



CHENG SHIN RUBBER IND. CO., LTD.

Stock Code:2105

Annual Report 2024



Published February 28, 2025

Company Website: <https://www.cst.com.tw/>

Taiwan Stock Exchange Market Observation Post System:
<https://mopsplus.twse.com.tw/mops/#/web/home>

(I) Company Spokesman and Acting Spokesperson

Spokesman

Name: Lo, Yung-Li

Title: Vice President, Finance Department

Tel: (04)8525151-60

E-mail: yllo@tw.maxxis.com

Deputy Spokesman

Name: Liao, Cheng-Yao

Title: Vice President, Domestic Sales Department

Tel: (04)8525151-60

e-mail: cyliao@tw.maxxis.com

(II) Address and Telephone of Headquarters, Branches, and Plants:

<u>Company Name</u>	<u>Address</u>	<u>Telephone</u>
Headquarters	No. 215, Meigang Rd., Huangcuo Vil., Dacun Township, Changhua County, Taiwan (R.O.C.)	(04) 8525151- 60
Plant II	No.199, Sec. 1, Zhongshan Rd., Dacun Township, Changhua County 51545, Taiwan (R.O.C.)	(04) 8520133
Plant III	No.146, Sec. 2, Zhongshan Rd., Dacun Township, Changhua County 51542, Taiwan (R.O.C.)	(04) 8524146
Zhongzhuang Plant	No.38, Sec. 1, Zhongshan Rd., Huatan Township, Changhua County 50343, Taiwan (R.O.C.)	(04) 7863779
Xizhou Plant	No.602, Sec. 2, Zhongshan Rd., Xizhou Township, Changhua County 52445, Taiwan (R.O.C.)	(04) 8893211- 2
Douliu Plant	No.1, Kejia 2nd Rd., Douliu City, Yunlin County 64057, Taiwan (R.O.C.)	(05) 5529100
Taipei Office	No. 50, Section 1, Xinsheng South Road, Taipei City (8F, Taipei World Trade Center)	(02) 23937451- 5

(III) Stock Transfer Handling Agency

Name: Stock Transfer Agency Unit, Yuanta Securities Co., Ltd.

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

Tel: (02)2586-5859

Website: <https://www.yuanta.com.tw>

(IV) Contact Information of the CPAs for the Latest Financial Statements

Name of the CPA Firm: PricewaterhouseCoopers, Taiwan

Name(s) of CPA(s): Chou, Chien-Hung; Wang, Yu-Chuan

Address: 27th Floor, No. 333, Keelung Road, Sec. 1, Songshan District, Taipei City

Tel: (02)2729-6666

Website: <https://www.pwc.tw>

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

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

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One Letter to Shareholders

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.

I. 2024 Business Report

(I) Results of Operations based on our Business Plan

1. Production and Sales:

Unit: Thousand tires; %

Core Products \ Year	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; %

Item \ Year	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; %

Item \ Year	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 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; %

Item \ Year			2024	2023	Percentage of increase (decrease)
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 (EPS) (NT\$)		2.47	2.22	11.26%

Parent-company-only:

Unit: NT\$ 1000; %

Item \ Year			2024	2023	Percentage of increase (decrease)
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 (EPS) (NT\$)		2.47	2.22	11.26%

(IV) Research and Development

Grand Touring A/S Product Development for Passenger Cars	Product Development for 4x4 Vehicles - All-Terrain & Rugged Terrain
Ultra High Performance Summer Product Development for EV SUV	Light Truck Product Development of OE for Electric Commercial Vehicle
Racing Tire Product Development for Passenger Cars	All-Season Product Development of OE for MPV Vehicle
All-Season Product Development of OE for MPV Vehicle	New Product Development for Big Scooter
Motorcycle Product Development of OE for ICE & BEV	MCR sports tire product development
BC New DH Construction Tire Development	RAZR XT Europe Development
Off-Road Product Development for Commercial Truck	

II. Summary of 2025 Business Plan

(I) Operating Policy

Promote upright new culture, uphold integrity and innovation, adherence to integrity, uphold 100% quality, 100% service, 100% trust, and implement wording, writing, and action to be consistent, and enhance compliance. Fulfill our ESG commitment - strengthen customer relationship management, provide products that customers demand, and improve customer satisfaction. With the goal of corporate sustainability as the goal, continue to strengthen the management of the environment, safety, health, and energy. forge the growth engine of the Company in a systemic manner to achieve the operating objectives.

- ◎ Profit-oriented, refined product portfolio to increase turnover and profit
- ◎ Implement daily management and improve compliance to meet the three spirits of 100%
- ◎ Adhere to the commitment of safety first, and comply with the sustainable development policy

(II) Sales Volume Forecast and Basis

The sales forecast of the Company for 2025 is as follows:

Consolidated:

Unit: Thousand tires

Item \ Year	Estimated volume for 2025
	Quantity of Sale
Radial cover - car	28,869
Radial cover - truck	3,666
Motorcycle cover	88,943
Bicycle cover	51,775
Inner tube	78,735
Other tires	17,413
Total	269,401

Parent-company-only:

Unit: Thousand tires

Item \ Year	Estimated volume for 2025
	Quantity of Sale
Radial cover - car	4,010
Radial cover - truck	219
Motorcycle cover	4,098
Bicycle cover	4,913
Inner tube	484
Other tires	3,645
Total	17,369

Based on the assessment result announced at the sales meeting (February 6, 2025) of the Company.

(III) Key Production and Distribution Policy

The Company's claim is "customer satisfaction and quality first," and its production focuses on daily management, improving operating procedures and compliance with operating standards, and ensuring consistent implementation of execution, writing and action. In terms of sales, the Company will strive to develop new markets and optimize existing channels by promoting the new products, strengthening customer relationship management, providing customers with the products they need, and improving customer satisfaction to achieve sales and profit growth.

III. Future Development Strategy of the Company

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

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

IV. Impacts from External Competition and Overall Operating Environment

In 2025, the changes in the geopolitical situation will drive raw materials, supply chain and trade deployment. Given the low growth, high debt, and parallel positions, the influence of the "US First" policy of the new US President, Trump, will exceed the US and reshape the global economic and trade dynamics. The Russo-Ukrainian War has prolonged the time to inflation, and even caused deflation. This is the possibility of stagnation in economic growth and severe inflation. Both are challenges that will require close attention in the next few years.

To deal with such challenges, Cheng Shin partnered with suppliers and customers to form mutually-beneficial strategies based on past partnership experiences, thereby enhancing the scale and sales volume of our Group in spite

of adversities. Cheng Shin has been closely monitoring the fluctuations in market supply and demand and keeping in touch with each regional distributor for the latest market information to timely announce the price adjustment. At the same time, Cheng Shin also continued the process of integrating new and previous products and replacing the product portfolio with products of high-added value to adapt to the ever-increasing market needs and the ever-changing severe challenges we face at the current time.

Facing the operational environment in 2025 and the next three to five years, we envisage even more drastic changes, therefore we must promptly strengthen our ability to adapt, our core capabilities, and our competitiveness. Only by possessing world-class capabilities and competitiveness will we be able to adapt to the complicated and highly changeable market from now on. Therefore, in the future, we will take advantage of our capabilities in technology, sales and distribution, manufacturing, and management to build our core operations, achieve “Glocalization”, and enhance the regional sales and technical support so that the global headquarters can work closely with different regions and utilize local manufacturing to strengthen ties.

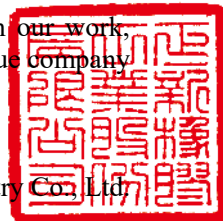
V. Impacts from Legal and Regulatory Environment

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

Increasingly rigorous environmental regulations and standards, including Air Pollution Control Act and water pollution charges and more, will lead to additional business operating costs. While focusing on our core business value and developing new products, we also dedicate our efforts to environmental protection and research of green products. Our products have obtained the certifications required by the European Union and our customers and complied with the Restriction of Hazardous Substances Directive (RoHS) to ensure that our products would not cause lasting damage to the environment. We have also made great strides in our product development with increasing technical cooperation with multiple raw material suppliers, including Degussa and ExxonMobil. With the evolving of times and technology, we have included "durability and fuel efficiency", "safety and comfort" and "low rolling resistance" as the main features of our products to reduce carbon emissions from vehicles.

Finally, we are implementing the core culture of "100% quality, 100% service, 100% trust" in our work, adhering to a people-centered approach, upholding respect and care, on top of a grateful heart, we pursue company growth while implementing the ESG spirit of "sustainable corporate Policies".

Cheng Shin Rubber Industry Co., Ltd.



Chairman Chen, Yun-Hwa



Two Corporate Governance Report

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

(I) Information of Directors

1.1. Information of Directors (I)

February 28, 2025

Job Title and Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Chairman Representative of Jiu Shun Investment Corporation: Chen, Yun-Hwa	-	Taipei City	2023.05.31 <2017.06.15>	3	13,391,000	0.41%	13,391,000	0.41%	0	0%	0	0%	N/A	N/A		N/A		
	Male 74	ROC	2023.05.31 <2023.05.31>		120,570,531	3.72%	179,358,531	5.53%	21,280,443	0.65%	13,391,000	0.41%	Honorary Doctor of Management, National Yunlin University of Science and Technology	Chairman of Maxxis Trading Company Limited	Director	Chen, Hsiu-Lo, Tsai-Jen	Second degree of kinship	
Vice Chairman Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-len	-	Changhua County	2023.05.31 <2023.05.31>	3	324,430,630	10.01%	324,430,630	10.01%	0	0%	0	0%	N/A	N/A		N/A		
	Male 71	ROC	2023.05.31 <2023.05.31>		91,662,430	2.83%	91,662,430	2.83%	27,629,793	0.85%	0	0%	Department of Marketing and Materials Management, Newark College of Engineering	Chairman of Cheng Shin Rubber (China) Co., Ltd.	Directors	Chen, Yun-Hwa, Hsiu-Hsiung, Lo, Yuan-Long	Second degree of kinship	
Director Hsieh Shuen Investment Co., Ltd. Representative: Chen, Hsiu-Hsiung	-	Taipei City	2023.05.31 <2017.06.15>	3	15,580,000	0.48%	15,580,000	0.48%	0	0%	0	0%	N/A	N/A		N/A		
	Male 84	ROC	2023.05.31 <2023.05.31>		67,819,456	2.09%	67,564,456	2.08%	62,945,516	1.94%	31,280,000	0.97%	College of Chemical Industry, Shizuoka University	President of the Company and Chairman of Xiamen Cheng Shin	Director	Chen, Yun-Hwa, Lo, Tsai-Jen, Chen, Han-Chi	Second degree of kinship	
Director Tseng, Shung-Chu	Male 67	ROC	2023.05.31 <2023.05.31>	3	21,993,000	0.68%	21,893,000	0.68%	0	0%	0	0%	13th Entrepreneurship Program Class, Graduate Institute of Business Administration (GIBA), National Chengchi University (NCCU)	Chairman of Merida Industry Co., Ltd.	None	None	None	

Job Title and Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Director Hong Jing Investment Corporation Representative: Lee, Chin-Chang	-	Changhua County	2023.05.31 <2017.06.15>	3	33,331,000	1.03%	33,331,000	1.03%	0	0%	0	0%	N/A	N/A		N/A		
	Male 64	ROC	2023.05.31 <2020.06.16>		24,874	0%	24,874	0%	5,725	0%	0	0%	Master of International Business Management Institute of Dayeh University	The Company President	None	None	None	
Director Jye Luo Memory Co., Ltd. Representative: Lo, Yuan-Long	-	Changhua County	2023.05.31 <2023.05.31>	3	324,430,630	10.01%	324,430,630	10.01%	0	0%	0	0%	N/A	N/A		N/A		
	Male 38	ROC	2023.05.31 <2023.05.31>		61,064,766	1.88%	61,064,766	1.88%	203,000	0%	0	0%	PhD in Physics, University of Washington	Assistant Vice President of the Company	Directors	Lo, Tsai-Jen	First degree of kinship	
Director Min Hsing Investment Co., Ltd. Representative: Chen, Han-Chi	-	Taipei City	2023.05.31 <2017.06.15>	3	6,425,000	0.20%	6,425,000	0.20%	0	0%	0	0%	N/A	N/A		N/A		
	Female 53	ROC	2023.05.31 <2017.06.15>		5,244,806	0.16%	4,947,806	0.15%	15,000	0%	0	0%	Master of Accounting Science, University of Illinois at Urbana-Champaign	None	Directors	Chen, Hsiu-Hsiung	First degree of kinship	
Director Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao	-	Taipei City	2023.05.31 <2017.06.15>	3	13,391,000	0.41%	13,391,000	0.41%	0	0%	0	0%	N/A	N/A		N/A		
	Male 76	ROC	2023.05.31 <2020.06.16>		0	0%	0	0%	0	0%	0	0%	Department of Public Finance, Feng Chia University	Consultant of the Company	None	None	None	
Independent Director Wu, Chung-Shu	Male 66	ROC	2023.05.31 <2023.05.31>	3	0	0%	0	0%	0	0%	0	0%	Ph.D. in Economics, Northwestern University, U.S.A.	1. Independent Director of Phihong Technology Co., Ltd. 2. Independent Director of Far Eastern New Century Corporation	None	None	None	

Job Title and Name	Gender and Age	Nationality/Place of Registration	Date Elected (Assumed Position) <Initial Election Date>	Tenure (Years)	Number of Shares Held at the Time of Election		Current Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Main Experience (Education)	Current Posts in Cheng Shin and Other Companies	Executives, Directors, or Supervisors who are spouses or within the second degree of kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Independent Director Chu, Po-Young	Male 69	ROC	2023.05.31 <2023.05.31>	3	0	0%	0	0%	0	0%	0	0%	Ph.D. In Business Administration, Purdue University, U.S.A.	1. Independent Director of E Ink Holdings Corp. 2. Independent Director of Polytronics Technology Corp. 3. Independent Director of Hsin Kuang Steel Co., Ltd.. 4. Director of Union Winner International Co., Ltd.. 5. Chairman of Zhong Tai Sunlight Technology Corp. 6. Chairman of Amitos Inc 7. Adjunct Professor of Department of Management Science and EMBA Program, National Chiao-Tung University	None	None	None	
Independent Director Chen, Shuei-Jin	Male 56	ROC	2023.05.31 <2017.06.16>	3	0	0%	0	0%	0	0%	0	0%	Master of Business Administration, National Chung Cheng University	1. Independent Director and Remuneration Committee Member of Merida Industry Co. Ltd. 2. Independent Director and Remuneration Committee Member of San Neng Group Holdings Co. Ltd. 3. Independent Director and Remuneration Committee of Acelon Chemicals & Fiber Corporation. 4. Supervisor of Linco Technology Co., Ltd. 5. Director of TAIWAN PAIHO LIMITED	None	None	None	

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

Table 1. Substantial Shareholders of Corporate Shareholders

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

2. Information of Directors (II)

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

Name	Criteria	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Representative of Jiu Shun Investment Corporation: Chen, Yun-Hwa		1. Experiences: Served as a Deputy Manager of the Sales Department, Manager of the Planning Department, Assistant Manager of the General Manager's Office, and the General Manager of the Company. 2. Categories stated in Article 30 of the Company Act: None.	A natural person substantial shareholder of the Company, therefore the criteria of independence is not met.	0
Representative of Jye Luo Memory Co., Ltd.: Lo, Tsai-Jen		1. Experiences: Deputy General Manager of Cheng Shin Rubber (Xiamen) Ind., Ltd., General Manager and Chairman of Cheng Shin Rubber (China) Co., Ltd.; Deputy Chairman and Chairman of Cheng Shin. 2. Categories stated in Article 30 of the Company Act: None.	A second-degree family member of Director Chen, Yun-Hwa and Director Chen, Hsiu-Hsiun and therefore the criteria of independence is not met.	0
Representative of Hsieh Shuen Investment Co., Ltd.: Chen, Hsiu-Hsiung		1. Experiences: General Manager and Chairman of Cheng Shin Rubber (Xiamen) Ind., Ltd. Received Outstanding Constructor Award on the 30th Anniversary of the Xiamen Special Economic Zone. 2. Categories stated in Article 30 of the Company Act: None.	Serves as the CEO of the Company and a natural person substantial shareholder of the Company as well as a second-degree family member of Director Chen, Yun-Hwa and Director Lo, Tsai-Jen; therefore the criteria of independence is not met.	0
Tseng, Shung-Chu		1. Experience: 13th Entrepreneurship Program Class, Graduate Institute of Business Administration (GIBA), National Chengchi University (NCCU), President of Taiwan Bicycle Association 2. Experience: Experience in corporate management and professional knowledge and skills required for the job duties of the Company. 3. Categories stated in Article 30 of the Company Act: None.	Was not an employee of the Company or its affiliate but a specific company that has engaged in financial transactions with the Company; therefore the criteria of independence is not met.	0
Hong Jing Zi Investment Corporation, represented by Lee, Chin-Chang		1. Experiences: Served as Manager of the Manufacturing Department, Assistant Manager of the General Manager's Office, and Deputy General Manager and General Manager of the Company. 2. Categories stated in Article 30 of the Company Act: None.	Presently serves as the President of the Company for two years before the election, and a representative of an institutional director; therefore the criteria of independence is not met.	0

Representative of Jye Luo Memory Co., Ltd.: Lo, Yuan-Long	1. Experience: Served as Assistant Manager of the President's Office, and Senior Engineer of the President's Office. 2. Categories stated in Article 30 of the Company Act: None.	Presently serves as an employee of the Company for two years before the election, acts as a corporate representative, and a first-degree family member of Director Lo, Tsai-Jen; therefore the criteria of independence is not met.	0
Min Hsing Investment Co., Ltd. (Representative: Cheng, Han-Chi)	1. Professional Qualifications: (1) Obtained a U.S. CPA certificate. (2) Obtained Internal Auditor certificate of the ROC Taiwan (3) Obtained International Internal Auditor certificate. 2. Experiences: Has served as a Deputy Manager of the Finance Department of the Company. 3. Categories stated in Article 30 of the Company Act: None.	Was not an employee of the Company or its affiliate from two years before being elected to this current day, but a first-degree family member of Director Chen, Hsiu-Hsiung; therefore the criteria of independence is not met.	0
Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao	1. Experiences: Served as Manager of the Financial Department, Assistant Manager, and Deputy General Manager of the Company 2. Categories stated in Article 30 of the Company Act: None.	Was not an employee of the Company or its affiliate from two years before being elected to this current day, but a representative of an institutional director; therefore the criteria of independence are not met.	0
Independent Director and Member of the Audit Committee: Wu, Chung-Shu	1. Professional Qualifications: (1) An instructor in a department of commerce, finance, accounting, or other academic department related to business needs in a public or private junior college, college, university and above. 2. Experience: (1) Adjunct Professor of Department of Economics, National Taiwan University. (2) Chairman of Asia Pacific Industrial Analysis Association. (3) Chairman of Taiwan Academy of Banking and Finance. (4) President of Taiwan Economic Association. (5) President of Chung-Hua Institution for Economic Research. (6) Resident Supervisor of Taiwan Stock Exchange. (7) Independent Director of Taiwan Life. 3. Categories stated in Article 30 of the Company Act: None.	1. No conditions stipulated in Items 1 through 9, Paragraph 1, Article 3 in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies have occurred two years prior to the appointment and during the term of service. 2. Compensations received for providing commercial, legal, financial, accounting or related services to the Company, or any affiliate of the Company in the past 2 years: None.	2
Independent Director and Member of the Audit Committee: Chu, Po-Young	1. Professional Qualifications: (1) An instructor in a department of commerce, finance, accounting, or other academic department related to business needs in a public or private junior college, college, university and above. 2. Experience: (1) Professor of Department of Management Science, National Chiao-Tung University. (2) Executive Director of Spring Foundation of National Chiao-Tung University (NCTU). (3) Independent Director of Shin Foong Specialty And Applied Materials Co. Corp. 3. Categories stated in Article 30 of the Company Act: None.	3. All three Independent Directors have met the criteria for independence.	3

Independent Director and Member of the Audit Committee: Chen, Shuei-Jin	1. Professional Qualifications: (1) Obtained Certified Public Accountant certification. (2) An instructor in a department of commerce, finance, accounting, or other academic department related to business needs in a public or private junior college, college, or university. (3) Professional experience in commerce, finance and accounting, and currently employed by the Yuan Sheng Accounting Firm. 2. Experience: (1) CPA, Deloitte Taiwan (2) CPA, Deloitte & Touche (3) Adjunct Lecturer, Department of Industrial Management, Nan Kai University of Technology. 3. Categories stated in Article 30 of the Company Act: None.		3
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(2) Diversity and Independence of the Composition of the Board:

* Diversity of the Board of Directors:

The Corporate Governance Best Practice Principles of the Company require that the Board composition should follow the diversity policy, focus on divisiveness and gender equality, and the members of the Board shall be generally equipped with sufficient knowledge, skills, and competency to perform their duties. All Directors are required to engage in continuing studies courses each year and achieve the required number of hours of study. Currently, among the eleven directors serving on the Board, two of whom, or 18%, are concurrent employees of the Company, and one of them is female, which takes up 9%. Three of the directors serve as independent directors (27%), and the term of office of the independent directors is less than 7 years. Four of the directors are over 71 years old, four are 61 to 70 years old, and three are under 60 years old. All of the board directors are R.O.C. nationals. All Directors are from Taiwan, R.O.C. The Directors are separately equipped with expertise from manufacturing, commerce, finance, industry, law, and accounting fields. The Company emphasizes the diversity of the composition of the board of directors. It is expected that the next board of directors will include directors with expertise other than the professional backgrounds mentioned above. Based on the consideration of the number of directors of the Company and their professional qualifications, and the requirement of no more than two directors being spouses or relatives within the second degree of kinship, it is relatively challenging to increase the proportion of the Company's board of directors to 1/3 (four female directors). As a result, the Company will first propose to the management for the addition of two to three female directors in the next board of directors first.

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

Cause analysis

1. As the industry in which our company operates has always been dominated by men, there are limited female candidates who are qualified as directors.
2. Currently, most of the board members are re-elected directors, and the frequency of change is low, which affects the progress of gender diversity
3. In the past, the selection of directors was mainly based on professional ability and experience, and no specific gender ratio requirements were set.

Future improvement measures

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

* Independence of the Composition of the Board:

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

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

* Implementation of Diversity Policy by Individual Directors:

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

(II) Information on General Managers, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches February 28, 2025

Position	Name	Gender	Nationality	Election Date	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Major Experience (Education)	Current Posts in Other Companies	Managers who are Spouses or Within the second degree of Kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
President	Lee, Chin-Chang	Male	ROC	2020.04.01	24,874	0%	5,725	0%	0	0%	Master of International Business Management Institute of Dayeh University	None	None	None	None	
President	Hsu, Chih-Ming	Male	ROC	2020.04.01	300,844	0%	24,224,294	0.75%	0	0%	National Tsing Hua University Ph.D. Electrical Engineering	None	Assistant Manager	Chen, Han-Hsin	Spouse	
Deputy General Manage	Peng, Wen-Hsing	Male	ROC	2007.02.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Lunghwa Junior College	None	None	None	None	
Deputy General Manage	Lin, Yu-Yu	Male	ROC	2012.08.01	2,242	0%	2,793	0%	0	0%	Department of Industrial Engineering, National Taipei Junior College	None	None	None	None	
Deputy General Manage	Liao, Cheng-Yao	Male	ROC	2013.08.01	400	0%	0	0%	0	0%	Department of English Studies, National Taichung Business College	None	None	None	None	
Deputy General Manage	Lee, Hung-Ko	Male	ROC	2016.07.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, National Chin Yi Junior College	None	None	None	None	
Deputy General Manage	Liu, Chao-Sheng	Male	ROC	2016.07.01	4,326	0%	0	0%	0	0%	National Yunlin University of Science and Technology MBA	None	None	None	None	
Deputy General Manage	Lai, Kuo-Ti	Male	ROC	2016.07.01	2,438	0%	0	0%	0	0%	Department of Accounting Statistics, Tamsui Institute of Business Administration	None	None	None	None	

Deputy General Manage	Lo, Yung-Li	Male	ROC	2018.09.01	0	0%	0	0	0%	0	0%	0	0%	Feng Chia University Department of Public Finance	None	None	None	None
Deputy General Manage	Chen, Shu-Yu	Male	ROC	2020.12.01	0	0%	0	0	0%	0	0%	0	0%	Master, Food & Chemical Engineering, Da Yeh University	None	None	None	None
Deputy General Manage	Ho, Chin-Fang	Male	ROC	2021.08.01	0	0%	0	0	0%	0	0%	0	0%	Department of Chemical Engineering Technicality, National Taipei Institute of Technology	None	None	None	None
Deputy General Manage	Chang, Ghi-Jung	Male	ROC	2021.08.01	0	0%	0	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Feng Chia University	None	None	None	None
Deputy General Manage	Liu, Ching-Chung	Male	ROC	2021.08.01	0	0%	396	0	0%	0	0%	0	0%	Department of Industrial Engineering, Feng Chia University	None	None	None	None
Deputy General Manage	Lo, Chen-Jung	Male	ROC	2021.08.01	189	0%	0	0	0%	0	0%	0	0%	Department of Electrical Engineering, Chienkuo Junior College	None	None	None	None
Assistant Manager	Lin, Chin-Chuan	Male	ROC	2010.05.01	0	0%	0	0	0%	0	0%	0	0%	National Chiao Tung University Master in Mechanical Engineering	None	None	None	None

Position	Name	Gender	Nationality	Election Date	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Major Experience (Education)	Current Posts in Other Companies	Managers who are Spouses or Within the second degree of Kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Assistant Manager	Chang, Chuan-Shun	Male	ROC	2010.05.01	0	0%	0	0%	0	0%	Department of Industrial Management, National Chin Yi Junior College	None	None	None	None	
Assistant Manager	Chiang, Kui-Yung	Male	ROC	2016.07.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, National United University	None	None	None	None	
Assistant Manager	Hu, Ming-Te	Male	ROC	2016.07.01	10,000	0%	4,320	0%	0	0%	Zhen Del High School Diploma in Electrical Engineering	None	None	None	None	
Assistant Manager	Chen, Jin-Long	Male	ROC	2019.12.01	0	0%	0	0%	0	0%	Nanya Institute of Technology Bachelor in Spinning Engineering	None	None	None	None	
Assistant Manager	Yang, Jin-Cheng	Male	ROC	2019.12.01	0	0%	25,177	0%	0	0%	National Chin Yi Junior College Bachelor in Mechanical Engineering	None	None	None	None	
Assistant Manager	Lo, Yuan-Long	Male	ROC	2020.04.01	61,064,766	1.88%	203,000	0.01%	0	0%	PhD in Physics, University of Washington	None	None	None	None	
Assistant Manager	Chen, Po-Chia	Male	ROC	2020.04.01	35,603,449	1.098%	0	0%	0	0%	Master in Electrical Engineering, Cheng Kung University	None	None	None	None	
Assistant Manager	Lai Ming-Han	Male	ROC	2021.02.01	0	0%	7,936	0%	0	0%	Industrial Engineering Department of Loughwa University of Science and Technology Graduation Engineering	None	None	None	None	
Assistant Manager	Chiang, Chih-Wei	Male	ROC	2021.08.01	0	0%	0	0%	0	0%	Bachelor in Civil Engineering, Chun Yuan Christian University	None	None	None	None	
Assistant Manager	Chen, Han-Hsin	Female	ROC	2021.08.01	24,224,294	0.75%	300,844	0%	0	0%	Master's in Accounting, University of Illinois, USA	None	President	Hsu, Chih-Ming	Spouse	

Assistant Manager	Chen, Chih Hsien	Male	ROC	2021.08.01	80	0%	0	0%	0	0%	0	0%	0	Department of International Business, Shih Chien University	None	None	None	None
Assistant Manager	Chih, Ching-Yung	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	0	0%	0	University of Science and Technology Bachelor in Mechanical Engineering	None	None	None	None
Assistant Manager	Yao, I-Cheng	Male	ROC	2023.04.01	44	0%	6,000	0%	0	0%	0	0%	0	Industrial Engineering Department of National Chin-Yi University of Technology	None	None	None	None
Assistant Manager	Chang, Chui-He	Male	ROC	2023.04.01	0	0%	10,267	0%	0	0%	0	0%	0	Department of Mechanical Engineering, National United University	None	None	None	None
Assistant Manager	Tseng, Yao-Te	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	0	0%	0	Department of Business Education, National Changhua University of Education Diploma Degree	None	None	None	None
Assistant Manager	Huang, Chih-Chong	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	0	0%	0	National Beitou Senior Home Economic & Commercial Vocational High School Department of Business	None	None	None	None
Assistant Manager	Yang, Ti-Wei	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	0	0%	0	Industrial Engineering Department of National Kaohsiung University of Science and Technology	None	None	None	None

Position	Name	Gender	Nationality	Election Date	Number of Shares Held		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Major Experience (Education)	Current Posts in Other Companies	Managers who are Spouses or Within the second degree of Kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Position	Name	Relation	
Assistant Manager	Lai, Chung-Hsin	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	Chang Gung University Department of Business Administration	None	None	None	None	
Assistant Manager	Chen, Ming-Ping	Male	ROC	2023.04.01	0	0%	911	0%	0	0%	National Taipei University of Technology Department of Chemical Engineering	None	None	None	None	
Assistant Manager	Ke, Hung-Te	Male	ROC	2023.04.01	0	0%	0	0%	0	0%	Tunghai University Department of Economics	None	None	None	None	
Finance Supervisor	Lo, Yung-Li	Male	ROC	2010.07.19	0	0%	0	0%	0	0%	Feng Chia University Department of Public Finance	None	None	None	None	
Accounting Supervisor	Yu, Ching-Tang	Male	ROC	2020.11.12	0	0%	0	0%	0	0%	National Chengchi University Accounting Department	None	None	None	None	

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

II. Remuneration of Directors (including Independent Directors), General Managers, and Deputy General Managers

(I) Remunerations of General Directors and Independent Directors

December 31, 2024; Unit: NT\$ in thousands

Position	Name	Remuneration of Directors						Relevant Remuneration Received by Directors Who are Also Employees				Total Compensation (A+B+C+D+E+F+G) to Net Income After Tax Ratio (%)		Compensation from any Invested Company Other Than the Company's Subsidiary						
		Base Compensation (A)		Pension (B)		Directors (C)		Business Expense Allowances (D)		Total Remuneration (A+B+C+D) to Net Income After Tax Ratio (%)		Salary, Bonuses, and Allowances (E)			Pension (F)		Profit Sharing- Employee Bonus (G)		Companies in the financial statements	The Company
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash Amount	Stock Amount		Cash Amount	Stock Amount				
Chairman	Representative of Jiu Shun Investment Corporation Chen, Yun-Hwa																			
Vice Chairman	Jye Luo Memory Co., Ltd.: Lo, Tsai-jen																			
CEO	Representative of Hsieh shuen Investment Corporation: Chen, Hsiu-Hsiung																			
Director	Tseng, Shung-Chu																			
Director	Representative of Hong Jing Investment Corporation: Lee, Chin-Chang	0	0	0	0	141,162	141,162	234	234	141,396 (1.76%)	11,753	0	178	0	178	0	153,327 (1.91%)	153,327 (1.91%)		None
Director	Jye Luo Memory Co., Ltd.: Lo, Yuan-Long																			
Director	Representative of Min Hsing Investment Co., Ltd.: Chen, Han-Chi																			
Director	Representative of Jiu Shun Investment Corporation: Wu, Hsuan-Miao																			
Independent Director	Wu Chung-Shu																			
Independent Director	Chu, Po- Young	2,880	2,880	0	0	0	0	522	522	3,402 (0.04%)	0	0	0	0	0	0	3,402 (0.04%)	3,402 (0.04%)		None
Independent Director	Chen, Shuei-Jin																			

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

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

*In 2024, five Board meetings and four Audit Committee meetings were held. All Independent Directors participated actively, with attendance rates of 100% for both types of meetings.

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

*The remunerations received by the Company's Directors for serving as advisors in a non-employee capacity totaled NT\$2.27 million.

Table of Range of Remuneration

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

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

(II) Remunerations of General Managers and Deputy General Managers

December 31, 2024; Unit: NTD in thousands

Position	Name	Salary(A)		Pension (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Total amount of A, B, C and D and ratio to after-tax net income (%)		Compensation from any Invested Company Other Than the Company's Subsidiary
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Hsu, Chih-Ming													
President	Lee, Chin-Chang													
Deputy General Manager (Note)	Huang, Chieh-Hsiang													
Deputy General Manage	Peng, Wen-Hsing													
Deputy General Manage	Lin, Yu-Yu													
Deputy General Manage	Liao, Cheng-Yao													
Deputy General Manage	Lee, Hung-Ko													
Deputy General Manage	Liu, Chao-Sheng	25,688	25,688	5,546	5,546	46,156	46,156	1,244	0	1,244	0	78,634 (0.98%)	78,634 (0.98%)	None
Deputy General Manage	Lai, Kuo-Ti													
Deputy General Manage	Lo, Yung-Li													
Deputy General Manage	Chen, Shu-Yu													
Deputy General Manage	Ho, Chin-Fang													
Deputy General Manage	Chang, Ghi-Jung													
Deputy General Manage	Liu, Ching-Chung													
Deputy General Manage	Lo, Chen-Jung													

Note: Deputy General Manager, Huang, Chieh-Hsiang retired on 2024.06.29.

Table of Range of Remuneration

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

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

(III) Name of Managerial officers for Distribution of Remuneration of Employees and Distribution Status
December 31, 2024 Unit: NT\$ thousand

	Position	Name	Stock Amount	Cash Amount	Total	The proportion of the total amount to after-tax net income (%)
	President	Hsu, Chih-Ming	0	3,200	3,200	0.04%
	President	Lee, Chin-Chang				
	Deputy General Manager (Note)	Huang, Chieh-Hsiang				
	Deputy General Manage	Lin, Yu-Yu				
	Deputy General Manage	Lee, Hung-Ko				
	Deputy General Manage	Liao, Cheng-Yao				
	Deputy General Manage	Liu, Ching-Chung				
	Deputy General Manage	Peng, Wen-Hsing				
	Deputy General Manage	Lai, Kuo-Ti				
	Deputy General Manage	Liu, Chao-Sheng				
	Deputy General Manage	Ho, Chin-Fang				
	Deputy General Manage	Lo, Chen-Jung				
	Deputy General Manage	Chen, Shu-Yu				
	Deputy General Manage	Lo, Yung-Li				
	Deputy General Manage	Chang, Ghi-Jung				
	Assistant Manager	Lin, Chin-Chuan				
	Assistant Manager	Chang, Chuan-Shun				
	Assistant Manager	Chiang, Kui-Yung				
	Assistant Manager	Hu, Ming-Te				
	Assistant Manager (Note)	Ting, Tso-Lin				
	Assistant Manager	Chen, Jin-Long				
	Assistant Manager	Yang, Jin-Cheng				
	Assistant Manager	Lo, Yuan-Long				
	Assistant Manager	Chen, Po-Chia				
	Assistant Manager	Lai Ming-Han				
	Assistant Manager	Chen, Han-Hsin				
	Assistant Manager	Chen, Chih Hsien				
	Assistant Manager	Chiang, Chih-Wei				
	Assistant Manager	Chih, Ching-Yung				
	Assistant Manager	Yao, I-Cheng				
	Assistant Manager	Ke, Hung-Te				
	Assistant Manager	Chang, Chui-He				
	Assistant Manager	Chen, Ming-Ping				
	Assistant Manager	Tseng, Yao-Te				
	Assistant Manager	Huang, Chih-Chong				
	Assistant Manager	Yang, Ti-Wei				
	Assistant Manager	Lai, Chung-Hsin				
	Financial Officer	Lo, Yung-Li				
	Accounting Officer	Yu, Ching-Tang				

Note: Deputy General Manager, Huang, Chieh-Hsiang retired on 2024.06.29, and Assistant Manager Ting, Tso-Lin retired on 2024.10.31.

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

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

Unit: NT\$ Thousand; %

Year/Item	Net Income After Tax	Total remuneration of Directors, General Managers and Deputy General Managers to net profit after tax ratio
The Company in 2024	8,017,116	2.72%
2024 Consolidated Financial Statements	8,028,188	2.71%
The Company in 2023	7,182,382	3.60%
2023 Consolidated Financial Statements	7,197,962	3.59%

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

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

The compensation policy for managers is determined by the Remuneration Committee of the Company in accordance with the market average of each position's academic background and experiences, the duties and responsibilities of such position, as well as personal contribution to the Company's operation target. Besides taking the overall operating performance of the Company into consideration, personal achievements and contributions made to business operations, which includes achievement status of the Group's management performance, internationalization and Group-centered performance, talent development, achievement of strategic and target objectives, whether the person serves in concurrent positions, are also evaluated during the remuneration determination process. The Audit Committee and the Board of Directors would then approve a remuneration that is fair and reasonable.

III. Corporate Governance of the Company

(I) Implementation of Board Meetings

1. The Board of Directors held 5 meetings (A) in 2024 (as of December 31, 2024). The attendance of directors (including independent directors) is as follows:

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

Other Required Disclosures:

I. I. The date, session number of the Board meeting, proposal contents, opinions of all Independent Directors, and the Company's reactions towards Independent Director's opinions shall be recorded in case the following Board operation occurs:

(1) Items specified in Article 14-3 of the Securities and Exchange Act: As stated in the table below

(2) Other than the matters mentioned above, the resolutions with records or written statements on which independent directors have dissenting opinions or qualified opinions: As stated in the table below.

Date	Proposal contents	Independent Director's Opinion	Company's Reaction towards Independent Director's Opinions
2024.01.30 (5th meeting of 12th term)	(1) Proposal for the Company's plan of distributing managers' year-end bonus and remuneration. (2) Proposal for the Company's 2023 performance evaluation of the Board and the functional committee. (3) Proposal for remuneration of executive directors of the Company. (4) Proposal for the Company's loan line.	None	N/A
2024.03.13 (6th meeting of the 12th term)	(1) Proposal to decide the date and location Three years the 2024 Annual Shareholders' Meeting as well as the reasons to convene the meeting. (2) Proposal to accept shareholders' proposals and nomination right	None	N/A

	<p>related matters for the 2024 Annual Shareholders Meeting.</p> <p>(3) Proposal for the distribution of directors' and employees' 2023 remuneration of the Company</p> <p>(4) Proposal to discuss the Company's 2023 business report, consolidated financial statements, and individual financial statements.</p> <p>(5) Proposal for the distribution of the Company's 2023 earnings.</p> <p>(6) Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2023.</p> <p>(7) Proposal for independent evaluation of the Company's CPAs.</p> <p>(8) Proposal for the appointment and compensation of the Company's CPAs.</p> <p>(9) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries.</p> <p>(10) Amendment to the Company's Board Meeting Procedural Rules.</p> <p>(11) Proposal for the amendment to the "Audit Committee Charter" of the Company.</p> <p>(12) Proposal to amend the Company's "Procedures for the Preparation and Validation of Sustainability Reports".</p> <p>(13) Proposal for the Company's loan line.</p> <p>(14) Proposal for the Company's endorsements/guarantees.</p>			
2024.05.13 (7th Meeting of 12th Term)	<p>(1) Proposal to ratify the Company's Q1 2024 Consolidated Financial Statements.</p> <p>(2) Proposal to fix the ex-dividend base date.</p> <p>(3) Proposal for 2023 directors' remuneration distribution.</p> <p>(4) The Company's personnel appointments and dismissals.</p> <p>(5) Proposal to appoint a manager for pension payments.</p> <p>(6) Proposal for the Company's loan line.</p> <p>(7) Proposal for loaning of funds of the Company.</p>	None	N/A	
2024.08.12 (8th Meeting of 12th Term)	<p>(1) Proposal to ratify the Company's Q2 2024 Consolidated Financial Statements.</p> <p>(2) Proposal for the change of convener of "CSR Task Force".</p> <p>(3) Proposal for completion of the Company's 2023 Sustainability Reports.</p> <p>(4) Proposal of changing the ratio of assessment of tax base for the Company's overseas investment income.</p> <p>(5) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries.</p> <p>(6) Proposal for capital increase of Maxxis Rubber India Private Limited.</p> <p>(7) Proposal for the Company's endorsements/guarantees.</p> <p>(8) Proposal for the Company's loan line.</p>	None	N/A	
2024.11.12 (9th Meeting of 12th Term)	<p>(1) Proposal to ratify the Company's Q3 2024 Consolidated Financial Statements.</p> <p>(2) Proposal to establish the Company's 2025 Audit Plan.</p> <p>(3) Proposal for the Maxxis Rubber India Private Limited capital increase project.</p> <p>(4) Proposal for establishment of the Company's "Rules Governing Sustainability Information".</p> <p>(5) Retroactive approval of personnel appointments and dismissals by the Company.</p> <p>(6) Proposal for the Company's loan line.</p> <p>(7) Proposal for the Company's endorsements/guarantees.</p>	None	N/A	

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

1. For the remuneration of executive directors of the Company on 2024.01.30, the three directors of Chairman Chen, Yun-Hwa, Vice

Chairman Lo, Tsai-Jen and Director Chen, Hsiu-Hsiung were involved in conflict of interest such that they were required to recuse themselves from this proposal during the meeting, and the chairperson designated Director Tseng, Shung-Chu to act as the deputy chairperson for this proposal. After discussion of this proposal, it was submitted to the Remuneration Committee for re-assessment of the remunerations of the three executive directors and a resolution was made. Upon inquiry by the deputy chairperson, the motion was approved by the attending directors to postpone the resolution and the Board of Directors shall discuss further in another meeting.

III. Information disclosure of the Company regarding the frequency and period, scope, method, and content of the Board's self-evaluation. The execution of the Board's evaluation: Please refer to the Execution of the Board's Evaluation on page 24.

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

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

Note 1: The names of a corporate shareholder and its representative shall be disclosed if the director or supervisor is a juristic person.

Note 2:

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

2.The Execution of the Board's Evaluation

The performance evaluation result of the Board and functional committee in 2024 is as follows:

* The performance evaluation result of the Company's Board and its functional committees in 2024 was reviewed and evaluated by the Remuneration Committee on January 20, 2025 and submitted to the Board on January 21, 2025 for resolution.

Evaluation Frequency	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content	Evaluation Result
Once a year	Evaluates the performance of the Board from January 1, 2024 to December 31, 2024	Board of Directors' performance evaluation	Chairman overall evaluation	1. Degree of involvement in company operations 2. Improvement in the quality of the Board's decision making 3. Composition and structure of the Board 4. Election and continuing education of the directors 5. Internal Controls	The weighted average score was 86.22 points. General comment: It is recommended to learn more about the structure of the tire industry chain.
Once a year	Self-evaluation from members of the Board regarding the Board's performance from January 1, 2024 to December 31, 2024	Evaluation on the performance of Board members	Board member self-evaluation	1. Execution of the Company's goals and tasks 2. Understanding of the director's roles and responsibilities 3. Procedures for participating in the Company's operation 4. Management and communication of the internal relations 5. Expertise and continuing education of the directors 6. Internal Controls	The weighted average score was 96.28 points. Recommendations and improvements: Recommendations for the diversification of board members, establishment of a sustainability committee, and better communication and understanding of the industry. General comment: The board of directors operates smoothly and efficiently. The directors are professional and conscientious. Continue to strengthen the board of directors and the Company will continue to make progress.

Once a year	Evaluate the performance of the Remuneration Committee from January 1, 2024 to December 31, 2024	Evaluation on the performance of the Remuneration Committee	Remuneration committee member self-evaluation	1. Procedures for participating in the Company's operation 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the quality of the Remuneration Committee's decision-making 4. Composition and member election of the Remuneration Committee	The weighted average score was 97.54 points. Recommendations and improvements: Recommend a more structured bonus system. General comment: The operation of the Remuneration Committee is still appropriate, and the evaluation of the remuneration of professional managers can be further improved.
Once a year	Evaluate the performance of the Audit Committee from January 1, 2024 to December 31, 2024	Evaluation on the performance of the Audit Committee	Audit Committee member self-evaluation	1. Degree of involvement in company operations 2. Understanding of the Audit Committee's roles and responsibilities 3. Improvement in the quality of the Audit Committee's decision-making 4. Composition and member election of the Audit Committee 5. Internal Controls	The weighted average score was 98.79 points. General comment: The Audit Committee has good composition, efficiency, and executive functions. It is recommended to include female independent directors.

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

(II) Implementation of Audit Committee Operations

1. The Company appoints three independent audit committee members to assist the Board to supervise the Company's performance quality and credibility in accounting, audit, financial reporting process, and financial control. Please refer to Professional Qualifications of Directors and Disclosure on the Independence of Independent Directors for the professional qualifications and experiences of the Audit Committee members (Pages 9~11 of the Annual Report).

2. The major tasks of the Audit Committee in 2024 included:

Financial reports, audit and accounting policy and procedures, policy and procedures related to the internal control system, significant asset or derivatives transactions, significant endorsements and guarantees and loaning of funds, subsidiaries capital increase projects, qualifications and independence evaluation of the independent auditor, the delegation of the independent auditor, Performance Self-Evaluation of the Audit Committee, and legal and regulatory compliance.

3. The Audit Committee held 4 meetings (A) in 2024, the attendance status of independent directors was as follows:

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

Other Required Disclosures:

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

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

Implementation Status in 2024

Date of the Audit Committee meeting	Proposal contents	The independent director's dissenting opinion, reserved opinion, or major suggestions	Resolution made by Audit Committee	The Company's reactions towards Audit Committee's opinions
2024.03.13 (3rd Meeting of 3rd Term)	(1)Proposal to discuss the Company's 2023 business report, consolidated financial statements, and individual financial statements. (2)Proposal for the distribution of the Company's 2023 earnings. (3)Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2023. (4)Proposal for independent evaluation of the Company's CPAs. (5)Proposal for the appointment and	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 6th meeting of the 12th term of the Board of Directors on March 13, 2024.

	<p>compensation of the Company's CPAs.</p> <p>(6) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries.</p> <p>(7) Amendment to the Company's Board Meeting Procedural Rules.</p> <p>(8) Proposal for the amendment to the "Audit Committee Charter" of the Company.</p> <p>(9) Proposal to amend the Company's "Procedures for the Preparation and Validation of Sustainability Reports".</p> <p>(10) Proposal for the Company's endorsements/guarantees.</p>			
2024.05.13 (4th Meeting of 3rd Term)	<p>(1) Proposal to ratify the Company's Q1 2024 Consolidated Financial Statements.</p> <p>(2) Proposal for loaning of funds of the Company.</p>	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 7th meeting of the 12th term of the Board of Directors on May 13, 2024.
2024.08.12 (5th Meeting of 3rd Term)	<p>(1) Proposal to ratify the Company's Q2 2024 Consolidated Financial Statements.</p> <p>(2) Proposal of changing the ratio of assessment of tax base for the Company's overseas investment income.</p> <p>(3) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries.</p> <p>(4) Proposal for capital increase of Maxxis Rubber India Private Limited.</p> <p>(5) Proposal for the Company's endorsements/guarantees.</p>	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 8th meeting of the 12th term of the Board of Directors on August 12, 2024.
2024.11.12 (6th Meeting of 3rd Term)	<p>(1) Proposal to ratify the Company's Q3 2024 Consolidated Financial Statements.</p> <p>(2) Proposal to establish the Company's 2025 Audit Plan.</p> <p>(3) Proposal for the Maxxis Rubber India Private Limited capital increase project.</p> <p>(4) Proposal for establishment of the Company's "Rules Governing Sustainability Information".</p> <p>(5) Proposal for the Company's endorsements/guarantees</p>	None.	Unanimously approved by all the Audit Committee members present.	Unanimously approved by all the directors present at the 9th meeting of the 12th term of the Board of Directors on November 12, 2024.

(II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

II. In regards to the recusal of independent directors due to conflict of interests, the name of the independent directors, proposal contents, the reasons for recusal due to conflict of interests and voting result: None.

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

1. Summary of communication between independent directors and Internal Chief Audit Officer in 2024				
Meeting Date	Attendees	Discussion Points	Results	
2024.03.13 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu (video conference) Independent Director - Chen, Shuei-Jin Chief Audit Officer - Liu, Chao-Sheng CPA- Wu, Yu-Long CPA- Wang, Yu-Chuan CPA - Lai, Chih-Wei	Presentation 1. Reporting on internal audit activities. (1) Implementation of routine audits (2) Required reports according to the laws (3) Report on the results of audit deficiency tracking (4) Contingent matters report 2. Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2022.	Report acknowledged. No further opinions were given.	
2024.05.13 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu (video conference) Independent Director - Chen, Shuei-Jin Chief Audit Officer - Liu, Chao-Sheng CPA - Chou, Chien-Hung (video conference) CPA- Wang, Yu-Chuan	Presentation Report of internal audit findings (1) Implementation of routine audits (2) Required reports according to the laws (3) Report on the results of audit deficiency tracking (4) Contingent matters report	Report acknowledged. No further opinions were given.	
2024.08.12 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu (video conference) Independent Director - Chen, Shuei-Jin Chief Audit Officer - Liu, Chao-Sheng CPA- Wang, Yu-Chuan CPA - Lai, Chih-Wei	Presentation Report of internal audit findings. (1) Implementation of routine audits (2) Annual report on the results of audit deficiency tracking (3) Contingent matters report	Report acknowledged. No further opinions were given.	
2024.11.12 Audit Committee	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu Independent Director - Chen, Shuei-Jin Chief Audit Officer - Liu, Chao-Sheng CPA- Chou, Chien-Hung CPA- Wang, Yu-Chuan CPA - Lai, Chih-Wei	Presentation 1. Reporting on internal audit activities. (1) Implementation of routine audits (2) Annual report on the results of audit deficiency tracking (3) Contingent matters report 2. Report of the audit plan 2025.	Report acknowledged. No further opinions were given.	

2. Summary of separate communication between independent directors and the CPAs in 2024			
Meeting Date	Attendees	Communication and interaction methods and key points	Results
2024.03.13 Communication meeting between governance unit and CPAs	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu (video conference) Independent Director - Chen, Shuei-Jin CPA- Wu, Yu-Long CPA- Wang, Yu-Chuan CPA - Lai, Chih-Wei	1.Communication with the governance unit as well as the basis and opinion of the financial report audit 2.Scope of Audit and Materiality 3.Key Audit Matters 4.Material findings during the review 5.CPA independence 6.Introduction to IESBA Code policy update and items approved by the Audit Committee 7.Audit Quality Indicator (AQI)	Report acknowledged. No further opinions were given.
2024.05.13 Communication meeting between governance unit and CPAs	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu (video conference) Independent Director - Chen, Shuei-Jin CPA - Chou, Chien-Hung (video conference) CPA- Wang, Yu-Chuan	1. Annual Subsidiaries Audit Plan Explanation	Report acknowledged. No further opinions were given.
2024.08.12 Communication meeting between governance unit and CPAs	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu (video conference) Independent Director - Chen, Shuei-Jin CPA- Wang, Yu-Chuan CPA - Lai, Chih-Wei	1. Annual Subsidiaries Audit Plan Explanation 2. Explanation of Key Focuses of Present Audit	Report acknowledged. No further opinions were given.
2024.11.12 Communication meeting between governance unit and CPAs	Independent Director - Chu, Po-Young Independent Director - Wu, Chung-Shu Independent Director - Chen, Shuei-Jin CPA- Chou, Chien-Hung CPA- Wang, Yu-Chuan CPA - Lai, Chih-Wei	1. Role, Responsibility and Independence of CPA in charge. 2. Audit Plan 3. Audit Quality Indicator Information AQI	Report acknowledged. No further opinions were given.

Note:

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

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


Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles according to Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established Corporate Governance Best Practice Principles, which are disclosed on the Market Observation Post System and our corporate website, in accordance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. None
II. Shareholding structure & shareholders' interests			
(I) Does the Company establish an internal operating procedure to handle shareholders' suggestions, inquiries, disputes, and litigations and implement these procedures?	V		(I) For ensuring shareholder's interests, the Company has appointed a dedicated shareholder affairs unit to handle the suggestions, inquiries, and disputes of shareholders.
(II) Does the Company possess the list of its major shareholders as well as the ultimate beneficial owners of those shares?	V		(II) The Company provides a shareholder list via a shareholder service agency and monitors the declaration system of shareholding changes of insiders.
(III) Does the Company establish and execute the risk management and firewall mechanism between affiliated companies?	V		(III) The personnel, assets, and financial management responsibilities of the Company and its affiliated companies are clearly separated. In addition to the subsidiary oversight procedures established and adopted by the Company, the internal auditors regularly monitor the implementation of such procedures.
(IV) Does the Company establish internal rules against insiders trading on undisclosed information?	V		(IV) The Company has established internal rules, Management Procedures for Preventing Insider Trading, and disclosed the rules on its corporate website.
III. Composition and responsibilities of the Board of Directors			
(I) Does the board of directors have a diversity policy, specific management objectives and implementation for the composition of the board?	V		(I) The Corporate Governance Best Practice Principles of the Company require that the Board composition should follow the diversity policy, focusing on divisiveness, and gender equality, and the members of the Board shall be generally equipped with sufficient knowledge, skills, and competency to perform their duties. All Directors are required to engage in continuing studies courses each year and achieve the required number of hours of study. Currently, among the eleven directors serving on the Board, 18% of all directors are concurrent employees of the Company, and one of them are female, which takes up 9%. The 3 independent directors have served in the office for less than 9 years; 4 directors are aged over 71; 4 directors are aged between 61-70; and 3 directors are aged under 60. The directors' areas of expertise include business, finance, industry, and accounting. The Company pays attention to the diversity in the composition of the directors and in the future, we plan to set a goal to appoint directors with expertise other than the above-mentioned as well as increase the ratio of female directors to 1/3. (I) None

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V	(II) The Company currently has no other functional committees.	(II) Based on the Company's current operating conditions and establishment of a culture of sustainable values, it is expected to set up a Sustainable Development Committee before the end of the year.
(III) Does the Company establish a standard to measure the performance of the Board and perform the evaluation annually? And report the evaluation results to the Board of Directors, and use them as a reference for individual compensation and nomination for reappointment?	V	(III) The Board of Directors of the Company approved the establishment of the "Regulations Governing the Performance Evaluation of the Board of Directors and its Functional Committees", and the evaluation is conducted once a year and completed at the end of December annually. The scope of the evaluation includes the performance of the entire Board, individual directors, Audit Committee and Remuneration Committee in the form of self-evaluation. The evaluation result of 2024 was submitted to the Remuneration Committee for review on January 20, 2025, and was then reported to the Board on January 21, 2025, as the reference for remuneration and nomination of directors for the next term. Please refer to page 24 of the Annual Report for the results of the evaluation of the performance of the Board of Directors and its functional committees.	(III) None.
(IV) Does the Company regularly evaluate the independence of CPAs?	V	(IV) The Company's Audit Committee and Board of Directors regularly evaluate and request the retained CPAs to submit a "Declaration of Independence" and "Audit Quality Indicators (AQIs)", and also regularly evaluate the five aspects of professionalism, quality control, independence, innovation capability, and supervision of the CPAs, in order to ensure their independence and competence, and to verify their above-average audit experience and training hours in comparison to others in the industry. Additionally, they continue to introduce digital audit tools to improve audit quality. After discussion by the Audit Committee and the Board of Directors on March 12, 2025, the CPAs have been approved, and relevant evaluation items are as follows: 1.The CPAs retained by the Company have not provided the audit service to the Company for seven years consecutively. 2.The CPAs of the Company do not hold any shares of the Company. 3.The CPAs of the Company are not engage in any loan borrowing/lending with the Company. 4.The CPAs of the Company and the Company do not have any joint investments or profit sharing. 5.The CPAs of the Company do not hold any concurrent position in the Company nor receive any fixed salary. 6.The CPAs of the Company do not participate in the decision-making process in a management function of the Company. 7.The CPAs of the Company do not have spouses, lineal relatives by blood or by	(IV) None.

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
		<p>marriage, or collateral relatives by blood within the fourth degree of relationship with the management level of the Company.</p> <p>8.The CPAs of the Company do not receive any business-related commissions from the Company.</p> <p>9.The CPAs of the Company have signed the payment amount and method of the service fees in advance.</p> <p>10.The CPAs of the Company do not charge fees on the condition that certain findings or results are achieved.</p> <p>11.A statement from the CPAs certifying their independence has been obtained.</p> <p>12.Audit Quality Indicator (AQI) report of the accounting firm has been obtained.</p>	
IV. Has the TWSE/TPEX listed company established a department or position which is responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information necessary to carry out their duties, coordinating board meetings and shareholders' meetings pursuant to proper legal procedures, company registration and request for change of registration information and preparing minutes of the board meetings and shareholders' meetings)?	V	<p>(I) The work functions are as follows:</p> <p>1.Inquire the opinions of the directors prior to a board meeting for the purpose of planning and drafting the meeting agenda, and notify all the directors of the meeting at least 7 days before the meeting and provide them with appropriate information regarding the meeting so that the directors may be aware of the proposals. If any of the proposals involve stakeholders that require recusal, a reminder shall be given to such persons prior to the meeting.</p> <p>2.Arrange the annual continuing education for the directors and share the internal legal and regulatory compliance matters with the directors quarterly and inform them of the amendments of the relevant laws and regulations on an ad hoc frequency.</p> <p>3.Register the date of the shareholders annually as required by the law, prepare and file meeting notices, handbooks, and minutes within the prescribed period, and file for a change of information when the Articles of Incorporation is amended or after the re-election of directors.</p> <p>4.Promote the quality of corporate governance practices for the sustainable development of the Company by formulating guidelines based on the indicators provided by the corporate governance evaluation system, thereby building a culture of corporate governance.</p> <p>5.Arrange a communication meeting between independent directors and the internal chief audit officer or CPAs.</p> <p>6.Legal compliance review during Independent Director's nomination, appointment</p>	None

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons for Deviations
	Yes	No	
	Summary		
		<p>and tenure period.</p> <p>(II) The performance in 2024 is as follows:</p> <p>1.Assisted the directors in business management and provided the information requested by the directors.</p> <p>2.Assisted the Board and the shareholder meeting in legal and regulatory compliance resolution matters and made filing for change to the competent authority within the time limit.</p> <p>3.Assist the directors in arranging 2024 directors' continuing education courses, and communicate with the directors from time to time, in order to facilitate directors to understand the company's operating status.</p> <p>4.Completed the renewal of the directors' and important staff's liability insurance.</p> <p>5.Sought each director's opinion to draft the agenda before the Board meeting and completed the Board meeting minutes and delivered them to the directors in accordance with the regulation.</p> <p>6.Filed for registration of the shareholder meeting date, the Annual Report, the notification of the shareholder meeting, the agenda handbook, and the meeting minutes in accordance with the regulations.</p> <p>7.Report to the Board of Directors the results of his/her review of whether the qualifications of independent directors comply with relevant laws and regulations during their term of office.</p> <p>8.The performance evaluation of the Board of Directors and all functional committees was conducted, and the evaluation was submitted to the Board of Directors for approval.</p> <p>(III) The educational training in 2024 is as follows:</p> <p>1.On January 30, 2024, the Company participated in the seminar "Information Security Case Study on Information Security Threats Faced by Enterprises" organized by the Taiwan Corporate Governance Association for a total of 3 hours.</p> <p>2.On September 3, 2024, directors participated in the "Sustainability Knowledge Empowerment Training Course-Non-Electronic Industries-Creating a New Carbon Era with Sustainable Knowledge Power" held by the Enterprise Sustainable Development Association of the ROC for 6 hours.</p> <p>3.On October 4, 2024, directors participated in the "2024 Insider Trading Prevention Seminar" organized by the Accounting Research and Development Foundation of the Republic of China for a total of 3 hours.</p> <p>4.On November 12, 2024, directors participated in the "Risks and Opportunities of Climate Change and Net Zero Emission Policy to Business Operations" organized by</p>	None

None

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
V. Has the Company established communication channels for its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) or created a stakeholders section on its corporate website? Does the Company promptly respond to the concerns of stakeholders regarding important corporate social responsibility issues?	V	<p>Corporate Governance Association of Taiwan for a total of 3 hours.</p> <p>The Company has set up the "Corporate Sustainability" section and the "Stakeholders" section on our corporate website and has published the corporate sustainability report annually according to the laws. Moreover, we also post activities related to corporate sustainability on our Facebook Page and YOUTUBE, in order to encourage communication and interactions with stakeholders.</p>  <p>E-mail accounts have been created on the website for banks that we have regular transactions with, as well as other creditors, employees, customers, and suppliers; we maintain open communication channels and respect their lawful rights.</p> <p>At the same time, in the daily operation, the Company conducts discussion and communication with the above-mentioned stakeholders through different communication channels and platforms, and submits the results of the communication to the Board of Directors at least once a year. The latest report to the Board of Directors was made on May 13, 2024.</p>	None
VI. Does the Company appoint a professional shareholder service agency to handle shareholder affairs?	V		None
VII. Information Disclosure (I) Does the Company have a corporate website to disclose information on financial standing, business, and the status of corporate governance? (II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate	V V		<p>(I) None</p> <p>(II) None.</p>

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
website)? (III) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline? VIII. Is there any other important information that facilitates a better understanding of the company's corporate governance practices (e.g. including but not limited to employee rights, employee wellbeing, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation standards, the implementation of customer policies, and purchasing of liability insurance for directors and supervisors)?		V	(III) The Company publicly announced and filed the first, second, and third quarter financial reports of 2024 three to eight days earlier than the required deadline, and report the operation of each month in accordance with legal regulations within two days prior to the deadline. (I) Employee benefits and care: (1) The Employee Welfare Committee meets regularly and adopts and implements benefits and allowance programs. It is our commitment to look after the welfare of our employees. We also partner with various stores near our offices to provide special offers or employee discounts. Furthermore, we have set up a Food Committee to help our employees maintain a healthy lifestyle and to enhance our food safety management. (2) We also offer a variety of welfare programs to our employees, including: Mandatory insurance coverage; Regular physical examinations, health education and tips, and consolation payment to hospitalized employees; Recreation and fitness facilities and sports events; Convenience stores in the factories, company uniforms, free parking, and employee housing. Our overseas offices also offer free meals, pre-paid round-trip plane tickets to Taiwan, and rides to and from the airport. (3) On-site medical consultation: Once a month, we have doctors and nurses on-site to provide employees with health and medical services. (II) Investor relations: The Company maintains positive interactions with investors and communicates with them via email, on-site visits, and phone interviews. To maintain good communications and interactions with the investors, suggestions, and opinions from investors are also provided to senior management and relevant units for consideration and the proper response is also given on a timely basis. (III) Supplier relations: The Company has always managed relations with raw material suppliers by treating them as partners. We pursue a close-knit, long-term partnership with suppliers based on the concept of teamwork, and have set up stringent review procedures, including product verifications, qualification reviews, and on-site plant visits and audits, on the suppliers as the basis for supplier review and approval. (IV) Rights and interests of shareholders: To formulate fair channels of communication with stakeholders, the Company has set up a Stakeholder page on its corporate website and is committed to topics of stakeholders' concern. We undertake stakeholder engagement and communications via different channels and platforms with the seven

None

Evaluation Items	Implementation Status		Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons for Deviations
	Yes	No	
		<p>major stakeholder groups of Cheng Shin, including customers, shareholders, employees, the community, government institutions, suppliers, and transacting financial institutions.</p> <p>(V) Directors' continuing studies: Please refer to pages 57-59 of this Annual Report.</p> <p>(VI) Implementation status of the risk management policy and risk evaluation standard: For the operational risks the Company may face, we implement thoroughly at the system level, and design emergency response mechanisms for specific situations. For details, please refer to Pages 95-98 of this Annual Report.</p> <p>(VII) Implementation status of customer policy: The Company has set up post-sale service and customer service sections on our website (website: http://www.cst.com.tw). The Company's distributors nationwide also provide consumers with consultation and complaint channels.</p> <p>(VIII) Directors' liability insurance and social responsibilities: The Company has added a clause to the Articles of Incorporation in accordance with Articles 39 and 50 of Corporate Governance Practice Principles which provides that the Company shall purchase liability insurance to cover the liabilities incurred by the directors under the law while they perform relevant duties during their tenures. The relevant implementation is also reported to the Board of Directors. The liability insurance for the directors in 2025 has been covered and reported to the Board of Directors on January 21, 2025.</p> <p>(IX) The Company's social responsibilities: In addition to focusing on business development, the Company has also made a long-term investment in corporate social responsibilities such as consumer rights and public interest, and gives back to society as it sees fit.</p>	None
<p>IX. Improvements were made in the most recent fiscal year in response to the results of the corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved.</p> <p>The Company's score in the 10th corporate governance evaluation, which was announced in April 2024, was 87.48 points (first 21%-35% percentile among the listed companies). In terms of our main achievements, we obtained external verification of the overall greenhouse gas emissions data, and we also obtained Class A Disclosure Certificate from the Taiwan Intellectual Property Management Standards (TIPS), enhanced the implementation of sustainable development. Under our corporate governance blueprint, we will continue working towards strengthening the following two areas: "Improving Information Transparency" and "Enhancing Board Composition and Function" in order to enhance the overall level of our corporate governance.</p>			

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

1. Roles and responsibilities of the Remuneration Committee Review directors and managers' annual and long-term performance targets and the policies, systems, standards, and compositions of salary and bonus on a regular basis in line with the Regulations for Performance Evaluation of the Board and Functional Committees; regularly evaluate the implementation status regarding directors and managers' performance targets, and determine individual contents and amount of salary and bonus.
2. Composition of the Remuneration Committee: The Remuneration Committee of the Company was established on July 19, 2011. As of February 28, 2025, information on the Remuneration Committee members are as follows:

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

Others	Lin, Chieh-Chung	<p>Professional Qualifications:</p> <p>1. Professional and qualified physician. s currently employed by Taichung Veterans General Hospital. Presently acts as a physician at Taichung Veterans General Hospital.</p> <p>Experience:</p> <p>1. 6th term of President of Taiwan Society of Pediatric Gastroenterology, Hepatology and Nutrition.</p> <p>2. Director of Taiwan Pediatric Association.</p> <p>3. Attending Physician, Department of Pediatrics, Taichung Veterans General Hospital.</p> <p>4. Chief Secretary of China Medical University Children's Hospital.</p> <p>5. Attending physician, Department of Hepatobiliary Gastroenterology, Children's Hospital of China Medical University.</p> <p>6. Director of Department of Hepatobiliary Gastroenterology, Department of Pediatric Medicine, Taichung Veterans General Hospital.</p> <p>7. Resident at Department of Pediatrics, Taichung Veterans General Hospital.</p> <p>8. Deputy Director, Liver Transplant Center, Taichung Veterans General Hospital.</p> <p>9. National Defense Medical University, clinical professor.</p>		0
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3. Operation Status of the Remuneration Committee:

The Remuneration Committee of the Company consists of a total of 3 members. The tenure of the current Remuneration Committee members is from July 5, 2023, to May 30, 2026. A total of 3 (A) Remuneration Committee meetings were held in 2024. The titles and attendance records of the Remuneration Committee members were as follows:

Position	Name	Actual Attendance (B)	Attendance by Proxy	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Chen, Shuei-Jin	3	0	100%	-
Committee Member	Lin, Chieh-Chung	3	0	100%	-
Committee Member	Chu, Po-Young	3	0	100%	-

Other Required Disclosures:

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

Implementation Status in 2024

Remuneration Committee	Proposal Contents	Resolution result of the Remuneration Committee	The Company's Response to the opinions of the Remuneration Committee
2024.01.29 (2nd Meeting of 5th Term)	(1) Proposal for 2023 performance evaluation reports on the Board of Directors and the Audit Committee of the Company. (2) Proposal for remuneration of executive directors of the Company. (3) Proposal for the Company's plan of distributing managers' year-end bonus and remuneration.	Unanimously approved by all the Audit Committee members present	First and third proposals were unanimously approved by all the directors present at the 5th meeting of the 12th term of the Board of Directors on January 30, 2024. Proposal 2 was resolved by the Board of Directors after re-evaluation of the remuneration of the three executive Directors by the Remuneration Committee.
2024.03.11 (3rd Meeting of 5th Term)	(1) Recall of the proposal for remuneration of executive directors of the Company. (2) Proposal for the distribution plan of directors' and employees' 2023 remuneration of the Company.	Unanimously approved by all the Audit Committee members present	Unanimously approved by all the directors present at the 6th meeting of the 12th term of the Board of Directors on March 13, 2024.
2024.05.09 (3rd Meeting of 5th Term)	(1) Proposal for 2023 directors' remuneration distribution of the Company. (2) Proposal for pension payment of Deputy General Manager Huang, Chieh-Hsiang.	Unanimously approved by all the Audit Committee members present	Unanimously approved by all the directors present at the 7th meeting of the 12th term of the Board of Directors on May 13, 2024.

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

Note:

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

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

Implementation item	Implementation Status		Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	
I. Has the Company established a governance structure for promoting the sustainable development, and set up a unit that specializes (or is involved) in the promotion of sustainable development, and does the board of director authorize the senior management for handling such matter, and the supervision status of the board of directors?	√		None
II. Does the Company follow the materiality principle to conduct a risk assessment for environmental, social and corporate governance	√		None

topics related to company operation, and establish risk management-related policy or strategy?			<p>Company has conducted a risk assessment for relevant important topics and established various internal regulations based on the assessed risks. Based on the types of individual risk factors, the competent units within the Company have carried out risk management at different levels and developed various controls, and at the same time conduct these controls, in order to minimize the uncertainty of business operations. The Company has also paid attention to climate change, energy, resource and other relevant issues, and set goals and regularly reviewed the results of the implementation.</p> <p>Please find the relevant established policies and procedures of risk management on pages 95~98.</p>	
<p>III. Environmental Topics</p> <p>(I) Has the Company set an environmental management system designed to industry characteristics?</p>	√		<p>1.The Company implements the ISO14001 Environmental Management System, in which the Safety and Health Department is responsible for implementing environmental management policies, assisting in promoting voluntary greenhouse gas reduction plans, establishing an enterprise environmental management system, committing to product designs that conform to environmental protection concepts, improving equipment and working environment to reduce exhaust gas, waste water, noise, waste generated in the process and save energy, properly proceeding with recycling, and strengthening industrial safety advocacy, and continuing the preventions and controls of various pollution. Additionally, each year, an external audit is conducted to ensure the effectiveness of our management system.</p> <p>2.Third-party management system assurance (Metal Industries Research & Development Centre) for ISO14001:2015 version update has been obtained on November 14, 2020 for the Company's Taiwan operations. External follow-up review has been carried out from September 26 to September 26, and from October 2 to October 4, 20203, and the certificate 5XWE001-09 is valid until November 13, 2026. Third-party management system assurance (Hangzhou Wantai Certification Co., Ltd.) for ISO50001:2018 Energy Management System version update has been obtained on January 12, 2024 for the Company's China operations, and the certificate is valid until December 1, 2026. Energy Saving, Resources Recycling, Operation Safety, and Pollution Prevention are the Company's core principles. The Company also promotes the 5S management activities in every aspect and regularly examines the environmental performance of each department.</p>	None
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	√		<p>Since a tire's fuel efficiency is highly relevant to our environment, we use lightweight designs and implement material simplification to reduce the weight of tires and the amount of semi-finished materials when developing</p>	None

			<p>new products. These design methods not only enhance the fuel efficiency of tires but are also highly effective in reducing the waste produced during the manufacturing process. In light of these benefits, we have been promoting low-rolling resistance tires and increasing production efficiency in our product development, thereby making a contribution to environmental sustainability. In addition, the raw materials used comply with EU regulations and the environmental protection requirements of major car manufacturers. All manufacturers need to submit a third-party notarized inspection report for REACH and ROHS. The Company fully uses environmentally friendly processing oils with low aromatic content, and related raw materials (Processing oil, oil-extended synthetic rubber, and resin) are required to be submitted to a third-party notary report by PAHS. In addition, to comply with and correspond to the requirements of EUDR regulations (due diligence), Cheng Shin has implemented and completed the risk assessments on 11 relevant suppliers during the second half of 2024 (the assessment result has indicated that there are no high-risk suppliers). Held meetings from time to time to review with the suppliers, and accurately implemented progress tracking and intelligence capture.</p>	
(III) Does the Company evaluate current and future climate change potential risks and opportunities and take relevant response measures?	V		<p>To respond to the risks and impact posed by the extreme climate, the Company has asked the ESG Promotional Team to call on the responsible staff of each department to work in groups to identify the material climate risk issues related to the Company in accordance with the materiality principle and Task Force on Climate-Related Financial Disclosures (TCFD) and analyze the impact level and opportunities. Through the identification of the physics and transition risks, the matrix of climate change risks and opportunities is drawn and the climate change core actions and strategies aiming at the material risks are stipulated to take risk countermeasures, reinforce the Company's adaptability to the extreme climate and lower the risks. Meetings are held regularly to review the effectiveness of the mitigating measures to stipulate standardized procedures and shorten the response time of handling similar risks in the future.</p>	None
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		<p>1. Both the Company's main plant and the Douliu plant have received the Energy Efficiency and Carbon Reduction Marks from the Environmental Protection Administration. In March 2017, Douliu 2nd plant became the 78th factory (and the first in the rubber product manufacturing industry) in Taiwan to have received the Clean Production Evaluation System Certification from the Industrial Development Bureau. In July 2018, we underwent a follow-up</p>	None

	<p>audit by the Industrial Development Bureau.</p> <p>2.According to the Regulations Governing the Inventory, Registration and Verification of Greenhouse Gas Emissions, for the main plant of the Company is the first batch of reportable objects (direct emission greater than 25,000 t-CO2e), and the Xizhou emissions greater than 25,000 t-CO2e), greenhouse gas inventory should be implemented and recorded.</p> <p>3.The greenhouse gas statistics of all the plants of the Company in Taiwan are as follows: In 2024, compared to 2023, the figure has decreased by 3.84%.</p> <table><tr><td>Greenhouse Gas Emission (t-CO2e)</td><td>2023</td><td>2024</td></tr><tr><td>Category I: Direct Emission</td><td>42,670.5037</td><td>39,325.1561</td></tr><tr><td>Category II: Energy Indirect Emission</td><td>79,131.4331</td><td>77,796.5687</td></tr><tr><td>Total</td><td>121,801.9368</td><td>117,121.7248</td></tr></table> <p>Note: The emission amount for 2024 is expected to be verified in April 2025, and the data may be subject to change.</p> <p>4.The water use management policy is formulated in accordance with the ISO14001 Environmental Management System: The boilers use RO purified water, the residual water is used by the manufacturing process, and the water used by the manufacturing process is recycled, with the goal of regulatory compliance in mind to reduce the water used by the manufacturing process and wastewater discharge. The source of water includes running water and groundwater. The wells extracting groundwater have all obtained the certificates of water rights and their extraction follows the permitted volume. The total volume of water consumption in 2024 decreased by 4.4% from 2023, and the wastewater discharge volume increased by 1.2%.</p> <table><tr><td>Water Resources Usage (tons)</td><td>2023</td><td>2024</td></tr><tr><td>Running Water</td><td>187,910</td><td>172,729</td></tr><tr><td>Groundwater</td><td>474,850</td><td>460,779</td></tr><tr><td>Total</td><td>662,760</td><td>633,508</td></tr></table>	Greenhouse Gas Emission (t-CO2e)	2023	2024	Category I: Direct Emission	42,670.5037	39,325.1561	Category II: Energy Indirect Emission	79,131.4331	77,796.5687	Total	121,801.9368	117,121.7248	Water Resources Usage (tons)	2023	2024	Running Water	187,910	172,729	Groundwater	474,850	460,779	Total	662,760	633,508
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[illegible]

			<p>waste gas processing facilities. The air pollutant emissions in the past two years are as follows:</p> <table><tr><th>Pollutant Type (tons)</th><th>2023</th><th>2024</th></tr><tr><td>Oxysulfide</td><td>0</td><td>0</td></tr><tr><td>Nitrogen Oxides</td><td>32.68</td><td>33.73</td></tr><tr><td>Volatile Organic Compounds</td><td>122.02</td><td>107.66</td></tr><tr><td>Particulates</td><td>0.896</td><td>0.817</td></tr><tr><td>Total</td><td>155.596</td><td>142.207</td></tr></table> <p>7. Energy-saving goals: The Company has established an energy management organization to set energy conservation goals and action plans annually. Currently, the Company follows the energy-efficient settings recommended by the Ministry of Economic Affairs, which aimed to reduce energy use by 1% from the previous year. The energy conservation measures taken by the Company include: Construction of solar power generation facility, replacing old models of motors with energy-efficient motors, selecting energy-efficient light fixtures, recovering waste heat from the water heating system, replacing the AC systems, etc. Investments toward energy-conserving measures in 2024 amounted to NT\$15,587 thousand, and 2,465.669 thousand kWh of energy was conserved.</p>	Pollutant Type (tons)	2023	2024	Oxysulfide	0	0	Nitrogen Oxides	32.68	33.73	Volatile Organic Compounds	122.02	107.66	Particulates	0.896	0.817	Total	155.596	142.207	
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Particulates	0.896	0.817																				
Total	155.596	142.207																				

			<p>Act in Taiwan, forced labor is prohibited; the same applies to expatriate employees. One of the items under our annual raw material supplier audit also prohibits suppliers from hiring child labor, and their employee recruiting and hiring process should comply with the Labor Standards Act. In 2024, there were no violations by our suppliers.</p> <p>2.To elevate work efficiency, improve work conditions and strengthen harmony between employees and employers, the Company has set up labor unions in accordance with local regulations. The employees are all protected by the collective agreements signed by the overseas subsidiaries and labor unions. As of December 31, 2024, for the region of Taiwan, a total of 2,336 employees, or 54.72% of the total employees, have joined the labor union. Although there is a trade union established in Taiwan, there is no collective agreement signed. In case where relevant issues need to be discussed, the Company provides diverse communication channels and adopts a positive communication method.</p>	
(II) Has the Company established appropriately managed employee welfare measures (including salary and compensation, leave, and other benefits), and properly linked operational performance or achievements with employee salary and compensation?	V		<p>The Company has established a reasonable remuneration policy and is in line with the annual operating performance and operation management guidelines (including sustainable governance indicators). In addition, remunerations are provided based on the personal performance achievement rate and the performance evaluation result on contribution to the Company. The Company regularly organizes employee education and training to improve employees' business ethics, in order to encourage employees to improve together with the Company and to enhance employee welfare. In October 2022, the Company officially launched the Employee Shareholding Trust Plan, which provides employee benefits that are superior to government regulations. Please refer to pages 84~85 for more details.</p>	None
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		<p>1. The Company establishes the occupational safety and health management system for years, including personnel education and training, early risk assessment, the determination of the occupational safety and health management system goals and objectives, the documents issuance for the occupational safety and health management system, the verification and confirmation of the occupational safety and health management system performance (internal audit) and the external assessment and verification of the occupational safety and health management system. The Company received a third-party management system certification (Metal Industry Research and Development Centre); certification information: ISO45001:2018/CNS45001:20185/TOSHMS, certification number:</p>	None

		<p>514S001-02, expiration date: 2025/5/2. The previous follow-up inspection was conducted on 2024/5/3~2024/6/6.</p> <p>2. The safety devices of the machinery and equipment are inspected by the operators daily before operation. Dangerous machinery and equipment are routinely inspected each year. The health and safety officers perform an on-site inspection daily, conduct auditing from time to time, and issue a checklist for safety improvements in case of any violations. Operating environment inspection is performed semi-annually.</p> <p>3. Each new employee is required to participate in general health and safety educational training; advanced training is also provided based on the type of machinery and equipment he/she will be operating once he/she arrives at the operating site. The Learning and Development Division under the HR Department arranges for training and seminars regarding health and safety from time to time for employees to participate in. Regulations related to health and safety, environmental protection, training information, and SDS downloads are also made available by the Safety & Health Department on the Company's intranet.</p> <p>4. Each year in July, we offer health checkups to our employees pursuant to the Labor Health Protection Act at selected hospitals. Employee health checkups include general (for all employees) and specialized health checkups (for employees who work in a hazardous environment). In 2024, the number of employees who received specialized health checkups was 825. Employees with abnormality found in their chest X-ray, or cholesterol level, blood pressure or blood sugar level above normal range will be notified for a follow-up appointment. In addition, the Company especially provides the logistics drivers with annual checkups for night vision, visual field, electrocardiogram, and heart-related functions, so as to prevent driving accidents caused by health factors.</p> <p>5. The Company has invited a contract physician to organize employee healthcare seminars, promote a smoke-free workplace, put up health promotional posters, promote health consultations, and more. In 2024, a total of 128 employee health consultation sessions were held across all plants, serving 749 participants. In 2024, a total of 6 health seminars were organized in each plant, and the number of participants was 299 persons.</p> <p>6. In accordance with the 2023 Frequency-Severity Indicator across all industries announced by the Occupational Safety and Health Administration on August 14, 2024, Ministry of Labor, for the 210 rubber and plastics</p>
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			<p>manufacturing industry: Disabling Injury Frequency Rate (FR): 2.54; Disabling Injury Severity Rate (SR): 263; Frequency-Severity Indicator (FSI): 0.81. The Company had 7 incidents of occupational hazards that required employees to be away from work in 2024; the total number of employees involved in such incidents was 7 (accounting for 0.16% of the total number of employees as of December 31, 2024); and a Disabling Injury Frequency Rate (FR): 0.84; Disabling Injury Severity Rate (SR): 38; Frequency-Severity Indicator (FSI): 0.18, which was far lower than the industry average. In accordance with the Company's rules, the unit where the occupational hazard occurs is required to fill out an Occupational Hazard Investigation Form to research its cause and to draft improvement measures for review and follow-up. All occupational hazard incidents have been improved.</p> <p>7. There were no fire incidents of the Company in 2024; no casualties were reported; casualties were 0; casualties accounted for 0% of the total number of employees. Relevant corrective actions taken in response to fires: Not applicable.</p>	
(IV) Has the Company established effective career development training plans?	V		<p>The Company is dedicated to creating a continuous and abundant learning environment. Each year, its employees participate in educational training regarding vocational development for enhancing their capabilities in respect of career development. Please refer to the relevant items of educational training and required hours on page 86 of the Annual Report.</p>	None
(V) For issues regarding customers' health and safety, privacy, sales, and labeling, does the Company's product and service comply with related regulations and international rules and set policies to protect consumers' and customers' rights and provide appeal procedures?	V		<p>"Quality first, customers satisfied" is the Company's core competitive strategy for its products. With respect to the internal regulations on the products' qualities, the Company implements Total Quality Management (TQM) from Japan and acquires ISO9001 and IATF16949 certifications for quality management systems, and establishes the Quality Department to promote Company's quality management. Automotive markets around the world have tire labeling requirements in order to help consumers pick out tires that are suitable for their use. Our products are sold around the world and are in compliance with applicable product labeling regulations in the countries/regions of distribution. Due to environmental and safety considerations, each region and country have adopted tire labeling regulations, mainly governing rolling noise, wet grip capacity, and rolling resistance of the tires. For passenger cars, light trucks, and truck/bus tires, manufacturers must put a sticker on the tire tread that includes information on the tire's level of rolling noise, wet grip, and rolling resistance. Our tires</p>	None

			<p>sold to all regions and countries are in compliance with applicable regulations. The Company has disclosed its advertisement and labeling information of the products and services on the corporate website, and all the certifications and awards received for regulatory compliance can be found in the "About Maxxis" section (URL: http://www.cst.com.tw). The Company has a "Stakeholders" section as well as a post-sale service department and a customer service web page on our website (URL: http://www.cst.com.tw) and nationwide distributors that can provide consumer-related consultations and complaints.</p>	
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V	<p>1. The Company has a rigorous review process for its suppliers, which includes product verification, qualification review and on-site visits. The environmental aspects and other assessments are 100% included in the supplier review phase and requires 100% compliance and verification. Some of the raw materials are introduced into the sustainable supply chain circular economy model. In addition, the Company is actively promoting sustainable raw materials (renewable and recyclable) development and implementation. For the labor and human rights aspect, we pay close attention to suppliers' recruitment, training, and health, safety, environment, anti-corruption, and comply with various international treaties and local labor laws from Responsible Business Alliance (RBA). In terms of ethical standards, we conduct reviews by focusing on prohibitions against conflict minerals, while in terms of social responsibilities, we adhere to and promote the Global Platform for Sustainable Natural Rubber (GPSNR) policy.</p> <p>2. We grade the supplier evaluation results into four tiers, namely A, B+, B, or C. Re-evaluation will be conducted on the approved suppliers based on their delivery quality and performance in a year, and a further re-evaluation will be conducted at least once every three years for all suppliers that receive A scores in each year. To ensure continuous improvement in the quality of suppliers, the re-evaluation process of existing suppliers is exactly the same as the new supplier approval process. Cheng Shin had a total of 90 qualified suppliers in 2024. After the evaluation, the annual audit plan has scheduled 21 suppliers to conduct on-site audits, and the results of the implementation indicated 100% qualification rate, with an achievement rate of 100%.</p> <p>3. In addition to supplier assessment and evaluation, Cheng Shin requires suppliers of raw materials to provide inspection reports from quality laboratories or third-party organizations for each shipment, and to conduct batch-by-batch or random inspections to ensure the quality of raw materials</p>	None	

			<p>supplied. In addition to the quality control of Cheng Shin's own products, we also trace back to the upstream sources and demand the input of quality raw materials to ensure that we provide consumers with safer and more quality-assured products.</p> <p>4. The Company requires all suppliers to observe the Responsible Business Alliance (RBA) standards, abide by RBA, and sign the letter of commitment. The Company's internal employees should sign the Letter of Commitment on Clean Practice for Employees to prevent abuses and combat corruption.</p> <p>5. To ensure the timely raw material supply to production and operation, the Company has worked out the internal management procedure for the implementation of the Emergency Response Plan. Moreover, the Company decides on an emergency topic based on external climate change every year and organizes an emergency response drill. In 2024, each production unit conducted at least two drills, including emergency response drills for hazardous substance leakage, liquid nitrogen leakage, fire, and explosion emergency response, information security and extreme climate drills, etc.</p>	
<p>V. Does the Company refer to international reporting rules or guidelines to publish a Sustainable Development Report to disclose non-financial information about the Company? Has the said Report acquired third-party certification party verification or statement of assurance?</p>	V		<p>1. The Company's Sustainability Report was compiled by various departments which the Sustainable Development Steering Group was responsible for coordinating, in accordance with the framework under the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD), and the standards and requirements of the Sustainability Accounting Standards Board (SASB).</p> <p>2. In order to ensure the quality of information disclosure, the Company has commissioned Deloitte & Touche to issue a limited assurance report in accordance with the Standards of Assurance No. 3000 and to release the report after assurance .</p>	None
<p>VI. If the Company has established its Sustainable Development Code of Practice according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the policies and its practices:</p> <p>The Board of Directors has approved the establishment of the "Sustainable Development Best Practice Principles", and operations are implemented according to these principles. The relevant operations and principles have been reviewed and improved, and no discrepancies have been found.</p>				
<p>VII. Other important information which facilitates a better understanding of the Company's promotion of sustainable development practices:</p> <p>Upholding the concept of "Building A Better Society", Cheng Shin commits itself to charity and social philanthropy, continues to integrate internal and external resources, and fulfills its corporate social responsibilities. We are involved in social philanthropy in multiple manners, through "Industry-academy cooperation", "Sports Sponsorship", "Arts and Cultural Promotion", "Educational Support", and "Community Feedback", we actively participate in charity activities, caring for the community, and giving back</p>				

to society.

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

Cheng Shin also continues to annually hold public welfare lectures and sponsor all types of sports events in Taiwan such as the national tennis group championships with First Financial Holding Company and the national table tennis championships with Taiwan Cooperative Financial Holding Company. Cheng Shin also promotes all types of cycling sports and sponsors the cycling events around Taiwan such as Changhua Classic 100.

Key performance –

1.Charity donations-

- The amount of the 2024 public welfare donation in Taiwan reached NT\$6,117,822.
- In 2024, the total amount of charitable donations in China by the Company reached CNY 135,140.

2.Industry-

- Academy cooperation. In 2020-2024, we organized a total of 119 MAXXIS University Recruitment Tours in the region of Kunshan.
- In 2024, we launched the "University Internship Program," with 70 students participating in internships at the Company
- In 2024, the Company participated in a total of 19 on-campus job fairs.

(VI) Climate-related information for TWSE/TPEX-listed companies

1. Implementation of climate-related information

Items and implementation status				
<p>1. Describe the board's and management's oversight and governance over climate-related risks and opportunities.</p> <p>Implementation status: In response to climate change and the energy usage crisis, the Company's Board of Directors conducts the monitoring, and the Sustainability Development Task Force works with various department personnel to assess the "likelihood of impacts" and "degree of impacts" of various risks based on materiality criteria. Eight climate change risks and opportunities have been identified, integrating Cheng Hsin's development with policies and solutions related to economic growth, environmental protection, and sustainable development. They also establish short, medium, and long-term objectives to continuously enhance climate resilience and foster an environmentally sustainable culture.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (short, medium and long term).</p> <p>Implementation status:</p>				
CATEGORY	Potential Risks and Opportunities	Point of Impact	Financial impact on the Company	Response Measures
Transitional Risk	Policy and regulatory impacts	Short-term	In response to government enforced environmental regulations, it is necessary to promptly comprehend and assess compliance within the Company. This facilitates alignment with governmental policies and regulations, but it also leads to increased expenditure on manpower costs.	Self-inspect the pollution prevention status and the pollution prevention equipment capability on a regular basis through the internal audit of the effective environmental management system. Establish regulations on the identification and management of environmental safety and health-related laws and regulations and collects regulations updated by relevant competent authorities every month to identify and implement them accordingly. Conduct compliance assessment once a year to comply with statutory provisions.
	Customer behavioral change	Mid-term	Increasing concern on environmental issues: In order to improve environmental protection and driving safety, with the expectation on the tire industry to provide consumers with better tire quality, stricter standards of EU Labeling/Marking Requirements have been put forward to implement in stages (2017~2030). Purchase of all-season tires: In some European countries, there is only light and light	Continue to carry out market and customer demand surveys so as to provide the new generation of all-season tire products in line with the market and customer demand.

			<p>snow all year round, and although the temperature is cold, there are no extreme cold conditions, so for the sake of convenience, consumers are starting to buy all-season tires. In response to new trends, new product positioning and new R&D directions are planned, resulting in increased labor costs.</p>		<p>The Energy Conservation and Carbon Reduction Committee and the energy conservation measures of each plant are regularly reported on the plans and results .</p> <p>Proposal of voluntary reduction plan is submitted, and we strive to obtain preferential tariff A for Xizhou Plant and preferential tariff B for headquarter plant. Reduce operating costs.</p>
	Collection of greenhouse gas emission carbon fee	Long-term	<p>Cheng Shin's headquarter plant and Xizhou Plant are subject to a carbon tax on the greenhouse gas emissions in 2025, resulting in an increase in operating costs.</p>		<p>Remove the silt in the waterway and increase water load.</p> <p>Add and purchase new equipment to increase the number of drainage motors in the plant to promote drainage efficiency.</p>
	Heavy rainfall events	Short-term	<p>The waterways in the plant are not easily drained and swell, causing water to accumulate on the roads and making it difficult for vehicles to pass, and the expenses are increased by assigning manpower and purchasing additional equipment to resolve the waterlogging situation.</p>		<p>Continuously monitor government policies related to water use restrictions to prevent unanticipated policies from affecting the Company's production capacity.</p>
	Droughts	Mid-term	<p>The government's water restriction policy has affected the water required for the Company's operations, resulting in increased costs.</p>		<p>Contingency shall be dealt with in accordance with the "Disaster and Accident Handling Management Methods".</p> <p>For example: Emergency Response Plan Operation Process, Emergency Response Contact System, and Disaster Response Management, etc.</p>
Physical risks	Disaster events	Long-term	<p>Disasters cause interruptions in operations and damages to equipment, resulting in loss of revenue.</p>		<p>In response to major industrial safety incidents such as fire and explosion, the Company has initiated the self-inspection, review, and prevention on the cause of the incident, and communicates with other plants within the Group.</p> <p>Implement in accordance with the Technical Guidelines on Emergency Response Measures and follow the Taiwan Occupational health and safety management systems (TOSHMS) guidelines and the five related technical</p>

					guidelines (risk assessment, procurement management, contracting management, change management, and emergency response measures) issued by the Ministry of Labor.
Opportunities	Expanding new business opportunities	Mid-term		Climate anomalies can cause a change in customer demand. If we can predict the market demand and develop new products, we are likely to enter new markets and increase our revenue.	Develop new products based on customer performance requirements. Segmenting markets and finding new niches.
	Research and development of innovative products or services	Mid-term		As the demand for electric vehicles continue to increase, we will develop EV products to increase brand power and market share in order to further increase the revenue	We will continue to develop "sustainable materials and environmental and low-carbon products capable of reducing environmental impact"

3. Describe the financial impact of extreme climate events and transformational actions.

Implementation status:

CATEGORY	Potential Risks and Opportunities	Point of Impact	Financial impact on the Company	Response Measures
Transformation action	Policy and regulatory impacts	Short-term	In response to government enforced environmental regulations, it is necessary to promptly comprehend and assess compliance within the Company. This facilitates alignment with governmental policies and regulations, but it also leads to increased expenditure on manpower costs.	Self-inspect the pollution prevention status and the pollution prevention equipment capability on a regular basis through the internal audit of the effective environmental management system. Establish regulations on the identification and management of environmental safety and health-related laws and regulations and collects regulations updated by relevant competent authorities every month to identify and implement them accordingly. Conduct compliance assessment once a year to comply with statutory provisions.
	Customer behavioral change	Mid-term	Increasing concern on environmental issues: In order to improve environmental protection and driving safety, with the expectation on the tire industry to provide consumers with better tire	Continue to carry out market and customer demand surveys so as to provide the new generation of all-season tire products in line with the market and customer demand.

			<p>quality, stricter standards of EU Labeling/Marking Requirements have been put forward to implement in stages (2017~2030).</p> <p>Purchase of all-season tires:</p> <p>In some European countries, there is only light and light snow all year round, and although the temperature is cold, there are no extreme cold conditions, so for the sake of convenience, consumers are starting to buy all-season tires. In response to new trends, new product positioning and new R&D directions are planned, resulting in increased labor costs.</p>		
	Collection of greenhouse gas emission carbon fee	Long-term	Cheng Shin's headquarter plant and Xizhou Plant are subject to a carbon tax on the greenhouse gas emissions in 2025, resulting in an increase in operating costs.	The Energy Conservation and Carbon Reduction Committee and the energy conservation measures of each plant are regularly reported on the plans and results . Proposal of voluntary reduction plan is submitted, and we strive to obtain preferential tariff A for Xizhou Plant and preferential tariff B for headquarter plant. Reduce operating costs.	
Extreme climate	Heavy rainfall events	Short-term	The waterways in the plant are not easily drained and swell, causing water to accumulate on the roads and making it difficult for vehicles to pass, and the expenses are increased by assigning manpower and purchasing additional equipment to resolve the waterlogging situation.	Remove the silt in the waterway and increase water load. Add and purchase new equipment to increase the number of drainage motors in the plant to promote drainage efficiency.	
	Droughts	Mid-term	The government's water restriction policy has affected the water required for the Company's operations, resulting in increased costs.	Continuously monitor government policies related to water use restrictions to prevent unanticipated policies from affecting the Company's production capacity.	
	Disaster events	Long-term	Disasters cause interruptions in operations and damages to equipment, resulting in loss of revenue.	Contingency shall be dealt with in accordance with the "Disaster and Accident Handling Management Methods". For example: Emergency Response Plan Operation Process, Emergency Response Contact System, and Disaster Response Management, etc. In response to major industrial safety incidents such as fire and explosion, the Company has initiated the self-inspection, review, and prevention on the cause of the incident, and	

				communicates with other plants within the Group. Implement in accordance with the Technical Guidelines on Emergency Response Measures and follow the Taiwan Occupational health and safety management systems (TOSHMS) guidelines and the five related technical guidelines (risk assessment, procurement management, contracting management, change management, and emergency response measures) issued by the Ministry of Labor.
<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p> <p>Implementation status:</p> <p>(1) Convene the Sustainable Development Task Force and divide groups with relevant department's responsible persons → (2) Identify and list the main risks and opportunities of Cheng Shin, and discuss their relevance to Cheng Shin → (3) Assess the urgency and incidence of the risks and opportunities → (4) Assess the intensity of the impact posed by climate change risks to Cheng Shin → (5) Draw climate risk and opportunity matrix → (6) Formulate climate risk response measures and assess whether the cost is correspondent to effects to carry out mitigation measures → (7) Regularly review the effectiveness of the mitigation measures. If the improvement is not satisfactory, reduce the level of impact through a second discussion or risk transfer → (8) Review the process and formulate standardized procedures for future related impacts, in order to reduce the response time to risk treatment in the future.</p> <p>5. If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.</p> <p>Implementation status: the Company selects material climate risks and opportunities each year for scenario analysis and management, and discloses them in the Company's Sustainability Report and CDP questionnaire.</p> <p>The Company has selected and analyzed the financial impact posed by the carbon fee levied by the government agency for the Company's specific operating locations under different scenarios with reference to the trend of domestic law and regulation and the public information of international peers;</p> <p>For the parameters, assumptions, analysis factors and main financial impact used in the aforementioned scenario analysis, please refer to the Company's 2024 Sustainability Report.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the plan, as well as the metrics and targets used to identify and manage physical risks and transition risks.</p> <p>Implementation status: The sustainability team and the staff of various departments evaluate and identify the physical climate risks, such as heavy rainfall and prolonged droughts, based on the materiality criteria, and implement countermeasures in response to the risks. Please refer to the ESG report for details.</p> <p>7. If internal carbon pricing is used as a planning tool, elaborate on the basis for setting the price.</p> <p>Implementation status: Relevant information is being collected for research and introduction.</p> <p>8. If climate-related targets have been set, please provide information about the covered activities, scope of greenhouse gas emissions, planning schedule, progress achieved</p>				

each year, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, please explain the source and quantity of the offset carbon emissions or the number of RECs used for the purpose. Implementation: The Company has set 2019 as the base year for greenhouse gas reduction, and the reduction target is to reduce the emission by 22% by 2030 compared with the base year; covering the tire production activities of each plant, the scope of greenhouse gas emissions: Scope 1: direct emissions from burning fossil fuels, and Scope 2: Indirect emissions from energy use. The Company actively responds to the government's renewable energy policy, and adopts the self-generation and self-use for the green electricity consumption. From May 2024 to the end of February 2025, the Company has consumed a total of 1.08 million kWh of electricity, and has obtained a total of 1,080 renewable energy certificates (T-REC). -REC No. 23SP0406-B024000001 - 1080
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).

1-1 GHG inventory and assurance in the last 2 years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons of CO2e), intensity (metric tons of CO2e/NTD million), and data coverage for the most recent two years.					
Year		2023		2024	
Item (Unit)		Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e/NTD million of revenue)	Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e/NTD million of revenue)
The Company	Scope 1	42,670.5037		39,325.1561	
	Scope 2	79,131.4331		77,796.5687	
	Subtotal	121,801.9368		117,121.7248	
All subsidiaries included in the consolidated financial statements	Scope 1	-	-	125,840,935.5	-
	Scope 2	-		485,346.8045	
	Subtotal	-		126,326,282.304	
Total		121,801.9368	1.266	126,443,404.028	1,313.738
The Company	Scope 3	306,173.6382	17.549	320,914.1326	19.123

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

For the 2024 annual emission data, inventory inspection and external verification will be performed according to the ISO14064-1:2018 version. After the verification, the data may be revised. The complete assurance and information will be disclosed in the 2024 sustainability report.

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

1-1-2 Greenhouse Gas Assurance Information

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

For 2023 the annual emission data, it is inspected and externally verified according to the ISO 14064-1:2018 version.

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

Assurance institution: The external verification is commissioned to AFNOR Asia Ltd., and greenhouse gas verification report has been obtained.

For the 2024 annual emission data, inventory inspection and external verification will be performed according to the ISO14064-1:2018 version. After the verification, the data may be revised.

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

Assurance institution: The external verification is commissioned to AFNOR Asia Ltd., and greenhouse gas verification report has been obtained.

The verification is expected to be completed in April 2025, and the complete and confident information will be disclosed in the 2024 sustainability report.

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

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

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

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

As of the date of publication of the annual report, the statistics on the reduction performance for 2024 are still under progress. The complete information will be disclosed in the 2024 report.

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

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

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof	
	Yes	No	Summary		
(II) Has the Company established a business unit, which is supervised by the Board and is exclusively or concurrently dedicated to business ethics and integrity, to report to the Board on the implementation status regularly (at least)?	V		(II) On March 14, 2023, the Company established the Ethical Corporate Management Group, consisting of the General Manager's Office Legal Office and formulating the Ethical Corporate Management Best Practice Principles Operating Procedures, and Guidelines, which stipulates that the Company shall report to the Board of Directors at least once a year on its performance. On May 13, 2024, the operation status and supervision implementation report were submitted to the Board of Directors as follows:	None.	
			Education and Training		1. Arrange 0.5 hour of ethical business education and training for new employees. In 2023, the total number of hours of education and training on ethical corporate management (anti-corruption, anti-bribery, and employee code of conduct) was 2,741 hours. 2. Directors participated in the 3-hour course of insider trading prevention seminar. 3. Directors participated in a 9-hour course on the regulations, restrictions, and risk analysis.
			Commitments		All personnel involved in procurement, quotation, inquiry and contact with suppliers, sales personnel, personnel at the managerial level (including director) and above, and personnel stationed in overseas plants shall sign the "Letter of Commitment for the Code of Ethical Conduct for Employees" and submit the same to the Human Resources Department. The same procedure applies to new employees and staff who are transferred. The "Letter of Commitment for Integrity and Confidentiality" signed by the

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary	
			provided in the employee service rules. In 2024, the Company recorded a total of 3,685 hours for ethical corporate management education and training, which covered communication and test and was included in the annual performance evaluation.	
III. Implementation Status of the Grievance System (I) Has the Company established a grievance and rewards system and a reporting hotline? Can the employees with alleged violations be reached by an appropriate contact person for a follow-up?	✓		(I) The Company has established a grievance system and whistleblowing procedures both on its intranet and on its website providing a channel for its employees and relevant personnel to report unethical business behaviors or improper conduct. The investigation of reported or suspected violations will be undertaken by a responsible unit assigned by the Company.	None
(II) Has the Company established standard operating procedures and confidentiality measures for the investigation of reported incidents?	✓		(II) The Company's Workplace Rules stipulate whistleblowing procedures and confidentiality measures, which enhance its code of conduct and ethics.	
(III) Does the Company have proper measures in place to protect whistleblowers from reprisals?	✓		(III) The Company takes protective measures and maintains the anonymity of whistleblowers to prevent reprisals. Any employee in violation of the Company's ethical standards will be subject to disciplinary actions according to the Company's rewards and disciplinary system.	
IV. Enhancing Information Disclosure Has the company disclosed its ethical corporate management policies and results of implementation on the company's website and the Market Observation Post System?	✓		The Company has made available its Ethical Corporate Management Best Practice Principles, corporate culture, missions and values, and other information on its website and the Market Observation Post System.	None
V. If the company has established ethical corporate management policies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies ("Best Practice Principles"), please describe any discrepancy between the policies and its practices: The Company has adopted the Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines. There is no discrepancy between our practices and the Best Practice Principles.				

Evaluation Items	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	
Summary			

VI. Other important information which facilitates a better understanding of the Company's ethical corporate management practices: The Company has made available on its website the Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Best Practice Principles Operating Procedures and Guidelines, Rules, and Procedures for Board Meetings, Management Procedures for Preventing Insider Trading, and a Stakeholders Section. With a vision for sustainable business, we seek to implement ethical corporate management and comply with applicable laws and regulations as the fundamental principles of our business			
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(VIII) Other important information regarding corporate governance that should be also disclosed together:

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

2. Directors’ Continuing Education:

Position	Name	Period of training		Organizer	Course Name	Hours from	Total training hours in 2024
		From	Until				
Representative of Corporate Director	Chen, Yun-Hwa	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	6
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
Representative of Corporate Director	Chen, Hsiu-Hsiung	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	6
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
Representative of Corporate Director	Lo, Tsai-Jen	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	12
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
		2024.11.13	2024.11.13	Taiwan Corporate Governance Association	Taiwanese business operators’ response to China’s economic changes	3	
		2024.11.13	2024.11.13	Taiwan Corporate Governance Association	Regulations, restrictions, and risk analysis on insider equity trading	3	
Director	Tseng, Shung-Chu	2024.11.13	2024.11.13	Taiwan Corporate Governance Association	Taiwanese business operators’ response to China’s economic changes	3	6
		2024.11.13	2024.11.13	Taiwan Corporate Governance Association	Regulations, restrictions, and risk analysis on insider equity trading	3	
Representative of Corporate Director	Lee, Chin-Chang	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	6
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
Representative of Corporate Director	Lo, Yuan-Long	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	18

		2024.06.28	2024.06.28	Securities & Futures Institute	Course series for directors, supervisors and corporate governance officers - Analysis and practice of nature-related financial disclosures	3	
		2024.08.09	2024.08.09	Taiwan Corporate Governance Association	Green power, certificates and sustainable invoices - The road to net zero forenterprises	3	
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	9	
Representative of Corporate Director	Chen, Han-Chi	2024.09.30	2024.09.30	Securities & Futures Institute	2024 Insider trading prevention advocacy meeting	3	6
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
Representative of Corporate Director	Wu, Hsuan-Miao	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	6
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
Independent Director	Wu Chung-Shu	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	9
		2024.07.03	2024.07.03	Taiwan Stock Exchange Corporation (TWSE)	2024 Cathay Pacific Sustainable Banking and Climate Change Summit	3	
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
Independent Director	Chu, Po-Young	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	15
		2024.05.07	2024.05.07	Taiwan Corporate Governance Association	Corporate legal risks and countermeasures - Discussion on corporate investment and financing	3	
		2024.08.06	2024.08.06	Taiwan Corporate Governance Association	Response and countermeasures of enterprises under the change of global financial situation	3	
		2024.11.05	2024.11.05	Taiwan Corporate Governance Association	Sustainability, risk, and information security issues in the AI era	3	
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	

Independent Director	Chen, Shuei-Jin	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	21
		2024.06.21	2024.06.21	Taiwan Corporate Governance Association	Business considerations and legal risk analysis for business decision-making	3	
		2024.08.08	2024.08.08	Taiwan Corporate Governance Association	How enterprises can implement energy conservation and carbon reduction to improve corporate profits	3	
		2024.08.09	2024.08.09	Taiwan Corporate Governance Association	The only implementation method for enterprises' sustainable operation - External innovation	3	
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	
		2024.11.13	2024.11.13	Taiwan Corporate Governance Association	Taiwanese business operators' response to China's economic changes	3	
		2024.11.13	2024.11.13	Taiwan Corporate Governance Association	Regulations, restrictions, and risk analysis on insider equity trading	3	

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

Position	Name	Period of training		Organizer	Course Name	Hours from	Total training hours in 2024
		From	Until				
Accounting Officer	Yu, Ching-Tang	2024.06.24	2024.06.25	Taiwan Corporate Governance Association	Continuing Education Training for Chief Accounting Officers of Issuers, Securities Firms, and the Securities Exchange	12	12
Chief Corporate Governance Officer	Lo, Yung-Li	2024.01.30	2024.01.30	Taiwan Corporate Governance Association	Understanding information security threats faced by enterprises from information security cases	3	15
		2024.09.03	2024.09.03	Taiwan Business Association for Sustainable Development	Sustainability knowledge empowerment course - non-electronic Industries - Building a new carbon era with sustainable knowledge power	6	
		2024.10.04	2024.10.04	Securities & Futures Institute	2024 Insider trading prevention advocacy meeting	3	
		2024.11.12	2024.11.12	Taiwan Corporate Governance Association	Risks and opportunities of climate change and net zero emissions policies on corporate operations	3	

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

1. Statement of Internal Control System

Cheng Shin Rubber Industry Co., Ltd.
Statement of Internal Control System

Date: March 12, 2025

Based on the self-evaluation of the internal control system of the Company in 2024, we hereby state that:

I. The Company understands that the Board and management of the Company are responsible for establishing, implementing, and maintaining adequate internal control. The Company has established an effective internal control system that aims to reasonably assure the operational results and effectiveness (including profitability, performance, assets security, etc.), the reliability, timeliness, and transparency of its report, and compliance with applicable laws and regulations.

II. Due to its inherent limitations, an effective internal control system can only reasonably ensure the achievement of the three objectives above, no matter how complete and perfect the design of the system is. Besides, the effectiveness of the internal control system may vary due to changes in the environment or conditions. However, the Company has set up a self-monitoring mechanism on the internal control system, which allows the Company to take corrective actions as soon as any error or inadequacy is identified.

III. The Company has assessed the design and operating effectiveness of the internal control system in accordance with the criteria effectiveness assessment of the internal control system listed in the Framework for the Establishment of Internal Control Systems by Public Companies (the "Framework"). The criteria listed in the Framework divide the internal control system into five components based on the management control process. The five components are i) Control environment, ii) Risk assessment, iii) Control activities, iv) Information and communication, and v) Monitoring. Each component comprises several elements. For more information, please refer to the Framework.

We have assessed the design and operating effectiveness of the Company's internal control system based on the criteria listed in the Framework.

V. Based on the assessment mentioned above, we conclude that the Company maintains an effective design and operation of its internal control system (including supervisory and management of subsidiaries) as of December 31, 2024, which provides reasonable assurance regarding the achievement of the following objectives: understanding the effectiveness and efficiency of operations and the status of goal achievement, reliability, timeliness and transparency of reporting, and compliance with applicable laws and regulations.

VI. This statement will be included as an integral part of the Annual Report and the prospectus of the Company and be disclosed to the public. Any false or fraudulent representations and concealment of information in this statement shall be subject to the legal liabilities prescribed by Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.

VII. This statement has been unanimously approved by the Board of Directors on March 12, 2025, with 11 directors present at the meeting.

Cheng Shin Rubber Industry Co., Ltd.

Chairman: Chen, Yun-Hwa

General Manager: Li, Chin-Chang



2. A separate audit report shall be disclosed where an independent registered public accounting firm has reviewed the Company's internal control system: N/A

(X)Major Resolutions of Shareholders' Meeting and Board Meetings within the current fiscal year and as at the date of the Annual Report

1. Status of Resolutions Made by Shareholders' Meetings and Implementation Status

Year	Date	Proposal	Resolution	Implementation Status
2024 Annual General Meeting	May 30, 2024	Adoption of 2023 Business Report and Financial Statements.	The proposal was approved by votes of the shareholders (including e-voting), Number of votes cast for the proposal: 2,039,997,880, accounted for 91.87% of the total voting shares; Number of votes cast against the proposal: 2,609,379; Forfeit/did not vote: 177,837,746; Invalid votes: 0, this proposal has been acknowledged as it is.	Completed in accordance with the shareholders' meeting resolution announcement.
		Adoption of 2023 Earnings Distribution Proposal.	The proposal was approved by votes of the shareholders (including e-voting), Number of votes cast for the proposal: 2,042,720,856, accounted for 91.99% of the total voting shares; Number of votes cast against the proposal: 2,427,908; Forfeit/did not vote: 175,296,241; Invalid votes: 0, this proposal has been acknowledged as it is.	The cash dividends were paid to the shareholders at NT\$2 per share on July 10, 2024.

2. Major Resolutions of the Board of Directors

Meeting Date	Major Resolutions of the Board of Directors	Resolution Results
2024.01.30 (5th meeting of 12th term)	(1) Proposal for the Company's plan of distributing managers' year-end bonus and remuneration. (2) Proposal for the Company's 2023 performance evaluation of the Board and the functional committee. (3) Proposal for remuneration of executive directors of the Company. (4) Proposal for the Company's loan line.	For Proposal 3, the three directors of Chairman Chen, Yun-Hwa, Vice Chairman Lo, Tsai-Jen and Director Chen, Hsiu-Hsiung were involved in conflict of interest such that they were required to recuse themselves from this proposal during the meeting, and the chairperson designated Director Tseng, Shung-Chu to act as the deputy chairperson for this proposal. After discussion of this proposal, it was submitted to the Remuneration Committee for re-assessment of the remunerations of the three executive directors and a resolution was made. Upon inquiry by the deputy chairperson, the motion was approved by the attending directors to postpone the resolution and the Board of Directors shall discuss further

		in another meeting. Other proposals were unanimously approved by all the directors present.
2024.03.13 (6th meeting of the 12th term)	<p>(1) Proposal to decide the date and location Three years the 2024 Annual Shareholders' Meeting as well as the reasons to convene the meeting.</p> <p>(2) Proposal to accept shareholders' proposals and nomination right related matters for the 2024 Annual Shareholders Meeting.</p> <p>(3) Proposal for the distribution of directors' and employees' 2023 remuneration of the Company</p> <p>(4) Proposal to discuss the Company's 2023 business report, consolidated financial statements, and individual financial statements.</p> <p>(5) Proposal for the distribution of the Company's 2023 earnings.</p> <p>(6) Proposal for the Review of Effectiveness of Internal Control System and the Statement of Internal Control System of the Company for 2023.</p> <p>(7) Proposal for independent evaluation of the Company's CPAs.</p> <p>(8) Proposal for the appointment and compensation of the Company's CPAs.</p> <p>(9) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries.</p> <p>(10) Amendment to the Company's Board Meeting Procedural Rules.</p> <p>(11) Proposal for the amendment to the "Audit Committee Charter" of the Company.</p> <p>(12) Proposal to amend the Company's "Procedures for the Preparation and Validation of Sustainability Reports".</p> <p>(13) Proposal for the Company's loan line.</p> <p>(14) Proposal for the Company's endorsements/guarantees.</p>	<p>Proposals 7, 8, and 9 concerning that the CPAs should be recused due to their involvement in conflict of interest, were approved by all attending directors unanimously.</p> <p>Other proposals were unanimously approved by all the directors present.</p>
2024.05.13 (17th Meeting of 12th Term)	<p>(1) Proposal to ratify the Company's Q1 2024 Consolidated Financial Statements.</p> <p>(2) Proposal to fix the ex-dividend base date.</p> <p>(3) Proposal for 2023 directors' remuneration distribution.</p> <p>(4) The Company's personnel appointments and dismissals.</p> <p>(5) Proposal to appoint a manager for pension payments.</p> <p>(6) Proposal for the Company's loan line.</p> <p>(7) Proposal for loaning of funds of the Company.</p>	Unanimously approved by all the directors present.
2024.08.12 (8th Meeting of 12th Term)	<p>(1) Proposal to ratify the Company's Q2 2024 Consolidated Financial Statements.</p> <p>(2) Proposal for the change of convener of "CSR Task Force".</p> <p>(3) Proposal for completion of the Company's 2023 Sustainability Reports.</p> <p>(4) Proposal of changing the ratio of assessment of tax base for the Company's overseas investment income.</p> <p>(5) Proposal for approval of the provision of non-assurance services by CPAs, their firms and their affiliates to the Company and subsidiaries.</p> <p>(6) Proposal for capital increase of Maxxis Rubber India Private Limited.</p> <p>(7) Proposal for the Company's endorsements/guarantees.</p> <p>(8) Proposal for the Company's loan line.</p>	Unanimously approved by all the directors present.

2024.11.12 (9th Meeting of 12th Term)	(1) Proposal to ratify the Company's Q3 2024 Consolidated Financial Statements. (2) Proposal to establish the Company's 2025 Audit Plan. (3) Proposal for the Maxxis Rubber India Private Limited capital increase project. (4) Proposal for establishment of the Company's "Rules Governing Sustainability Information". (5) Retroactive approval of personnel appointments and dismissals by the Company. (6) Proposal for the Company's loan line. (7) Proposal for the Company's endorsements/guarantees.	Unanimously approved by all the directors present.
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(XI) Major issues of record or written statements made by any director or supervisor dissenting to major resolutions passed by the Board during the current fiscal year and as of the date of the Annual Report: None.

IV. CPA Service Fee Information

(I) CPA Service Fee Information

Unit: NT\$ thousand

Name of the Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Note
PricewaterhouseCoopers, Taiwan	Chou, Chien-Hung Wang, Yu-Chuan	2024.01.01~ 2024.12.31	5,500	2,509	8,009	Information on Non-audit Fees: Audit of business income tax, review and consideration of other information, transfer pricing report fees and countries report fees, fees for direct deduction method verifications for dual-status business entities, global minimum tax system tax consulting service fees, and wages for full-time non-managerial employees, cash capital increase for India service fees.

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

(II) Disclosure of the amount and reasons for the decrease in audit fees where there has been a change of auditors and the audit fees are lower than the previous fiscal year: N/A.

(III) If the audit fees decrease by more than 10% compared to the previous year, the amount, percentage, and reasons for the decrease should be disclosed: There was no difference between the Company's audit fee for 2024 and 2023.

V. Information on Changes in CPA

(I) Regarding the Previous CPA: N/A

(II) Regarding the Succeeding CPA: N/A

(III) The former CPA's written response regarding the disclosures the Company is making pursuant to Sections 1, 2, and 3, Paragraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: N/A.

VI. Disclosure of any of the Company's Chairman, General Manager, General Manager, Manager in charge of financial or accounting affairs who has held a position at the Company's independent certified public accounting firm or its affiliates within the last year: None.

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

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

Position	Name of Director or Major Shareholder	Change in Equity in 2024		Up to February 28 for 2025	
		Number of Shares Held +(-)	Shares Pledged +(-)	Number of Shares Held +(-)	Shares Pledged +(-)
Chairman	Jiu Shun Investment Corporation	0	0	0	0
Representative of the Chairman	Chen, Yun-Hwa	58,788,000	0	0	0
Vice Chairman	Jye Luo Memory Co., Ltd.	0	0	0	0
Representative of the ViceChairman	Lo, Tsai-Jen	0	0	0	0
Director	Hsieh Shuen Investment Co., Ltd.	0	0	0	0
Director Representative who concurrently serves as the CEO	Chen, Hsiu-Hsiung	(161,000)	0	(94,000)	0
Director	Tseng, Shung-Chu	0	0	0	0
Director	Min Hsing Investment Co., Ltd.	0	0	0	0
Director Representative	Chen, Han-Chi	(135,000)	0	(54,000)	0
Director	Jiu Shun Investment Corporation	0	0	0	0
Director Representative	Wu, Hsuan-Miao	0	0	0	0
Director	Jye Luo Memory Co., Ltd.	0	0	0	0
Director Representative	Lo, Yuan-Long	0	0	0	0
Director	Hong Jing Investment Co., Ltd.	0	0	0	0
Director Representative/ Deputy General Manager	Lee, Chin-Chang	0	0	0	0
Independent Director	Chu, Po-Young	0	0	0	0
Independent Director	Wu Chung-Shu	0	0	0	0
Independent Director	Chen, Shuei-Jin	0	0	0	0
President	Hsu, Chih-Ming	0	0	0	0
Deputy General Manage	Peng, Wen-Hsing	(4,326)	0	0	0

Position	Name of Director or Major Shareholder	Change in Equity in 2024		Up to February 28 for 2025	
		Number of Shares Held +(-)	Shares Pledged +(-)	Number of Shares Held +(-)	Shares Pledged +(-)
Deputy General Manage	Lin, Yu-Yu	0	0	0	0
Deputy General Manage	Liao, Cheng-Yao	0	0	0	0
Deputy General Manage	Lee, Hung-Ko	0	0	0	0
Deputy General Manage	Lai, Kuo-Ti	0	0	0	0
Deputy General Manage	Liu, Chao-Sheng	0	0	0	0
Deputy General Manage (Chief Financial Officer)	Lo, Yung-Li	0	0	0	0
Deputy General Manage	Chen, Shu-Yu	0	0	0	0
Deputy General Manage	Ho, Chin-Fang	0	0	0	0
Deputy General Manage	Lo, Chen-Jung	0	0	0	0
Deputy General Manage	Chang, Ghi-Jung	0	0	0	0
Deputy General Manage	Liu, Ching-Chung	0	0	0	0
Assistant Manager	Lin, Chin-Chuan	0	0	0	0
Assistant Manager	Chang, Chuan-Shun	0	0	0	0
Assistant Manager	Chiang, Kui-Yung	0	0	0	0
Assistant Manager	Hu, Ming-Te	0	0	0	0
Assistant Manager	Chen, Jin-Long	0	0	0	0
Assistant Manager	Yang, Jin-Cheng	0	0	0	0
Assistant Manager	Lo, Yuan-Long	0	0	0	0
Assistant Manager	Chen, Po-Chia	0	0	0	0
Assistant Manager	Lai Ming-Han	0	0	0	0
Assistant Manager	Chen, Chih Hsien	0	0	0	0
Assistant Manager	Chen, Han-Hsin	0	0	0	0
Assistant Manager	Chiang, Chih-Wei	0	0	0	0
Accounting Officer	Yu, Ching-Tang	0	0	0	0
Major Shareholder	Lo, Ming-Han	0	0	0	0
Major Shareholder	Jye Luo Memory Co., Ltd.	0	0	0	0

(II) Information about Equity Transfer

Name (Note 1)	Reason for Equity Transfer (Note 2)	Transaction Date	Transaction Counterparty	Relationship Between the Transaction Counterparty and the Company, Directors, Supervisors, and Shareholders Who Hold More Than 10% of the Company's Shares	Number of Shares	Transaction Price
Chen, Yun-Hwa	Offered as gift	20240201	Chen, Bing-Hao Chen, Li-Chen Chen, Chi-Ying	Adult children Adult children Adult children	206,000 206,000 206,000	44.85
Lo, Ming-I	Offered as gift	20240201	Chen, Yun-Hwa Chen, Bing-Hao Chen, Li-Chen Chen, Chi-Ying	Spouse Adult children Adult children Adult children	60,000,000 206,000 206,000 206,000	44.85
Chen, Yun-Hwa	Offered as gift	20240508	Chen, Bing-Hao Chen, Li-Chen Chen, Chi-Ying	Adult children Adult children Adult children	198,000 198,000 198,000	50.00
Lo, Ming-I	Offered as gift	20240508	Chen, Bing-Hao Chen, Li-Chen Chen, Chi-Ying	Adult children Adult children Adult children	198,000 198,000 198,000	50.00
Chiu, Li-Ching	Offered as gift	20241209	Lu, Ju-Pei	Spouse of adult children	200,000	52.00

Note 1: List the names of the Company's directors, supervisors, managers, and shareholders holding more than 10% of the shares.

Note 2: List out as acquired or disposed of.

(III) Information about Equity Pledged Under Lien

Shares pledged to related parties: None

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

Relationship Among Top Ten Largest Shareholders

June 6, 2024 (Note 2)

Name (Note 1)	Share Ownership		Shares Held By Spouse and Minor Children		Shares Held in Other's Name		Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familiar Relationship within the Second Degree of Kinship		Note
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name	Relation	
Lo, Ming-Han	370,176,378	11.42%	0	0%	0	0%	Lo, Tsai Jen; Lo, Min-Ling; Chen, Shiu-Hsiung; Chen, Yun-Hwa	Within second degree of kinship	-
Jye Luo Memory Co., Ltd. Representative: Lo, Tsai-Jen	324,430,630	10.01%	0	0%	0	0%	Lo, Yuan-Yu; Lo, Yuan-Lung Lo, Ming-Han; Lo, Ming-Ling Chen, Shiu-Hsiung; Chen, Yun-Hwa	Within second degree of kinship	-
Chen, Yun-Hwa	179,358,531	5.53%	21,280,443	0.66%	13,391,000	0.41%	Lo, Ming-Han; Lo, Tsai-Jen Lo, Min-Ling, Chen, Hsiu-Hsiung,	Within second degree of kinship	-
Yuanta Taiwan High Dividend Fund Account	131,591,505	4.06%	0	0%	0	0%	None	None	-
Taishin International Bank Co., Ltd. trusted for custody of the Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust Account of Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund	125,943,000	3.89%	0	0%	0	0%	None	None	-
Lo, Tsai-Jen	91,662,430	2.83%	27,829,793	0.86%	0	0%	Lo, Yuan-Yu; Lo, Yuan-Lung Lo, Ming-Han; Lo, Ming-Ling Chen, Shiu-Hsiung; Chen, Yun-Hwa	Within second degree of kinship	-
Lo, Yuan-Yu	71,905,216	2.22%	0	0%	0	0%	Lo, Tsai-Jen; Lo, Yuan-Lung	Within second degree of	-

								kinship	
Chen, Hsiu-Hsiung	67,819,456	2.09%	62,945,516	1.94%	31,280,000	0.97%	Lo, Ming-Han; Lo, Ming-Han; Lo, Tsai-Jen, Chen, Yun-Hwa	Spouse and second-degree relative	-
Lo, Ming-Ling	62,945,516	1.94%	67,819,456	2.09%	0	0%	Chen, Shiu-Hsiung, Lo, Ming-Han; Lo, Tsai-Jen, Chen, Yun-Hwa	Spouse and second-degree relative	-
Lo, Yuan-Long	61,064,766	1.88%	3,000	0%	0	0%	Lo, Tsai-Jen, Lo, Yuan-Yu	Within second degree of kinship	-

Note 1: The names of the shareholders shall be listed individually (corporate shareholders shall include both the company name and the name of the representative)

Note 2: The latest book closure date.

Note 3: Percentage in share ownership shall be the total shares held whether in the names of the individual, his/her spouse, or children who are minors or under nominee accounts.

Note 4: Relationships between the aforementioned shareholders (including juristic and natural persons) shall be disclosed according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

Affiliated Companies (Note)	Ownership by the Company		Ownership by Directors, Supervisors, Managers, and Entities Directly or Indirectly Controlled by the Company		Total Ownership	
	Number of Shares	Share-holding Ratio	Number of Shares	Share-holding Ratio	Number of Shares	Share-holding Ratio
MAXXIS International Co., Ltd.	35,050,000	100%	0	0%	35,050,000	100%
CST Trading Ltd.	72,900,000	100%	0	0%	72,900,000	100%
Cheng Shin Rubber USA, Inc.	1,800,000	100%	0	0%	1,800,000	100%
MAXXIS TRADING LTD.	237,811,720	100%	0	0%	237,811,720	100%
New Pacific Industry Company Limited	5,000,000	50%	0	0%	5,000,000	50%
Cheng Shin Rubber Canada, Inc.	1,000,000	100%	0	0%	1,000,000	100%
MAXXIS Tech Center Europe B.V.	1,000,000	100%	0	0%	1,000,000	100%
PT MAXXIS International Indonesia	199,992,500	99.99625%	7,500	0.00375%	200,000,000	100%
Maxxis Rubber India Private Limited	2,022,983,605	99.99919%	16,395	0.00081%	2,023,000,000	100%
Maxxis Trading Company Limited	10,000,000	100%	0	0%	10,000,000	100%
PT. MAXXIS TRADING INDONESIA	9,990	99.9%	10	0.1%	10,000	100%
Maxxis Europe B.V.	2,000,000	100%	0	0%	2,000,000	100%
MAXXIS RUBBER JAPAN CO., LTD.	5,000	100%	0	0%	5,000	100%

Note: (1) Investments of the Company are accounted for using the equity method.

(2) Up to 2024.

Three . Financing

I. Recordable items in capital and share

(I) Sources of Capital

Year/Month	Issuance Price Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by Assets Other Than Cash	Others
August 1988	10	162,509,490	1,625,094,900	162,509,490	1,625,094,900	Capital increase from retained earnings	None	-
August 1989	10	203,136,863	2,031,368,630	203,136,863	2,031,368,630	Capital increase from retained earnings	None	-
August 1990	10	243,764,236	2,437,642,360	243,764,236	2,437,642,360	Capital increase from retained earnings	None	-
May 1991	10	263,265,375	2,632,653,750	263,265,375	2,632,653,750	Capital increase from retained earnings	None	Jing (80) Shang No.118965 dated September 7, 1991
July 1992	10	315,918,450	3,159,184,500	315,918,450	3,159,184,500	Capital increase from retained earnings	None	Jing (81) Shang No.118426 dated August 31, 1992
July 1993	10	363,306,218	3,633,062,180	363,306,218	3,633,062,180	Capital increase from retained earnings	None	Jing (82) Shang No.115285 dated August 13, 1993
July 1994	10	421,435,213	4,214,352,130	421,435,213	4,214,352,130	Capital increase from retained earnings	None	Jing (83) Shang No.112989 dated September 2, 1994
August 1995	10	501,507,903	5,015,079,030	501,507,903	5,015,079,030	Capital increase from retained earnings	None	Jing (84) Shang No.111207 dated August 16, 1995
August 1996	10	551,658,693	5,516,586,930	551,658,693	5,516,586,930	Capital increase from retained earnings	None	Jing (85) Shang Zi No. 111479 dated August 12, 1996
July 1997	10	606,824,562	6,068,245,620	606,824,562	6,068,245,620	Capital increase from retained earnings	None	Jing (86) Shang Zi No.111867 dated July 18, 1997
December 1998	10	679,643,509	6,796,435,090	679,643,509	6,796,435,090	Capital increase from retained earnings	None	Jing (87) Shang Zi No. 087142412 dated December 29, 1998
August 1999	10	747,607,860	7,476,078,600	747,607,860	7,476,078,600	Capital increase from retained earnings	None	Jing (88) Shang Zi No. 088127496 dated August 4, 1999
August 2000	10	784,988,253	7,849,882,530	784,988,253	7,849,882,530	Capital increase from retained earnings	None	Jing (89) Shang Zi No. 089127105 dated August 1, 2000
August 2001	10	836,012,489	8,360,124,890	836,012,489	8,360,124,890	Capital increase from retained earnings	None	Jing (90) Shang Zi No.09001288800 dated August 22, 2001

August 2002	10	886,173,238	8,861,732,380	886,173,238	8,861,732,380	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09101319120 dated August 15, 2002
August 2003	10	957,067,097	9,570,670,970	957,067,097	9,570,670,970	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09201240400 dated August 8, 2003
August 2004	10	1,048,945,538	10,489,455,380	1,048,945,538	10,489,455,380	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09301149390 dated August 18, 2004
September 2005	10	1,138,105,908	11,381,059,080	1,138,105,908	11,381,059,080	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09401168800 dated September 5, 2005
September 2006	10	1,217,773,322	12,177,733,220	1,217,773,322	12,177,733,220	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09501191430 dated August 30, 2006
September 2007	10	1,303,017,454	13,030,174,540	1,303,017,454	13,030,174,540	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09601224190 dated September 14, 2007
September 2008	10	1,498,470,072	14,984,700,720	1,498,470,072	14,984,700,720	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09701236220 dated September 15, 2008
September 2009	10	1,648,317,079	16,483,170,790	1,648,317,079	16,483,170,790	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09801202660 dated September 4, 2009
August 2010	10	2,060,396,349	20,603,963,490	2,060,396,349	20,603,963,490	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 09901193360 dated August 25, 2010
August 2011	10	2,472,475,619	24,724,756,190	2,472,475,619	24,724,756,190	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 10001194070 dated August 22, 2011
August 2012	10	2,818,622,206	28,186,222,060	2,818,622,206	28,186,222,060	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 10101174280 dated August 27, 2012
August 2013	10	3,241,415,536	32,414,155,360	3,241,415,536	32,414,155,360	Capital increase from retained earnings	None	Jing Shou Shang Zi No. 10201172870 dated August 29, 2013

February 28, 2025; Unit: Shares

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

(II)List of Majority Shareholders June 6, 2024 (Note)

Share Name of major shareholder	Number of Shares Held	Share-holding Ratio
Lo, Ming-Han	370,176,378	11.42%
Jye Luo Memory Co., Ltd.	324,430,630	10.01%
Chen, Yun-Hwa	179,358,531	5.53%
Yuanta Taiwan High Dividend Fund Account	131,591,505	4.06%
Taishin International Bank Co., Ltd. trusted for custody of the Taiwan ESG Perpetual High Dividend ETF Securities Investment Trust Account of Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund	125,943,000	3.89%
Lo, Tsai-Jen	91,662,430	2.83%
Lo, Yuan-Yu	71,905,216	2.22%
Chen, Hsiu-Hsiung	67,819,456	2.09%
Lo, Ming-Ling	62,945,516	1.94%
Lo, Yuan-Long	61,064,766	1.88%

Note: The latest book closure date.

(III)Dividend Policy and Implementation

Our dividend policy is as follows:

1. If the Company has pre-tax earnings for the fiscal year after the accounts are closed, the Company shall first set aside an amount to pay any business income tax due, offset the losses of previous years, and set aside ten percent (10%) of the residual amount as the legal reserve, and shall, pursuant to applicable laws and regulations, set aside a portion of the after-tax earnings for its special reserve. To the extent that there is any balance of the Company's after-tax earnings remaining, the total earnings available for distribution shall consist of the remainder of such balance and the retained earnings from the previous year. The Board of Directors may propose a profit distribution plan for approval at the shareholders' meeting.

The dividends to the shareholders under such a plan shall be ten to eighty percent (10-80%) of the total distributable earnings, from which the cash dividends shall not be lower than ten percent (10%) of the total dividends declared.

2. Proposed Dividend Payment by the Shareholders' Meeting

3. After the appropriation of legal reserve, the total after-tax earnings of the Company available for distribution, which includes retained earnings carried forward from the previous year (s), was NT\$38,585,657,164 in the 2024 Fiscal Year. It is proposed that NT\$7,779,397,286 of cash dividends be paid to the shareholders (at NT\$2.4 per share) in accordance with the Articles of Incorporation of the Company.

4. Material Changes in Expectations of the Company's Dividends and Execution Status: None.

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

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

(V)Remuneration for Employees and Directors

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

To the extent that the Company has profit in the year, the Company shall set aside at least 2% of such profit as employee dividends and no more than 3% of such profit as director dividends, provided that the Company shall first offset the cumulative losses, if any.

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

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

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

3.Status of Employee Compensation Appropriations as Approved by the Board of Directors:

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

The Company allocated NT\$188,216 thousand as cash compensation to employees and NT\$134,104 thousand as compensation to directors in 2024. Comparing the revenues and profitability of the Company in 2024 to those in 2023 and taking into account the amount of payout in 2023, the proposal was reviewed by the Remuneration Committee and the Board has passed a resolution and recommends that NT\$188,216 thousand be paid out as cash remunerations of employees and NT\$141,162thousand as remunerations of directors. The difference between the actual amount of remunerations of directors and the estimated amount is increased by NT\$7,058 thousand, which is recognized as the profit or loss for 2025.

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

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

The following summarizes the actual distribution of employees' remuneration and directors' remuneration in the previous year (2023):

Item	Approved Distribution (NT\$)	Deviation	Reason for Deviation
Employees' Remuneration	189,803,470	—	None
Directors' Remuneration	135,234,972	—	None

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

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

II. Issuance of corporate bonds

Type of corporate bonds		Cheng Shin Rubber Ind. First Offering of Unsecured Ordinary Bonds of 2021
Issuance Date		2021.08.05
Par value		NT\$1 million
Location of Issuance and Transaction		N/A
Par Value		At Par
Total Amount		NT\$8 billion
Interest		0.60%
Maturity		5 Years Due Date: 2026.08.05
Guarantee Agency		None
Trustee		Taipei Fubon Commercial Bank
Underwriters		Yuanta Securities Co., Ltd. Co., Ltd.
Certifying Lawyers		N/A
Certifying CPA		PricewaterhouseCoopers, Taiwan CPA Wu, Yu-Long, CPA Chou, Chien-Hung
Redemption		50% of the principal will be paid at the end of the fourth year and the remaining 50% will be paid at the end of the fifth year from the issuance date 4th and 5th year 1/2 of the principal for each year respectively
Outstanding Principal		NT\$8 billion
Redemption or early redemption Terms and conditions of settlement		None
Restrictions		None
Company's name, date, and corporate bonds of credit rating		Taiwan Ratings Rating Date: 2021/03/25 Corporate credit rating result twA
Other rights	Converted (exchange or subscription) common stock, depository receipts, or other prices of securities as of the Annual Report publish date.	N/A
	Regulations of Issuance and Conversion/Exchange/ Subscription	N/A
Potential Dilutive Effects on other Shares and Impact on the Rights of Existing Shareholders due to Regulations of Issuance and Conversion/Exchange/Subscription or Terms of Issue		N/A
Name of Exchange		N/A

III. Issuance of preferred shares: None

IV. Issuance of overseas depository receipts: None

V. Issuance of stock subscription warrants to employees and restriction on employee right to obtain new shares

VI. Issuance of new shares in connection with the merger or acquisition of other companies: None

VII. Recordable items of the implementation status of the capital utilization plan

(I) Plan Contents

First Offering of Unsecured Ordinary Bonds of 2020

(1) Date of approval and approval document number: Zheng Gui Zhai Zi No. 11000075911 issued by the Taipei Exchange dated July 27, 2021.

(2) Funds required for the project: NT\$8 billion.

(3) Source of financing: First offering of unsecured bonds of NT\$8 billion.

(4) Purpose of financing and progress of use Unit: NT\$ thousand

Plan Item	Estimated Completion Date	Funds Required	Estimated Progress of Use	
			2021	
			Q3	Q4
Paying off Liabilities	Q3 2021	\$6,000,000	\$6,000,000	-
Strengthening the Operating Capital	Q3 2021	\$800,000	\$800,000	-
	Q4 2021	\$1,200,000	-	\$1,200,000
Total		\$8,000,000	\$6,800,000	\$1,200,000

(II) Implementation Status

Status of Funds Used and Implementation

First Offering of Unsecured Ordinary Bonds of 2020

Unit: NT\$ thousand

Plan Item	Implementation Status		2021.12.31	Reasons and Improvement Plans for Leading or Behind the Project Schedule
Paying off Liabilities (improving financial structure)	Fund Used	Proposed	6,000,000	Plan Completed
		Actual	6,000,000	
	Implementation Status (%)	Proposed	100%	
		Actual	100%	
Strengthening the Operating Capital	Fund Used	Proposed	2,000,000	Plan Completed
		Actual	2,000,000	
	Implementation Status (%)	Proposed	100%	
		Actual	100%	

Four. Operation Overview

I. Business contents

(I) Business scope:

1.Major contents of business

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

2.Proportion in business

Below are the proportions of major products in the business of the Company in 2024: Unit: NT\$ thousand

Major Products	2024	
	Amount	%
Radial cover - car	38,924,828	40.44%
Radial cover - truck	12,919,852	13.42%
Motorcycle cover	18,143,883	18.85%
Bicycle cover	11,774,867	12.23%
Inner tube	3,684,701	3.83%
Other tires	10,678,502	11.09%
Other products	910,707	0.95%
Return, allowance, freight and insurance costs, and others	-790,283	-0.82%
Total	96,247,057	100%

3.The Company's Current Products: PCR, TBR, MC, BC, TUBE, Inner tires, and other tires

4.New Products in Development

City Tire MA-3Di Product Development of RE	YAMAHA NMAX Product Development of OE
SUZUKI XF0A1 Product Development of OE	MCR Sport Touring Tire Product Development
RAZR RAID+ Desert Racing Development	10 Inches Tire Development for Student Formula
Product Development of Regional Series for Europe	Grand Touring A/S Product Development for Passenger Cars
Product Development for 4x4 Vehicles - Rugged Terrain & Heavy Duty	Third Generation All Performance Road Tire Product Development
ALL-season & Summer Product Development of OE for SUV Crossover Vehicle	High Performance Summer Product Development For Passenger Cars
Summer Product Development of OE for Commercial Vehicle	Summer Product Development of OE for Hybrid Electric SUV Vehicle
Ultra High Performance Summer Product Development For EV SUV & Passenger Cars	

(II) Industry Overview:

1. Industry Situation and Development

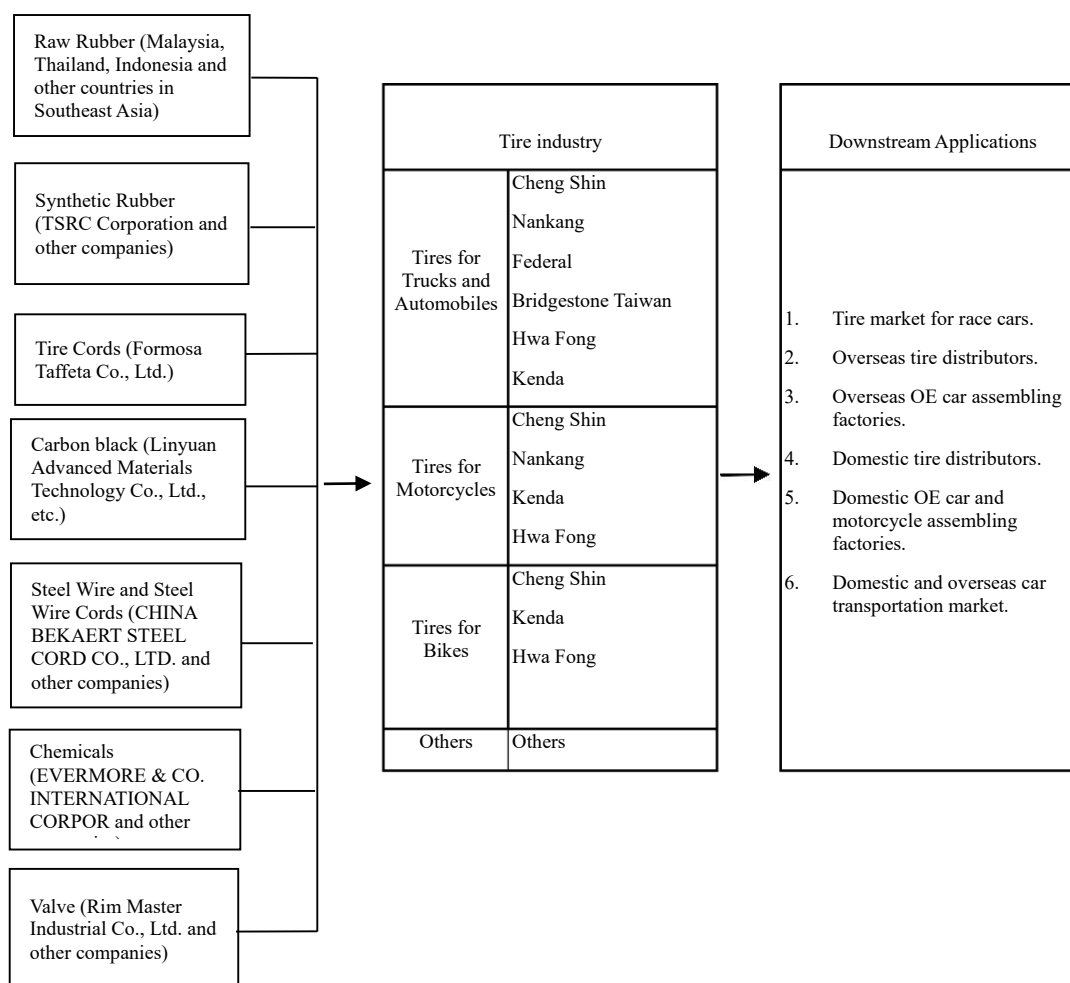
With the domestic rapid economic development and the continuous development and innovation of this industry, tire businesses are also flourishing, which improves the industrial technology for higher-level tires. The Company's main products are cover tires for automobiles and motorcycles. Due to the small market and limited road areas in Taiwan, as well as increasing importation after Taiwan's participation in the WTO, makes marketing and sales of tires even more difficult because Taiwan's domestic market is already saturated. In view of this, the Company will be dedicated to the development of tires with high performance, lightweight, low rolling resistance, safety, and intelligence, so that the Company will be able to develop its market by continuously providing more leading products.

2. Relationship Among the Supply Chain

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

Diagram of Relationship Among Tire Industry in Taiwan

Upstream, midstream, downstream



3.Product Development Trends and Competition Landscape

Information of The Development Trends And Competition of Products: For the entire market of tire products, the traditional cross-ply tires have been replaced gradually by radial tires and the main reason is that the radial tires are able to reduce the possibility of flat tires and would provide the effects of oil saving, abrasion resistance, and driving safety. Also, the development trend of tire products is the low aspect ratio and high-performance tires. Due to market needs and higher consumers' needs for environmental quality, the Company plans to manufacture and provide high performance tires, low rolling resistance tires, safety tires, intelligent tires, steel wire radial tires, and other new products. The Company would like to enhance its development power by improving its technology and increasing product diversity and would also like to develop and dominate the market by continuously expanding leading products.

(III) Overview of Technology, Research and Development

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

Items \ Year	2024	Up to February 28 for 2025 (Note)
Research and development expenses	3,705,004	636,107
Net Operation Income	96,247,057	14,744,204
Percentage of net operating income	3.85%	4.31%

Note: 2025 information comes from self-prepared financial data from the Company.

2.Technology and Products Successfully Developed

Grand Touring A/S Product Development for Passenger Cars	Product Development for 4x4 Vehicles - All-Terrain & Rugged Terrain
Ultra High Performance Product Development for Passenger Cars - Summer Type & A/S Type	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 Commercial Vehicle
Racing Tire Product Development for Passenger Cars	MCR 50/50 Adventure Product Development
ATV Non-steel belt Product Development	Second-Generation Gravel Tires Product Development
The new generation of Light Truck (19") All-Steel Product Development	Electric Bus Product Development
MC 50/50 Adventure Product Development	SYM Adventure Model Development
Product Development of RE for Light Bike	Product Development of RE for Big Scooter

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

1.Short-term plans

- (1) Continuing to develop products from all lines and formulating different sales models tailored to local markets based on the existing business
- (2) Promoting production process rationalization and flexibility to harmonize production and distribution and to reach the most profitable business scale; implementing comprehensive quality management to achieve the goal of delivering top-quality products.

2.Long-term plan:

- (1) Optimizing quality and developing private-label products to increase market share and establish complete global distribution channels and brand management strategies.
- (2) Continuously conducting R&D activities to maintain a leading position in manufacturing technology in the market and to take full advantage of the economics of large-scale production.

II. Market, Production and Sales Overview

(I) Analysis of Market

1. Analysis of Market and Production and Marketing Situation

(1) Sales markets:

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

(2) Market Share:

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

(3) Future Market Supply and Demand and Prospect:

In recent years, the Company has also actively developed niche markets. Aimed at the Tesla electric vehicle tire replacement market, we have launched MAXXIS' first electric tire VICTRA SPORT EV (VS-EV). Taiwan Excellence Award ". The product has won the SEMA Best Product Award in the U.S., and has successively won international design awards, such as the "Paris Design Award," the "IDEA Design Award" for a history of more than 40 years in the U.S., the "2023 Red Dot Product Design Award" and the "USA IDA Bronze Award" in 2024. All of these awards are from the largest and most influential design competitions in the world. MAXXIS EV tire participated in the international design competition for the first time, and won the product design award for its outstanding design capability and product R&D.

VS-EV is a tire designed specifically for electric vehicles, combining the latest technologies such as sound-absorbing foam technology, new-generation rubber formula, and high-strength steel wire to provide electric vehicle owners with a high level of balanced performance that is "swift and quiet, speedy as lightning". The corresponding target vehicle models for the first wave focus on the 18-inch and 19-inch sizes of the Tesla Model 3. Moreover, new tire sizes for various major electric vehicle brands have successively hit the market and have started selling in overseas markets.

For go-kart tires, the Company continued its contract with the FIA in 2024 and will continue to provide tires for the European Go-Karting Championships, World Go-Karting Championships OK, OK-Junior, OK-N and Academy competitions.

Maxxis has been selected for the "Best Supplier Award" by General Motors (GM) for the 8th consecutive year, and accepted the award at the 2024 Global Best Supplier Award Ceremony. GM rigorously selects the winner for the annual Best Supplier Award based on performance, innovation, cultural alignment with GM values, and commitment to achieving GM's ambitious goals. There are three primary core values under this framework: safety, inclusiveness, and partnership. In addition, Maxxis also honorably received the Supplier Excellence Award from Subaru for the 5th consecutive year, making the Company as one of the only two companies to receive such highest honorable presidential award. Subaru's President and CEO also appraised the Company: "Maxxis is an elite team that stands out from its peers. We value our common vision with them and maintaining a high level of performance!" Achieving outstanding performance to become world-class automotive manufacturer with best effort is the top-priority goal of all employees of Maxxis.

MAXXIS bicycle tires are well-known internationally, and the Company continues to sponsor bicycle teams. In 2023, Scott Sram's legendary rider Nino Schurter, sponsored by MAXXIS tires, won the champion in the UCI Cross-Country Switzerland (Lenzerheide) race, and he also broke the world record for greatest number of singles race titles in history (35 races), a remarkable world record! The tires used by Nino Schurter was MAXXIS ASPEN Team's TEST PILOT ultra-light high-speed tires. The excellent performance of MAXXIS bicycle tires was once again proven in the races.

In the 2024 global mountain biking/gravel events, MAXXIS-sponsored athletes won all of the world's championships, with an astonishing results of 52 gold medals, 29 silver medals, and 21 bronze medals, demonstrating to the world the outstanding performance of MAXXIS tires.

In terms of user surveys, Vital MTB, a well-known mountain climbing media in North America, has released its consumer survey results in 2024, and MAXXIS has continued to be ranked first; among more than 100,000 survey participants, more than 42% chose MAXXIS as their preferred brand for tires, making MAXXIS as the real No. 1 brand in the world.

In the European media preference survey, MAXXIS was awarded the title of "Best Tire Brand" by Enduro Mountainbike Magazine, a well-known German magazine, for five consecutive years, and MAXXIS was also

ranked No. 1 in the E-MOUNTAIN BIKE MAGAZINE-EU for two consecutive years (2023-24). Our exceptional quality has translated to extremely high customer satisfaction, and coupled with world-class competition, MAXXIS tires for bikes brand has secured the No. 1 position worldwide, and sales orders continues to be full. Just like the philosophy from the Chairman, Yun-Hwa Chen, We will always provide the best quality and opportunities to the hopeful new generations.

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

Cheng Shin MAXXIS has also made some breakthroughs in the development of our overseas market. In addition to continuing to deliver the CE 04 electric scooter and 1-series passenger car to BMW in Germany, the Company has also made achievements in the field of heavy-duty motorcycles. The Company's products has qualified BMW's rigorous testing and, the Company has become the OEM for the F 800 GS heavy-duty motorcycle tires, and products have been delivered to BMW since the end of 2023 . The German Volkswagen Crafter and Caddy5 models are also equipped with Cheng Shin MAXXIS tires. In recent years, the Company's efforts in the OE market have borne fruit, creating a domino effect on other automakers. It is expected that more manufacturers and models will choose to use MAXXIS tires as part of their offerings.

After years of cooperation with the General Motors (GM) in North America, we have been able to steadily supply the original maker's spare tires for GM's 2 million assembled vehicles. With 100% product quality and service, we have once again became the supplier for manufacturing and supplying the original maker's spare tires for major pickup truck models in North America until 2033, making the Company to become the only OEM spare tire supplier trusted by GM in North America. In addition, the Company has established long-term cooperative partnerships with Japanese automotive manufacturers in North America. MAXXIS exclusively supplies original maker's spare tires for a number of important new series of vehicle models of Toyota and Nissan, which are supplied by MAXXIS' multiple sites of logistics centers in North America , and the Company has established a real-time service system. For the All-terrain Vehicle (ATV) OE assembly market in North America, MAXXIS has established a strong market leader position with extensive years of in-depth cultivation in the market, and continues to lead the competitors in high-end vehicles by a large margin. During the first quarter of this year, the Company has also started to supply products to Kawasaki for its highest sport-class model of Teryx KRX vehicles. In addition, the Company also starts to supply products to Honda for its main utility vehicle models this year. MAXXIS will continue to expand the market share worldwide.

On the major race tracks in North America where the competition is fierce, MAXXIS tires with excellent performance can be found to cooperating with the world's top drivers to win their titles in tough races. Maxxis RAZR MT Competition tires have once again demonstrated the outstanding performance at the Bark River race on the famous Champs Off-road in North America. The tires helped the drivers to sweep through three Pro-class races with the overall score being ranked as No. 1! Among the ATV desert high-speed races that have been popular in recent years, the California 300, known as the ultimate off-road race event of ironman race, and the SCORE Baja 1000, the toughest desert off-road race, not only tests the drivers' driving skills and physical fitness, but also tests the vehicle and tire performance with tough requirements. On the rugged tracks full of gravel, sand dunes and steep slopes, drivers driving vehicles equipped with the Maxxis RAZR XT high-performance UTV steel belt tires, overcame all obstacles with perseverance , and achieved impressive results at the end.

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

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

(4) Competitive Niches:

The Company will uphold the core value of "Integrity and innovation", "Honorable Brand" and "Safety First, Human First" advocated by Chairman Yun-Hwa Chen as well as the operating concept of "Three One Hundred Percents" and gather suppliers, customers and employees to develop cohesion towards the family of MAXXIS. We

will follow the human resource concept based on talent, reinforce the strategic organization capacity with the effective capacity to integrate resources of the Group and enhance the technical force so that the Company is able to continue to advance in the global tire industry.

In 2024, the Company was, once again, recognized as one of the Top 10 Global Brands in Taiwan with a brand value of USD 239 million, an honor sponsored by the Bureau of Foreign Trade of the Ministry of Economic Affairs, Taiwan External Trade Development Council and Interbrand, a global brand consultancy. Cheng Shin adopts a globally diversified brand-name strategy for its Cheng Shin, MAXXIS, and PRESA brand names with respect to different cultures. Marketed with English brand names and incorporate elements of Western cultures to cater to Western consumers. Not only has Cheng Shin been widely known as a tire brand in the Greater China region, but it also has been recognized as the best-selling brand under a well-known trademark in China. In the future, we aim to improve brand recognition in the market through regular participation in auto shows in Taiwan and overseas and sponsorship in major sports events, in order to enhance consumers' appreciation of our brand names with a multi-faceted platform strategy.

(5) Advantages and Disadvantages of Developmental and Action Plans

Advantages:

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

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

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

Disadvantages and countermeasures

In 2025, the changes in the geopolitical situation will drive raw materials, supply chain and trade deployment. Given the low growth, high debt, and parallel positions, the influence of the "US First" policy of the new US President, Trump, will exceed the US and reshape the global economic and trade dynamics. The Russo-Ukrainian War has prolonged the time to inflation, and even caused deflation. This is the possibility of stagnation in economic growth and severe inflation. Both are challenges that will require close attention in the next few years.

To deal with such challenges, Cheng Shin partnered with suppliers and customers to form mutually-beneficial strategies based on past partnership experiences, thereby enhancing the scale and sales volume of our Group in spite of adversities. Cheng Shin has been closely monitoring the fluctuations in market supply and demand and keeping in touch with each regional distributor for the latest market information to timely announce the price adjustment. At the same time, Cheng Shin also continued the process of integrating new and previous products and replacing the product portfolio with products of high-added value to adapt to the ever-increasing market needs and the ever-changing severe challenges we face at the current time.

Facing the operational environment in 2025 and the next three to five years, we envisage even more drastic changes, therefore we must promptly strengthen our ability to adapt, our core capabilities, and our competitiveness. Only by possessing world-class capabilities and competitiveness will we be able to adapt to the complicated and highly changeable market from now on. Therefore, in the future, we will take advantage of our capabilities in technology, sales and distribution, manufacturing, and management to build our core operations, achieve globalization, and enhance the regional sales and technical support so that the global headquarters can work closely with different regions and utilize local manufacturing to strengthen ties.

2. Analysis of the Domestic Market

(1) 2024 Domestic Market Overview

In 2024, due to factors such as China's continued involution, the U.S. election, and trade barriers in various regions around the world, the global demand for end products was weak, resulting in a slowdown of manufacturing activities in various countries. Furthermore, as the trade conflict between the U.S. and China continues, along with the factors of on-going Russo-Ukrainian War and the new U.S. President Trump, it can be expected that the U.S. will still be the key country affecting the international trade situation in 2025. In addition, with the advent of the new wave of AI, many countries, enterprises and people have also begun to learn and apply AI technologies. At present, AI is also affecting and changing our future life gradually.

Domestically, in 2024, the export of information communication products and the sales in the domestic retail and restaurant industries have shown stable outcomes. Despite that base period was raised, the annual growth rate was still positive. Furthermore, as the job market was stable with increase of wage, the momentum of private consumption continued to expand. In addition, pop music performances, performing arts and sports events continued to grow, which were beneficial to the public consumption.

In the midst of this rapid change, the Company's management team has been able to continuously deploy and integrate personnel, equipment, products, and channels of the Group. With the full cooperation of all MAXXIS GROUP members, the goals set for 2024 have been successfully achieved.

(2) Business outlook to 2025:

In terms of domestic private consumption, the continued adjustment of basic wages and salaries of various sectors of the military, public, and education personnel, as well as the government's increase in the tax exemption on basic allowances of each citizen, the disposable income of the general public is expected to increase. The stable job market also supports the domestic demand, which is beneficial to private consumption with steady growth and optimistic future outlook.

In 2024, the Company continued to be the first choice for various domestic automobile and motorcycle companies.

(Popular automotive models in the market, including HYUNDAI TUCSON L, CUSTIN; TOYOTA TOWNAC, COROLLA CROSS; MG HS, ZS; NISSAN NEW KICKS, X-TRAIL). The Company continues to expand the customer base, and in addition to the common original manufacturer's equipment; in 2025, we also strengthen the service shop parts supply of all major automotive manufacturers and the service parts of major rental businesses, such as Yulon Nissan, Ford, Hotai, Carplus, and Union, etc..

In terms of the products for 2025, two new products of HP6 and VS6 will be launched for PCR, and the MA201 electric bus tire will be launched for TBR. These new generation of products are also energy-saving and environmentally friendly, providing consumers with new choices. Accordingly, Cheng Shin still aims to head towards the sustainable development and making contribution to the care of our Earth.

We are committed to adhere to Cheng Shin's core value of "Integrity and Innovation", and continue to promote the MAXXIS culture of "100% quality, 100% service, and 100% trust" while upholding the principles of respecting humanity, caring the society, sharing useful information to the general public and accepting suggestions from all sectors. As more people recognize and value the Maxxis culture, we expect that we will continue to be the priority choice for all.

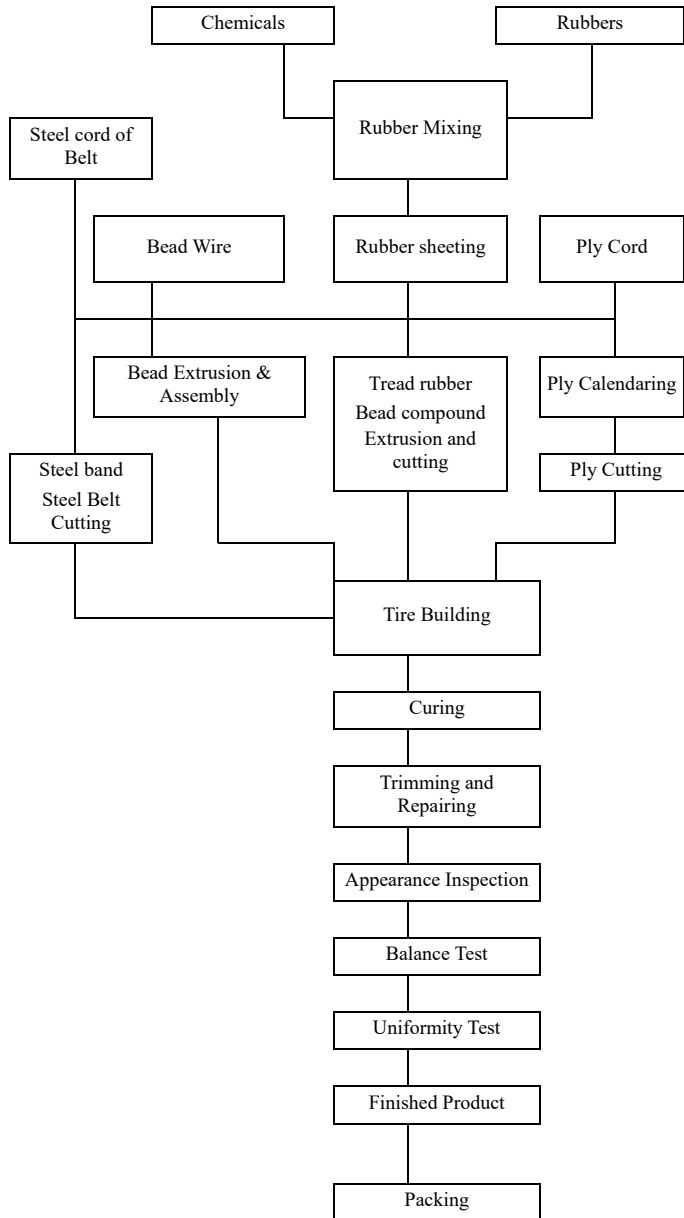
(II) Key Functions and Manufacturing Process of Core Products

Core Products: tires

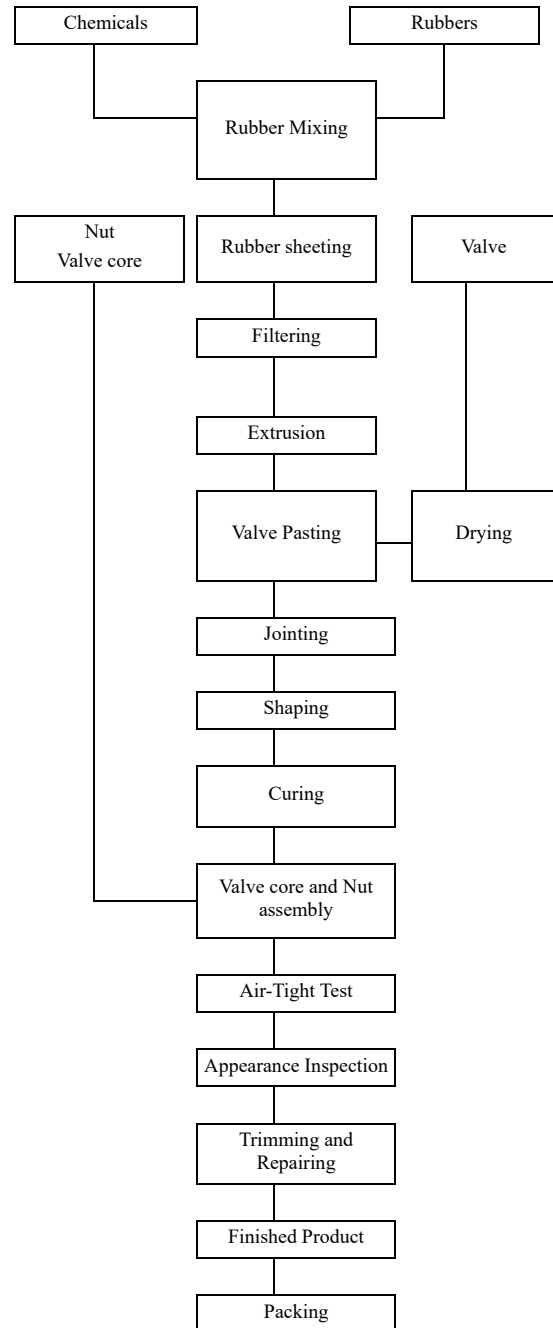
Application: transportation

Manufacturing Process:

PCR Tires Manufacturing Flowchart



Tubes Manufacturing Flowchart



(III) Supply of Key Materials

Raw material name	Quantity (tons)	Supplier
Rubber	167,816	SRI TRANG AGRO INDUSTRY PUBLIC CO., etc.
Synthetic Rubber	162,593	TSRC Corporation, etc.
Fabric	40,161	FORMOSA TAFFETA Co., Ltd., etc.
Carbon black	167,801	Linyuan Advanced Materials Technology Co., Ltd., etc.
Steel wires and Tire Cord Fabric	61,647	China Bekaert Steel Cord Co., Ltd., etc.
Chemicals	104,498	EVERMORE & CO., INTERNATIONAL CORPOR etc.
Valve	102,208 (thousand sets)	Rim Master Industrial Co., Ltd., etc.

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

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

Unit: NTD thousand

	2023				2024			
Items	Name	Amount	Percentage in Total Net Purchase (%)	Relationship with the Company	Name	Amount	Percentage in Total Net Purchase (%)	Relationship with the Company
1	None	-	-	-	None	-	-	-
	Net Supplied Amount	47,502,806	100.00	-	Net Supplied Amount	52,212,831	100.00	-

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

Unit: NT\$ thousand

	2023				2024			
Items	Name	Amount	Percentage in Total Net Supply (%)	Relationship with the Company	Name	Amount	Percentage in Total Net Supply (%)	Relationship with the Company
1	None	-	-	-	None	-	-	-
	Net Sales Amount	96,201,313	100.00	-	Net Sales Amount	96,247,057	100.00	-

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

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

Year		2023	2024	Up to February 28, 2025 for the current year
Number of Staff	Technicians	4,411	4,484	4,529
	Clerk	2,310	2,484	2,255
	Position	14,925	15,005	15,405
	Total	21,646	21,973	22,189
Average age		38	38	38
Average Service Year		9.64	9.82	9.73
Academic distribution ratio	PhD	13	14	14
	Master's	505	515	516
	Bachelor's (community college)	6,639	6,701	6,750
	High school	6,186	6,068	5,974
	Below high school	8,303	8,675	8,935

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

(I) Compensation affair: None.

(II) Environmental protection audit result

Sanction Date	Sanction No.	Violated Regulation	Fact of Violation	Sanction Detail
No penalty incidents in 2024				

*Estimated amount that may be incurred in the future and responsive measures: Not applicable.

V. Labor relations:

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

1. Employee Benefits:

The Company does not discriminate any talents of recruitment and employment based on race, gender, age, religion, nationality or political party. In terms of appointment. The Company aims to recruit talents and create cultural diversity, and implements local employment and returns to the local society in principle. For the total number of employees of the Company at the end of 2024, there were a total 4,324 employees in the Taiwan headquarters. The ratio of female employees was 15.4%; the ratio of female managers was 0.4%; the ratio of senior managers was 0.6%. Due to the industrial characteristics, the proportion of female employees was relatively lower. In addition, there were 56 employees with physical and mental disabilities in Taiwan, accounting for 1.36% and meeting the legal standard. The Company's employees, including the senior management, accept the fair and rigorous performance appraisal mechanism and take it as the basis for promotion and reward. Employee salary adjustments and job promotions at the Company are primarily based on job capabilities and performance. Gender does not play a role in determining work bonuses, and there are no gender-based differences. At the end of 2024, the salary ratio of management female executives to management male executives was 106%, and the salary ratio of non-management female employees to non-management male employees was 92%.

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

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

***Employee shareholding trust:**

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

As of the end of 2024, the ratio of number of participating employees in the association was 58%.

***Statutory benefits:**

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

***Living benefits:**

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

***Holiday activities:**

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

***Employee support:**

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

***Maternity/paternity leave:**

We also provide maternity/paternity benefits to our employees pursuant to the law. In 2024, the number of employees applying for maternity/paternity leave is as follows:

Item	Male	Female	Total
Employees who actually applied for maternity/paternity leave in 2024	29	29	58
Employees expected to be on maternity/paternity leave in 2024 (A)	16	14	30
Employees actually reinstated from maternity/paternity leave in 2024 (B)	16	14	30
Rate of returning to work (B/A)	100%	100%	100%

2. Employee Education and Training:

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

In 2024, the Company organized 3,597 vocational courses and 221 project-based courses, for a total of 3,818 courses. The total training hours were 68,567.225 hours, and the average training hours per employee was 16.06 hours.

(1) New employee training:	Aimed to provide new employees with an orientation to the training courses including the Company's corporate culture, safety training, quality concepts, policy and procedures to help them adapt to the new environment and fit into the culture of the organization. Once the orientation training is completed, employees still need to take the on-site training and obtain the qualification and capability for the job. The new employees will also be assigned mentors for assistance.
(2) Training by job level:	A series of topical courses designed for different job levels to improve employees' management skills and efficiency. The training will be given on topics such as presentation training and report writing for trainee level employees. The training will be given on topics such as presentation training and report writing for trainee level employees; communication skills, daily management and problem-solving steps to enhance the efficiency of junior management; policy management, leadership case study for officer level management. In recent years, we have optimized the learning roadmap, the project-based programs that are focused on elevating the capability of middle-top management are now conducted regularly on an annual basis to keep the management up to date and continue their learning. The training will also incorporate a work safety program, corporate culture and risks mitigation, and cost management. Employees' training will start early before employees reach the management level to cultivate their management skills from very early on.
(3) Special course:	For example, a series of courses, such as briefing skills and report writing, are offered for reserve personnel to help them integrate into the working environment and master the pace and efficiency of work; For grassroots cadres, courses such as interpersonal communication, daily management and problem-solving steps are offered to improve their work efficiency; For supervisors, courses such as policy management and leadership case study are offered to improve their leadership and management skills. Plan different professional courses for each position, so that colleagues can get perfect training in each stage. For example, in the initial stage of entering the factory, provide job training according to the knowledge and skills required by each position; In addition, it provides professional functional training in the fields of production management, R & D, quality assurance and other professional departments to guide colleagues to focus on their own work, realize themselves and give full play to their potential; For the employees of special technical posts, such as maintenance electrician, electric welder, CNC lathe, etc., the training plan for special types of work is provided to help them obtain professional qualification certificate, so as to ensure that the employees have the professional ability required by the job; With the assistance of internal lecturer training and Twi teaching, the company's exclusive internal lecturers are trained to teach professional courses from and across units, so as to assist the transfer and inheritance of intellectual capital and become the hub of knowledge and model transfer within the organization.
(4) Project-based programs:	A variety of project-based programs designed to meet the employees' learning needs in different areas based on the annual training target. These programs include five core tools to elevate quality management, enhancing managerial skills for trainee management and R&D trainings.
(5) Personal development:	We provide opportunities for our employees to acquire new knowledge by offering financial support for language learning and hosting talks on topics such as coffee and lifestyle, health, labor laws, and regulations.

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

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

(1) Former pension system:	The Company sets aside 2% of the employee's total salary each month as pension funds and deposits it to the designated account under the name of the Labor Pension Funds Supervisory Committee at the Bank of Taiwan. Before the end of each year, the Company shall assess the balance in the designated account. If the total available amount of the appropriation is less than the amount required for the payment of pensions to all the employees who are eligible to retire in the following year, calculated according to the above method, the Company will make up the deficiency in one single appropriation before the end of March in the following year. For 2024, the amount of pension funds recognized by the Company according to the aforementioned pension regulations was NT\$10,599 thousand.
(2) New pension system:	The new pension system is available to all employees who came on board as of July 1, 2005. If an employee chooses to be subject to the new pension system, the Company will appropriate a set amount of pension funds into such employee's personal bank account (appropriation by the Company). Alternatively, the employee may appropriate 1-6% as pension funds to his/her personal bank account (appropriation by the employee). For 2024, the amount of pension funds recognized by the Company according to the aforementioned pension regulations was NT\$122,532 thousand.

4. Other Material Contracts:

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

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

1. The penalties for violations in 2024 and up to the date of publication of the annual report are as follows: No penalty was imposed.
2. Response measures: The Company comprehensively reviews the compliance with the Labor Standards Act and aims to achieve our goal of zero violations.

VI. Information and communications security management:

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

1. Information security risk management framework:

On November 10, 2022, the Company's Board of Directors approved the establishment of the Information Security Team under the Information Service Department as a responsible unit for information security. Its organizational members include Assistant Vice President, Po-Chia Chen, acting as the Chief Information Security Officer, Manager, Hsiang-Hsien Hsiao, acting as the Information Security Officer and three information security personnel. The main duties and responsibilities include information security maintenance and operation, information security policy promotion, information security response, information security audits, and information security education and drills. The annual audit plan includes information and information communication security management operation review, and the Information Security Group reports to the Board of Directors at least once a year, in order to implement the effectiveness of information security management measures. The implementation of information security status was reported to the Board of Directors on November 12, 2024.

2. Information and communications security policy:

In May 2024, the Company has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification. The Company has established the information security policy and vision: “strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability”. All various information security measures have been listed for implementation along with enhanced audit management. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.

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

With the aim to quickly and successfully resume business operations and lower the extent of possible losses and risks when the event of information system damage occurs, countermeasures are in place such as the regular analysis of disasters' impact on operations performed every year, the designing and upgrading of the proper software and hardware equipment and resources based on their risk levels, and the improvement of the operation procedures.

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

4. The company has always been the most rigorous attitude to completely protect the customer's intellectual property and identity privacy, control every product confidentiality and confidentiality of documents and information files. Therefore, through the continuous updating of data and the establishment of a leakage protection mechanism, we strive to achieve "data protection without leakage", so that customers and suppliers can completely rest assured when dealing with Cheng Shin.

(II) In the most recent year and up to the date of publication of the Annual Report, the losses incurred due to major information and communications security incidents, and estimated amount and countermeasures that may occur in the future shall be listed. If it cannot be reasonably estimated, the fact that it can not be reasonably estimated shall be stated:

On October 21, 2024, the Company announced on behalf of its subsidiary Cheng Shin Rubber Canada, Inc. that some of its information systems had been attacked by hackers and hacker attack had been detected. Upon such discovery, the information department fully activated relevant defense mechanisms and recovery operations while collaborating with the technical experts of external information security companies to handle such issue simultaneously.

All domains (webpages) and related files were thoroughly examined and inspected. Once information security was ensured to meet the high standards, operations were restored based on the routine backup data. It was assessed to cause no significant impact on the Company's operations.

Responsive measures: The Company will continue to enhance the security management and control of the network and information infrastructure, in order to ensure information security.

VII. Important contracts: None

Five. Review and Analysis of Financial Position and Operating Results and Risk Management

I. Comparative Analysis of Financial Position

Unit: NT\$ thousand

Items \ Year	2024	2023	Difference	
			Amount	%
Current assets	63,019,749	57,155,150	5,864,599	10.26
Real estate, property, plants, and equipment	61,724,202	66,977,367	(5,253,165)	-7.84
Intangible assets, net	186,009	202,268	(16,259)	-8.04
Other assets	21,324,503	17,251,133	4,073,370	23.61
Total assets	146,254,463	141,585,918	4,668,545	3.30
Current liabilities	25,437,469	19,779,942	5,657,527	28.60
Non-current liabilities	30,440,649	35,810,911	(5,370,262)	-15.00
Total liabilities	55,878,118	55,590,853	287,265	0.52
Share capital	32,414,155	32,414,155	0	0
Capital surplus	104,251	70,044	34,207	48.84
Retained earnings	61,469,417	59,869,928	1,599,489	2.67
Other equity interest	(4,182,315)	(6,921,572)	2,739,257	-39.58
Treasury Stock	-	-	-	-
Non-controlling interest	570,837	562,510	8,327	1.48
Total equity	90,376,345	85,995,065	4,381,280	5.09

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

- (1) Increase in other assets: mainly due to the increase in time deposits of more than three months in the current period compared to the same period of last year.
- (2) Increase in current liabilities: mainly due to the increase in short-term borrowings and long-term borrowings due within one year.
- (3) Increase in capital reserve: mainly due to the increase of cash dividends not previously collected by shareholders and recovered.
- (4) Increase in other equity interest: mainly due to the increase in foreign exchange gains resulting from the conversion of financial statements of foreign operating entities in the current period.

II. Financial Performance Review and Analysis

(I) Financial performance analysis

Unit: NTD thousand

Items \ Year	2024	2023	Amount of increase (decrease)	Ratio (%) of Change
Revenue	96,247,057	96,201,313	45,744	0.05
Operating costs	(73,003,134)	(72,812,628)	190,506	0.26
Gross operating profit	23,243,923	23,388,685	(144,762)	-0.62
Operating Expenses	(13,232,119)	(13,030,879)	201,240	1.54
Operating Profit	10,011,804	10,357,806	(346,002)	-3.34
Non-operating income and expenses	730,827	148,804	582,023	391.13
Profit before income tax	10,742,631	10,506,610	236,021	2.25
Income tax expense	(2,714,443)	(3,308,648)	(594,205)	-17.96
Net Profit for the Year	8,028,188	7,197,962	830,226	11.53
Other comprehensive income (loss) after tax	2,824,434	(1,036,084)	3,860,518	-372.61
Total comprehensive income	10,852,622	6,161,878	4,690,744	76.13
Analysis if variations exceed 20% and amount reaches NT\$10 million:				
(1) Increase in non-operating income and expenses: mainly due to the increase in interest income of NT\$296,633 thousand and the decrease in interest expense of NT\$245,214 thousand in the current year.				
(2) Increase in other comprehensive income and total comprehensive income for the current period: mainly due to the increase in the conversion difference of foreign operations.				

(II) Analysis of changes in gross profit: Gross profit decreased by 0.62% from last year, mainly due to the abnormal climate causing the price of natural rubber and artificial rubber to rise, and the labor cost also increased in comparison to the same period of last year.

(III) The Company's 2024 revenue increased by 0.05% from 2023, mainly due to the growth in sales of electric vehicle tires and motorcycle tires, and the positive impact of the appreciation of USD, CNY, and THB against NTD.

Future responsive plans: Facing the operational environment in 2025 and the next three to five years, we envisage even more drastic changes, therefore we must promptly strengthen our ability to adapt, our core capabilities, and our competitiveness. Only by possessing world-class capabilities and competitiveness will we be able to adapt to the complicated and highly changeable market from now on. Therefore, in the future, we will take advantage of our capabilities in technology, sales and distribution, manufacturing, and management to build our core operations, achieve globalization, and enhance the regional sales and technical support so that the global headquarters can work closely with different regions and utilize local manufacturing to strengthen ties.

III. Cash flow review and analysis

(I) Liquidity analysis for the most recent two years

Items \ Year	2024	2023	Percentage of increase (decrease)
Cash Flow Ratio (%)	69.56	107.23	-35.13%
Cash Flow Adequacy Ratio (%)	189.36	182.10	3.99%
Cash Reinvestment Ratio (%)	4.14	6.39	-35.21%
Description of increase or decrease in ratios: (Analysis of change if fluctuation exceeds 20% or more):			
(1) Decrease in cash flow ratio: mainly due to the decrease in net cash inflow from operating activities and current liabilities.			
(2) Increase in cash flow reinvestment ratio: mainly due to the decrease in net cash inflow from operating activities.			

(II) Cash flow analysis for the coming year

Cash balance amount at the beginning of the year (1)	Net cash provided by operating activities (2)	Projected annual cash outflow (3)	Projected cash balance (1)+(2)-(3)	Measures for managing cash deficit	
				Investment plan	Financing plan
\$26,609,220	\$24,575,241	\$23,065,690	\$28,118,771	-	-
1. Change in projected cash flow for the next year: Operating activities: It is mainly estimated that the Company's revenue will increase and the profit will be stable. Investment activities: The Company's machinery and equipment replacement and expansion of capacity. Financing: Primarily refers to distribution of cash dividends and repayment of bank loans.					
2. Measures for managing cash deficit and liquidity analysis: N/A.					

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

(I) Status of major capital expenditure and source of funds Unit: NTD thousand

Plan Item	Actual or projected source of funds	Actual or projected completion date	Funds Required	Actual or projected capital expenditure status	
				2024	2025
Add and update equipment	Bank loans and company fund	2024	\$2,684,858	\$2,684,858	-
Add and update equipment	Bank loans and company fund	2025	\$2,110,056	-	\$2,110,056

(II) Projected benefits:

1. Mainly to improve tire production capacity and efficiency.

2. Analysis of other projected benefits:

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

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

(I) The Company's reinvestment policy considers long-term investment as its priority, and various investment plans are prudently assessed based on the Company's long-term development plans. Subsidiaries with production functions are directly or indirectly 100% owned to strengthen roots in the local market. Subsidiaries with marketing functions are likewise directly invested or jointly incorporated with our strategic partners to strengthen local sales networks.

(II) Investment plan for the next year: The Company's investments will be focused on its core businesses; besides improving the efficiency of existing production capacity and making full use of existing capacity, we will also invest in additional plant capacity and machinery equipment depending on business expansion.

VI. Risk Analysis and Evaluation:

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

1. Changes in interest rates

In September 2024, the U.S. Federal Reserve (FED) Announcement of interest rate cut raised 0.5%, and cut the interest rate by 0.25% in November and December, respectively, such that the base rate was between 4.25% - 4.50%. The room for interest rate cut in 2025 is limited by factors such as inflation, and the schedule for interest rate cut is still unclear. The market expects the FED will slow down the interest rate cut cycle with smaller range of interest rate cut; therefore, the interest rate is expected to maintain at a high level for certain period of time.

The Company stays on its toes and keeps close attention to the policies of central banks and the latest market conditions, and the allocation of funds within the group is adjusted to reduce exposure to external liabilities.

2. Changes in exchange rates

U.S. President Trump assumed the office in 2025 and has adopted tariffs as a negotiating strategy. The policy's uncertainty has caused drastic fluctuations in the exchange rate market. As the U.S. economy outperformed other countries and the FED's interest rate cut has been less than expected, the market expects the USD to maintain its strong position in 2025.

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

The Group's sales and purchases are mainly denominated in RMB, USD, NTD, and THB, which has offset the risk of exchange rate fluctuations due to their similar proportions. The exchange rate risks arising from overseas investment mainly come from RMB, USD, THB, VND, INR, and IDR. The Company continuously monitors foreign exchange market trends, records and adjusts the currency as appropriate based on capital conditions to minimize the exchange rate losses or reduce the risks to a tolerable level.

3. Inflation

In light of the uncertainty in the global economic forecast, the Company is not in a position to predict inflation or contraction. Since the tire products of the Company are consumer products whose raw material prices and market demands are moderately or highly volatile to inflation or contraction, the global economic environment will have an impact on the Company's sales. Nonetheless, no material adverse impact is expected for the overall operation.

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

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

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

1. R&D plans

No	Recent R&D plans	Projected date for completion and commercial production
1	Development of PCR Low Rolling Resistance All-Season Tire Technology	2025Q2
2	Research on The New Generation of UT Sprial Technology	2025Q3
3	32" Cross-Country Tire Product Developmnt	2025Q4
4	Research on Spiral Belt Technology of TBR	2025Q4

2. Expected research and development expenses

The R&D investment in 2025 is projected to be approximately 4-5% of the annual revenue of the current year, in order to maintain the Company's R&D competitiveness.

3. Intellectual property (IP) information disclosure

(1) Intellectual property management and system strategies: We have viewed research and development as the basis of our technology since the establishment of the Company. Technology is a type of intangible property and the Company highly values the idea that the intellectual property right of technology should be protected. To strengthen the Company's R&D ability, we have been promoting short-term, medium-term, and long-term strategic planning since 2015. We focus on improving the patent quality and invest in technological development to make sure the quality and quantity of the Company's patents are both upgraded. Under the protection of intellectual property rights, the value of our technology and patents could be created and the ultimate goal would be gaining profit by the commodification of the patents.

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

In 2024, the Company's intellectual property management has developed from the self-control program of each factory to the management by the Group's "Intelligent Property Center". The intellectual properties include "patents", "trademarks", "trade secrets 4", and PDCA management cycle is implemented according to the Taiwan Intellectual Property Management System (TIPS).

(2) Intellectual property management system: established an intellectual property rights management system to ensure compliance with laws and regulations when executing IP-related tasks. In 2023, the company completed the intellectual property management manuals and procedures, covering a total of 13 items including patents, trademarks, and trade secret rights. The details of each item are as follows:

A. Patent rights: In accordance with the internal regulations of the development process, it is necessary to obtain patent rights protection before new products are marketed to ensure that the Company's production, sales, import and export, and use are safe so that consumers can be protected by the Company's products; 8 invention and 32 design patents were obtained in the year, and 8 invention awards were granted in accordance with the company's internal regulations.

B. Trademark rights: Fight against counterfeit trademarks worldwide to maintain the Company's trademark rights and goodwill, and eliminate counterfeit goods from circulating in the market; implement family name trademark, reduce trademark costs, and establish consumer awareness of family products and enhance trademark value.

C. Trade Secrets: Structure the Company's trade secret management to protect the Company's technical and commercial trade secrets.

※ The Company obtained TIPS Class-A certification for "trade secrets" and "patent rights" in 2023.

(3) Potential intellectual property risks and countermeasures: The Company's products are sold to more than 180 countries globally. Therefore, it is quite difficult to investigate the violations. The preventive measures are as follows:

A. Preventing IP violations by other companies: The intellectual property department monitors the current

status of other companies' patents at all times. The business department is also keeping an eye on other companies' products. If there is any similarity that raises concerns or potential violation of the Company's patents, they will report to the intellectual property department so that the investigation will be conducted to confirm whether any violation exists.

B. Preventing IP violations by the Company: Before the release of the Company's product, an R&D engineer is required to perform a global patent search featuring this product to confirm it does not violate any existing patent. Then, the R&D engineer is required to submit a patent application in accordance with the Invention & Utility Model Patent Management Policy and the Design Patent Management Policy to ensure that all of the Company's products on the market are protected with patent rights and do not violate other companies' patents.

※ In case of patent infringement, activate our internal management regulations, conduct patent comparison analysis, etc. to confirm the status of patent infringement, and upon confirmation, pursue legal channels to ensure the protection of our patent rights.

※ The trademark right will be registered in the required region after the integration of the company's products. The trademark right shall be applied for registration after the global name verification and risk assessment before the products are sold, so as to ensure that the products can be sold all over the world.; counterfeit monitoring, regularly tracking whether other manufacturers are infringing or counterfeiting our trademarks, and proactively filing applications for revocation or warning letters for relevant cases, ensuring the safe use of our company's trademarks.

※ Complete the Company's internal trade secrets-related management rules, regularly promote the company's protection and importance of confidential levels, coordinate with the Information Security Department to control information security issues and reduce the risk of data leakage.

4. Intellectual property list/outcome (the Company's total patent cases as of December 31, 2024)

Number of patents			Number of trademarks		
	Parent company	Subsidiary		Parent company	Subsidiary
Invention	54	176	Domestic	153	11
Utility	2	171	Overseas	779	1,305
Design	298	377	Total	2,248	
Total	1,078				

5. The Company's intellectual property management plan and execution details above were reported to the Board on March 12, 2025.

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

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

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

1. Over the latest year and as of the date of the Annual Report, there is no change in technology and industry environment that had an impact on the Company's financial operations.

2. The Company has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification. The Company has established the information security policy and vision: "strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability". All various information security measures have been listed for implementation along with enhanced audit management. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.

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

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

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

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

(IX) Risks associated with the concentration of supply and sales concentration: None.

(X) Impact of transfer of a significant number of shares by directors, supervisors, and/or major shareholders holding 10% or more of the total outstanding shares, risks associated and response measures: None.

(XI) Impact of change in ownership, risks associated and response measures: None.

(XII) Disclosure of issues in dispute, the monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the Annual Report where the Company and/or any of its directors, supervisors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None.

(XIII) Other significant risks:

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

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Management Unit
Corporate Governance and Operations Management	Financial Risk	Exchange Rate Risk	<p>◆ U.S. President Trump assumed the office in 2025 and has adopted tariffs as a negotiating strategy. The policy's uncertainty has caused drastic fluctuations in the exchange rate market. As the U.S. economy outperformed other countries and the FED's interest rate cut has been less than expected, the market expects the USD to maintain its strong position in 2025.</p> <p>◆ As the Company operates business internationally, the financial reports of our overseas subsidiaries are denominated in local currencies. As a result, the group is exposed to exchange rate risks arising from various types of currencies. The group consistently monitors exchange rate fluctuations. Any shifts in political or economic environments in the invested countries may result in a fluctuation in the exchange rate between the reference currency of those subsidiaries and the New Taiwan Dollar.</p> <p>◆ The Group's sales and purchases are mainly denominated in RMB, USD, NTD, and THB, which has offset the risk of exchange rate fluctuations due to their similar proportions. The exchange rate risks arising from overseas investment mainly come from RMB, USD, THB, VND, INR, and IDR. The Company continuously monitors foreign exchange market trends, records and adjusts the currency as appropriate based on capital conditions to minimize the exchange rate losses or reduce the risks to a tolerable level.</p>	Finance Department

		Interest rate risk	<p>◆In September 2024, the U.S. Federal Reserve (FED) Announcement of interest rate cut raised 0.5%, and cut the interest rate by 0.25% in November and December, respectively, such that the base rate was between 4.25% - 4.50%. The room for interest rate cut in 2025 is limited by factors such as inflation, and the schedule for interest rate cut is still unclear. The market expects the FED will slow down the interest rate cut cycle with smaller range of interest rate cut; therefore, the interest rate is expected to maintain at a high level for certain period of time.</p> <p>◆The Company monitors and pays close attention to the policies of central banks and the latest market status, and the allocation of funds within the Group is also adjusted to reduce exposure to external liabilities.</p>	Finance Department
		Inflation	<p>In light of the uncertainty in the global economic forecast, the Company is not in a position to predict inflation or contraction. Since the tire products of the Company are consumer products whose raw material prices and market demands are moderately or highly volatile to inflation or contraction, the global economic environment will have an impact on the Company's sales. Nonetheless, no material adverse impact is expected for the overall operation.</p>	Finance Department
	Business Continuity Risk	Raw Material Price and Raw Material Supply Risk	<p>◆ Raw material price alert: Cheng Shin has established a dedicated team to monitor international commodity exchange prices and other relevant sources to provide real-time surveillance of major raw material markets. The information gathered is input into the system, and any abnormal signals are immediately reported to senior executives, allowing for close observation and understanding of market trends. Additionally, the Company continues to mitigate procurement risks by engaging in global sourcing, exploring alternative materials (including recycled and recyclable options), and developing potential suppliers.</p>	President's Office

		Product R&D Management	<p>◆Regularly collect market information and perform benchmark analysis, in order to understand market development trend, and to plan product generations, and update safety, environmental, and other related laws and regulations.</p> <p>◆Continue to investigate the market demand, establish R&D technology to facilitate the development of new products; also, comply with laws and regulations, and various customer quality and performance requirements.</p>	R&D Centers
		Transportation risk	<p>◆Cooperate with several large manufacturers for inland and marine transportation, and establish a deep relationship with them through long-term cooperation, so as to avoid the export obstacles caused by the increase of current market demand and fill the temporary shortage gap.</p> <p>◆Freight rate stabilization mechanism: Inland transportation and manufacturers set rolling mechanisms of oil prices and adopt reasonable long-term freight prices; In order to stabilize the transportation cost under the current situation of the sharp rise of market price, the freight rate contract is signed by sea transportation.</p>	Production Planning Department
		Prevention of Infectious Diseases	<p>◆The prevention and control of infectious diseases are handled in accordance with the notices issued by the Taiwan Centers for Disease Control of the Ministry of Health and Welfare.</p> <p>◆Irregularly distribute health education information or coordinate with resident doctors to organize health seminars to enhance employees' knowledge of self-protection.</p>	Occupational Safety and Health Department
		Energy Supply	<p>◆ Implement the management of energy equipment, regular inspection of the first, second and third level equipment and predictive detection of the thermal imager, develop energy management methods, improve energy efficiency, and set annual energy-saving targets of the factory. Through effective improvement measures, Cheng Shin seeks to reduce the risk of energy supply.</p>	Engineering Center

	Intellectual Property Management	Intellectual Property Risk	<p>◆Cheng Shin products are sold in more than 180 countries around the world, and the following measures are taken to prevent infringement:</p> <p>A. Preventing infringements by other companies on Cheng Shin: In addition to continuous monitoring of the patent landscape by the Company's Intellectual Property unit, related departments also monitor external products to identify any similarities with our own products. If any potentially infringing or overly similar products are identified, they are promptly reported to the Intellectual Property unit for verification of possible infringement.</p> <p>B. Preventing infringement by Cheng Shin on other companies: Prior to launching a new product, Cheng Shin's patent engineers conduct a global patent search related to the product, in order to ensure that Cheng Shin's product has been implemented with the design around to prevent infringing the patent rights of others, following which inventors are requested to submit patent applications according to the patent application requirements specified in the "Patent Procedure Management Regulations", thereby ensuring that all Cheng Shin's new market products are equipped with patent protection and without infringing the patent rights of others as the highest principle</p> <p>※In case of patent infringement, Cheng Shin activates its internal management regulations, conducts patent comparison analysis, and confirms the status of patent infringement. Once confirmed, legal measures are pursued to ensure the protection of Cheng Shin's patent rights.</p> <p>※Cheng Shin consolidates its trademark rights based on different product categories and proceeds with trademark registrations in required regions. Before applying for trademark registrations, a global name search and risk assessment will be conducted to ensure no conflicts, thus safeguarding the global sales of Cheng Shin products. Regular monitoring for counterfeiting activities are implemented to track whether other companies are attempting to register or imitate Cheng Shin Group's trademarks. In such cases, proactive actions, such as filing for trademark cancellations or sending cease and desist letters, will be implemented to against those infringing the trademark rights of the Company, thereby ensuring the legitimate use of Cheng Shin's trademarks.</p> <p>※Information is classified into four</p>	Intellectual Property Management
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			categories: open, internal use only, confidential, and top-secret. All definitions are implemented in accordance with internal regulations. If certain information is classified as trade secret, it is controlled in accordance with the highest principle. Information security issue is controlled in cooperation with the information department, in order to reduce the risk of disclosure of controlled data.	
	Digital Information Security Risks	Confidential Information Protection	<p>◆The Company has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification. The Company has established the information security policy and vision: “strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability”. All various information security measures have been listed for implementation along with enhanced audit management. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.</p>	IT Service Department
Workplace Safety and Health	Safety risk management	Material Disaster	<p>◆Establishment of “Disaster Incident Management Regulations”: Specify emergency response measures, emergency contact systems, and disaster countermeasures.</p> <p>◆In response to major industrial safety incidents such as fire and explosion, the Company has initiated the self-inspection, review, and prevention on the cause of the incident, and communicates with other plants within the Group.</p> <p>◆Establishment of “Comprehensive Contingency Measures”: In China, we have established the “Comprehensive Contingency Measures” for accidents such as fire explosion, poisoning, machinery harm, vehicle harm, dust explosion, electric shock, and suffocation, detailing the emergency team organization and the major responsibilities of each team, and emergency handling procedures to conform to the “Defense Production Act”, the “Safety and Health Regulations for Manufacturing Procedures”, and the “Manufacturing Safety Accident Countermeasure Guidelines for the Manufacturing Department”.</p>	Occupational Safety and Health Department

		Risk of Infectious Diseases	<p>◆The prevention and control of infectious diseases are handled in accordance with the notices issued by the Taiwan Centers for Disease Control of the Ministry of Health and Welfare.</p> <p>◆Regularly distribute health education information or coordinate with resident doctors to organize health seminars to enhance employees' knowledge of self-protection.</p>	Occupational Safety and Health Department
	Environment Risk	Environment Control Ability	<p>◆The Company implements the environmental management system (ISO14001) with annual external and internal audits, formulates environmental policies, sets up objectives, implements properly and performs, audit and review, in order to achieve continuous improvement in environmental performance.</p>	Occupational Safety and Health Department
		Greenhouse Gas Emissions	<p>◆The “Energy Saving and Carbon Reduction Committee” establishes the greenhouse gas emission reduction strategy and goal, and also responses to the energy saving goal of reduction of energy consumption by 1.5% annually specified by the Bureau of Energy. We have set out the energy saving target for next year and the performance of this year's implementation in order to explore the benefits of energy saving measures each year.</p> <p>◆The Company introduces the ISO50001 energy management system to achieve better energy management performance.</p> <p>◆In accordance with the "Climate Change Response Act and the Regulations Governing the Inventory, Registration and Verification of Greenhouse Gas Emissions", inventory and registration are conducted on an annual basis for plants with annual direct and indirect emissions greater than 25,000 metric tons of carbon dioxide equivalent.</p> <p>◆In accordance with the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies" issued by the Financial Supervisory Commission, Cheng Shin has sequentially conducted greenhouse gas inventories at each of its manufacturing plants.</p>	Occupational Safety and Health Department

		Environmental Management	<p>◆The Company implements the environmental management system (ISO14001) with annual external and internal audits, formulates environmental policies, sets up objectives, implements properly and performs, audit and review, in order to achieve continuous improvement in environmental performance.</p> <p>◆The Company has obtained the ISO14001 environmental management system certification. The validity of the certificate is maintained continuously from the daily management implementation to ensure that the air pollution control, water pollution control, and waste management meet the legal requirements.</p> <p>◆In line with the Environmental Protection Bureau's implementation of multiple environmental permits, Cheng Shin actively accepts counseling to integrate the various certificates to comply with subsequent regulations.</p> <p>◆Each unit carries out the President's policy to create a sustainable environment and reduce waste. Reduce the amount of air pressure energy consumption and sewage discharge.</p>	Occupational Safety and Health Department
		Climate risk	<p>◆The sustainability team and the staff of various departments evaluate and identify the physical climate risks, such as heavy rainfall and prolonged droughts, based on the materiality criteria, and implement countermeasures in response to the risks.</p>	Occupational Safety and Health Department
Society	Human Resources Risk	Human Capital	<p>◆To accelerate the development of managerial talent, we implement systematic training programs to nurture potential middle and senior-level executives. We accelerate the training time for mid- and senior-level executives to implement the Company's Talent Pool Program.</p> <p>◆By offering specialized learning and growth opportunities, we motivate employees and enhance the capabilities of our talent pool. This approach not only meets the learning needs of our employees but also ensures that they acquire crucial skills, thereby implementing our talent development plan effectively.</p>	Human Resources Department

		Human Resource Management	<p>◆ Diversify the talent recruitment channels.</p> <p>◆ Enhance employee care and promote employee retention intention.</p> <p>◆ Encourage employees to seek new skills and obtain qualifications to perform a variety of jobs, in order to enhance overall competence and increase management flexibility.</p>	Human Resources Department
	Occupational Safety Risk	Safety and health standard operation management	<p>◆ In order to ensure the safety and health of the working environment, reduce the cost of accidents and reduce the loss of man-hours, we implemented the ISO45001 occupational safety and health management system, ensure the achievement of safety and health objectives and performance, consider organizational risks and opportunities and identify occupational security risks in the group and seek to eliminate hazards or risks or control them to reduce their impact.</p>	Occupational Safety and Health Department
	Legal Compliance	Rationalization of laws and regulations	<p>◆ In response to the government's announcement of amended regulations, we will systematically compile the latest regulations issued. The responsible teams will assess the compliance of these regulations to ensure that subsequent actions align with legal requirements. This process aims to guarantee that our operations adhere to legal standards and allows for the necessary adjustments to internal guidelines as needed.</p> <p>◆ If there are any relevant laws and regulations on the environmental issues such as greenhouse gas, the Company actively participates in the contingency team organized by the government, pays attention to the draft laws and regulations and relevant changes, and keeps track of the relevant information at all times.</p>	President's Office Safety and Health Department

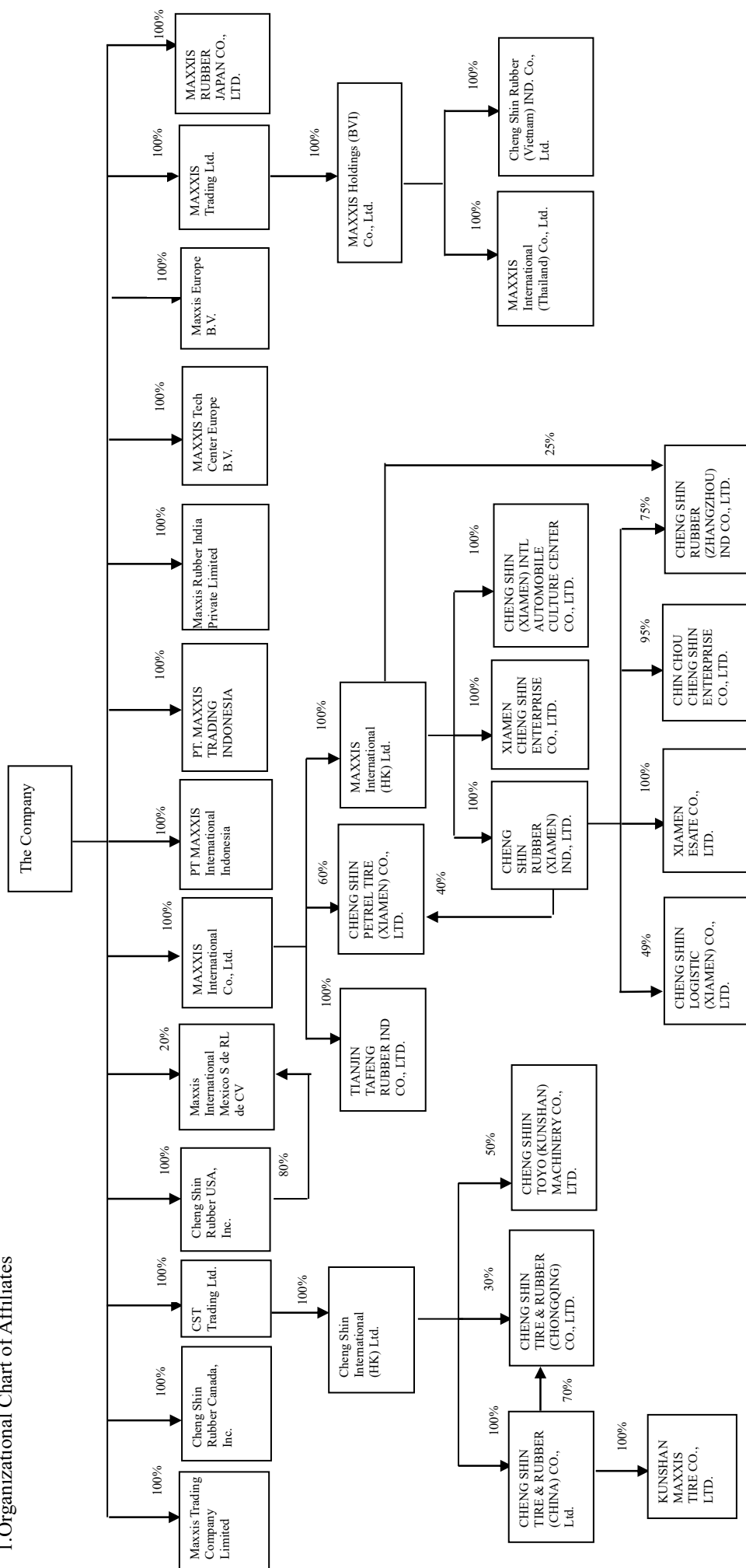
VII. Other Important Issues: None.

SIX. Other Specially Recorded Issues

I. Related Information on Affiliates

(D)Consolidated Operating Report for Affiliated Enterprises

1.Organizational Chart of Affiliates



2.Basic information of each affiliated enterprises

Enterprise name	Date established	Address	Paid-in capital (note)	Major business or items produced
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	1989.05.26	No. 15, Xinglin Xibin Rd., Jimei District, Xiamen City	US\$ 175,000,000	Production and sales of various types of automobile tires
Cheng Shin Rubber USA, Inc.	1990.05.11	545 OLD PEACHTREE ROAD, SUWANEE, GA30024 USA	US\$ 18,000,000	Import-export trade in tires
CHENG SHIIN LOGISTIC (XIAMEN) CO., LTD.	1993.03.25	No. 11, Xinshun Rd., Haicang District, Xiamen	RMB\$14,411,765	International packaging and shipping business
CST Trading Ltd.	1993.05.19	P.O. BOX 116 ROAD TOWN TORTOLA BRITISH VIRGIN ISLANDS	US\$ 72,900,000	A holding company
CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd.	1993.07.27	No. 8, Hefeng Rd., Lujia Township, Kunshan City	US\$ 225,000,000	Production and sales of various types of automobile tires
TIANJIN TAFENG RUBBER IND CO., LTD.	1994.08.15	No. 1, Shuanghai Ave, Beichen Economic and Technology R&D Zone, Tianjin	US\$ 18,000,000	Warehousing logistics and sales service center
CHENG SHIIN TOYO (KUNSHAN) MACHINERY CO., LTD.	1996.03.20	Chaoyang East Rd., Kunshan R&D Zone, Jiangsu Province	US\$ 8,500,000	Produces and sells tire molds for cars and trucks
MAXXIS International Co., Ltd.	1997.01.30	P.O. BOX 31106 SMB, GRAND CAYMAN, CAYMAN ISLAND, BRITISH WEST INDIES.	US\$ 35,050,000	A holding company
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	1998.09.23	No. 26, Jiangang Rd., Legou Business District, Qinzhougang Economic Development Zone, Guangxi	RMB\$45,000,000	Distribution of rubber and tire parts
Cheng Shin Rubber Canada, Inc.	1999.01.31	400 CHRYSLER DRIVE, UNIT C BRAMPTON, ONTARIO, L6S 5Z5 CANADA	CAD\$ 1,518,700	Import-export trade in tires
CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	2001.12.28	No. 15, Xiyuan Rd., Haicang District, Xiamen	US\$ 130,000,000	Production and sales of various types of automobile tires
MAXXIS Trading Ltd.	2002.08.26	P.O. BOX 957, OFFSHORE INCORPORATION CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	US\$237,811,720	A holding company
MAXXIS Holdings (BVI) Co., Ltd.	2002.08.27	P.O. BOX 957, OFFSHORE INCORPORATION CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	US\$237,811,720	A holding company
MAXXIS International (Thailand) Co., Ltd.	2002.11.05	300/1 MOO 1, TAMBOL TASITH, AMPHUR PLUAKDAENG, RAYONG PROVINCE 21140, THAILAND	THB\$6,500,000,000	Production and sales of various types of automobile tires
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	2004.01.11	No. 15, Xinshun Rd., Haicang District, Xiamen	US\$ 45,000,000	Production and sales of various types of automobile tires
MAXXIS Tech Center Europe B.V.	2005.04.01	Neutronenlaan7,5405NG Uden, The Netherlands	EUR\$ 1,000,000	Tire testing
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	2010.03.22	No. 15, Qingshi Road, Gangwei Township, Longhai City	RMB\$950,000,000	Production and sales of various types of automobile tires
XIAMEN ESATE CO., LTD.	2013.08.21	Room 201, No. 16 Office Building, 15 Xibin Rd., Jimei District, Xiamen	RMB\$380,000,000	Employee dormitory construction and sales

Enterprise name	Date established	Address	Paid-in capital (note)	Major business or items produced
Cheng Shin Rubber (Vietnam) IND. Co., Ltd.	2005.12.08	Cty TNHH Cong Nghiep Cao Su Chinh Tan Vietnam Nhon Trach 3 Industrial Zone, Nhon Trach county, Dong Nai Province, Vietnam.	US\$62,000,000	Production and sales of various types of automobile tires
MAXXIS International (HK) Ltd.	2007.12.20	Suite 903, 9F, Enterprise Square Tower 2, No. 9, Sheung Yuet Road, Kowloon Bay, Hong Kong	US\$226,801,983	A holding company
Cheng Shin International (HK) Ltd.	2007.12.20	Suite 903, 9F, Enterprise Square Tower 2, No. 9, Sheung Yuet Road, Kowloon Bay, Hong Kong	US\$246,767,840	A holding company
CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	2009.07.17	Room 101, No. 58, Shuilishe, Kengnei Vil., Guankou Township, Jimei District, Xiamen	US\$20,000,000	Automobile assembly and product R&D, testing and related product display
CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	2010.05.17	No. 27, Jixin Ave., Changshou Economic and Technology Development Zone, Chongqing City	US\$100,000,000	Production and sales of various types of automobile tires
PT MAXXIS International Indonesia	2014.08.27	Greenland International Industrial Center (GIIC) Blok CG No.01, Kota Deltamas Desa Pasir Ranji, Kec. Cikarang Pusat, Bekasi, Jawa Barat, 17530	US\$200,000,000	Production and sales of various types of automobile tires
Maxxis Rubber India Private Limited	2015.03.26	SM 12 + SM 51/2, Sanand-II Industrial Estate, Ahmedabad, Gujarat – 382110, India	INR\$20,230,000,000	Production and sales of various types of automobile tires
KUNSHAN MAXXIS TIRE CO., LTD.	2015.09.28	No. 8, Hefeng Rd., Lujia Township, Kunshan City	RMB\$5,000,000	Rubber tire parts distribution and delivery
Maxxis Trading Company Limited	2016.01.13	No. 180, Juguang Rd., Sanyi Vil., Yuanlin City, Changhua County	NTD\$100,000,000	Sales of various automobile tires, rubber products, and accessories
PT. MAXXIS TRADING INDONESIA	2017.05.10	Greenland International Industrial Center (GIIC) Blok CG No.01, Kota Deltamas Desa Pasir Ranji, Kec. Cikarang Pusat, Bekasi, Jawa Barat, 17530	US\$1,000,000	Auto parts trading
Maxxis Europe B.V.	2018.05.24	Neutronenlaan7,5405NG Uden, The Netherlands	EUR\$2,000,000	Import-export trade in tires
MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	2019.03.15	AV. JAVIER BARROS SIERRA 495 P1 4, SANTA FE CENTRO CIUDAD, ALVARO OBREGON, CIUDAD DE MEXICO, C.P. 10376	US\$100,000	Import-export trade in tires
MAXXIS RUBBER JAPAN CO., LTD.	2020.02.21	International Silk Trade and Tourism Center 323, 1 Yamashitacho, Naka Ward, Yokohama, Kanagawa 231-0023 Japan	JPY50,000,000	Import-export trade in tires

Note: The exchange rate on the reporting date of each affiliate is calculated based on the exchange rate at the end of the fiscal year
(US\$1:NT\$32.785;EUR\$1:NT\$34.14;CAD\$1:NT\$22.82;RMB\$1:NT\$4.478;THB\$1:NT\$0.9623;VND\$1:NT\$0.00127;IDR\$1:NT\$0.00203;
INR\$1:NT\$0.3831;JPY\$1:NT\$0.2099;MXN\$1:NT\$1.57095).

3.Information on shareholders of controlling and subordinate companies: There is no presumed subordinate.

4.Industries covered by the business of the overall relationship enterprise

(1) Businesses engaged by the Company and its affiliates include:

Tires, general trading and investment, international trade, machinery, R&D and testing of automotive accessories, testing and exhibition of related products, etc.

(2) The division of labor between the company and its related enterprises is as follows:

Division Matters	Affiliates
Manufacturing and marketing of tire products	The Company, CHENG SHIN RUBBER (XIAMEN) IND., LTD., CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd., CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD., XIAMEN CHENG SHIN ENTERPRISE CO., LTD., MAXXIS International (Thailand) Co., Ltd., Cheng Shin Rubber (Vietnam) IND. Co., Ltd., CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD., CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD., PT MAXXIS International Indonesia, Maxxis Rubber India Private Limited
Marketing of Tire Products	Cheng Shin Rubber USA, Inc., Cheng Shin Rubber Canada, Inc., Maxxis Kunshan Co., Ltd., Maxxis Trading Co., Ltd., PT. MAXXIS TRADING INDONESIA, Maxxis Europe B.V., MAXXIS RUBBER JAPAN Co., Ltd., MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.
Production of Molds and Equipment	CHENG SHIIN TOYO (KUNSHAN) MACHINERY CO., LTD.
Tire Testing Center	MAXXIS Tech Center Europe B.V.
R&D Centers	The Company, Cheng Shin Rubber (China) Co., Ltd., Cheng Shin Rubber USA, Inc., Xiamen Cheng Shin
Automotive accessory development and testing, etc.	CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.
International packaging and shipping business	CHENG SHIIN LOGISTIC (XIAMEN) CO., LTD., CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD., TIANJIN TAFENG RUBBER IND CO., LTD.

5.Directors, Supervisors and General Managers of affiliated enterprises:

Enterprise name	Position	Full name or Representative	Number of Shares Held	
			Number of Shares	Percent holdings (%)
MAXXIS International Co., Ltd.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Shiu-Hsiung	35,050,000	100%
CST Trading Ltd.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa	72,900,000	100%
Cheng Shin Rubber USA, Inc.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa, Lee, Hung-Wen	1,800,000	100%
Cheng Shin Rubber Canada, Inc.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa, Lee, Hung-Wen	1,000,000	100%
MAXXIS Tech Center Europe B.V.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa, Lin, Chin-Chuan	1,000,000	100%
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	Director	MAXXIS International (HK) Ltd. Representatives: Chen, Shiu-Hsiung; Chen, Yun-Hwa; Lo, Min-Ling	-	100%
	Supervisor	MAXXIS International (HK) Ltd. Representative: Hsu, Chih-Ming		
TIANJIN TAFENG RUBBER IND CO., LTD.	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Shiu-Hsiung; Chen, Yun-Hwa; Lo, Min-Ling	-	100%
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	Director	MAXXIS International (HK) Ltd. Representatives: Chen, Shiu-Hsiung; Chen, Yun-Hwa; Lo, Min-Ling	-	100%
	Supervisor	MAXXIS International (HK) Ltd. Representative: Chen, Han-Hsin		
CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	Director	MAXXIS International Co., Ltd. Representatives: Chen, Shiu-Hsiung; Lo, Min-Ling	-	60%
		CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Hsu, Chih-Ming		40%
	Supervisor	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Han-Hsin		

Enterprise name	Position	Full name or Representative	Number of Shares Held	
			Number of Shares	Percent holdings (%)
CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd.	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Lo, Tsai-Jen; Chen, Shiu-Hsiung; Lee, Chin-Chang	-	100%
	Supervisor	Cheng Shin Rubber Industry Co., Ltd. Representative: Lo, Yong-Li		
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Shiu-Hsiung; Lo, Tsai-Jen; Lee, Chin-Chang	-	50%
	Supervisor	Cheng Shin Rubber Industry Co., Ltd. Representative: Lo, Yong-Li		
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	Director	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Shiu-Hsiung	-	95%
MAXXIS Trading Ltd.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa	237,811,720	100%
MAXXIS Holdings (BVI) Co., Ltd.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa	237,811,720	100%
MAXXIS International (Thailand) Co., Ltd.	Director	MAXXIS Holdings (BVI) Co., Ltd. Representative: Chen, Yun-Hwa, Chen, Shiu-Hsiung	65,000,000	100%
Cheng Shin Rubber (Vietnam) IND. Co., Ltd.	Director	MAXXIS Holdings (BVI) Co., Ltd. Representative: Chen, Yun-Hwa, Liao, Cheng-Yao, Hu, Ming-Te	62,000,000	100%
MAXXIS International (HK) Ltd.	Director	MAXXIS International Co., Ltd. Representative: Chen, Shiu-Hsiung	226,801,983	100%
Cheng Shin International (HK) Ltd.	Director	CST Trading Ltd. Representative: Chen, Yun-Hwa	246,767,840	100%
PT MAXXIS International Indonesia	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Yun-Hwa, Chen, Shiu-Hsiung; Lee, Hung-Ko, Xie Zhengchang	199,992,500	99.99625%
	Supervisor	Cheng Shin Rubber Industry Co., Ltd. Representative: Liao, Zheng-Yao		

Enterprise name	Position	Full name or Representative	Number of Shares Held	
			Number of Shares	Percent holdings (%)
PT. MAXXIS TRADING INDONESIA	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Yun-Hwa, Lee, Hung-Ko, Xie Zhengchang	9,990	99.9%
	Supervisor	Cheng Shin Rubber Industry Co., Ltd. Representative: Liao, Zheng-Yao		
Maxxis Rubber India Private Limited	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Yun-Hwa, Chen, Shiu-Hsiung; Liao, Cheng-Yao; Zhu Cangzhi	2,022,983,605	99.99919%
CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	Director	MAXXIS International (HK) Ltd. Representatives: Chen, Shiu-Hsiung; Chen, Yun-Hwa; Lo, Min-Ling	-	100%
	Supervisor	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Han-Hsin		
CHENG SHIIN LOGISTIC (XIAMEN) CO., LTD.	Director	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Shiu-Hsiung Xiamen Maxxis Trading Company Limited Representative: Hsu, Chih-Ming Hong Kong Daxiang Investment Co., Ltd. Representative: Chen, Han-Hsin	-	49%
	Supervisor	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Jian-Lin		25.5%
CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	Director	CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd. Representatives: Lo, Tsai-Jen; Chen, Shiu-Hsiung; Lee, Chin-Chang	-	100%
	Supervisor	CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd. Representative: Lo, Yong-Li		
KUNSHAN MAXXIS TIRE CO., LTD.	Director	CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd. Representative: Lee, Chin-Chang	-	100%
	Supervisor	CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd. Representative: Chiang, Chih-Wei		

Enterprise name	Position	Full name or Representative	Number of Shares Held	
			Number of Shares	Percent holdings (%)
XIAMEN ESATE CO., LTD.	Director	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Shiu-Hsiung	-	100%
	Supervisor	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Han-Hsin		
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	Director	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Shiu-Hsiung MAXXIS International (HK) Ltd. Representative: Chen, Yun-Hwa, Lo, Min-Ling	-	100%
	Supervisor	CHENG SHIN RUBBER (XIAMEN) IND., LTD. Representative: Chen, Han-Hsin		
Maxxis Trading Company Limited	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Yun-Hwa; Liao, Cheng-Yao; Chen, Shiu-Hsiung	10,000,000	100%
	Supervisor	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Han-Chi		
Maxxis Europe B.V.	Director	Cheng Shin Rubber Industry Co., Ltd. Representative: Chen, Yun-Hwa; Lee, Hung-Wen	2,000,000	100%
MAXXIS RUBBER JAPAN CO., LTD.	Director	Cheng Shin Rubber Industry Co., Ltd. Representatives: Chen, Shiu-Hsiung; Liao, Cheng-Yao; Qiu Shijie	5,000	100%
MAXXIS INTERNATIONAL MEXICO S. de R.L. de C.V.	Representative	Cheng Shin Rubber Industry Co., Ltd. Representative: Qiu Zheyi	-	100%

6. Operating status of each affiliate:

Unit: NTD thousand

Enterprise name	Amount of capital (Note 2)	Total value of assets	Total liabilities	Net value	Revenue	Operating Profit (Loss)	Profit or Loss (after Tax)	Earnings per share (NT\$) (after Tax)
MAXXIS International Co., Ltd.	1,017,852	42,838,353	125	45,838,228	-	-349	2,283,756	65.16
CST Trading Ltd.	2,117,016	32,713,414	125	32,713,289	-	-263	2,684,684	36.83
Cheng Shin Rubber USA, Inc.	590,130	5,567,801	1,876,951	3,690,850	8,735,230	232,280	212,322	117.96
Cheng Shin Rubber Canada, Inc.	34,657	1,179,803	277,829	901,974	1,012,679	24,382	84,109	84.11
CHIN CHOU CHENG SHIN ENTERPRISE CO., LTD.	201,510	90,500	5,165	85,335	11,330	-5,027	-3,639	-
CHENG SHIN TIRE & RUBBER (CHINA) CO., Ltd.	8,008,764	33,552,687	3,189,963	30,362,724	17,852,456	2,632,760	2,719,518	-
CHENG SHIN TOYO (KUNSHAN) MACHINERY CO., LTD.	304,177	357,980	32,497	325,483	92,625	-34,285	-3,686	-
CHENG SHIN RUBBER (XIAMEN) IND., LTD.	5,586,323	30,547,048	3,334,578	27,212,470	14,867,346	228,594	1,568,768	-
TIANJIN TAFENG RUBBER IND CO., LTD.	661,675	601,426	1,796	599,630	8,955	-53,341	15,654	-
CHENG SHIN PETREL TIRE (XIAMEN) CO., LTD.	4,321,989	12,568,707	1,261,374	11,307,333	7,000,355	-251,965	-42,888	-
MAXXIS Trading Ltd.	6,906,052	13,956,156	124	13,956,032	-	-317	1,616,723	6.80
MAXXIS Holdings (BVI) Co., Ltd.	6,906,052	14,304,832	-	14,304,832	-	-172	1,616,953	6.80
XIAMEN CHENG SHIN ENTERPRISE CO., LTD.	1,631,250	9,368,783	479,327	8,889,456	2,984,185	314,920	463,900	-
MAXXIS Tech Center Europe B.V.	34,140	117,769	12,916	104,853	154,209	10,279	8,529	8.53
Cheng Shin Rubber (Vietnam) IND. Co., Ltd.	1,430,377	6,283,395	1,118,136	5,165,259	6,621,589	1,387,210	1,083,107	17.47
MAXXIS International (Thailand) Co., Ltd.	6,254,950	10,630,710	1,494,289	9,136,421	9,825,303	625,572	533,662	8.21
MAXXIS International (HK) Ltd.	6,586,330	38,403,315	-	38,403,315	-	0	2,286,102	10.08
Cheng Shin International (HK) Ltd.	7,166,138	32,538,322	-	32,538,322	-	-112	2,672,811	10.83

Enterprise name	Amount of capital (Note 2)	Total value of assets	Total liabilities	Net value	Revenue	Operating Profit (Loss)	Profit or Loss (after Tax)	Earnings per share (NT\$) (after Tax)
CHENG SHIN (XIAMEN) INTL AUTOMOBILE CULTURE CENTER CO., LTD.	597,354	782,339	782,339	-	3,381	-52,353	-73,334	-
CHENG SHIIN LOGISTIC (XIAMEN) CO., LTD.	64,536	270,126	140,150	129,976	1,079,195	29,974	25,681	-
CHENG SHIN RUBBER (ZHANGZHOU) IND CO., LTD.	4,254,100	12,482,432	2,127,869	10,354,563	11,942,669	1,553,667	1,485,441	-
CHENG SHIN TIRE & RUBBER (CHONGQING) CO., LTD.	2,920,131	6,550,509	451,083	6,099,426	3,210,169	63,359	70,270	-
XIAMEN ESATE CO., LTD.	1,701,640	2,158,974	20,951	2,138,023	-	-14,803	-14,015	-
PT MAXXIS International Indonesia	5,433,763	8,927,304	8,782,325	144,979	3,367,187	303,465	-447,449	-2
Maxxis Rubber India Private Limited	7,750,113	4,327,126	3,861,959	465,167	1,906,415	-168,058	-477,596	-
KUNSHAN MAXXIS TIRE CO., LTD.	22,390	109,217	50,456	58,761	149,827	2,953	3,108	-
Maxxis Trading Company Limited	100,000	1,047,318	420,524	626,794	3,948,467	343,867	305,283	31
PT. MAXXIS TRADING INDONESIA	27,084	49,373	9,279	40,094	11,271	-3,543	-1,962	-196
Maxxis Europe B.V.	68,280	284,870	229,086	55,784	459,467	-10,562	-4,679	-9
MAXXIS RUBBER JAPAN CO., LTD.	10,495	11,271	276	10,995	109	-4,493	188	38
MAXXIS INTERNATIONAL MEXICO S. de R.L. de C. V.	3,288	2,373	508	1,865	5,281	-120	-328	-

Note 1: The assets and liabilities accounts are calculated based on the exchange rate at the end of the year

(US\$1:NT\$32.785;EUR\$1:NT\$34.14;CAD\$1:NT\$22.82;RMB\$1:NT\$4.478;THB\$1:NT\$0.9623;VND\$1:NT\$0.00127;IDR\$1:NT\$0.00203;
INR\$1:NT\$0.3831;JPY\$1:NT\$0.2099;MXN\$1:NT\$1.57095).

The profit and loss accounts are converted at weighted average exchange rates

(US\$1:NT\$32.11205;EUR\$1:NT\$34.74005;CAD\$1:NT\$23.44615;RMB\$1:NT\$4.45433;THB\$1:NT\$0.91596;VND\$1:NT\$0.00126;IDR\$1:NT\$0.00204; INR\$1:NT\$0.3839;
JPY\$1:NT\$0.21213;MXN\$1:NT\$1.76045)

Note 2: Refers to Paid-in capital.

(II) Consolidated financial statements of affiliates

For 2024 (from January 1, 2024, to December 31, 2024), companies that are required to be included in the consolidated financial statements of affiliates in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are identical to those that must be included in the consolidated financial statements of parent and subsidiaries under International Accounting Standard No. 10. Since matters that must be disclosed by consolidated financial statements of affiliates have been disclosed by consolidated financial statements of parent and subsidiaries, no consolidated financial statements of affiliates are separately prepared.

(III) Affiliation Reports: In the absence of any presumed subordinate, no such report is prepared.

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

III. Other Necessary Supplementary Statement: None

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

Cheng Shin Rubber Industry Co., Ltd.



Chairman



***All-Around Driveability
Ultimate Balance***



***PREMITRA
HP6***

Superbly engineered for all-around performance

Rain or shine control

Quiet comfort

Exceptional safety

Vehicle applications:



Sedan



Sport utility vehicle



CHENG SHIN RUBBER IND. CO., LTD.