(722,274)	(4)
6450	Expected credit gain	12(2)	-	-	9,277	-
6000	Total operating expenses		(3,166,066)	(19)	(3,117,712)	(18)
6900	Operating profit		1,625,088	10	2,020,789	11
	Non-operating income and losses					
7100	Interest income	6(23) and 7	156,963	1	249,648	2
7010	Other income	6(24) and 7	1,123,656	6	1,096,190	6
7020	Other gains and losses	6(25)	374,996	2	(4,114)	-
7050	Finance costs	6(26)	(385,831)	(2)	(349,967)	(2)
7070	Share of profit of associates and joint ventures accounted for using equity method		6,193,628	37	6,152,589	35
7000	Total non-operating income and losses		7,463,412	44	7,144,346	41
7900	Profit before income tax		9,088,500	54	9,165,135	52
7950	Income tax expense	6(28)	(1,071,384)	(6)	(1,982,753)	(11)
8200	Profit for the year		\$ 8,017,116	48	\$ 7,182,382	41

(Continued)

CHENG SHIN RUBBER IND. CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(17)	\$ 77,355	-	\$ 31,580	-
8316	Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	6(2)	10,450	-	5,057	-
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)	3,320	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(15,471)	-	(6,316)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		75,654	-	30,321	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(21)	3,411,009	20	(1,319,565)	(8)
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(21)(28)	(682,202)	(4)	263,913	2
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		2,728,807	16	(1,055,652)	(6)
8300	Other comprehensive (loss) income for the year		<u>\$ 2,804,461</u>	<u>16</u>	<u>(\$ 1,025,331)</u>	<u>(6)</u>
8500	Total comprehensive income for the year		<u>\$ 10,821,577</u>	<u>64</u>	<u>\$ 6,157,051</u>	<u>35</u>
9750	Basic earnings per share	6(29)	<u>\$ 2.47</u>		<u>\$ 2.22</u>	
9850	Diluted earnings per share	6(29)	\$ 2.47		\$ 2.21	

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Capital surplus				Retained earnings			Other equity interest		
									Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income	
	Notes	Share capital - common stock	Treasury stock transactions	Gain on sale of assets	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings			Total equity
Year ended December 31, 2023											
Balance at January 1, 2023		\$ 32,414,155	\$ 9,772	\$ 42,804	\$ 15,181	\$ 16,665,921	\$ 7,588,138	\$ 32,946,205	(\$ 5,880,150)	\$ 9,173	\$ 83,811,199
Profit for the year		-	-	-	-	-	-	7,182,382	-	-	7,182,382
Other comprehensive income (loss) for the year	6(21)	-	-	-	-	-	-	25,264	(1,055,652)	5,057	(1,025,331)
Total comprehensive income (loss)		-	-	-	-	-	-	7,207,646	(1,055,652)	5,057	6,157,051
Appropriation and distribution of 2022 earnings:											
Legal reserve		-	-	-	-	506,528	-	(506,528)	-	-	-
Reversal of special reserve		-	-	-	-	-	(1,717,161)	1,717,161	-	-	-
Cash dividends	6(20)	-	-	-	-	-	-	(4,537,982)	-	-	(4,537,982)
Capital surplus arising from donated assets		-	-	-	2,306	-	-	-	-	-	2,306
Dividends extinguished by prescription claimed by shareholders		-	-	-	(19)	-	-	-	-	-	(19)
Balance at December 31, 2023		\$ 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
Year ended December 31, 2024											
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(21)	-	-	-	-	-	-	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(20)	-	-	-	-	-	-	(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

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 9,088,500	\$ 9,165,135
Adjustments			
Adjustments to reconcile profit (loss)			
Unrealised (gain) loss on inter-company transaction		(75,491)	45,916
Depreciation	6(7)(27)	1,288,853	1,364,668
Depreciation expense on right-of-use assets	6(8)(27)	36,320	38,180
Depreciation on investment property	6(9)(27)	545	545
Amortisation expense	6(10)(27)	34,309	37,114
Expected credit gain		-	(9,277)
Gain on disposal of property, plant and equipment	6(7)(25)	(25,228)	(39,324)
Share of profit of associates and joint ventures accounted for using equity method		6,193,628	6,152,589
Interest income	6(23)	(156,963)	(249,648)
Dividends received		(324)	(310)
Interest expense	6(26)	385,831	349,967
Effect of exchange rate changes on cash and cash equivalents		(162,452)	4,224
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(2,984)	25,648
Accounts receivable		(180,991)	159,842
Accounts receivable - related parties		520,972	74,175
Inventories		(322,096)	664,328
Other current assets		123,175	100,900
Changes in operating liabilities			
Contract liabilities - current		(8,820)	(17,433)
Notes payable		(20,000)	-
Accounts payable		(73,883)	(36,379)
Accounts payable - related parties		(11,462)	11,368
Other payables		(8,202)	171,047
Accrued pension liabilities		(33,019)	(230)
Other current liabilities		26,533	5,019
Cash inflow generated from operations		4,229,495	5,712,886
Interest received		16,240	232,234
Dividends received		1,437,124	3,856,711
Interest paid		(385,498)	(354,408)
Income tax paid		(1,565,452)	(1,320,458)
Net cash flows from operating activities		3,731,909	8,126,965

(Continued)

CHENG SHIN RUBBER IND. CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		\$ -	(\$ 922,433)
Proceeds from repayments of financial assets at amortised cost		922,433	-
Other receivables - related parties		(268,332)	(1,427,471)
Acquisition of investments accounted for using equity method		(1,288,066)	(3,142,831)
Acquisition of property, plant and equipment	6(7)	(560,843)	(916,452)
Proceeds from disposal of property, plant and equipment		74,360	90,083
Acquisition of intangible assets	6(10)	(31,156)	(29,583)
Increase (decrease) in refundable deposits		20,783	(1,357)
Net cash flows used in investing activities		(1,130,821)	(6,350,044)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(11)(31)	(600,000)	1,300,000
Decrease in short-term borrowings	6(11)(31)	-	(1,100,000)
Increase in short-term notes and bills payable	6(12)(31)	-	3,850,000
Decrease in short-term notes and bills payable	6(12)(31)	(300,000)	(5,050,000)
Repayments of corporate bonds	6(15)(31)	-	(2,500,000)
Proceeds from long-term borrowings	6(16)(31)	7,900,000	9,850,000
Repayments of long-term borrowings	6(16)(31)	(4,200,000)	(4,500,000)
Decrease in guarantee deposits received	6(31)	(676)	(1,252)
Repayments of principal portion of lease liabilities	6(8)(31)	(35,897)	(38,403)
Cash dividends paid	6(20)(31)	(6,482,831)	(4,537,982)
Capital surplus arising from donated assets		36,105	2,306
Dividends extinguished by prescription claimed by shareholders		(1,898)	(19)
Net cash flows used in financing activities		(3,685,197)	(2,725,350)
Effect of exchange rate changes on cash and cash equivalents		162,452	(4,224)
Net decrease in cash and cash equivalents		(921,657)	(952,653)
Cash and cash equivalents at beginning of year	6(1)	5,399,125	6,351,778
Cash and cash equivalents at end of year	6(1)	\$ 4,477,468	\$ 5,399,125

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

Ratification Items

Item No. 2 Proposed by the Board of Directors

Proposal: Adoption of 2024 earnings distribution proposal, submitted for ratification.

Explanation: I. The 2024 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 general shareholders' meeting.

II. After the 2024 after-tax earnings of the Company is recognized as legal reserve according to laws, the earnings are combined with the accumulated undistributed earnings of last year; therefore, the distributable earnings of the current period is NT\$38,585,657,164. In accordance with the provisions of the Company's Articles of Incorporation, it is proposed to distribute shareholders' dividends of NT\$7,779,397,286, i.e. cash dividends of NT\$2.4 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 (2024). In case of insufficient, the undistributed earnings of the previous year shall be used for distribution. The accumulated undistributed earnings after distribution shall be NT\$30,806,259,878. (Please refer to the Earnings Distribution Table on Page 44 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

2024

Unit: NT\$

Beginning Balance of Retained Earnings	\$28,572,312,421
The re-measurement of the benefit plan determined and recognized as retained earnings	65,203,567
Undistributed Earnings at the End of the Period	28,637,515,988
Net income after tax of 2024	8,017,116,050
Allocation of the legal reserve	(808,231,962)
Revert to the special earnings reserve in accordance with the law	2,739,257,088
Earnings available for distribution	38,585,657,164
Distribution items:	
Cash dividends NT\$2.4 per share	(7,779,397,286)
End of Period Appropriation	\$30,806,259,878

Responsible Person:

Chen, Yun-Hwa



General Manager:

Li Chin-Chang



Accounting Manager:

Yu, Ching-Tang



Discussion Items

Discussion Items

Item No. 1 Proposed by the Board of Directors

Proposal: Discussion of the Amendment to Articles of Incorporation for voting.

Explanation: I. According to the Presidential Order Hua-Tsung-I-Yi-Zi No. 11300069631 dated August 7, 2024 for the amendment of Article 14 of the Securities and Exchange Act, Article 4 the "Directions for Compliance with the Establishment and Exercise of Powers by the Board of Directors of TWSE Listed Companies" and the Company's business needs, relevant provisions of the Company's Articles of Incorporation are proposed to be amended. Please refer to the Comparison Table of the Amendments on pages 47-48 of this Handbook for details.

II. This Articles of Incorporation has been reviewed and approved by the Audit Committee and submitted to the Board of Directors for approval. It will be implemented after being submitted to the Shareholders' Meeting in accordance with the law. Please resolve.

Resolution:

Cheng Shin Rubber Industry Co., Ltd.
Comparison Table for Amendments of "Articles of Incorporation"

Provisions	Amended Provisions	Current Provisions	Commentary
Article 2	<p>The scope of business of the Company shall be as follows:</p> <p>I. C801990 Other Chemical Materials Manufacturing</p> <p>II. C802160 Adhesive Tapes Manufacturing</p> <p>III. C804010 Tyres Manufacturing</p> <p>IV. C804020 Industrial Rubber Products Manufacturing</p> <p>V. C804990 Other Rubber Products Manufacturing</p> <p>VI. CB01010 Mechanical Equipment Manufacturing</p> <p><u>VII. D101011 Electric Power Generation</u></p> <p><u>VIII. F112040 Wholesale of Petroleum Products</u></p> <p><u>IX. F212050 Retail Sale of Petroleum Products</u></p> <p><u>X. F401010 International Trade</u></p> <p><u>XI. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	<p>The scope of business of the Company shall be as follows:</p> <p>I. C801990 Other Chemical Materials Manufacturing</p> <p>II. C802160 Adhesive Tapes Manufacturing</p> <p>III. C804010 Tyres Manufacturing</p> <p>IV. C804020 Industrial Rubber Products Manufacturing</p> <p>V. C804990 Other Rubber Products Manufacturing</p> <p>VI. CB01010 Mechanical Equipment Manufacturing</p> <p>VII. F112040 Wholesale of Petroleum Products</p> <p>VIII. F212050 Retail Sale of Petroleum Products</p> <p>IX. F401010 International Trade</p> <p>X. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	Amended for business needs.
Article 17:	<p>The Company shall have 9-13 directors, and the 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.</p> <p>The election of Independent Directors and non-Independent Directors shall be held concurrently, provided that the number of Independent Directors and</p>	<p>The Company shall have 9-13 directors, and the 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-fifth 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.</p> <p>The election of Independent Directors and non-Independent Directors shall be held concurrently, provided that the</p>	Amendment is made in accordance with Article 4 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".

	<p>non-Independent Directors elected are calculated separately.</p> <p>The total shareholding ratio of all directors shall be in accordance with the regulations of the securities regulatory authority.</p>	<p>number of Independent Directors and non-Independent Directors elected are calculated separately.</p> <p>The total shareholding ratio of all directors shall be in accordance with the regulations of the securities regulatory authority.</p>	
Article 34-1	<p>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 (<u>no less than 30% of the remuneration of employees described in this paragraph shall be appropriated as the remuneration of entry-level employees</u>), 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.</p> <p>(Remaining text omitted)</p>	<p>To the extent that the Company has profit in the year, the Company shall set aside at least 2% of such profit as employee dividends and no more than 3% of such profit as director dividends, provided that the Company shall first offset the cumulative losses, if any.</p> <p>(Remaining text omitted)</p>	<p>Amendment is made according to the Presidential Order Jin-Guan-Zheng-Fa-Zi No. 11300069631 Letter dated August 7, 2024.</p>
Article 37:	<p>These Articles of Incorporation was established on December 15, 1969. The 1st amendment was made on June 25, 1971,...(omitted)...</p> <p>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. <u>The 54th amendment was made on May 26, 2025.</u></p>	<p>These Articles of Incorporation was established on December 15, 1969. The 1st amendment was made on June 25, 1971,...(omitted)...</p> <p>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.</p>	<p>Amended to include the last amendment date of the Articles of Incorporation</p>

Extraordinary Motions

Adjournment

Cheng Shin Rubber Industry Co., Ltd.

Articles of Incorporation (Before Amendments)

Chapter 1 General Provisions

- 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:
1. C801990 Other Chemical Material Manufacturing
 2. C802160 Adhesive Tape Manufacturing
 3. C804010 Tire Manufacturing
 4. C804020 Industrial Rubber Products Manufacturing
 5. C804990 Other Rubber Products Manufacturing
 6. CB01010 Machinery and Equipment Manufacturing
 7. F112040 Petroleum Products Wholesale Industry
 8. F212050 Petroleum Products Retail Industry
 9. F401010 International Trade
 10. 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 2 Shares

- 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 3 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's shareholders' meetings can be held by means of video conferencing network or other methods as promulgated 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. The proxy process is governed by Article 177 of the Company Act and 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. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the chairperson of the meetings shall be appointed pursuant to Article 208 of the Company Act. If the meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there are more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.
- 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 4 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-fifth 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. The minutes shall be properly kept indefinitely as important records by 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 5 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 6 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 7 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: To the extent that the Company has profit in the year, the Company shall set aside at least 2% of such profit as employees' remuneration and no more than 3% of such profit as directors' remuneration, provided that the Company shall first offset the cumulative losses, if any.

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 8 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 20, 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.

Cheng Shin Rubber Industry Co., Ltd.



Chairman: Chen, Jung-Hua



Appendix 2

Rules and Procedures of Shareholders' Meeting of Cheng Shin Rubber Industry Co., Ltd.

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. Before 15 days before the date of the shareholders' meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated place.

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 unless a declaration is made to cancel the previous proxy appointment, unless 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 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 to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of 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, except when 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 (include summary of volts), once if the election for directors, the number of votes for each candidate should be disclosed and shall be retained for the duration of the existence of the Company. The meeting minutes shall be retained for the duration of the existence of the Company.

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 an 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

Other Explanatory Matters

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 21, 2025 to March 31, 2025, and relevant information has been announced on MOPS according to laws.
- III. As of March 31, 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, 2025

Job Title	Name	Number of Shares Held	Held percentage (%)
Chairman	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: Lee, 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.