Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report
March 31, 2026 and 2025

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To Kenda Rubber Ind. Co., Ltd.

Introduction

We have audited the accompanying consolidated financial statements of Kenda Rubber Ind. Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our review work in accordance with TWSRE 2410, "Review of Financial Statements," except for those described in the Basis of Qualified Opinions paragraph. The procedures applied in reviewing the consolidated financial statements include making inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of the review is significantly smaller than the scope of an audit and consequently we may not be able to identify all significant matters that might be identified by an audit and hence cannot express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of the nonsignificant subsidiaries included in the aforementioned consolidated financial statements have not been duly reviewed, and their total assets amounted to NT$8,871,619 thousand and NT$8,473,548 thousand as of March 31, 2026 and 2025 respectively, representing 19% and 18% of the consolidated total assets. Total liabilities amounted to NT$5,577,415 thousand and NT$5,431,718 thousand, accounting for 20% and 20% of the total consolidated liabilities, respectively. Total comprehensive loss and income amounted to a gain of NT$114,236 thousand

and a loss of NT$35,665 thousand as of January 1 to March 31, 2026 and 2025, accounting for 17% and (10%) of the total consolidated loss and income, respectively.

Qualified Conclusion

Based on our review, nothing has come to our attention which causes us to believe that the consolidated financial statements referred to above do not present fairly, in all material respects, the consolidated financial position of Kenda Rubber Ind. Co., Ltd. as of March 31, 2026 and 2025, as well as the consolidated financial performance and consolidated cash flows for January 1 to March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting", as endorsed and issued by the Financial Supervisory Commission, except for the effect of possible adjustments to the consolidated financial statements that might have been made had the financial statements of non-significant subsidiaries been reviewed as described in the Basis for Qualified Conclusions paragraph.

Deloitte
Taipei, Taiwan
Republic of China

May 12, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets
March 31, 2026, December 31, 2025 and March 31, 2025
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	Amount	%	Amount	%	Amount	%
Current assets						
Cash and cash equivalents (Note 6)	$ 9,412,275	20	$ 9,331,556	21	$ 8,384,815	18
Notes receivable (Note 8)	219,452	-	200,324	-	100,734	-
Trade receivable (Notes 8, 23 and 24)	4,326,105	9	3,650,047	8	4,380,886	9
Inventories (Notes 9 and 24)	10,125,043	21	10,117,992	22	10,985,170	23
Prepayments	331,142	1	310,618	1	324,281	1
Other financial assets - current (Notes 10 and 24)	737,399	2	444,783	1	1,120,677	2
Other current assets	326,713	1	354,791	1	594,026	1
Total current assets	25,478,129	54	24,410,111	54	25,890,589	54
Non-current assets						
Financial assets at fair value through other comprehensive income (Note 7)	458,051	1	455,440	1	376,947	1
Investments accounted for using the equity method	152,635	-	149,373	-	153,939	-
Property, plant and equipment (Notes 12 and 24)	16,077,173	34	15,933,793	35	16,418,829	35
Right-of-use assets (Note 13)	2,243,263	5	1,935,144	4	1,973,547	4
Investment properties (Note 14)	29,993	-	29,026	-	30,067	-
Deferred tax assets	402,208	1	393,837	1	428,142	1
Other financial assets - non-current (Note 10)	1,728,549	4	1,627,146	4	1,728,855	4
Other non-current assets (Note 12)	498,937	1	559,253	1	662,294	1
Total non-current assets	21,590,809	46	21,083,012	46	21,772,620	46
Total assets	$ 47,068,938	100	$ 45,493,123	100	$ 47,663,209	100
Liabilities and Equity						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	$ 3,037,616	6	$ 2,857,465	6	$ 3,897,774	8
Contract liabilities	278,094	1	228,741	1	270,024	1
Notes payable	-	-	720	-	91,848	-
Trade payable (Note 23)	2,302,237	5	2,473,637	5	2,547,617	5
Dividends payable (Note 16)	620,679	1	-	-	1,050,379	2
Other payables (Note 23)	1,445,087	3	1,471,111	3	1,584,826	3
Current tax liabilities	58,497	-	55,224	-	47,940	-
Lease liabilities - current (Note 13)	234,178	-	217,026	1	127,128	-
Current portion of long-term borrowings (Note 15)	1,454,260	3	1,347,252	3	1,722,920	4
Other current liabilities (Note 17)	299,928	1	342,890	1	367,247	1
Total current liabilities	9,730,576	20	8,994,066	20	11,707,703	24
Non-current liabilities						
Long-term borrowings (Note 15)	14,974,373	32	14,595,056	32	12,874,057	27
Deferred tax liabilities	786,404	2	646,821	1	892,228	2
Lease liabilities - non-current (Note 13)	929,609	2	689,455	2	724,934	2
Net defined benefit liabilities	52,549	-	48,553	-	38,661	-
Other non-current liabilities (Note 14)	1,002,662	2	960,182	2	1,034,000	2
Total non-current liabilities	17,745,597	38	16,940,067	37	15,563,880	33
Total liabilities	27,476,173	58	25,934,133	57	27,271,583	57
Ordinary Share Capital	9,548,900	21	9,548,900	21	9,548,900	20
Capital surplus	41	-	41	-	41	-
Retained earnings						
Legal reserve	3,658,774	8	3,658,774	8	3,531,010	8
Special reserve	694,586	1	694,586	1	1,093,568	2
Unappropriated earnings	5,662,514	12	6,172,010	14	5,835,693	12
Total retained earnings	10,015,874	21	10,525,370	23	10,460,271	22
Other equity	27,950	-	(515,321)	(1)	382,414	1
Total equity	19,592,765	42	19,558,990	43	20,391,626	43
Total liabilities and equity	$ 47,068,938	100	$ 45,493,123	100	$ 47,663,209	100

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

(Please refer to Deloitte auditors' review report dated May 12, 2026)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	January 1 to March 31, 2026		January 1 to March 31, 2025	
	Amount	**%**	**Amount**	**%**
Net operating revenue (Notes 17 and 23)	$ 8,698,617	100	$ 8,807,914	100
Operating costs (Notes 9, 18 and 23)	6,980,582	80	7,160,680	81
Gross profit	1,718,035	20	1,647,234	19
Operating expenses (Notes 18 and 23)				
Selling and marketing expenses	646,686	7	692,211	8
General and administrative expenses	396,047	5	408,351	4
Research and development expenses	412,541	5	419,782	5
Expected credit losses or reversal of expected credit losses	7,248	-	(519)	-
Total operating expenses	1,462,522	17	1,519,825	17
Net operating income	255,513	3	127,409	2
Non-operating income and expenses (Note 18)				
Interest income	44,742	-	53,352	1
Other income	23,615	-	30,864	-
Other gains and losses	(33,799)	-	61,767	1
Financial costs	(118,744)	(1)	(126,082)	(2)
Share of profit or loss of associates recognized under the equity method	496	-	520	-
Total non-operating income and expenses	(83,690)	(1)	20,421	-

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	January 1 to March 31, 2026		January 1 to March 31, 2025	
	Amount	%	Amount	%
Net income before income tax	$ 171,823	2	$ 147,830	2
Income tax expense (Note 19)	(60,640)	-	(77,977)	(1)
Net profit for the period	111,183	2	69,853	1
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	679,089	8	360,736	4
Income tax related to items that may be reclassified subsequently to profit or loss	(135,818)	(2)	(72,147)	(1)
Other comprehensive income for the period, net of income tax	543,271	6	288,589	3
Total comprehensive income for the period	$ 654,454	8	$ 358,442	4
EARNINGS PER SHARE (Note 20)				
Basic	$ 0.12		$ 0.07	
Diluted	$ 0.12		$ 0.07	

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

(Please refer to Deloitte auditors' review report dated May 12, 2026)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes In Equity
For the three months ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company								
			Retained earnings			Other equity items			
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized valuation gain on financial assets at fair value through other comprehensive income	Subtotal	Total Equity
Balance as of January 1, 2025	$ 9,548,900	$ 41	$ 3,531,010	$ 1,093,568	$ 6,816,219	($ 141,514)	$ 235,339	$ 93,825	$ 21,083,563
Appropriations of 2024 earnings									
Cash dividends - NT$1.1 per share	-	-	-	-	(1,050,379)	-	-	-	(1,050,379)
Net profit for the period from January 1 to March 31, 2025	-	-	-	-	69,853	-	-	-	69,853
Other comprehensive income after tax for the period from January 1 to March 31, 2025	-	-	-	-	-	288,589	-	288,589	288,589
Total comprehensive income for the for the period from January 1 to March 31, 2025	-	-	-	-	69,853	288,589	-	288,589	358,442
Balance as of March 31, 2025	$ 9,548,900	$ 41	$ 3,531,010	$ 1,093,568	$ 5,835,693	$ 147,075	$ 235,339	$ 382,414	$ 20,391,626
Balance as of January 1, 2026	$ 9,548,900	$ 41	$ 3,658,774	$ 694,586	$ 6,172,010	($ 833,879)	$ 318,558	($ 515,321)	$ 19,558,990
Appropriations of 2025 earnings									
Cash dividends to shareholders - NT$0.65 per share	-	-	-	-	(620,679)	-	-	-	(620,679)
Net profit for the period from January 1 to March 31, 2026	-	-	-	-	111,183	-	-	-	111,183
Other comprehensive income after tax for the period from January 1 to March 31, 2026	-	-	-	-	-	543,271	-	543,271	543,271
Total comprehensive income for the for the period from January 1 to March 31, 2026	-	-	-	-	111,183	543,271	-	543,271	654,454
Balance as of March 31, 2026	$ 9,548,900	$ 41	$ 3,658,774	$ 694,586	$ 5,662,514	($ 290,608)	$ 318,558	$ 27,950	$ 19,592,765

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

(Please refer to Deloitte auditors' review report dated May 12, 2026)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars)

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net cash flow from operating activities		
Net income before income tax	$ 171,823	$ 147,830
Income and expense items		
Depreciation	452,642	448,038
Amortization expense	6,883	6,513
Expected benefits from reversal of credit impairment losses	7,248	(519)
Financial costs	118,744	126,082
Interest income	(44,742)	(53,352)
Share of profits and losses of affiliates recognized under the equity method	(496)	(520)
Net loss (gain) on disposal of property, plant and equipment	(2,400)	169
Provision for decline in value of inventories and doubtful accounts	23,595	25,317
Net loss (gain) on foreign currency exchange	11,532	(8,736)
Changes in operating assets and liabilities		
Notes receivable	(19,128)	(11,226)
Accounts receivable	(607,869)	(678,424)
Other receivables	17,371	2,473
Inventories	142,406	495,920
Prepayments	(20,524)	(18,007)
Other current assets	(7,556)	2,647
Contract liabilities	49,353	(3,038)
Notes payable	(720)	40,634
Accounts payable	(171,400)	(217,828)
Other payables	31,749	(24,278)
Other current liabilities	(42,859)	(4,005)
Net defined benefit liabilities	4,123	(1,145)
Other non-current liabilities	1,635	(460)
Cash inflow from operating activities	121,410	274,085
Interest received	38,040	57,294
Interest paid	(119,299)	(121,625)
Income tax paid	(31,379)	(29,134)
Net cash inflow from operating activities	8,772	180,620

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	January 1 to March 31, 2026	January 1 to March 31, 2025
Cash flows from investing activities		
Acquisition of property, plant and equipment	($ 142,791)	($ 179,186)
Disposal of property, plant and equipment	25,575	9,939
Increase in refundable deposits	(1,230)	(3,878)
Decrease in refundable deposits	65	12,590
Acquisition of intangible assets	(1,948)	(19,515)
Increase in other financial assets	(866,288)	(1,260,006)
Decrease in other financial assets	545,786	1,667,759
Increase in prepayments for equipment	(119,505)	(138,015)
Net cash (outflow) inflow from investing activities	(560,336)	89,688
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	160,541	(93,640)
Proceeds from long-term borrowings	8,231,883	5,872,381
Repayment of long-term borrowings	(7,774,271)	(5,690,746)
Increase in deposits received	10,514	23
Decrease in deposits received	(1,001)	(481)
Repayment of lease principal	(69,946)	(52,978)
Net cash inflow from financing activities	557,720	34,559
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	74,563	62,131
Increase (decrease) in cash and cash equivalents for the period	80,719	366,998
Cash and cash equivalents at beginning of period	9,331,556	8,017,817
Cash and cash equivalents at the end of the period	$ 9,412,275	$ 8,384,815

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

(Please refer to Deloitte auditors’ review report dated May 12, 2026)

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. COMPANY HISTORY

Kenda Rubber Ind. Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in March 1962. The Company is mainly engaged in manufacturing and trading of rubber products such as inner tubes and tires of bicycles, scooters, industrial trucks and cars, and various products of carbon fiber.

The Company's shares have been listed and traded on the Taiwan Stock Exchange (TWSE) since December 20, 1990.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. DATE AND PROCEDURE FOR APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on May 12, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. First-time application of International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), Interpretations (IFRICs) and Interpretations (SICs) (hereinafter referred to as IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   The application of IFRSs endorsed by the FSC and issued into effect will not result in significant changes to the accounting policies of the Group.

b. IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC.

New, amended and revised standards and interpretations	Effective date of IASB issuance (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Not yet determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 Amendments)	January 1, 2027
Amendments to IAS 21, "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: The Financial Supervisory Commission announced on September 25, 2025, that IFRS 18 shall be applied by domestic companies starting from January 1, 2028. Early adoption is permitted upon approval of IFRS 18 by the FSC.

<u>IFRS 18, "Presentation and Disclosure in Financial Statements," and related consequential amendments</u>

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

- The Group shall assess whether investing in a specified type of assets and providing financing to customers constitute specified main business activities. Based on such assessment, income and expense items in the statement of profit or loss shall be classified into the operating, investing, financing, income tax, and discontinued operations categories.

- The income statement should report operating income, financing and pre-tax income, as well as subtotals and totals of income.

- Proved guidelines for strengthening consolidation and subdivision provisions: The Group must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters, and classify and consolidate them based on common characteristics so that each line item reported in the main financial statements has at least one similar characteristic. Items with dissimilar characteristics should be further subdivided into the main financial statements and notes. The Group shall label such items as "other" only when a more informative description cannot be identified.

- Enhance disclosure of performance measures defining management levels: When the Group engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the Group, relevant information regarding the disclosure of performance measures defining management levels should be disclosed in a single note to the financial statements. This includes the description of the measures, how they are calculated, adjustments to subtotals or totals as defined by IFRS accounting standards, and the impact of income tax and non-controlling interests related to the adjustments.

In addition, the following consequential amendments have been made to IAS 7, Statement of Cash Flows:

- When preparing cash flows from operating activities using the indirect method, the Group shall use operating profit or loss as the starting point for the reconciliation.

- Interest and dividends received by the Group shall be classified as cash flows from investing activities, while interest and dividends paid shall be classified as cash flows from financing activities. If, upon assessment, the Group is determined to have specified main business activities, the classification of dividend income, interest income and interest expense presented in the statement of profit or loss shall be considered in determining the classification of dividends received, interest received and interest paid in the statement of cash flows. However, each of the aforementioned cash flows shall be classified in only one category of the statement of cash flows.

As of the date these consolidated financial statements were authorized for issuance, the Group is still assessing the impact of the amendments to the standards and interpretations on its financial position and financial performance. The related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting", as approved and issued into effect by the FSC. The consolidated financial statements do not contain all of the disclosures required by the IFRS accounting standards for the entire annual financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available as of the measurement date.

2) Level 2 inputs: Inputs other than those quoted in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3) Level 3 inputs: Unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities (i.e., its subsidiaries) controlled by the Company. Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial statements of the subsidiaries have been adjusted to conform to the accounting policies of the Group. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been offset. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests, even if it causes non-controlling interests to have a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and its non-controlling interests are adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly as equity and attributed to shareholders of the Company.

See Note 11, Table 7 and Table 8 for detailed information on subsidiaries, including percentages of ownership and main businesses.

d. Other significant accounting policies

In addition to the descriptions below, please refer to the summary of significant accounting policies in the consolidated financial statements for 2025.

1) Defined benefit post-employment benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior year, adjusted for significant market fluctuations of the period, and for significant plan amendments, settlements or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income at the tax rate that would be applicable to expected total annual earnings.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

In developing significant accounting estimates, the Group has taken into consideration the potential impact of the U.S. reciprocal tariff measures on key assumptions underlying significant estimates, including projected cash flows, growth rates, discount rates, and profitability. Management will continue to review the estimates and underlying assumptions. Please refer to the main explanation of the of significant accounting judgments, estimates, and assumption uncertainty in the consolidated financial statements for the year 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	$ 10,496	$ 9,675	$ 10,823
Bank checks and demand deposits	6,585,525	5,954,971	5,952,853
Cash equivalents (time deposits with original maturity of less than 3 months)	2,816,254	3,366,910	2,421,139
	$ 9,412,275	$ 9,331,556	$ 8,384,815

The interest rate range for time deposits with original maturities of less than 3 months at the balance sheet date is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturity of less than 3 months	0.30%~3.99%	0.30%~4.03%	0.30%~4.60%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Investments in equity instruments			
Domestic unlisted shares	$ 295,161	$ 295,161	$ 265,407
Foreign unlisted shares	162,890	160,279	111,540
	$ 458,051	$ 455,440	$ 376,947

The Group invests in the ordinary shares of domestic and foreign unlisted companies for mid- and long-term strategic purposes, anticipating profit through long-term investments. The management of the Group designates these investments as at FVTOCI, as they believe the recognition of short-term fair value fluctuations for these investments in profit or loss is not consistent with the above stated long-term investment plans.

8. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
Measured at amortized cost	$ 219,452	$ 200,324	$ 100,734
Accounts receivable			
Measured at amortized cost			
Total carrying amount	$ 4,409,281	$ 3,725,843	$ 4,470,394
Less: Allowance for losses	(83,176)	(75,796)	(89,508)
	$ 4,326,105	$ 3,650,047	$ 4,380,886

The Group's primary credit period for merchandise sales is from 30 to 90 days after the invoice date, and the accounts receivable do not bear interest.

The Group recognizes the loss allowance for trade receivable at an amount equal to lifetime ECLs. The Group takes into account the customer's past default history, current financial condition and the economic situation of the industry. The Group uses different provision matrixes based on segments by geographical region, and determines the expected credit loss rate.

If there is sufficient evidence that the counter-party is in serious financial difficulty and the Group cannot reasonably expect to recover the amount due, the Group may directly write off the related accounts receivable, but will continue the recovery activities, and the amount recovered from the recovery is recognized in profit or loss.

The allowance for losses on notes and accounts receivable of the Group is as follows:

March 31, 2026

	Not past due	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due 91 to 120 days	Past due 121 to 180 days	Past due over 181 days	Total
Total carrying amount	$ 4,294,308	$ 199,308	$ 40,798	$ 5,950	$ 707	$ 12,121	$ 75,541	$ 4,628,733
Allowance for losses (lifetime expected credit losses)	(365)	(1,177)	(905)	(541)	(562)	(4,085)	(75,541)	(83,176)
Amortized cost	$ 4,293,943	$ 198,131	$ 39,893	$ 5,409	$ 145	$ 8,036	$ -	$ 4,545,557

December 31, 2025

	Not past due	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due 91 to 120 days	Past due 121 to 180 days	Past due over 181 days	Total
Total carrying amount	$ 3,515,524	$ 244,873	$ 65,485	$ 19,610	$ 4,669	$ 13,146	$ 62,860	$ 3,926,167
Allowance for losses (lifetime expected credit losses)	(176)	(4,397)	(3,282)	(1,168)	(416)	(3,497)	(62,860)	(75,796)
Amortized cost	$ 3,515,348	$ 240,476	$ 62,203	$ 18,442	$ 4,253	$ 9,649	$ -	$ 3,850,371

March 31, 2025

	Not past due	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due 91 to 120 days	Past due 121 to 180 days	Past due over 181 days	Total
Total carrying amount	$ 4,190,034	$ 267,493	$ 21,960	$ 6,516	$ 6,944	$ 1,974	$ 76,207	$ 4,571,128
Allowance for losses (lifetime expected credit losses)	(367)	(6,570)	(1,957)	(1,699)	(896)	(1,812)	(76,207)	(89,508)
Amortized cost	$ 4,189,667	$ 260,923	$ 20,003	$ 4,817	$ 6,048	$ 162	$ -	$ 4,481,620

The movements of the loss allowance of notes and trade receivable are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Opening balance	$ 75,796	$ 89,589
Reversal of impairment loss for the period	7,248	(519)
Actual write-off for the period	(1,003)	(831)
Foreign currency translation differences	1,135	1,269
Ending balance	$ 83,176	$ 89,508

Please refer to Note 24 for the amount of notes and accounts receivable pledged as collateral for loans by the Group.

9. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 3,535,228	$ 3,517,660	$ 3,895,284
Work in progress	848,457	744,205	894,973
Raw materials	4,331,490	4,348,440	4,572,286
Supplies	452,883	459,116	545,670
Merchandise	187,531	164,303	104,304
Inventory in transit	769,454	884,268	972,653
	$ 10,125,043	$ 10,117,992	$ 10,985,170

For the three-month periods ended March 31, 2026 and 2025, the cost of goods sold related to inventories amounted to NT$6,980,582 thousand and NT$7,160,680 thousand, respectively. For the three-month periods ended March 31, 2026 and 2025, cost of goods sold included inventory write-downs and losses on obsolete inventories of NT$23,595 thousand and NT$25,317 thousand, respectively.

Please refer to Note 24 for the amount of inventory pledged as collateral for loans.

10. OTHER FINANCIAL ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Time deposits with an original maturity of more than 3 months	$ 735,087	$ 442,547	$ 1,118,364
Others	2,312	2,236	2,313
	$ 737,399	$ 444,783	$ 1,120,677
Non-current			
Time deposits with an original maturity of more than 1 year	$ 1,728,549	$ 1,627,146	$ 1,728,855

The interest rate range for time deposits at the balance sheet date is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits	1.45%~3.10%	1.20%~3.10%	1.55%~4.19%

Please refer to Note 22 for information on credit risk management and evaluation methods. Please refer to Note 24 for information on other financial assets pledged as collateral for loans.

11. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

The main body of the consolidated financial statements is as follows:

			Percentage of shareholding			
Investor	Name of subsidiary	Nature of business	March 31, 2026	December 31, 2025	March 31, 2025	Remark
The Company	American Kenda Rubber Ind. Co., Ltd. (KA)	Trading, investment	100%	100%	100%	-
The Company	Kenda Rubber Ind. Co., (Hong Kong) Ltd. (KHK)	Trading, investment	100%	100%	100%	-
The Company	Kenda Rubber (Vietnam) Co., Ltd. (KV)	Manufacturing and selling of tubes and tires for vehicles	100%	100%	100%	-
The Company	Kenda Rubber Industrial Co. (Europe GmbH) (KE)	Marketing planning and R&D	100%	100%	100%	Note 1
The Company	Kenda International Corporation Co., Ltd. (KIC)	Investment	100%	100%	100%	-
The Company	Kenfong Industrial Co., Ltd. (KF)	Manufacturing and selling of tubes and tires for vehicles	100%	100%	100%	Note 1
The Company	Pt. Kenda Rubber Indonesia (KI)	Manufacturing and selling of tubes and tires for vehicles	99.99%	99.99%	99.99%	Note 1
KF	KI	Manufacturing and selling of tubes and tires for vehicles	0.01%	0.01%	0.01%	Note 1
KA	Americana Development, Inc.（ADI）	Manufacturing of rims and distribution and selling of tires and rims	100%	100%	100%	-
KHK	Kenda Rubber (Shenzhen) Ltd. (KS)	Manufacturing and selling of tubes and tires for vehicles	60%	60%	60%	Note 1
KHK	Kenda Rubber (Tianjin) Co., Ltd. (KT)	Manufacturing and selling of tubes and tires for vehicles	13.64%	13.64%	13.64%	-
KIC	Kenda Global Holding Co., Ltd. (KGH)	Investment	100%	100%	100%	-
KIC	Kenda Global Investment Corporation (KGI)	Investment	100%	100%	100%	Note 1
KGI	KENDA Europe A/S (formerly known as STARCO Europe A/S)	Investment	-	100%	100%	Notes 1 and 2
KE	KENDA Europe A/S (formerly known as STARCO Europe A/S)	Investment	100%	-	-	Notes 1 and 2

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Investor	Name of subsidiary	Nature of business	Percentage of shareholding March 31, 2026	December 31, 2025	March 31, 2025	Remark
KGH	Kenda Global (China) Investment Corporation (KGCI)	Investment	100%	100%	100%	-
KGH	KS	Manufacturing and selling of tubes and tires for vehicles	40%	40%	40%	Note 1
KGCI	KT	Manufacturing and selling of tubes and tires for vehicles	86.36%	86.36%	86.36%	-
KGCI	Kenda Rubber (China) Ltd. (KC)	Manufacturing and selling of tubes and tires for vehicles	100%	100%	100%	-
KC	Kunshan Taiyuan New Energy Co., Ltd. (Kunshan Taiyuan)	Research and Development and Services in Emerging Energy Technologies	100%	100%	-	Note 3
KENDA Europe A/S	KENDA GB Rugeley Ltd. (formerly known as STARCO GB Ltd.)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Deutschland GmbH (formerly known as STARCO GmbH)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Polska Sp.z.o.o. (formerly known as STARCO Polska Sp.z.o.o.)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA België NV (formerly known as STARCO NV)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Schweiz AG (formerly known as STARCO GS AG)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Baltic OÜ (formerly known as STARCO Baltic OÜ)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA France SAS (formerly known as STARCO FR SAS)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Manufacturing HR d.o.o. (formerly known as STARCO Beli Manastir d.o.o.)	Manufacturing of rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Manufacturing GB Ltd. (formerly known as STARCO DML)	Manufacturing of rims and distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	Jelshøj Imovina d.o.o. (Jelshøj Imovina)	Investment	100%	100%	100%	Note 1

Note 1: It is a non-significant subsidiary and its financial statements have not been reviewed by auditors.

Note 2: To integrate the resources of its European subsidiaries and enhance overall operational and management efficiency, the Board of Directors of the Group resolved on February 3, 2026 that Kenda Global Investment Co. would transfer its entire equity interest in KENDA Europe A/S to KE Subsidiary. As this organizational restructuring did not result in any change in the Group's control over KENDA Europe A/S, the transaction was accounted for as an equity transaction.

Note 3: On July 8, 2025, the Board of Directors of KC, a subsidiary of the Group, approved the acquisition of all shares of Kunshan Taiyuan New Energy Co., Ltd. The consideration paid was zero, and the purpose of the acquisition was to obtain autonomy over green energy and other new energy sources, as well as to integrate related industry resources to enhance operational efficiency and flexibility.

b. Subsidiaries excluded from the consolidated financial statements: None.

12. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 2,782,132	$ 2,593,683	$ 2,595,673
Buildings	5,020,654	5,164,487	5,311,699
Machinery and equipment	6,776,027	6,816,322	7,394,224
Other equipment	519,934	512,768	553,904
Equipment under acceptance and unfinished construction	978,426	846,533	563,329
	$16,077,173	$15,933,793	$16,418,829

The Group added NT$168,208 thousand and NT$159,783 thousand of new equipment from January 1 to March 31, 2026 and 2025, respectively.

Other than the above-mentioned changes and recognized depreciation expenses, no significant changes occurred in the properties, plants and equipment of the Group.

Depreciation expense is provided on a straight-line basis over the following useful lifetime:

Buildings	10-55 years
Machinery and equipment	3-30 years
Other equipment	2-20 years

A portion of the land for operational use in Chongyang section of Yuanlin City and Citong Township of Yunlin County is categorized as agricultural and pastoral land. The title of the land is currently registered under a related party, Mr. Chen, who is the trustee in a land trust agreement with the Company. The Company retains the certificate of title for the land and the agreement stipulates that the nominal holder or trustee is prohibited from transferring the ownership to a third party.

As of March 31, 2026 and December 31 and March 31, 2025, the prepayments for equipment amounted to NT$283,712 thousand, NT$341,646 thousand and NT$453,199 thousand, respectively, and were recorded as other non-current assets.

Please refer to Note 24 for the amount of property, plant and equipment pledged as collateral for loans by the Group.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of right-of-use assets			
Land	$ 1,668,319	$ 1,511,175	$ 1,619,661
Buildings	545,153	389,901	322,353
Machinery equipment	13,059	14,751	11,179
Other equipment	16,732	19,317	20,354
	$ 2,243,263	$ 1,935,144	$ 1,973,547

	January 1 to March 31, 2026	January 1 to March 31, 2025
Additions to right-of-use assets	$331,673	$ 2,390
Depreciation expense of right-of-use assets		
Land	$ 10,244	$ 9,198
Buildings	46,828	31,336
Machinery equipment	1,246	1,354
Other equipment	2,590	3,185
	$ 60,908	$ 45,073

Except for the aforementioned additions and recognized depreciation expense, the Group did not have significant subleases or impairment of right-of-use assets for the period from January 1 to March 31 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of lease liabilities			
Current	$ 234,178	$ 217,026	$ 127,128
Non-current	$ 929,609	$ 689,455	$ 724,934

The discount rate range for lease liabilities is as follows

	March 31, 2026	December 31, 2025	March 31, 2025
Land	2.50%~3.00%	3.00%	3.00%
Buildings	2.75%~3.20%	2.75%～3.20%	2.75%~3.20%
Machinery and equipment	2.75%~3.20%	2.75%～3.20%	2.75%~3.20%
Other equipment	2.75%~3.20%	2.75%～3.20%	2.75%~3.20%

c. Material leasing activities and terms

KS, KC, and KT signed land use right contracts with the local governments of Longhua Town, Penglang Town of Kunshan City, and Tianjin City in mainland China, respectively; the periods of the land use right contracts are between 40 and 50 years. KV signed a land use right contract with Ho Nai and Giang Dien Industrial Zone in Dong Nai Province, Vietnam; the period of the land use right contract is between 33 and 43 years.

The above companies have the rights to use, make profit from, transfer, and lease the land during the land use period, and are responsible for all taxes and fees payable for the use of the land. The land is used for constructing factories, office buildings and employees' dormitories.

KI acquired the land use right of Kabupaten Serang, Banten Province, which is used for constructing factories, office buildings and employees' dormitories.

d. Other lease information

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term lease expense	$ 45,641	$ 51,935
Lease expense of low-value assets	$ 2,275	$ 2,976
Total cash outflow from leases	$124,008	$113,614

All lease commitments with lease terms commencing after the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Lease commitments	$ 1,443,660	$ 1,168,969	$ 1,217,970

14. INVESTMENT PROPERTIES

	March 31, 2026	December 31, 2025	March 31, 2025
Right-of-use assets	$ 29,993	$ 29,026	$ 30,067

Except for the recognition of depreciation expense, there were no significant additions, disposals or impairments of the Group's investment properties from January 1 to March 31, 2026. Investment property is depreciated on a straight-line basis over the following useful lives:

Right-of-use assets	40-50 years

In response to the urbanization policy of future city development in Shenzhen, KS entered into a urban renewal collaboration agreement with Kaisa Urban Renewal Group (Shenzhen) Co., Ltd. (“Kaisa”) in October 2014 for the development of land use rights. According to the agreement, KS and Kaisa will jointly transform the industrial land in Shenzhen into new types of industrial (office), commercial, residential, and government-subsidized buildings. Joint construction and allocation of housing units is carried out in accordance with the ratio stipulated in the contract and the approval documents of the future competent authorities. KS is responsible for the relocation of original factories and termination of employees, while Kaisa is responsible for the demolition of buildings, measurement, assessment, verification of rights, preparation of special plans, signing of compensation agreement, land formation, land acquisition, construction, and project development within the renewal unit of the renovation project.

However, KS reached a tripartite consensus with Kaisa and Shenzhen Heju Real Estate Co., Ltd. ("Heju") in June 2022. On the premise of protecting the original rights and interests of KS without increasing KS’s responsibilities, Heju undertook the first phase of the land development project based on the original property allocation ratio. Therefore, KS signed a partial cancellation agreement of the original urban renewal collaboration agreement with Kaisa in July 2022 to cancel the collaboration of the first phase of the land development project. Meanwhile, KS signed an urban renewal collaboration agreement with Heju for the first phase of the land development project.

In accordance with the relevant regulations of land development projects in China, KS signed a land resumption agreement with Heju and Shenzhen Planning and Natural Resources Bureau ("Shenzhen Planning Bureau") in September 2022. Shenzhen Planning Bureau first takes back the land use rights of the land, and the construction land will be granted by the Longhua District Government to Heju for urban development and construction in accordance with the relevant procedures. The parties further agreed that the construction of the Phase I land development project, the obtaining of the completion acceptance filing documents, and the delivery of the properties would be completed by the end of 2026.

Pursuant to the aforementioned agreement, the Group received urban redevelopment project allocation proceeds of CNY200,000 thousand from Heju (equivalent to NT$924,358 thousand), which were recognized as other non-current liabilities. Such amounts shall be repaid in accordance with the agreed repayment schedule after the properties have been completed and delivered to Kenda Shenzhen.

The fair value of investment properties as of December 31, 2025 and 2024 were NT$5,657,530 thousand and NT$5,771,366 thousand, respectively. Based on management's assessment, the fair values as of March 31, 2026 and 2025 had not changed significantly.

15. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Credit borrowings	$ 2,969,829	$ 2,820,577	$ 3,785,417
Secured borrowings (Note 24) (1)	67,787	36,888	112,357
	$ 3,037,616	$ 2,857,465	$ 3,897,774
Range of interest rates	1.82%～4.69%	1.82%～5.16%	1.80%～5.35%

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured borrowings	$ 14,970,021	$ 14,520,729	$ 12,957,032
Secured borrowings (Note 24) (1)	1,448,612	1,406,579	1,609,945
Project borrowing (2)	10,000	15,000	30,000
Subtotal	16,428,633	15,942,308	14,596,977
Less: Amount due within one year	1,454,260	1,347,252	1,722,920
Long-term borrowings	$ 14,974,373	$ 14,595,056	$ 12,874,057
Range of interest rates	0.25%～5.00%	0.25%～5.00%	1.50%～6.38%
Maturity date	2026 ~ 2035	2026 ~ 2035	2026 ~ 2035

1) As stipulated in the agreements, the Company, KA, ADI and some of the subsidiaries of KENDA Europe A/S (formerly known as STARCO Europe A/S) shall pledge assets as collaterals and, additionally, maintain certain financial ratios. Periodically review their potential defaults on a semi-annual or annual basis. As of March 31, 2026, there were no defaults due to the above financial ratios.

2) The Group participated in a project of the Ministry of Economic Affairs that encouraged Taiwanese enterprises to invest locally in September 2019. The Group expects to construct or expand factories, and acquire machinery and equipment in Taiwan from 2019 to 2026. Any shortage of funds would be financed via bank borrowings.

16. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (in thousands of shares)	1,100,000	1,100,000	1,100,000
Authorized share capital	$ 11,000,000	$ 11,000,000	$ 11,000,000
Issued and fully paid shares (in thousands of shares)	954,890	954,890	954,890
Issued share capital	$ 9,548,900	$ 9,548,900	$ 9,548,900

b. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, then setting aside or reversing a special reserve according to the laws or regulations. The Company takes into consideration the Company's operating environment, growth stage, future capital needs, long-term financial plans, and the shareholders' demand for cash inflows before resolving the amount of dividends. The Company's Board of Directors could propose dividends between 10% and 80% of distributable earnings which comprise of the current remaining earnings and undistributed earnings from the previous year. When distributing dividends via issuing shares, the motion should be submitted to shareholders' meeting for approval. The shareholders may adjust the ratio of share dividends to reflect the profit and the adequacy of capital of the year. The cash dividends shall not be less than 10% of the total dividends. The Board of Directors is authorized, with the presence of at least two-thirds of the Directors and a resolution of a majority of the Directors present, to distribute dividends, bonuses, legal reserve and all or a portion of the capital surplus in cash and report such distribution to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, please refer to Note 18(e).

A legal reserve shall be appropriated until the balance of the reserve equals the Company's total paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

In accordance with the provisions of Jin-Guan-Zheng-Fa No. 1090150022 and the "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs," the Company sets aside special reserve and the reversal of special reserve in other equity items, if any, may be included in distributable retained earnings when the debit balance of other equity items is reversed.

The appropriations of the Company's earnings for 2025 and 2024 were as follows:

	Appropriations of earnings		Dividends per share (NT$)	
	2025	2024	2025	2024
Provision for legal reserve	$ 13,495	$ 127,764		
Provision (reversal) of special reserve	-	(398,982)		
Cash dividends	620,679	1,050,379	$ 0.65	$ 1.1

The above cash dividends were approved by the Board of Directors on March 11, 2026 and March 11, 2025, respectively, and the remaining appropriation of earnings for 2024 was approved by the shareholders' meeting on May 29, 2025. The remaining appropriation of earnings for 2025 is pending the resolution of the shareholders' meeting held on June 3, 2026.

17. REVENUE

a. Breakdown of contracts with customers

	January 1 to March 31, 2026	January 1 to March 31, 2025
Major product/service lines		
Motorcycle and other bias tires	$ 4,313,863	$ 3,551,333
Radial tires	2,049,181	2,718,623
Bicycle tires	729,536	712,365
Tubes	401,345	365,651
Others	1,204,692	1,459,942
Total	$ 8,698,617	$ 8,807,914

b. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Refundable liabilities - current	$ 178,318	$ 221,930	$ 254,199

The Group sells tires and other rubber products predominantly via dealers. It is stipulated in the contracts that volume discount is offered if a specific threshold of purchase is achieved. The Group provides agreed-upon percentages of refund or discount to dealers in accordance with the contracts. Based on historical experience, the Group estimates a reasonable amount of refund and recognizes it as refund liability (presented in other current liabilities).

18. NET PROFIT FOR THE PERIOD

The net profit for the period consists of the following items:

a. Other gains and losses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net foreign currency exchange (loss) gain	($ 31,160)	$ 58,654
Gain (loss) on disposal of property, plant and equipment	2,400	(169)
Others	(5,039)	3,282
	($ 33,799)	$ 61,767

b. Financial costs

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest expense on bank loans	$ 112,598	$ 120,357
Interest on lease liabilities	6,146	5,725
	$ 118,744	$ 126,082

c. Depreciation and amortization

	January 1 to March 31, 2026	January 1 to March 31, 2025
Property, plant and equipment	$ 391,717	$ 402,948
Right-of-use assets	60,908	45,073
Investment properties	17	17
Intangible assets	6,883	6,513
	$ 459,525	$ 454,551
Depreciation expense is aggregated by function		
Operating costs	$ 346,793	$ 344,691
Operating expenses	105,832	103,330
Other gains and losses	17	17
	$ 452,642	$ 448,038
Amortization expense is aggregated by function		
Operating costs	$ 1,223	$ 1,317
Operating expenses	5,660	5,196
	$ 6,883	$ 6,513

d. Employee benefits expense

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits		
Wages and salaries	$ 1,455,580	$ 1,424,757
Labor/Health insurance expenses	164,714	154,062
	1,620,294	1,578,819
Post-employment benefits		
Defined contribution plans	85,938	83,181
Defined benefit plans	127	190
	86,065	83,371
Other employee benefits	65,026	58,671
Total employee benefit expenses	$ 1,771,385	$ 1,720,861
An analysis by function		
Operating costs	$ 997,190	$ 968,873
Operating expenses	774,195	751,988
	$ 1,771,385	$ 1,720,861

e. Remuneration of employees and directors

According to the Company’s Articles of Association, the Company shall accrue compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 3%, respectively, of the profit for the fiscal year. Pursuant to the amendments to the Securities and Exchange Act promulgated in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders at the 2025 shareholders' meeting, stipulating that employee compensation shall be distributed at no less than 0.5% of the current year's profit. Of such amount, no less than 0.5% of the current year's profit shall be allocated as compensation to grassroots employees. The estimated employee compensation (including compensation to grassroots employees) and directors' remuneration for the three-month periods ended March 31, 2026 and 2025 are as follows:

Accrual rate

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employees’ remuneration	0.92%	0.58%
Directors' remuneration	1.38%	0.87%

Amount

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employees’ remuneration	$ 1,112	$ 456
Directors' remuneration	$ 1,669	$ 685

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the difference is recorded as a change in accounting estimates and will be adjusted in the following year.

The remuneration to employees and directors for 2025 and 2024, as resolved by the Board of Directors, are as follows:

	2025	2024
	Cash	Cash
Employees' remuneration	$ 1,483	$ 11,128
Directors' remuneration	$ 2,225	$ 16,703

The actual amounts of employee and director's remuneration for 2025 and 2024 were not different from the amounts recognized in the consolidated financial statements for each of the respective fiscal years.

Please refer to the Market Observation Post System of the TWSE for information on the remuneration provided to employees and directors as resolved by the Board of Directors.

19. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Income tax for the period		
In respect of the current period	$ 63,233	$ 70,675
Deferred tax		
In respect of the current period	(2,593)	7,302
Income tax expense recognized in profit or loss	$ 60,640	$ 77,977

The Pillar Two income tax legislation has become effective in the jurisdictions in which Kenda Vietnam, Kenda Hong Kong, Kenda Indonesia, Kenda Europe and KENDA Europe A/S (formerly STARCO Europe A/S), as well as their respective subsidiaries, are incorporated, including Vietnam, Germany, Denmark, France, the United Kingdom, Switzerland, Croatia, Poland and Belgium. Under such legislation, subsidiaries earning profits subject to an effective tax rate below 15% are required to pay a top-up tax locally in accordance with the Qualified Domestic Minimum Top-up Tax ("QDMTT") rules. In addition, KENDA Europe A/S is required to pay top-up tax in Denmark in respect of the profits of its subsidiaries located in jurisdictions where Pillar Two income tax legislation has not yet been implemented, to the extent that such profits are subject to an effective tax rate below 15%. The principal jurisdiction in which the Group has exposure to such income taxes is Estonia.

b. Income tax recognized in other comprehensive income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Deferred tax		
Translation of foreign operations entities	$ 135,818	$ 72,147

c. Income tax assessments

The income tax returns of the Company and its subsidiaries were approved by the competent tax authorities up to 2023.

20. EARNINGS PER SHARE

Unit: NT$ per share

	January 1 to March 31, 2026	January 1 to March 31, 2025
Basic and diluted earnings per share	$ 0.12	$ 0.07

The net income and the weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net profit for the period

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net profit attributable to shareholders of the parent	$ 111,183	$ 69,853

Number of shares

Unit: Thousands of shares

	January 1 to March 31, 2026	January 1 to March 31, 2025
Weighted-average ordinary shares used in calculating basic earnings per share	954,890	954,890
Effect of potentially dilutive ordinary shares		
Employees' remuneration	114	358
Weighted average ordinary shares used in calculating diluted earnings per share	955,004	955,248

If the Group has the option to settle employee compensation in shares or cash, the calculation of diluted loss per share assumes that such employee compensation will be settled in shares. The resulting potential ordinary shares are included in the weighted-average number of ordinary shares outstanding when they have a dilutive effect for the purpose of calculating diluted earnings per share. This dilutive effect of the potential ordinary shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

21. CAPITAL RISK MANAGEMENT

The Group requires to maintain an adequate level of capital to expand and optimize facilities and equipment. The Group's capital management strategy aims to ensure that the necessary financial resources and operating plans are sufficient to meet the next 12 months' requirements for working capital, capital expenditures, research and development expenses, debt repayments and other needs.

22. FINANCIAL INSTRUMENTS

a. Fair value information - financial instruments not measured at fair value

Please refer to the information on the consolidated balance sheet. The management of the Group considered the carrying amounts of financial assets and liabilities not measured at fair value approximate the fair value and, therefore, used the carrying amounts on the consolidated balance sheet as a reasonable basis for estimating fair values.

b. Fair value information - financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Domestic and foreign unlisted shares	$ -	$ -	$ 458,051	$ 458,051

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Domestic and foreign unlisted shares	$ -	$ -	$ 455,440	$ 455,440

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
Domestic and foreign unlisted shares	$ -	$ -	$ 376,947	$ 376,947

2) Reconciliation of financial instruments measured at Level 3 fair value

Financial assets at FVTOCI - equity instruments	January 1 to March 31, 2026	January 1 to March 31, 2025
Opening balance	$ 455,440	$ 375,773
Effects of exchange rate	2,611	1,174
Ending balance	$ 458,051	$ 376,947

3) Valuation techniques and inputs for Level 3 fair value measurement

Domestic and foreign unlisted equity investments are valued using the market approach and asset-based approach. Market approach is used to determine the fair value of the subject by reference to the stock transaction prices of publicly-traded companies of identical or comparable business on an active market, as well as the valuation multiples implied by these prices, and other relevant transactions and information. Asset-based approach separately evaluates the assets and liabilities of the subject based on fair market value, replacement cost, or liquidation value to reflect the overall value of the enterprise or business. A decrease in significant unobservable inputs, such as control premium and discount for lack of marketability, will result in an increase in the fair value of these investments.

c. Types of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at amortized cost (Note 1)	$ 16,691,341	$ 15,524,448	$ 16,222,673
Financial assets at fair value through other comprehensive income			
Investments in equity instruments	458,051	455,440	376,947
Financial liabilities			
Measured at amortized cost (Note 2)	24,171,276	23,661,276	24,760,541

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, guarantee deposits received and long-term borrowings (including the current portion).

d. Objectives and policies of financial risk management

The Group's major financial instruments include equity investments, trade receivable, trade payable, and borrowings. The financial management department of the Group provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks related to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risks (including exchange rate risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Group's activities expose itself primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and changes in interest rates (see (b) below).

There has been no change to the Group's exposure to market risks of financial instruments and the manner in which these risks are managed and measured.

a) Exchange rate risk

Several subsidiaries of the Company engage in sales and purchases denominated in foreign currency, which expose the Group to the exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 27.

Sensitivity analysis

The Group is mainly affected by fluctuations in the USD exchange rate.

The sensitivity analysis measures the effect of a 1% increase and decrease of in the exchange rates of TWD and CNY (both functional currencies) against USD. The sensitivity rate of 1% is used when reporting exchange rate risk internally to the key management personnel and also represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only the outstanding foreign currency monetary items, with their translation at end of the year adjusted for the exchange rate change of 1%. When the TWD and CNY strengthen/weaken by 1% against the USD, the effect on the Group's net profit (loss) before tax from January 1 to March 31, 2026 and 2025 will increase by NT$56,202 thousand and NT$55,975 thousand, respectively.

b) Interest rate risk

The Group is exposed to interest rate risk as the entities in the Group borrow funds simultaneously at fixed and floating rates. By maintaining an appropriate mix of fixed- and floating-rate borrowings, the Group keeps the interest rate risk under control, which results from cash and cash equivalents. Specifically, cash and cash equivalents held at floating rates expose the Group to cash flow interest rate risk, which is partially offset by borrowings issued at floating rates. Cash and cash equivalents held and borrowings issued at fixed rates, on the other hand, expose the Group to fair value interest rate risk. The Group considers the overall interest rate trends and adjusts its portfolio of fixed- and floating-rate instruments accordingly.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
— Financial assets	$ 3,193,789	$ 3,809,458	$ 3,539,503
— Financial liabilities	5,120,309	4,787,723	3,742,726
Cash flow interest rate risk			
— Financial assets	8,673,938	7,554,244	7,683,958
— Financial liabilities	15,509,727	14,918,531	15,604,087

Sensitivity analysis

This sensitivity analysis was based on the interest rate exposure for both derivative and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis was made assuming the amount of each liability outstanding at the balance sheet date was outstanding for the reporting period.

If interest rates increase/decrease by 10 basis points and all other variables are held constant, the Group's net profit before tax from January 1 to March 31, 2026 and 2025 will decrease/increase by NT$1,709 thousand and NT$1,980 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk due to its investments in equity instruments. Equity investments are not held for trading but as strategic investments; the Group does not actively trade these investments. The sensitivity analysis is adopted by the Group to measure the price risk of equity securities.

Sensitivity analysis

This sensitivity analysis was based on the exposure to equity price risk at the balance sheet date.

If equity prices had increased/decreased by 5%, other comprehensive income for the three-month periods ended March 31, 2026 and 2025 would have increased/decreased by NT$22,903 thousand and NT$18,847 thousand, respectively, as a result of changes in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk of financial loss to the Group due to default on its contractual obligations by a counterparty. As of the balance sheet date, the Group’s maximum credit risk exposure, which may be incurred by the financial loss due to a counterparty's non-performance of obligations, resulted mainly from the carrying amount of financial assets recognized in the consolidated balance sheets.

To maintain the quality of trade receivable, the Group established operating-related credit risk management procedures. The risk assessments of individual customers include a customer’s financial condition, the Group's internal credit rating, transaction history, current macroeconomic environment, and other items that may affect a customer’s ability to pay.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amounts of receivables at the balance sheet date to ensure that adequate allowance for impairment loss is made for irrecoverable amounts. In this regard, the management of the Group believes the credit risk of trade receivable has been significantly reduced. The Group writes off trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, the amounts are recognized in profit or loss.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank lines and ensures compliance with the terms of loan covenants.

The Group manages liquidity risk by maintaining sufficient financing facilities, fulfilling loan commitments, and consistently monitoring both estimated and actual cash flows. The unutilized bank lines of the Group are set out in (b) Financing facilities below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities is made based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities for the earliest date on which the Group may be required to make a repayment. Accordingly, bank loans that the Group may be required to repay immediately are listed in the earliest time band in the table below, regardless of the probability that the bank will immediately exercise these rights. The maturity analysis of other non-derivative financial liabilities is made for the agreed upon repayment dates.

March 31, 2026

	Within 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 3,744,542	$ -	$ -
Lease liabilities	234,178	367,298	562,311
Floating rate instruments	4,287,541	11,837,720	-
Fixed rate instruments	716,316	3,388,752	-
	$ 8,982,577	$15,593,770	$ 562,311

December 31, 2025

	Within 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 3,941,761	$ -	$ -
Lease liabilities	217,026	314,455	375,000
Floating rate instruments	3,874,587	11,609,046	-
Fixed rate instruments	710,797	3,337,666	-
	$ 8,744,171	$15,261,167	$ 375,000

March 31, 2025

	Within 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 5,273,529	$ -	$ -
Lease liabilities	127,128	332,134	392,800
Floating rate instruments	4,666,913	11,598,533	-
Fixed rate instruments	1,323,115	1,653,520	-
	$11,390,685	$13,584,187	$ 392,800

b) Financing limit

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank overdraft limit (reviewed annually)			
— Amount utilized	$ 30,294	$ 30,265	$ 73,877
— Amount unutilized	-	-	-
	$ 30,294	$ 30,265	$ 73,877
Secured bank overdraft limit			
— Amount utilized	$ 32,434	$ 27,981	$ 35,433
— Amount unutilized	83,937	88,283	77,630
	$ 116,371	$ 116,264	$ 113,063
Unsecured bank loan limit			
— Amount utilized	$ 17,919,556	$ 17,680,091	$ 17,089,020
— Amount unutilized	27,840,645	27,196,639	27,072,225
	$ 45,760,201	$ 44,876,730	$ 44,161,245
Secured bank loan limit (extendable by mutual agreement)			
— Amount utilized	$ 1,483,965	$ 1,061,436	$ 1,296,421
— Amount unutilized	2,870,981	3,224,666	3,247,006
	$ 4,354,946	$ 4,286,102	$ 4,543,427

e. Transfers of financial assets

The Group transferred a portion of banker’s acceptances receivable in mainland China to its suppliers in order to settle the trade payable. As the Group has transferred substantially all risks and rewards related to these bills, it derecognized the transferred banker’s acceptances receivable and the corresponding trade payable. However, if the derecognized banker's acceptances are not paid at maturity, the suppliers have the right to request settlements from the Group; therefore, the Group is still continuously involved in these bills receivable.

The maximum exposure to loss from the Group’s continuing involvement in the derecognized banker's acceptances is the face amounts of banker's acceptances transferred but not yet matured, and as of March 31, 2026, December 31, 2025, and March 31, 2025, the face amounts of these transferred but not yet matured banker's acceptances were NT$349,640 thousand, NT$356,801 thousand and NT$668,989 thousand, respectively. These notes will mature within 12 months after the balance sheet date. Taking into consideration the credit risk of these derecognized bills receivable, the Group evaluated that the fair values for its continuing involvement were not significant.

From January 1 to March 31, 2026 and 2025, the Group did not recognize any profit or loss upon the transfer of the banker’s acceptances. No profit or loss was recognized from the continuing involvement in these bills, both during the period or cumulatively.

23. TRANSACTIONS WITH RELATED PARTIES

All intra-group transactions, account balances, income and expenses were eliminated in full upon consolidation and therefore are not disclosed in this note. Details on transactions between the Group and other related parties are disclosed as follows:

a. Names of related parties and their relationships

Name of related party	Relationship with the Group
Kenlight Trading Corp.	Other related party
Kenjou Industrial Co., Ltd.	Other related party
TotalEnergies Marketing Taiwan Ltd.	Other related party
Honko Technical Lubricants (Kunshan) Co., Ltd.	Other related party
Kunshan Thrive ECO-Materials Co., Ltd.	Other related party
GronBla Co., Ltd.	Other related party
Americana Development Holding（ADH）	Other related party
Yang & Company, LLC（Y&C）	Other related party
Haro Bikes Corp.（HBC）	Other related party
Greentech Holding Corp.（GHC）	Other related party
STARCO Huanmei	Affiliate
Yang Ying-Ming	Director of the Company
Yang Hsiu-Ya	Other related party

Other related party indicates that the chairman of the entity is the same as the chairman of the Company, or is a relative within the second degree of kinship, or is identified as a related party in substance.

b. Operating income

Account items	Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Sales revenue	Other related party	$ 2,602	$ 512
	Affiliate	33,929	11,119
		$ 36,531	$ 11,631

c. Purchases

Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related party	$ 34,105	$ 38,433
Affiliate	87,125	61,887
	$121,230	$100,320

d. Receivables from related parties

Account items	Type of related party	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	Other related party	$ 2,043	$ 985	$ 441
Accounts receivable	Affiliate	38,959	76,463	12,680
		$ 41,002	$ 77,448	$ 13,121

e. Payables to related parties

Account items	Type of related party	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Other related party	$ 41,476	$ 64,879	$ 62,371
Accounts payable	Affiliate	114,268	132,332	101,497
Other payables	Other related party	7,203	7,783	5,845
		$ 162,947	$ 204,994	$ 169,713

f. Others

Account items	Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Manufacturing expense	Other related party	$ 4,858	$ 3,888
Operating expense	Other related party	7	9
Operating expense	Affiliate	-	276
		$ 4,865	$ 4,173

g. Lessee's lease agreement

The Group leases offices and warehouses from other related parties based on local rent levels and the rents are paid on a monthly basis.

Category/Name of Related Party	January 1 to March 31, 2026	January 1 to March 31, 2025
Lease expense		
Other related party		
ADH	$ 4,203	$ 4,369
Y&C	2,544	2,644
Others	762	781
	$ 7,509	$ 7,794

h. Remuneration of key management personnel

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits	$ 7,708	$ 6,989

24. PLEDGED ASSETS

All of the operating assets of KA, including but not limited to cash and cash equivalents, trade receivable, inventories, property, plant and equipment, and intangible assets, are pledged as collateral for bank borrowings, and are subject to the bank's priority in settlement. The values of the above assets were NT$8,570,022 thousand, NT$7,928,136 thousand and NT$8,495,075 thousand as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

Certain subsidiaries of KENDA Europe A/S have pledged their operating assets, including accounts receivable, inventories, property, plant, and equipment, as collateral for bank financing, granting the banks a priority right of repayment. The carrying amounts of the aforementioned assets as of March 31, 2026, December 31, 2025 and March 31, 2025 were NT$1,453,507 thousand, NT$1,424,551 thousand and NT$1,040,502 thousand, respectively.

Except as stated above, the following assets of the Group were pledged or mortgaged as collateral for acceptance bills and short-term and long-term borrowings:

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged Fixed Deposit, etc.	$ 11,991	$ 11,884	$ 12,054

25. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group at the balance sheet date are as follows:

a. Material capital expenditures contracted for but not yet incurred

Item	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ 152,597	$ 164,829	$ 244,942

b. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's performance guarantee amounts, issued by banks for the low-carbon upgrade and transformation project, were both NT$24,000 thousand.

c. Contingencies

<u>Product liability insurance</u>

The Group has entered into product liability insurance for tires and other products manufactured by the Group and sold globally. The contract period of the insurance policy is from August 6, 2025, to August 6, 2026. The coverage of insurance policy is from August 6, 2004, to August 6, 2026. The maximum reparation of one single event is US$10,000 thousand.

26. OTHER MATTER

Beginning in 2025, the Group has recognized a provision for carbon fee liabilities in accordance with the Carbon Fee Collection Regulations and other relevant laws and regulations in Taiwan. The provision for carbon fee liabilities is measured based on the applicable standard carbon fee rate.

The Group's subsidiaries located in China are required to report annual carbon emission data in accordance with the relevant policies promulgated by the PRC government. Carbon emission allowances are allocated free of charge under the applicable allocation schemes. If the allocated allowances are insufficient to cover actual emissions, additional allowances may be purchased through the carbon emissions trading market to settle the shortfall.

27. INFORMATION ON FOREIGN-CURRENCY-DENOMINATED ASSETS AND LIABILITIES WITH SIGNIFICANT INFLUENCE

The following information is aggregated and expressed in foreign currencies other than the functional currencies of the Group's entities, and the exchange rates disclosed refer to the exchange rates of these foreign currencies to the functional currencies. The foreign-currency assets and liabilities with material impact are as follows:

March 31, 2026

	Foreign currency	Exchange rate		Carrying amount
Financial assets				
Monetary items				
USD	$ 106,331	31.98	(USD: TWD)	$ 3,400,453
USD	112,350	6.92	(USD: CNY)	3,592,955
IDR (in million)	122,825	0.06	(IDR:USD)	231,895
VND (in million)	171,949	0.04	(VND:USD)	208,918
				$ 7,434,221
Financial liabilities				
Monetary items				
USD	40,619	31.98	(USD: TWD)	$ 1,299,005
USD	2,320	6.92	(USD: CNY)	74,181
EUR	1,610	36.94	(EUR: TWD)	59,479
IDR (in million)	22,531	0.06	(IDR:USD)	42,539
VND (in million)	182,682	0.04	(VND:USD)	221,960
				$ 1,697,164

December 31, 2025

Financial assets	Foreign currency	Exchange rate		Carrying amount
Monetary items				
USD	$ 108,170	31.42	(USD: TWD)	$ 3,398,703
USD	109,608	7.03	(USD: CNY)	3,443,868
IDR (in million)	109,485	0.06	(IDR:USD)	205,832
				$ 7,048,403
Financial liabilities				
Monetary items				
USD	45,922	31.42	(USD: TWD)	$ 1,442,859
USD	2,444	7.03	(USD: CNY)	76,782
IDR (in million)	22,509	0.06	(IDR:USD)	42,318
VND (in million)	241,079	0.04	(VND:USD)	288,089
				$ 1,850,048

March 31, 2025

Financial assets	Foreign currency	Exchange rate		Carrying amount
Monetary items				
USD	$ 125,266	33.18	(USD:TWD)	$ 4,156,587
USD	96,654	7.18	(USD:CNY)	3,207,186
EUR	9,131	7.80	(EUR:CNY)	327,731
IDR (in million)	209,400	0.06	(IDR:USD)	419,638
				$ 8,111,142
Financial liabilities				
Monetary items				
USD	49,579	33.18	(USD:TWD)	$ 1,645,124
USD	3,652	7.18	(USD:CNY)	121,189
VND (in million)	179,555	0.04	(VND:USD)	233,063
				$ 1,999,376

For the three-month periods ended March 31, 2026 and 2025, the Group recognized foreign exchange (losses) gains, including both realized and unrealized amounts, of NT$(31,160) thousand and NT$58,654 thousand, respectively. Due to the diversity of foreign currency transactions and the various functional currencies of the Group entities, it is impracticable to disclose exchange gains and losses by each foreign currency that has a significant impact.

28. SUPPLEMENTARY DISCLOSURES

a. Material Transactions:

1) Loans of funds to others: Table 1.

2) Endorsements/guarantees provided: Table 2.

3) Status of significant securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 3.

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

6) Business relationships and material transactions and amounts between the parent and subsidiaries and between subsidiaries: Table 6.

b. Information on reinvestment: Table 7.

c. Information on investments in mainland China:

1) Information on investee companies in mainland China, including the company names, principal business activities, paid-in capital, investment methods, remittance and repatriation of funds, ownership percentage, investment income or loss, carrying amounts of investments at the end of the period, repatriations of investment income or loss, and investment limit in mainland China: Table 8.

2) Significant transactions with investees in mainland China, either directly or indirectly through a third region, along with their prices, payment terms, and unrealized gains or losses, are as follows:

a) The amount and percentage of purchases and the balance and percentage of related payables at the end of the period: Table 6.

b) The amount and percentage of sales and the balance and percentage of related receivables at the end of the period: Table 6.

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The ending balance of negotiable instrument endorsements or guarantees or pledges of collateral and the purposes: Table 2.

e) The highest balance, ending balance, interest rate range, and total current period interest with respect to the financing of funds: Table 1.

f) Other transactions that have a material impact on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Segment revenue and operating results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

January 1 to March 31, 2026

	Asia	Non-Asia regions	Others	Adjustment and write-off	Total
Revenue					
Revenue from external customers	$ 4,148,826	$ 4,549,791	$ -	$ -	$ 8,698,617
Intersegment revenue	2,130,488	57,213	-	(2,187,701)	-
Total	$ 6,279,314	$ 4,607,004	$ -	($ 2,187,701)	$ 8,698,617
Interest income	$ 47,992	$ 3,618	$ 3,501	($ 10,369)	$ 44,742
Financial costs	$ 85,473	$ 46,167	$ 666	($ 13,562)	$ 118,744
Depreciation and amortization	$ 344,745	$ 114,780	$ -	$ -	$ 459,525
Segment profit or loss (excluding investment income)	$ 32,584	$ 110,712	$ 2,185	$ 25,846	$ 171,327
Investment income or loss accounted for using the equity method					496
Net profit before tax					$ 171,823
Total assets					$ 47,068,938

January 1 to March 31, 2025

	Asia	Non-Asia regions	Others	Adjustment and write-off	Total
Revenue					
Revenue from external customers	$ 4,074,498	$ 4,733,416	$ -	$ -	$ 8,807,914
Intersegment revenue	2,692,540	51,989	-	(2,744,529)	-
Total	$ 6,767,038	$ 4,785,405	$ -	($ 2,744,529)	$ 8,807,914
Interest income	$ 55,122	$ 1,943	$ 3,898	($ 7,611)	$ 53,352
Financial costs	$ 88,179	$ 48,164	$ -	($ 10,261)	$ 126,082
Depreciation and amortization	$ 356,222	$ 98,329	$ -	$ -	$ 454,551
Segment profit or loss (excluding investment income)	($ 103,424)	$ 106,487	$ 3,274	$ 140,973	$ 147,310
Investment income or loss accounted for using the equity method					520
Net profit before tax					$ 147,830
Total assets					$ 47,663,209

Intersegment sales are valued at market prices.

Segment profit represents the profit before tax earned by each segment, excluding share of profit or loss of associates accounted for using the equity method and income tax expense. This measure is reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Loans of Funds to Others
January 1 to March 31, 2026
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Account item	Related party	Maximum balance for the period	Ending balance	Actual amount utilized	Range of interest rates	Nature of loan to others	Amount of transactions	Reason for short-term financing	Allowance for losses	Collateral		Lending of funds to individual parties and limits	Aggregate financing limit
													Name	Value		
1	KENDA Deutschland GmbH	KENDA Schweiz AG	Financing receivables	Yes	$ 3,728	$ 3,694	$ 3,694	4.00%	Short-term financing	$ -	Business operations	$ -	—	$ -	80% of the subsidiary's net worth, $ 124,048	90% of the subsidiary's net worth, $ 139,554
1	KENDA Deutschland GmbH	KENDA Polska Sp.z.o.o.	Financing receivables	Yes	99,655	-	-	4.00%	Short-term financing	-	Business operations	-	—	-	80% of the subsidiary's net worth, 124,048	90% of the subsidiary's net worth, 139,554
2	KE	KENDA Deutschland GmbH	Financing receivables	Yes	82,023	81,275	81,275	4.00%	Short-term financing	-	Business operations	-	—	-	200% of the subsidiary's net worth, 530,332	200% of the subsidiary's net worth, 530,332
2	KE	KENDA Polska Sp.z.o.o.	Financing receivables	Yes	53,629	40,379	40,379	4.00%	Short-term financing	-	Business operations	-	—	-	200% of the subsidiary's net worth, 530,332	200% of the subsidiary's net worth, 530,332
2	KE	KENDA Schweiz AG	Financing receivables	Yes	57,864	57,336	57,336	4.00%	Short-term financing	-	Business operations	-	—	-	200% of the subsidiary's net worth, 530,332	200% of the subsidiary's net worth, 530,332
2	KE	KENDA Manufacturing HR d.o.o	Financing receivables	Yes	134,220	132,996	132,996	4.38%	Short-term financing	-	Business operations	-	—	-	200% of the subsidiary's net worth, 530,332	200% of the subsidiary's net worth, 530,332
3	KC	Kunshan Taiyuan	Financing receivables	Yes	138,654	138,654	95,352	3.00%	Short-term financing	-	Business operations	-	—	-	50% of the subsidiary's net worth, being 3,857,812	60% of the subsidiary's net worth, 4,629,375
3	KC	KT	Financing receivables	Yes	979,819	979,819	979,819	2.8565~ 2.9565%	Short-term financing	-	Business operations	-	—	-	50% of the subsidiary's net worth, being 3,857,812	60% of the subsidiary's net worth, 4,629,375

Note 1: All related transactions were written off when preparing the consolidated financial statements.

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided
January 1 to March 31, 2026
(In Thousands of New Taiwan Dollars)

No.	Name of endorsing company	Subject of endorsement/guarantee		Endorsement guarantee limit for a single enterprise (Note 2)	Maximum endorsement guarantee balance for the period	Endorsement guarantee balance at the end of the period	Actual amount utilized	Amount of endorsement guarantee secured by property	Ratio of accumulated endorsement guarantee amount to the net value of the most recent financial statements (%)	Endorsements/ guarantees: Maximum limit (Note 3)	Endorsement /guarantee made by parent for subsidiaries	Endorsement /guarantee made by subsidiaries for parent	Endorsement/ guarantee made for entities in mainland china	Remark
		Name of company	Relationship (Note 1)											
0	The Company	KENDA EUROPE A/S	1	$ 7,837,106	$ 2,063,893	$ 2,057,179	$ 1,547,146	$ -	10.50%	$ 15,674,212	Yes	No	No	–
0	The Company	KENDA Deutschland GmbH	1	7,837,106	600,457	600,457	114,872	-	3.06%	15,674,212	Yes	No	No	–
0	The Company	ADI	1	7,837,106	191,880	191,880	127,920	-	0.98%	15,674,212	Yes	No	No	–
0	The Company	KA	1	7,837,106	479,700	479,700	223,860	-	2.45%	15,674,212	Yes	No	No	–
0	The Company	KI	1	7,837,106	2,590,380	2,590,380	1,048,944	-	13.22%	15,674,212	Yes	No	No	–
0	The Company	KT	1	7,837,106	351,780	351,780	-	-	1.80%	15,674,212	Yes	No	Yes	–
0	The Company	KE	1	7,837,106	1,108,299	1,108,299	306,629	-	5.66%	15,674,212	Yes	No	No	–
0	The Company	KENDA Schweiz AG	1	7,837,106	159,900	159,900	-	-	0.82%	15,674,212	Yes	No	No	–
0	The Company	KENDA België NV	1	7,837,106	159,900	159,900	-	-	0.82%	15,674,212	Yes	No	No	–
0	The Company	KENDA GB Rugeley Ltd	1	7,837,106	270,730	270,730	-	-	1.38%	15,674,212	Yes	No	No	–
0	The Company	KENDA Manufacturing GB Ltd	1	7,837,106	149,133	147,773	70,192	-	0.75%	15,674,212	Yes	No	No	–
0	The Company	KENDA Polska Sp. z.o.o.	1	7,837,106	111,850	110,830	110,830	-	0.57%	15,674,212	Yes	No	No	–
1	KHK	KS	1	1,149,010	924,358	924,358	-	-	80.45%	1,149,010	No	No	Yes	Note 4
2	KGCI	KS	1	4,275,960	1,848,715	1,848,715	-	-	17.29%	8,551,920	No	No	Yes	Note 4
3	KENDA EUROPE A/S	KENDA GB Rugeley Ltd	1	512,392	107,601	105,726	-	-	206.34%	512,392	No	No	No	–
3	KENDA EUROPE A/S	KENDA België NV	1	512,392	167,774	166,245	35,353	-	324.45%	512,392	No	No	No	–
3	KENDA EUROPE A/S	KENDA Schweiz AG	1	512,392	16,277	16,020	4,049	-	31.27%	512,392	No	No	No	–
3	KENDA EUROPE A/S	KENDA Deutschland GmbH	1	512,392	38,185	28,822	-	-	56.25%	512,392	No	No	No	–
3	KENDA EUROPE A/S	KENDA Manufacturing HR d.o.o	1	512,392	75,444	74,757	74,757	-	145.90%	512,392	No	No	No	–

Note 1: Relationships between the endorser/guarantor and endorsee/guarantee:

1. A company in which the Company directly and indirectly holds more than 90% of the voting shares.

Note 2: The Company's endorsement of a single enterprise is limited to 40% of the Company's net value.

The limit on endorsements/guarantees made by KHK for a single enterprise is 40% of KHK’s net worth, whereas the limit on endorsements/guarantees made by KHK for an enterprise whose voting shares are 100% held by KHK or the Company, either directly or indirectly, is 100% of KHK’s net worth.

The limit on endorsements/guarantees made by KGCI for a single enterprise is 40% of KGCI’s net worth.

The limit on endorsements/guarantees made by KENDA Europe A/S for a single enterprise is 10 times the share capital of KENDA Europe A/S.

Note 3: The Company's aggregate endorsement/guarantee limit is 80% of its net worth.

KHK's aggregate endorsement/guarantee limit is 100% of its net worth.

KGCI’s aggregate endorsement/guarantee limit is 80% of its net worth.

KENDA Europe A/S's aggregate endorsement/guarantee limit is 10 times its share capital.

Note 4: KGCI and KHK jointly provided a guarantee of CNY400 million for KS, but KHK's guarantee is limited to CNY200 million.

Note 5: Endorsement guarantee balance at the end of the period excludes the guarantee amount that is redundantly listed due to joint guarantees. The endorsement guarantee balance at the end of the period does not exceed the limit prescribed for endorsement guarantee.

TABLE 3

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period
March 31, 2026
(In Thousands of New Taiwan Dollars)

Held by	Type and name of marketable securities	Relationship with the issuer of marketable securities	Account item	End of the Period				Remark
				Shares/Units	Carrying amount	Shareholding (%)	Fair value	
The Company	Shares and equity							
	Kenjou Industrial Co., Ltd.	Its chairman and the chairman of the Company are second-degree relatives	Equity instruments at fair value through other comprehensive income - non-current	7,382	$ 257,372	10.86%	$ 257,372	
	Chang Hwa Golf Co., Ltd.	—	Equity instruments at fair value through other comprehensive income - non-current	30	471	0.08%	471	
	TotalEnergies Marketing Taiwan Ltd.	Its chairman and the chairman of the Company are second-degree relatives	Equity instruments at fair value through other comprehensive income - non-current	81	37,318	6.80%	37,318	
	BOMY（BVI）CO.,LTD.	—	Equity instruments at fair value through other comprehensive income - non-current	2,000	13,766	9.73%	13,766	
KGI	Shares and equity							
	Kenjou Investment Co., Ltd.	Its chairman and the chairman of the Company are second-degree relatives	Equity instruments at fair value through other comprehensive income - non-current	1,703	149,124	13.00%	149,124	

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Purchase or Sale of Goods with Related Parties Amounting to at Least NT$100 million or 20% of the Company's Paid-in Capital
January 1 to March 31, 2026
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Purchase/sales company	Counterparty	Relationship	Transaction				Justification of unusual transaction terms		Notes and accounts receivable (payable)		Remark
			Purchases (sales)	Amount	Share of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	KA	Subsidiary	Sales	$ 134,770	12.37%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	$ 992,859	48.36%	—
	KF	Subsidiary	Sales	186,225	17.09%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	97,389	4.74%	—
	ADI	Indirectly invested subsidiary	Sales	213,475	19.60%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	419,551	20.43%	—
KC	The Company	Parent Company	Sales	157,004	9.70%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	206,612	11.71%	—
	KS	Subsidiary of the ultimate parent company	Sales	198,854	11.64%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	205,997	17.20%	—
KV	ADI	Subsidiary of the ultimate parent company	Sales	256,412	15.85%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	460,752	26.12%	—
	The Company	Parent Company	Sales	548,309	33.89%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	1,000,639	56.73%	—
KT	KS	Subsidiary of the ultimate parent company	Sales	181,333	23.74%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	119,441	24.45%	—

Note: All related transactions were written off when preparing the consolidated financial statements.

TABLE 5

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Amounts Receivable from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital
March 31, 2026
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Companies included in accounts receivable	Counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue amounts receivable from related parties		Recovery amount of receivables from related parties in subsequent period (Note 3)	Allowance for losses
					Amount	Handling method		
The Company	KA	Subsidiary	$ 992,859	0.15	$ 364,159	—	$ 621,837	$ -
	ADI	Indirectly invested subsidiary	419,551	0.55	185,674	—	37,222	-
KC	KS	Subsidiary of the ultimate parent company	205,997	0.94	-	—	89,383	-
	KT	Subsidiary of the ultimate parent company	980,728	Note 2	-	—	101,420	-
	The Company	Parent Company	206,612	0.71	-	—	-	-
KV	ADI	Subsidiary of the ultimate parent company	460,752	0.53	113,875	—	-	-
	The Company	Parent Company	1,000,639	0.54	342,546	—	222,927	-
KT	KS	Subsidiary of the ultimate parent company	119,441	1.36	-	—	50,959	-
KE	KENDA Manufacturing HR d.o.o.	Subsidiary of the ultimate parent company	132,996	Note 2	-	—	-	-

Note 1: All related transactions were written off when preparing the consolidated financial statements.

Note 2: Mainly other receivables, therefore, not applicable.

Note 3: Represents the amount recovered as of April 30, 2026.

TABLE 6

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Business Relationships and Material Intercompany Transactions between the Parent and Subsidiaries and between Subsidiaries and their Amounts
January 1 to March 31, 2026
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
0	The Company	ADI	1	Sales revenue	$ 213,475	(Note 4)	2.45%
0	The Company	KA	1	Sales revenue	134,770	(Note 4)	1.55%
0	The Company	KF	1	Sales revenue	186,225	(Note 4)	2.14%
0	The Company	KV	1	Sales revenue	22,795	(Note 4)	0.26%
0	The Company	KENDA GB Rugeley Ltd	1	Sales revenue	6,158	(Note 4)	0.07%
0	The Company	KENDA Deutschland GmbH	1	Sales revenue	10,284	(Note 4)	0.12%
0	The Company	KC	1	Service (labor) revenue	29,171	(Note 4)	0.34%
0	The Company	KF	1	Service (labor) revenue	7,054	(Note 4)	0.08%
0	The Company	KI	1	Service (labor) revenue	15,514	(Note 4)	0.18%
0	The Company	KT	1	Service (labor) revenue	13,510	(Note 4)	0.16%
0	The Company	KV	1	Service (labor) revenue	47,858	(Note 4)	0.55%
1	KC	ADI	3	Sales revenue	56,103	(Note 4)	0.64%
1	KC	KA	3	Sales revenue	58,417	(Note 4)	0.67%
1	KC	KS	3	Sales revenue	198,854	(Note 4)	2.29%
1	KC	KT	3	Sales revenue	14,579	(Note 4)	0.17%
1	KC	KF	3	Sales revenue	7,980	(Note 4)	0.09%
1	KC	KENDA GB Rugeley Ltd	3	Sales revenue	37,137	(Note 4)	0.43%
1	KC	KENDA België NV	3	Sales revenue	19,732	(Note 4)	0.23%
1	KC	The Company	2	Sales revenue	157,004	(Note 4)	1.80%
1	KC	KT	3	Interest income	6,936	(Note 4)	0.08%
2	KT	ADI	3	Sales revenue	24,339	(Note 4)	0.28%
2	KT	KS	3	Sales revenue	181,333	(Note 4)	2.08%
2	KT	KF	3	Sales revenue	7,453	(Note 4)	0.09%
2	KT	KC	3	Sales revenue	21,377	(Note 4)	0.25%
3	KI	KV	3	Sales revenue	6,581	(Note 4)	0.08%
4	KV	The Company	2	Sales revenue	548,309	(Note 4)	6.30%
4	KV	ADI	3	Sales revenue	256,412	(Note 4)	2.95%
4	KV	KA	3	Sales revenue	9,547	(Note 4)	0.11%
4	KV	KENDA GB Rugeley Ltd	3	Sales revenue	10,466	(Note 4)	0.12%
4	KV	KENDA België NV	3	Sales revenue	7,392	(Note 4)	0.08%
4	KV	KS	3	Sales revenue	$ 8,174	(Note 4)	0.09%
5	KENDA EUROPE A/S	KENDA GB Rugeley Ltd	3	Sales revenue	12,769	(Note 4)	0.15%
5	KENDA EUROPE A/S	KENDA België NV	3	Sales revenue	24,641	(Note 4)	0.28%
5	KENDA EUROPE A/S	KENDA Polska Sp. z.o.o.	3	Sales revenue	23,915	(Note 4)	0.27%
5	KENDA EUROPE A/S	KENDA Baltic OÜ	3	Sales revenue	26,450	(Note 4)	0.30%

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No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
5	KENDA EUROPE A/S	建大歐洲	3	Other income	6,257	(Note 4)	0.07%
6	KENDA Manufacturing HR d.o.o.	KENDA België NV	3	Sales revenue	7,762	(Note 4)	0.09%
6	KENDA Manufacturing HR d.o.o.	KENDA GB Rugeley Ltd	3	Sales revenue	17,900	(Note 4)	0.21%
6	KENDA Manufacturing HR d.o.o.	KENDA Deutschland GmbH	3	Sales revenue	43,801	(Note 4)	0.50%
6	KENDA Manufacturing HR d.o.o.	KENDA Polska Sp. z.o.o.	3	Sales revenue	29,847	(Note 4)	0.34%
6	KENDA Manufacturing HR d.o.o.	KENDA Schweiz AG	3	Sales revenue	9,247	(Note 4)	0.11%
7	KENDA Deutschland GmbH	KENDA France SAS	3	Sales revenue	13,080	(Note 4)	0.15%
8	KENDA België NV	KENDA France SAS	3	Sales revenue	16,629	(Note 4)	0.19%
0	The Company	ADI	1	Accounts receivable—related party	419,551	(Note 4)	0.89%
0	The Company	KI	1	Accounts receivable—related party	6,390	(Note 4)	0.01%
0	The Company	KA	1	Accounts receivable—related party	992,859	(Note 4)	2.11%
0	The Company	KV	1	Accounts receivable—related party	22,991	(Note 4)	0.05%
0	The Company	KF	1	Accounts receivable—related party	97,389	(Note 4)	0.21%
0	The Company	KENDA Schweiz AG	1	Accounts receivable—related party	6,355	(Note 4)	0.01%
0	The Company	KENDA Deutschland GmbH	1	Accounts receivable—related party	10,430	(Note 4)	0.02%
0	The Company	KC	1	Other receivables—related party	10,389	(Note 4)	0.02%
0	The Company	KT	1	Other receivables—related party	8,477	(Note 4)	0.02%
0	The Company	KV	1	Other receivables—related party	17,433	(Note 4)	0.04%
0	The Company	KA	1	Other receivables—related party	8,734	(Note 4)	0.02%
1	KC	KT	3	Accrued income—related party	12,920	(Note 4)	0.03%
1	KC	ADI	3	Accounts receivable—related party	96,985	(Note 4)	0.21%
1	KC	KA	3	Accounts receivable—related party	99,048	(Note 4)	0.21%
1	KC	KS	3	Accounts receivable—related party	205,997	(Note 4)	0.44%
1	KC	The Company	2	Accounts receivable—related party	206,612	(Note 4)	0.44%
1	KC	KENDA België NV	3	Accounts receivable—related party	19,733	(Note 4)	0.04%
1	KC	KENDA GB Rugeley Ltd	3	Accounts receivable—related party	37,566	(Note 4)	0.08%
1	KC	KF	3	Accounts receivable—related party	8,073	(Note 4)	0.02%
1	KC	Kunshan Taiyuan	3	Other receivables	95,352	(Note 4)	0.20%
1	KC	KT	3	Other receivables	980,728	(Note 4)	2.08%
2	KT	ADI	3	Accounts receivable—related party	$ 38,363	(Note 4)	0.08%
2	KT	KS	3	Accounts receivable—related party	119,441	(Note 4)	0.25%
2	KT	KC	3	Accounts receivable—related party	14,237	(Note 4)	0.03%
2	KT	KF	3	Accounts receivable—related party	7,539	(Note 4)	0.02%
3	KI	KV	3	Accounts receivable—related party	6,657	(Note 4)	0.01%
4	KV	The Company	2	Accounts receivable—related party	1,000,639	(Note 4)	2.13%
4	KV	ADI	3	Accounts receivable—related party	460,752	(Note 4)	0.98%
4	KV	KA	3	Accounts receivable—related party	12,680	(Note 4)	0.03%
4	KV	KI	3	Accounts receivable—related party	14,646	(Note 4)	0.03%

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No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
4	KV	KS	3	Accounts receivable—related party	9,548	(Note 4)	0.02%
4	KV	KENDA België NV	3	Accounts receivable—related party	7,477	(Note 4)	0.02%
4	KV	KENDA GB Rugeley Ltd	3	Accounts receivable—related party	10,587	(Note 4)	0.02%
5	KENDA EUROPE A/S	KENDA Baltic OÜ	3	Other receivables	23,140	(Note 4)	0.05%
9	KE	KENDA Deutschland GmbH	3	Other receivables	81,275	(Note 4)	0.17%
9	KE	KENDA Polska Sp. z.o.o.	3	Other receivables	40,379	(Note 4)	0.09%
9	KE	KENDA Schweiz AG	3	Other receivables	57,336	(Note 4)	0.12%
9	KE	KENDA Manufacturing HR d.o.o	3	Other receivables	132,996	(Note 4)	0.28%
10	KA	The Company	3	Accounts receivable—related party	16,062	(Note 4)	0.03%

Note 1: Information on business transactions between the parent company and the subsidiary company should be indicated in the indexed column respectively, and the number should be completed as follows:

1. Fill in 0 for the parent company.
2. The subsidiaries are numbered sequentially by company, starting with the number 1.

Note 2: There are three types of relationships with transaction counterparties, and it is sufficient to indicate the type:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3: For the calculation of the ratio of transaction amount to consolidated total revenue or total assets, ending balance to consolidated total assets is used to calculate for those that belong to accounts on the balance sheet; accumulated amount for the period to consolidated net sales revenue is used to calculate for those that belong to accounts on the income statement.

Note 4: In accordance with the transaction terms and conditions agreed by both parties.

TABLE 7

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Information about the investee company, its location, etc.
January 1 to March 31, 2026
(In Thousands of New Taiwan Dollars; In Thousands of Foreign Currency)

Investor	Investee	Location	Main business scope and activities	Initial investment amount		Ending shareholding			Profit (Loss) of the Investee for the Period	Investment Profit (Loss) Recognized in the Period	Remark
				End of Period	End of Last Year	Number of shares	Percentage	Carrying amount			
The Company	KA	United States	Trading, investment	USD 9,000	USD 9,000	-	100%	NTD 3,820,508	NTD 65,622	NTD 65,622	Note 3
	KHK	Hong Kong	Trading, investment	HKD 100 USD 30,600	HKD 100 USD 30,600	-	100%	NTD 1,148,946	(NTD 1,601)	(NTD 1,601)	Note 3
	KV	Vietnam	Manufacturing of tires	USD 67,680	USD 67,680	-	100%	NTD 10,404,294	NTD 61,202	NTD 75,654	Notes 2 and 3
	KIC	Cayman Islands	Investment	USD 81,753	USD 81,753	-	100%	NTD 11,435,573	(NTD 62,356)	(NTD 62,356)	Note 3
	KE	Germany	Marketing planning and R&D	EUR 7,394	EUR 6,471	-	100%	NTD 230,672	NTD 22,610	NTD 22,610	Note 3
	KF	Taiwan	Selling of tires	NTD 199,000	NTD 199,000	19,900	100%	NTD 250,322	NTD 7,931	NTD 7,931	Note 3
	KI	Indonesia	Manufacturing of tires	USD 52,999	USD 52,999	-	99.99%	NTD 538,271	NTD 8,828	NTD 8,826	Note 3
KF	KI	Indonesia	Manufacturing of tires	USD 1	USD 1	-	0.01%	NTD 10	NTD 8,828	NTD 2	Note 3
KA	ADI	United States	Manufacturing of rims and distribution and selling of tires and rims	USD 20,000	USD 20,000	1	100%	USD 83,538	USD 1,028	Note 1	Note 3
KIC	KGH	Cayman Islands	Investment	USD 112,050	USD 112,050	-	100%	USD 349,490	(USD 1,814)	Note 1	Note 3
	KGI	Mauritius	Investment	USD 1,703	USD 1,703	-	100%	USD 7,960	(USD 160)	Note 1	Note 3
KGI	KENDA Europe A/S	Denmark	Investment	EUR -	EUR 6,936	-	100%	USD -	EUR 42	Note 1	Note 3
KE	KENDA Europe A/S	Denmark	Investment	EUR 6,936	EUR -	-	100%	(EUR 1,350)	EUR 42	Note 1	Note 3
KENDA Europe A/S	KENDA GB Rugeley Ltd	United Kingdom	Distribution and selling of tires and rims	EUR 552	EUR 552	-	100%	EUR 8,985	EUR 494	Note 1	Note 3
	KENDA Deutschland GmbH	Germany	Distribution and selling of tires and rims	EUR 511	EUR 511	-	100%	EUR 4,212	EUR 15	Note 1	Note 3
	KENDA Polska Sp. z.o.o.	Poland	Distribution and selling of tires and rims	EUR 30	EUR 30	-	100%	EUR 4,160	EUR 21	Note 1	Note 3
	KENDA België NV	Belgium	Distribution and selling of tires and rims	EUR 2,810	EUR 2,810	-	100%	EUR 5,063	(EUR 162)	Note 1	Note 3
	KENDA Schweiz AG	Switzerland	Distribution and selling of tires and rims	EUR 355	EUR 355	-	100%	EUR 1,836	(EUR 53)	Note 1	Note 3
	KENDA BALTIC OÜ	Estonia	Distribution and selling of tires and rims	EUR 3	EUR 3	-	100%	EUR 1,648	EUR 146	Note 1	Note 3
	KENDA France SAS	France	Distribution and selling of tires and rims	EUR 183	EUR 183	-	100%	EUR 864	EUR 40	Note 1	Note 3
	KENDA Manufacturing HR d.o.o	Croatia	Manufacturing of rims	EUR 9,614	EUR 9,614	-	100%	EUR 10,182	(EUR 437)	Note 1	Note 3
	KENDA Manufacturing GB Ltd	United Kingdom	Manufacturing of rims and distribution and selling of tires and rims	EUR 1,031	EUR 1,031	-	100%	EUR 703	(EUR 111)	Note 1	Note 3
	Jelshoj Imovina	Croatia	Investment	EUR 3	EUR 3	-	100%	EUR 1,985	EUR 11	Note 1	Note 3

Note 1: The profit or loss of the investee is included in its investor and is not presented herein to avoid confusion.

Note 2: The differences refer to the unrealized gross profit of the investee.

Note 3: All the transactions were written off when preparing the consolidated financial statements.

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

Information on Investments in Mainland China
January 1 to March 31, 2026
(In Thousands of New Taiwan Dollars; In Thousands of Foreign Currency)

Investee Company	Main business scope and activities	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at beginning of period	Remitted or recovered during the year Investment amount		Accumulated investment amount remitted from Taiwan at end of period	Profit or loss of the Investee for the year	Ownership of Direct or Indirect Investment	Investment income or loss recognized during the year (Note 3)	Book value as of the end of the year	Investment income remitted back at end of the year	Remark
					Remitted	Recovered							
KS	Manufacturing and selling of various tubes and tires for vehicles	$ 799,500 USD 25,000	Note 1	$ 799,500 USD 25,000	$ -	$ -	$ 799,500 USD 25,000	$ 20,273	100%	$ 20,273	$ 1,206,352	$ 8,592,386	—
KC	Manufacturing and selling of various tubes and tires for vehicles	2,238,600 USD 70,000	Notes 1 and 7	2,238,600 USD 70,000	-	-	2,238,600 USD 70,000	11,678	100%	Note 4	Note 4	Note 4	—
KT	Manufacturing and selling of various tubes and tires for vehicles	7,035,600 USD 220,000	Notes 1, 2 and 7	498,888 USD 15,600	-	-	498,888 USD 15,600	(103,374)	100%	(102,960)	2,878,177	-	Note 10
KGCI	Investment	5,148,780 USD 161,000	Notes 1 and 2	-	-	-	-	(64,812)	100%	(64,812)	10,689,885	-	—
Shanghai Bomy Foodstuff Co., Ltd.	Manufacturing, processing and selling of various foods and beverages	662,112 USD 20,704	Note 1	63,960 USD 2,000	-	-	63,960 USD 2,000	-	9.66%	-	13,766	-	—
Ningbo Jingshang Huaxiang Auto Parts Co., Ltd.	Interior and exterior parts for automobiles	835,733 USD 26,133	Note 1	54,462 USD 1,703	-	-	54,462 USD 1,703	-	2.60%	-	149,124	162,107	—
STARCO Huanmei	Manufacturing of rims	184,717 EUR 5,000	Note 1	Note 9	-	-	Note 9	1,493	33%	496	152,635	-	Note 9
Kunshan Taiyuan	Research and Development and Services in Emerging Energy Technologies	-	Note 1	Note 9	-	-	Note 9	(657)	100%	Note 4	Note 4	-	Note 9

Cumulative outward remittances from Taiwan at the end of the year Amount of investment in Mainland China	Investment Amount Authorized by the Department of Investment Review, MOEA	In accordance with the regulations of the Investment Commission, Ministry of Economic Affairs Maximum amount of investment in Mainland China
$ 3,655,410 USD 114,303 Note 5	$ 10,285,428 USD 319,703 EUR 1,660 Note 5	Note 6

Note 1: Reinvestment in Mainland China through a third-party overseas company.

Note 2: Differences between the paid-in capital and the investment amounts remitted from Taiwan resulted from the reinvestment of dividends received and the repatriation of cash capital increase from offshore subsidiaries.

Note 3: The investment profits (losses) recognized in the period, except for those of KC, KT and KGCI, are recognized based on the financial statements prepared by the investees, which have not been reviewed by auditors.

Note 4: The investment income and carrying amount of investment at the end of the period of KC and Kunshan Taiyuan are included in that of KGCI and is not presented herein to avoid confusion.

Note 5: The difference of US$205,400 thousand between the investment amount of US$319,703 thousand authorized by the Department of Investment Review, MOEA and the accumulated outward remittance of US$114,303 thousand for investment from Taiwan was due to direct reinvestment of dividends received and the inward remittance of cash capital increase by offshore subsidiaries.

Note 6: Per the certificate of qualification for operational headquarters issued by the Industrial Development Administration, MOEA, the Company has no limitation on the accumulated remittance for investments in mainland China.

Note 7: The paid-in capital of KC and a portion of KT's was included in the paid-in capital of the investor. Therefore, such paid-in capital was not double counted when calculating the investment amounts authorized and remitted.

Note 8: Any foreign currency involved in the above figures were translated into TWD using the exchange rate at the end of corresponding financial reporting period, or the average exchange rate for the period.

Note 9: The remittance is indirectly included through mergers and acquisitions.

Note 10: The difference between net income (loss) of the investee and investment gains (losses) are unrealized profit or loss on intra-group transactions.