

Ticker Number:2106
KENDA RUBBER IND. CO., LTD.
Printed on April 10,2026
Taiwan Stock Exchange Market Observation Post System:
<https://mops.twse.com.tw>
Company Website:
<https://www.esg.kenda.com.tw/en>

The background of the entire page is a high-contrast, golden-yellow image of a tunnel. The perspective is from the center of the tunnel, looking down a long, straight path of tracks that recede into the distance. The walls of the tunnel are lined with a textured, metallic material, possibly rubber or metal, and are illuminated by a bright light source at the far end, creating a strong lens flare and a sense of depth. The overall color palette is dominated by dark blues and blacks, contrasted with bright yellows and oranges from the tunnel's lighting. The Kenda logo, a stylized white 'K' with a yellow glow, is positioned in the upper center of the tunnel. Below it, the word 'KENDA' is written in a bold, white, sans-serif font, also with a yellow glow. The text is centered and appears to be floating in the middle of the tunnel's path.

K
KENDA

2025 ANNUAL REPORT

★Spokesperson

Name: Kuei-Chun Liu

Title: Assistant Vice President, Finance

Telephone: (04) 8345171

E-mail : chun@kenda.com.tw

★Deputy Spokesperson

Name: Ya-Ting Yang

Title: Director, Chairman's Office

Telephone: (04) 8345171

E-mail : yating@kenda.com.tw

★Addresses and telephone numbers of headquarters and factory sites:

Headquarters: No. 146, Section 1, Chung Shan Road, Yuanlin City, Changhua County

Telephone: (04) 8345171-82 Fax: (04) 8331865

Website: <http://www.kendatire.com>

Main Factory: No. 146, Section 1, Chung Shan Road, Yuanlin City, Changhua County

Telephone: (04) 8345171-82 Fax: (04) 8331865

Yunlin Factory: No. 50, Yanping Road, Citong Village, Citong Township, Yunlin County

Telephone: (05) 5845271-2 Fax: (05) 5849325

Taipei Office: Rm. C, 4F., No. 135, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City

Telephone: (02) 27153125-7 Fax: (02) 27198900

R&D Center: No. 3, Keban 1st Rd., Liubei Vil., Douliu City, Yunlin County

Telephone: (05)5519688 Fax: (05) 5514491

★Stock transfer agent

Name: Transfer Agency Department, CTBC Bank

Address: 5F, No. 83, Section 1, Chongqing South Rd., Zhongzheng Dist., Taipei City

Telephone: (02) 6636-5566

Website: <https://www.ctbcbank.com>

★Financial statements auditors for the most recent year

Accounting firm: Deloitte & Touche Taiwan

Auditors: Wang, Yi-Wen and Tseng, Done-Yuin, CPA

Address: 20F, No. 100, Songren Road, Xinyi Dist., Taipei City

Telephone: (02)2725-9988

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

Table of Contents

One. Letter to Shareholders	1
I. The 2025 Business Report	3
II. Summary of Business Plan for 2026	7
III. The Company’s Future Development Strategy	8
IV. The Effect of External Competition	9
V. The Effect of Legal Environment	10
VI. The Effect of the Overall Business Environment	10
Two. Corporate Governance Report	12
I. Information on the Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, the Chiefs of All the Company’s Divisions and Branches	12
II. The Remuneration Paid to Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Year	20
III. The Implementation Status of Corporate Governance	26
IV. Information on CPA Fees.....	82
V. Information on Change in CPA	83
VI. Where the Company’s Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm. .	84
VII. Share Transfers and Change in Pledges on Shares by Directors, Supervisors, Managers and Shareholders with at Least 10% Stakes During the Most Recent Year and as of the Print Date of This Annual Report.....	85
VIII. Information on the Top 10 Shareholders Who Are Related to Each Other Under SFAS No. 6 or Are Related to Each Other as Spouses, Second Degree of Kinship:	87
IX. Ownership of Shares in Affiliated Companies	88
Three. Capitalization.....	89
I. Capitalization and Shares	89
II. Corporate Bonds	95
III. Preferred Shares.....	95
IV. Overseas Depositary Receipts	95
V. Employee Stock Options Plan (ESOP).....	95
VI. New Restricted Shares to Employees	95
VII. Mergers & Acquisitions.....	95
VIII. Implementation of Capital Utilization Plan	95
Four. Operations.....	96
I. Content of Businesses.....	96
II. Market, Production, and Sales Overview	100
III. Employees	106
IV. Environmental Protection Expenses	106

V. Labor Relations.....	109
VI. Information Security Management.....	116
VII. Important Contracts.....	117
Five. Review and Analysis of Financials and Financial Performance and Risks	118
I. Financial Status.....	118
II. Financial Performance.....	118
III. Cash Flows.....	120
IV. Impact of Major Capital Expenditures on Finance and Business During the Most Recent Year.....	120
V. Investment Policies, Main Causes for Profit or Loss and Improvement Plans in the Most Recent Year and Investment Plans for the Coming Year	121
VI. Risks	121
VII. Other Important Matters.....	126
Six. Special Notes & Supplementary Information.....	127
I. Data on Affiliated Companies	127
II. Private Placement of Marketable Securities During the Most Recent Year and as of the Print Date of This Annual Report.....	131
III. Other Required Supplementary Information	131

One. Letter to Shareholders

Dear Fellow Shareholders,

As we look back on 2025, the global economy demonstrated remarkable resilience amid an unsettled environment. According to the latest annual reports released in early 2026 by the International Monetary Fund (IMF) and the World Bank, global real economic growth reached approximately 3 % in 2025—exceeding earlier, more conservative expectations and reflecting the strong adaptability of global trade in the post-pandemic era. The World Bank noted that growth was driven by the normalization of trade conditions, supply chain realignment, and efficiency gains supported by investments in green technologies.

Nevertheless, the IMF also cautioned that geopolitical tensions remain elevated, and the ongoing conflict between the U.S. and Iran has caused significant volatility in global energy markets. Combined with the lagged effects of monetary policy shifts across major economies, global economic growth is expected to moderate slightly to 2.6% in 2026. Against this macroeconomic backdrop, we remain firmly committed to our core values—***Integrity, Quality, Service, and Innovation***—while continuing to enhance our operational efficiency and expand our global footprint to striving to create new opportunities amid change.

From an operational and financial perspective, 2025 was a year shaped by industry restructuring and intensified competition. Our consolidated revenue reached NT\$33.963 billion, remaining broadly in line with 2024. The first half of the year presented significant headwinds, as U.S. tariff policies on shipments, rising supply chain costs, and heightened exchange rate volatility collectively weighed on gross margin compared to the same period in 2024.

In the second half of the year, performance gained significant momentum as market conditions stabilized, supported by clearer U.S. tariff policies, recovering shipment volumes, and more stable exchange rates. Consequently, profitability rebounded, with earnings per share (EPS) reaching NT\$0.15 in the latter half of the year—a reflection of our operational resilience and adaptability. Looking forward to 2026, while geopolitical tensions between the United States and Iran may drive up the costs of oil-derived raw materials, including synthetic rubber and carbon black, we remain committed to disciplined cost control and product portfolio optimization to enhance earnings resilience for our shareholders.

Technological innovation and global brand development remain the core engines of Kenda's sustainable growth. From 2008 through 2026, we have been honored with the Taiwan Excellence Award for 19 consecutive years, with a total of 76 award-winning products—a testament to our strong and consistent commitment to innovation, quality, and responsible manufacturing. In 2026, several of

our products were again awarded, including the K1274 gravel road tire for adventure riding, the K3204R all-terrain and utility vehicle tires, and the K6702 and KR106 designed specifically for V-Twin riders and light commercial vehicle segments—highlighting Kenda’s enduring commitment to technological advancement.

In terms of marketing strategy, we are deeply rooted in sports marketing. In addition to active participation in drifting competitions across North America and Japan, we have partnered with rising talent Nate Chen to further expand our presence and influence in professional motorsports. Furthermore, the “Light Truck Training Camp” programs organized for the European and U.S. markets have received strong recognition from channel partners, effectively reinforcing our global dealer network.

On the sustainability and corporate responsibility front, Kenda was recognized as a top-performing supplier by KYMCO for 2026 and honored with the “Green Forward Awards” at the Taipei Cycle. Simultaneously, through more than three decades of dedicated efforts by the Kenda Culture and Education Foundation, we continue to fulfill our long-term commitment to giving back to society—translating our brand ethos of “From Racetrack to Street” into a force for safeguarding public road safety.

Looking forward, while 2026 may present ongoing challenges from geopolitical tensions and moderating global growth, we remain well-positioned. We will continue to respond to the transformation of transportation and mobility by investing in the development of tires for green and energy-efficient vehicles, ensuring that environmental performance is achieved without compromising safety.

By optimizing global production allocation and bolstering supply chain resilience, we aim to mitigate geopolitical trade risks related to logistics constraints and tariff barriers. Combined with deep technological expertise and a long-term commitment to ESG values, these efforts support sustainable and resilient value creation for all stakeholders.

Finally, we extend our sincere gratitude to our shareholders for your continued trust and support. We look forward to moving forward together toward a future of shared prosperity and success.

I. The 2025 Business Report

(I) Results of the 2025 Business Plan

1. Production and Sales:

Unit: Thousand units

Product \ Year	Production in 2025	Sales in 2025	Sales in 2024	Percentage of increase/decrease (%)
Bicycle tires	33,053	30,107	28,631	5.16
Motorcycle tires and other bias tires	31,271	29,327	30,411	-3.57
Radial tires	8,160	5,342	6,708	-20.37
Inner tube	42,809	38,489	38,666	-0.46

2. Operational Status:

Consolidated

Unit: NTD Thousand

Item \ Year	2025	2024	Percentage of increase/decrease (%)
Net operating revenue	33,963,122	34,202,669	-0.70
Operating cost	27,454,911	26,662,976	2.97
Operating expenses	5,937,082	5,985,796	-0.81
Profit from operations	571,129	1,469,964	-61.15
Profit after tax	125,407	1,240,953	-89.89

Standalone

Unit: NTD Thousand

Item \ Year	2025	2024	Percentage of increase/decrease (%)
Net operating revenue	4,934,349	4,787,548	3.07
Operating cost	3,705,427	3,504,540	5.73
Operating expenses	1,209,912	1,141,287	6.01
Profit from operations	25,462	154,855	-83.56
Profit after tax	125,407	1,240,953	-89.89

(II) Budget implementation

The Company's actual revenues for the year 2025 were NT\$ 33.963 billion, representing an achievement of 90.65% compared to the forecasted target of NT\$ 37.465 billion for the year 2025.

(III) Analysis of Revenue, Expenditures, and Profitability

Consolidated

Unit: NTD Thousand

Item		Year	2025	2024	Percentage of increase/decrease (%)
Revenue and Expenditure	Operating revenue		33,963,122	34,202,669	-0.70
	Gross profit		6,508,211	7,539,693	-13.68
	Profit after tax		125,407	1,240,953	-89.89
Profitability Analysis	Ratio of Return on Total Assets (%)		1.07	3.60	-70.28
	Ratio of Return on Equity (%)		0.62	6.10	-89.84
	Ratio of income before tax to paid-in capital (%)		4.17	17.28	-75.87
	Profit ratio (%)		0.37	3.63	-89.81
	Earnings per share (NT\$)		0.13	1.30	-90.00

Standalone

Unit: NTD Thousand

Item		Year	2025	2024	Percentage of increase/decrease (%)
Revenue and Expenditure	Operating revenue		4,934,349	4,787,548	3.07
	Gross profit		1,235,374	1,283,008	-3.71
	Profit after tax		125,407	1,240,953	-89.89
Profitability Analysis	Ratio of Return on Total Assets (%)		0.89	4.04	-77.97
	Ratio of Return on Equity (%)		0.62	6.10	-89.84
	Ratio of income before tax to paid-in capital (%)		1.61	13.47	-88.05
	Profit ratio (%)		2.54	25.92	-90.20
	Earnings per share (NT\$)		0.13	1.30	-90.00

(IV) Examine the research and development work for the last two years

Due to the climate change and resource constraint around the world, nations are becoming more aware of environmental protection, which has led to the increase of eco-friendly, energy-saving and other environmental protection industries. Therefore, the reduction of the material used in tires and the usage of the eco-friendly materials have become continuously promoted topics. The tire industry will change from a passive component to an active one, which will provide all the performance parameters when driving the vehicle under the influence of the automation, intelligence and digitization. The Company can only create a new business opportunity by changing the traditional mindset and adopting an innovative one. Pneumatic tires are no longer the only design for tires; the smart tires are also feasible.

The Company will continue to investigate the energy-saving technology and the dynamic simulation:

1. Research on the advance technology for smart tires to innovate new ideas in the tire industry.
2. Study on the advance technology for a new type of non-inflatable tire.
3. Provide the high value-added products and introduce automatic equipment to ensure the quality of our products.
4. Establish a tire laboratory to enhance the technology capability for dynamic tire simulation.
5. Establish a VOC (odor) laboratory in response to the new international regulations to reduce the tire odors and enhance the technical capability of the Company.
6. In 2025, the Company completed more than 300 new product developments and patents in total.
7. The Company has won the 34th Taiwan Excellence Award, which is the 19th consecutive year for the Company's products to be awarded, including Gravel Road Bike Tires – K1274, High-end Cruiser Motorcycle Tires – K6702(F), All Terrain / Utility Vehicle Tires – K3204R and Light Van Radial Tires – KR106.
8. In recent years, with the goal to actively promote the intellectual property management plan, the R&D department has established a KPI for the number of patent applications to regularly review the technologies produced, and actively apply for various patents.

Intellectual Property Management Program:

To strengthen the Company's industry leadership and the outcomes of advanced technological research and development, the Company has formulated an intellectual property strategy aligned with its operational objectives and R&D resources. This strategy establishes a framework for creating corporate value through intellectual property rights, thereby not only safeguarding the Company's freedom to operate but also enhancing its competitive advantages.

(1) Patent and Trademark Protection Measures:

- A. The Company's IP management strategy primarily includes the deployment and expansion of patent and trademark portfolios, as well as systematic review and reorganization. Through the implementation of review mechanisms, incentive programs, awareness training, and talent development, the Company ensures effective execution at the operational level, thereby protecting its R&D achievements and maintaining technological leadership. To build a robust intellectual property portfolio, internally, the Company has developed diverse innovation incentive mechanisms to continuously encourage employees to submit invention applications; at the same time, it has established a systematic patent management framework, supported by a tiered evaluation process, to ensure both the quantity and quality of employee patent applications. Externally, the Company

maintains collaboration and technical exchanges with patent firms in domestic and major international markets, assisting patent examiners and employees in gaining a deeper understanding of technical content, thereby improving examination efficiency and securing high-quality patent protection.

B. The Company has established relevant internal regulations to support the operation of its management plan, including the Intellectual Property Management Regulations (covering trademarks, patents, and trade secrets, No. KDS-2B-00-017) and the R&D Patent Deployment Standard Operating Procedures (No. KDS 2K-00-053).

(2) Trade Secret Protection:

In addition to focusing on the protection of specific intellectual assets, the Company has comprehensively and effectively established a trade secret management system targeting leading technologies with competitive advantages, in order to record, integrate, and utilize trade secrets that possess competitive strengths.

Status of Intellectual Property Management Implementation:

(1) The Company reports patent-related matters under its intellectual property portfolio to the Board of Directors on an annual basis. Such matters were presented to the Board of Directors on November 11, 2025, including R&D directions, number of patent applications, and relevant improvements proposed in response to directors' suggestions.

(2) Since 2009, the Company has actively promoted its intellectual property management program. The major implementation status in recent years is as follows:

A. Since 2010, the Company has continuously enhanced its intellectual property management program and has successively established a systematic patent management framework.

B. The current intellectual property portfolio and achievements are as follows:

a. Trademarks:

The trademarks held by the Company include the primary KENDA trademark and other sub-brands used on products, such as ACENDA. These trademarks are registered in Taiwan and major global markets, including the United States, the European Union, Southeast Asia, and the Middle East. The Company is also actively advancing trademark innovation, revitalizing the K trademark with a renewed identity and image.

b. Patents:

As of December 2024, the Group has accumulated a total of 439 patent applications worldwide, with 86 patents currently in force globally.

II. Summary of Business Plan for 2026

(I) Business strategy for 2026

The Company's operating policy for 2026 focuses on geopolitical risk control, enhancement of research and development innovation, and strengthening of occupational safety and health:

1. Response to geopolitical and tariff risks:

Closely monitor energy price fluctuations and international logistics bottlenecks arising from the U.S.–Iran conflict. With respect to raw materials affected by crude oil prices, such as synthetic rubber and carbon black, implement precise and prudent cost control and optimize product mix. At the same time, actively monitor the development of tariff barriers in various countries, and flexibly adjust production site allocation and product mix to mitigate geopolitical trade risks and enhance the resilience of the industry value chain.

2. Smart manufacturing and lean quality management:

Prudently evaluate capital expenditure plans, accelerate the promotion of automated production and real-time monitoring systems across global plants, and implement digital transformation to improve production efficiency and quality stability, thereby enhancing diversified flexibility in responding to market demand fluctuations.

3. R&D and next-generation product deployment:

Deepen the capabilities of global R&D centers in alignment with market demands and continue the development of high value-added products. With respect to the electric vehicle market, promote a full range of electric vehicle tires across core markets in Europe, the United States, and Asia to increase market share of EV tire brands.

4. Occupational safety and health and environmental benchmarking:

Implement international occupational safety and health standards, strengthen workplace safety protection and production safety mechanisms to ensure employee safety in operations, and achieve the long-term objective of establishing green factories.

5. Organizational efficiency, optimization and talent development:

Implement streamlined human resource initiatives to enhance team execution capability and workplace discipline, strengthen the managerial leadership of mid-to-senior management, and drive business performance growth through a high-efficiency organization.

6. Net-zero emissions and circular economy commitment:

Commit to the vision of “Carbon reduction by 3% per year and by 25% in total by 2030.” Expand the application of bio-based and recycled materials and collaborate with upstream

suppliers to establish carbon management systems, thereby strengthening ESG sustainability competitiveness.

(II)The sales volume forecast and its basis: The forecast is based on the Company’s annual operating targets and the market survey.

Consolidated

Product Type \ Year	2026 Sales Volume (in thousand units)
Bicycle tires	33,828
Motorcycle tires and other bias tires	33,369
Radial tires	10,226
Inner tube	47,506
Total	124,929

Standalone

Product Type \ Year	2026 Sales Volume (in thousand units)
Bicycle tires	1,845
Motorcycle tires and other bias tires	3,788
Radial tires	1,715
Inner tube	6,483
Total	13,831

III. The Company’s Future Development Strategy

The Company’s development strategy for 2026 continues to uphold the core philosophy of “Taiwan Hub, Global Reach, Local Roots.” Through expansion of production capacity, advanced product R&D, and enhancement of the value of the **KENDA** proprietary brand, the Company aims to further strengthen its presence in the global market:

1. Enhancing supply chain resilience and defense against geopolitical risks:

In response to energy volatility and geopolitical uncertainties arising from the U.S.–Iran conflict, the Company will accelerate the adjustment of flexibility within its global supply chain, deepen diversified market deployment, and reduce the impact of reliance on single markets or geopolitical events on operations.

2. Driving the development of high value-added products:

Building on the innovation momentum of receiving the Taiwan Excellence Award for 19

consecutive years, the Company will continue to strengthen R&D capabilities in major markets. By developing high-performance and environmentally oriented high value-added products in response to consumer demand, the Company will optimize its existing product portfolio and expand into niche markets through superior quality.

3. Accelerating deployment in electric vehicles and next-generation mobility:

The Company actively promotes premium passenger car tires for electric vehicles to expand its global market share. By targeting supporting demand for electric vehicles in Europe, the United States, and Asia, the Company transforms its R&D advantages into market leadership and establishes Kenda as a technological benchmark in the new energy vehicle sector.

4. Deepening smart manufacturing and digital transformation:

The Company continues to introduce advanced automated production equipment and, based on the Manufacturing Execution System (MES), comprehensively promotes smart manufacturing and big data analytics to achieve predictive monitoring of process quality, ensure product quality stability, and significantly enhance per-unit productivity.

5. Enhancing organizational management and cultivating professional talent:

By integrating global human resources and implementing performance-oriented management, the Company strengthens team discipline and execution capabilities. Through the establishment of talent pipelines and professional training, overall management functions are enhanced to ensure stable long-term growth in group performance.

6. Implementing sustainable operations and green supply chains:

The Company is committed to the vision of “Carbon reduction by 3% per year and by 25% in total by 2030.” It expands the application of bio-based and recycled materials and collaborates with upstream suppliers to establish a carbon management system for the tire industry, thereby strengthening carbon reduction capabilities across upstream and downstream processes and building a mutually beneficial sustainable development ecosystem.

IV. The Effect of External Competition

1. The Indian government had announced the ban on the tires imported from other countries in June 2020. The restriction on imports is still imposed, which would seriously affect our sales to the Indian market.
2. Chinese tire manufacturers are accelerating the establishment of overseas production bases to capture global market share in the mid-to-low-end product segments.
3. The United States has imposed anti-dumping and countervailing duties on passenger car and light truck tires exported from Taiwan, South Korea, Thailand, and other regions. The

anti-dumping duty rate for the Company's Vietnam plant is 0%, and the subsidy duty rate is 6.46%. The European Union has initiated anti-dumping and countervailing duty investigations on passenger car and light truck tires manufactured in China, with a ruling expected in mid-2026.

4. The current U.S. tariff policy affecting the Company stems from the Taiwan–U.S. tariff negotiations, which concluded on January 15, 2026 (U.S. Eastern Time). Taiwan's reciprocal tariff has been reduced to 15% and is not cumulatively applied with the Most Favored Nation (MFN) tariff rate, making Taiwan the first country globally to obtain tariff concessions under Section 232.

V. The Effect of Legal Environment

1. The regulations and standards for product certification in the tire industry continue to increase, and the time and cost consumed for the applications of product certification have increased significantly, causing another type of trade barrier. For example, these include the implementation of the European Union's EUDR on rubber raw materials, the enhanced labeling regulations to be enforced in the European Union in 2026, as well as certification and regulatory requirements such as DOT in US, CCC in China, SNI in Indonesia, GCC in the Middle East, SASO in Saudi Arabia, INMETRO in Brazil, TIS in Thailand, BIS in India, etc.
2. In response to the global warming crisis, the government has set the 2050 net-zero emissions target and has included the amendment of the "Greenhouse Gas Reduction and Management Act" as a key objective. In the face of the future carbon fees and various government policies on greenhouse gas reduction, the Company is actively launching carbon reduction measures.
3. The government's policy of restricting the workers from overseas due to the impact of the COVID-19 pandemic has resulted in a labor shortage and limited production capacity.

VI. The Effect of the Overall Business Environment

1. Favorable factors:
 - (1) Due to increasingly harsh investment environment in China, and the impact of trade protection measures in Europe and the United States, the bicycle manufacturers gradually shift the factories to Vietnam, Cambodia and other Southeast Asian countries. The demand for bicycle tires and inner tubes in the local market will increase, which is a great benefit for the Company's Vietnam and Indonesia factories.
 - (2) The Company has several production sites in China, Southeast Asia and Taiwan, offering great flexibility in supply.
 - (3) Chinese tire manufacturers engage in low-price competition worldwide, and many countries have begun imposing high anti-dumping duties on tires made in China, such

as the United States, Mexico, South Africa, and the European Union. The Company has multiple production bases in Southeast Asia, which can be utilized to diversify production locations, allowing customers to benefit from preferential import tariffs under FTAs.

2. Unfavorable factors:

- (1) Low-priced dumping by China's "Red Supply Chain" into the Middle East, Africa, and Central and South America continues, while product quality is also improving, enabling it to capture market share in developing markets.
- (2) Rising shipping costs have increased customers' import costs, thereby affecting order cycles and purchasing willingness.
- (3) Instability in the Middle East affects the business environment, where governmental changes, protests, or conflicts disrupt commercial activities; conflicts such as the Israel– Hamas war, civil conflict involving the Houthi movement in Yemen, and internal unrest in Iran have impacted economic activities in the Gulf countries.

Kenda Rubber Ind. Co., Ltd.

Yang, Chi-Jen



Chairman

Two. Corporate Governance Report

I. Information on the Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, the Chiefs of All the Company's Divisions and Branches

(I) Information on Directors and Independent Directors

Information on Directors and Independent Directors (1)

April 5, 2026

Position Name	Nationality	Gender Age	Date elected (initial elected date)	Terms of office	Number of shares held on date elected		Number of shares held currently		Number of shares held by spouses and children of minor age currently		Number of shares held under other persons' names		Principal work experience and academic qualifications	Position(s) held concurrently in the Company and other companies	Other officers, directors or supervisors who are spouses or within the second degree of kinship			Remarks
					Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership			Position	Name	Relation	
Chairman Yang, Chi-Jen	Republic of China	Male 71-80	2024.05.31 (1979.05.20)	3 years	95,361,725	9.99	91,251,725	9.56	5,873,800	0.62	150,000	0.02	MBA, The City University of New York Vice Chairman, Kenda Rubber Ind., Co., Ltd.	Chairman, American Kenda Rubber Ind., Co., Ltd.	Director	Yang, Ying-Ming	2nd degree of kinship	
Vice Chairman Chang, Hong-Der	Republic of China	Male 61-70	2024.05.31 (2003.06.20)	3 years	8,044,172	0.84	8,044,172	0.84	149,690	0.02	0	0	Ph.D., Mechanical Engineering, Cornell University President, Kenda Rubber Ind., Co., Ltd.	Member of ESG Committee, Kenda Rubber Ind., Co., Ltd.	None	None	None	
Director Yang, Ying-Ming	Republic of China	Male 61-70	2024.05.31 (1974.01.01)	3 years	65,959,222	6.91	62,003,772	6.49	11,635,334	1.22	0	0	M.S., Chemical Engineering, Syracuse University Chairman, Kenda Rubber Ind., Co., Ltd.	Group Chairman, Kenda Rubber Ind., Co., Ltd. Chairman, Kenjou Ind., Co., Ltd.	Chairman	Yang, Chi-Jen	2nd degree of kinship	
Director Chen, Chao-Jung	Republic of China	Male 51-60	2024.05.31 (1990.05.23)	3 years	0	0	100,000	0.01	0	0	20,332,526	2.13	M.S., Materials Science and Engineering, The Ohio State University President, Kenda Rubber Ind. Co. Ltd.		None	None	None	
Director Lin, Chien-Liang	Republic of China	Male 61-70	2024.05.31 (2024.03.01)	3 years	45,545	0	45,545	0.00	0	0	0	0	Associate degree in Business Administration, Tamsui Institute of Business Administration General Manager, Kenda Rubber (China) Ind., Co., Ltd. General Manager, Kenda Rubber (Shenzhen) Ind., Co., Ltd.	President, Kenda Rubber Ind. Co. Ltd.	None	None	None	
Director Yang, Chia-Ling	Republic of China	Female 51-60	2024.05.31 (2015.06.23)	3 years	30,081,817	3.15	30,081,817	3.15	0	0	0	0	B.S. degree in Pharmacy, China Medical University President, Kenlight Trading Corp.	President, Kenlight Trading Corp. Chairman of ESG Committee, Kenda Rubber Ind., Co., Ltd.	None	None	None	
Director Lin, Tsung-Chi	Republic of China	Male 41-50	2024.05.31 (2012.06.13)	3 years	10,142,046	1.06	10,142,046	1.06	1,106,855	0.12	0	0	M.S., Electrical and Computer Engineering, University of Wisconsin-Madison Deputy Director, Realtek Semiconductor Corp. President, OBERLIN TECH. CO., LTD.	President and Director, OBERLIN TECH. CO., LTD. Member of ESG Committee, Kenda Rubber Ind., Co., Ltd.	None	None	None	
Director Yang, Ying-Yuan	Republic of China	Female 41-50	2024.05.31 (2009.06.16)	3 years	27,345,682	2.86	29,856,682	3.13	0	0	0	0	MBA, University of Maryland Marketing Assistant Vice President, Kimberly-Clark Corporation Taiwan Branch Brand Director, PepsiCo Foods Taiwan Co., Ltd.	Director, 7th Island Leisure Ltd.	None	None	None	
Independent Director Cho, Shih-Chao	Republic of China	Male 71-80	2024.05.31 (2021.08.31)	3 years	0	0	0	0	0	0	0	0	MBA, University of Louisville Director General, Bureau of Foreign Trade; Vice Minister and Deputy Minister, Ministry of Economic Affairs Adjunct Professor, Department of Political Science, National Taiwan University	Independent Director and Convener of the Remuneration/Audit Committee, Kenda Rubber Ind., Co., Ltd. Independent Director, Convener of Remuneration Committee, and Member of Audit Committee, Plum-Monix Industry Co., Ltd.	None	None	None	
Independent Director Weng, Wen-Chi	Republic of China	Male 61-70	2024.05.31 (2024.05.31)	3 years	0	0	0	0.00	0	0	0	0	M.S., Investment and Financial Risk Management, City University of London Chairman, Chunghwa Post Co., Ltd. Chairman, Sinopac Financial Holdings Company Limited	Independent Director and Member of the Audit/Remuneration Committee, Kenda Rubber Ind., Co., Ltd. Independent Director and Member of the Audit/ Remuneration Committee, ASE Technology Holding Co., Ltd.	None	None	None	
Independent Director Yieh, Kai-Li	Republic of China	Female 61-70	2024.05.31 (2024.05.31)	3 years	0	0	0	0	0	0	0	0	Ph.D., Consumer Science and Retailing, Purdue University Professor, Department of Business Administration; Dean, College of Business Administration and College of Extension Education; and Director, Language Center, National Changhua University of Education	Independent Director and Member of the Audit/Remuneration Committee, Kenda Rubber Ind., Co., Ltd. Professor, Department of Business Administration, National Changhua University of Education	None	None	None	

Information on Directors and Independent Directors (2)

1. Disclosure of Professional Qualifications of Directors and Independent Directors and Independence of Independent Directors:

Requirements Name (Note 1)	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	The number of other public companies in which the individual is concurrently serving as an independent director
Yang, Chi-Jen	MBA, The City University of New York B.A. degree in Accounting, National Chengchi University Vice Chairman and President, Kenda Rubber Ind., Co., Ltd. Chairman, American Kenda Rubber Ind. Co., Ltd.	Not applicable.	None
Chang, Hong-Der	Ph.D., Mechanical Engineering, Cornell University M.S., Mechanical Engineering, Columbia University B.S. degree in Agricultural Machinery, National Taiwan University General Counsel, President and Vice President, Kenda Rubber Ind., Co., Ltd. Associate Professor, Department of Mechanical Engineering, National Taiwan University of Science and Technology Executive Director in Office, Taiwan Rubber & Elastomer Industries Association Executive Director, Taiwan Bicycle Association Director, Cycling & Health Tech Industry R&D Center	Not applicable.	None
Yang, Ying-Ming	M.S., Chemical Engineering, Syracuse University B.S. degree in Chemical Engineering, National Taiwan University Chairman and President, Kenda Rubber Ind., Co., Ltd. Honorary Chairman, Taiwan Rubber & Elastomer Industries Association Honorary Chairman, Taiwan Rubber Research & Testing Center Honorary Chairman, Taiwan Bicycle Association Executive Director, Taiwan Transportation Vehicle Manufacturers Association Director, The Polymer Society, Taipei	Not applicable.	None
Chen, Chao-Jung	M.S., Materials Science and Engineering, The Ohio State University B.S. degree in Chemistry, National Taiwan University President and Vice President, Kenda Rubber Ind., Co., Ltd. Director, Taiwan Bicycle Association	Not applicable.	None
Lin, Chien-Liang	Associate degree in Business Administration, Tamsui Institute of Business Administration President and Vice President, Kenda Rubber Ind., Co., Ltd. General Manager, Kenda Rubber (China) Ind., Co., Ltd. General Manager, Kenda Rubber (Shenzhen) Ind., Co., Ltd.	Not applicable.	None
Yang, Chia-Ling	B.S. degree in Pharmacy, China Medical University President, Kenlight Trading Corp.	Not applicable.	None
Lin, Tsung-Chi	M.S., Electrical and Computer Engineering, University of Wisconsin- Madison B.S. degree in Mechanical Engineering, National Chiao Tung University President, OBERLIN TECH. CO., LTD. Deputy Director, Realtek Semiconductor Corp.	Not applicable.	None
Yang, Ying-Yuan	MBA, University of Maryland B.B.A. degree in International Business, National Taiwan University Marketing Assistant Vice President, Kimberly-Clark Corporation Taiwan Branch Brand Director, PepsiCo Foods Taiwan Co., Ltd Director, 7th Island Leisure Ltd.	Not applicable.	None

Requirements Name (Note 1)	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	The number of other public companies in which the individual is concurrently serving as an independent director
Cho, Shih-Chao (Independent Director)	MBA, University of Louisville B.B.A. degree in Business Management, Tatung University Passed the Examination for Overseas Economic Officer (English Group) of the Ministry of Economic Affairs Overseas Representative and Director-General of Department of Economic and Trade Affairs, Ministry of Foreign Affairs Trade Representative, The Office of Trade Negotiations Director-General, Bureau of Foreign Trade; Vice Minister and Deputy Minister, Ministry of Economic Affairs Adjunct Professor, Department of Political Science, National Taiwan University Independent Director, Plum-Monix Industry Co., Ltd.	Eligible for the independence criteria.	1
Weng, Wen-Chi (Independent Director)	M.S., Investment and Financial Risk Management, City University of London B.A. degree in International Relations, Department of Political Science, National Taiwan University Responsible for foreign-related business such as foreign investment management at the Securities and Futures Commission, Ministry of Finance. Counselor, Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization Responsible for foreign banks affairs at Banking Bureau, Financial Supervisory Commission, R.O.C.(Taiwan) Establish a representative office in New York during the tenure at the Financial Supervisory Commission. Representative, Taipei Economic and Cultural Center in India Chairman, Chunghwa Post Co., Ltd. Chairman, Sinopac Financial Holdings Company Limited Independent Director, ASE Technology Holding Co., Ltd.	Eligible for the independence criteria.	1
Yieh, Kaili (Independent Director)	Ph.D., Consumer Science and Retailing, Purdue University MBA, University of Central Missouri B.B.A degree in Business Administration, National Chengchi University President, Asian Consumer and Family Economic Association Principal Investigator, University Social Responsibility, Ministry of Education Professor, Department of Business Administration; Dean, College of Business Administration and College of Extension Education; and Director, Language Center, National Changhua University of Education	Eligible for the independence criteria.	None

- (1) All directors of the Company possess work experience in business, law, finance, accounting or corporate business.
- (2) None of the Company's independent directors are directors, supervisors, or employees of the Company or its affiliates, including themselves, their spouses, or relatives within second degree of kinship.
- (3) None of the independent directors of the Company is a director, supervisor or employee of a company with which the Company has a specific relationship.
- (4) In the past two years, none of the independent directors of the Company has received remuneration for providing business, legal, financial or accounting services from the Company or its affiliates.

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors, and if they are members of the audit committee and have accounting or financial expertise, specify their accounting or financial background and work experience, and state whether they do not have the circumstances described in Article 30 of the Company Act.

Note 2: The independent director shall state the independence status, including but not limited to whether he/she, spouse, relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him/her, spouse, relatives within the second degree of kinship (or in the name of others); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraph 5 - 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies; and the amount of remuneration received from providing commercial, legal, financial and accounting services to the Company or its affiliates in the last two years.

2. Diversity and Independence of the Board of Directors:

- (1) Board Diversity: Describe the board's diversity policy, objectives and status of implementation. Diversity policy includes, but not limited to, the criteria for selecting directors, the professional qualifications and experience, gender, age, nationality and culture of the Board of Directors, and the composition or proportion of the Board of Directors and describes the Company's specific objectives and their accomplishment in relation to the foregoing policy.

The Company has established and implemented a diversification policy in accordance with Article 20 of the "Corporate Governance Principles of Kenda Industrial Co., Ltd.", including basic requirements, professional knowledge, and skills required for directors, such as operational judgment, accounting and financial analysis management thinking, crisis management, leadership, decision-making ability, knowledge of the tire industry and global perspective.

There are total 11 members on the Board of Directors; of which 18% (2 directors) are employees of the Company, 27% are independent directors (3 directors), 27% are female directors (3 directors), 2 independent director has served for less than 3 years, 1 independent directors have served for 3-6 years, 3 directors are over 70 years old, 4 directors are between the ages of 61 to 70, 2 directors are between the ages of 51 to 60 and 2 are under the age of 50. The directors are all qualified and experienced in conducting the Company's business, and relevant experience is summarized in the following page.

The Board of Directors of the Company consists of a wide range of professional backgrounds, and the Company has recruited a wide range of talents to achieve diversity in the Board. The composition of the Board included the chemical and marketing professionals who are related to the Company's business. The Company selects its directors on a merit basis and without any discrimination. The Company emphasizes gender equality in the composition of the Board of Directors and plans to achieve the goal of female directors accounting for at least one-third of all directors by 2027.

The Board of Directors of the Company was re-elected in 2024. Originally, there was one female director, but after the re-election, there are now three female directors, accounting for

approximately 27% of the board seats. Currently, female directors still do not reach one-third of the board seats, mainly due to the limited availability of qualified female candidates. However, in 2024, the board added two new female directors and plan to continue actively seeking female directors with the goal of achieving at least one-third female directors by 2027.

The Company's incumbent Board of Directors comprises 11 directors. The implementation of board diversity is as follows:

Status of Board diversity

Core item of diversity Name	Information on Directors								Industrial experiences				Professionals Skills					
	Gender	Age					Terms of Office of Independent Director			Chemicals Industry	On-Site Flow	Trading	R & D	Business Management	Finance	Risk Management	Law	Leadership
		35 - 50	51 - 60	61 - 70	71 - 80	81 - 90	<3 years	3 to less than 6 years	> 6 years									
Yang, Chi-Jen	Male				✓					✓	✓		✓	✓	✓	✓	✓	
Chang,Hong-Der	Male			✓						✓	✓	✓	✓	✓	✓	✓	✓	
Yang, Ying-Ming	Male				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chen, Chao-Jung	Male		✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	
Lin, Chien-Liang	Male			✓						✓	✓		✓	✓	✓	✓	✓	
Yang, Chia-Ling	Female		✓								✓		✓	✓	✓		✓	
Lin, Tsung-Chi	Male	✓									✓		✓	✓			✓	
Yang, Ying-Yuan	Female	✓									✓		✓	✓			✓	
Cho, Shih-Chao	Male				✓			✓			✓		✓	✓	✓	✓	✓	
Weng, Wen-Chi	Male			✓			✓				✓		✓	✓	✓	✓	✓	
Yieh, Kaili	Female			✓			✓						✓	✓				

- (2) Independence of the Board of Directors: Describe the number and proportion of independent directors, and state that the Board of Directors is independent, with reasons whether there is no violation as stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including a description of relationships between directors, supervisors, or between directors and supervisors, such as spouses and relatives within the second degree of kinship.

The election procedures of the Company's directors have been open and fair and are in compliance with the Company's Articles of Incorporation, the Rules Governing the Election of Directors, the Corporate Governance Best Practice Principles, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act. The Board of Directors consists of eight general directors (72.7%) and three independent directors (27.3%).

More than half of the directors of the Company are not related to each other as spouses or relatives with second degree of kinship.

The Board of Directors oversees the management and operation of the Company and is responsible to the Company and its shareholders. In terms of corporate governance, the Board of Directors exercises its powers in accordance with the laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meeting. The Company's Board of Directors is independent, and the three independent directors exercise the powers of the Audit Committee in accordance with the relevant laws and regulations to review the Company's risk management and to supervise the effectiveness of the Company's internal control system, the appointment of CPAs, and the preparation of the financial statements.

The Company adopts a cumulative voting system and a candidate nomination system for the election of directors and encourages shareholders to participate in the election. Shareholders holding a certain number of shares or more may propose a list of candidates. Upon reviewing the qualifications of the candidates to determine whether there is any violation pursuant to Article 30 of the Company Act, the relevant acceptance procedures are conducted and announced in accordance with the law to protect the rights and interests of shareholders and independence.

(II) Information on the Chief Executive Officers, Presidents, Vice Presidents, Assistant Vice Presidents, the Chiefs of All the Company's Divisions and Branches

Information on the Chief Executive Officers, Presidents, Vice Presidents, Assistant Vice Presidents, the Chiefs of All the Company's Divisions and Branches

April 5, 2026

Position	Nationality	Name	Gender	Date on which current position was assumed	Shareholding		Number of shares held by spouse and children of minor age		Number of shares held under other persons' names		Principal work experience and academic qualifications (Note 2)	Position(s) held concurrently in other companies	Managers who are related to the spouse or the second degree of kinship			Remarks (Note 3)
					Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership			Position	Name	Relation	
Group Chairman	Republic of China	Yang, Ying-Ming	Male	2018.06.11	62,003,772	6.49	11,635,334	1.22	0	0	M.S., Chemical Engineering, Syracuse University	Chairman, Kenjou Ind. Co., Ltd.	Corporate Governance Officer	Yang, Ya-Ting	2nd degree of kinship	
President	Republic of China	Lin, Chien-Liang	Male	2024.07.01	45,545	0.00	0	0	0	0	Associate degree in Business Administration, Tamsui Institute of Business Administration	None	None	None	None	
Assistant Vice President	Republic of China	Chen, Chin-Fu	Male	2006.04.01	0	0	0	0	0	0	Associate degree in Mechanical Engineering, National Taipei Institute of Technology	None	None	None	None	
Assistant Vice President	Republic of China	Chang, Hui-Chu	Female	2011.04.01	0	0	0	0	0	0	B.A. degree in Foreign Languages and Literatures, National Chung Hsing University	None	None	None	None	
Assistant Vice President	Republic of China	Liu, Kuei-Chun	Male	2017.07.16	0	0	0	0	0	0	Associate degree in Public Finance and Taxation, Tamsui Institute of Business Administration	None	None	None	None	
Assistant Vice President	Republic of China	Li, Tsung-Hsun	Male	2021.09.01	11,550	0.00	0	0	0	0	M.S., Information Management, National Yunlin University of Science and Technology	None	None	None	None	

Position	Nationality	Name	Gender	Date on which current position was assumed	Shareholding		Number of shares held by spouse and children of minor age		Number of shares held under other persons' names		Principal work experience and academic qualifications (Note 2)	Position(s) held concurrently in other companies	Managers who are related to the spouse or the second degree of kinship			Remarks (Note 3)
					Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership			Position	Name	Relation	
Assistant Vice President	Republic of China	Lin, Chin-Tze	Male	2025.02.01	0	0	0	0	0	0	Associate degree in Electrical Engineering, National Yunlin Institute of Technology	None	None	None	None	
Senior Manager	Republic of China	Wang, Ching-Yi	Male	2024.07.16	0	0	3,150	0.00	0	0	Associate degree in Chemical Engineering, Nanya Institute of Technology	None	None	None	None	
Corporate Governance Officer	Republic of China	Yang, Ya-Ting	Female	2025.04.01	26,964,060	2.82	2,904,000	0.30	0	0	Master of Accounting, The Ohio State University	None	Group Chairman	Yang, Ying-Ming	2nd degree of kinship	

Note 1: The information of the President, Vice President, Assistant Vice President, Department and Branch Heads shall be disclosed, as well as those whose position is equivalent to President, Vice President (for example: Group Chairman, Director, CEO, etc.), shall also be disclosed no matter their titles.

Note 2: For those who have worked for a CPA firm or an affiliated company during the previous reporting period in relation to their current position, the title of the position and the duties for which they were responsible should be disclosed: None.

Note 3: If the President or equivalent (the most senior manager) and the Chairman of the Board are the same person and are related to each other as spouses or first degree of kin, the reasons, reasonableness, necessity and measures (e.g. increasing the number of independent directors and having a majority of directors who are not also employees or managers) should be disclosed: None.

Note 4: Ms. Yang, Ya-Ting has been serving as the Company's corporate governance officer since April 1, 2025.

(III) Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None.

II. The Remuneration Paid to Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Year

(I) Remuneration paid to directors and independent directors (with the name(s) indicated for each remuneration range)

December 31, 2025 Unit: NT\$

Position	Name	Remuneration paid to Directors								(A+B+C+D) and as a % of Net Income		Remuneration paid to part-time employees						(A+B+C+D+E+F+G) as a % of Net Income		Compensation Received from Non-consolidated Affiliates or Parent Company	
		Remuneration (A)		Severance Pay and Pensions (B)		Director's remuneration (C)		Expenses from professional practice (D)				Salary, Bonuses and Allowances (E)		Severance Pay and Pensions (F)		Remuneration to employees (G)					
		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	Cash	Stock	Cash	Stock		From the Company
Director	Yang, Chi-Jen																				
	Chang, Hong-Der																				
	Yang, Ying-Ming																				
	Chen, Chao-Jung	3,584,218	3,584,218	-	-	2,225,178	2,225,178	466,525	466,525	6,275,921	6,275,921	5,407,093	10,140,178	-	-	97,081	-	97,081	-	11,780,095	16,513,180
	Lin, Chien-Liang									5.00	5.00									9.39	13.17
	Yang, Chia-Ling																				
	Lin, Tsung-Chi																				
	Yang, Ying-Yuan																				
Independent Director	Cho, Shih-Chao									2,343,372	2,343,372									2,343,372	2,343,372
	Weng, Wen-Chi	2,070,372	2,070,372	-	-	-	-	273,000	273,000	1.87	1.87	-	-	-	-	-	-	-	-	1.87	1.87
	Yieh, Kaili																				

- Please state the policy, system, standards and structure for the remuneration paid to independent directors and the linkage to the amount paid in respect of the responsibilities, risks, time and other factors that they are involved in.
The remuneration paid to the independent directors is a monthly fixed remuneration plus transportation costs to attend meetings. The monthly fixed remuneration is approved by the Remuneration Committee and discussed and resolved by the Board of Directors.
- Except as disclosed in the preceding table, the remuneration paid to the directors of the Company for services rendered to all companies consolidated in the Financial Report (e.g. as non-employee consultants) in the most recent year: None.

Remuneration Range Table

Remuneration paid to directors	Directors' Names			
	Total of the remunerations (A+B+C+D)		Total of the remunerations (A+B+C+D+E+F +G)	
	From the Company	From All Consolidated Entities (H)	From the Company	From All Consolidated Entities(I)
\$0 ~ \$999,999	Yang, Ying-Ming; Lin, Chien-Liang; Chen, Chao-Jung; Yang, Chia-Ling; Lin, Tsung-Chi; Yang, Ying-Yuan; Cho, Shih-Chao; Weng, Wen-Chi; Yieh, Kaili	Yang, Ying-Ming; Lin, Chien-Liang; Chen, Chao-Jung; Yang, Chia-Ling; Lin, Tsung-Chi; Yang, Ying-Yuan; Cho, Shih-Chao; Weng, Wen-Chi; Yieh, Kaili	Chen, Chao-Jung; Yang, Chia-Ling; Lin, Tsung-Chi; Yang, Ying-Yuan; Cho, Shih-Chao; Weng, Wen-Chi; Yieh, Kaili	Chen, Chao-Jung; Yang, Chia-Ling; Lin, Tsung-Chi; Yang, Ying-Yuan; Cho, Shih-Chao; Weng, Wen-Chi; Yieh, Kaili
\$1,000,000 ~ \$1,999,999	Chang, Hong-Der	Chang, Hong-Der	Chang, Hong-Der	Chang, Hong-Der
\$2,000,000 ~ \$3,499,999	Yang, Chi-Jen	Yang, Chi-Jen	Yang, Chi-Jen; Yang, Ying-Ming; Lin, Chien-Liang	Yang, Ying-Ming; Lin, Chien-Liang
\$3,500,000 ~ \$4,999,999				
\$5,000,000 ~ \$9,999,999				Yang, Chi-Jen
\$10,000,000 ~ \$14,999,999				
\$15,000,000 ~ \$29,999,999				
\$30,000,000 ~ \$49,999,999				
\$50,000,000 ~ \$99,999,999				
Over \$100,000,000				
Total	11	11	11	11

(II) Remuneration paid to supervisors: The Company has set up an Audit Committee; therefore, there is no supervisor.

(III) Remuneration paid to CEO, President and Vice President (with the name(s) indicated for each remuneration range).

December 31, 2025 Unit: NT\$

Position	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Remuneration to employees (D)				(A+B+C+D) as a % of Net Income		Compensation Received from Non-consolidated Affiliates or Parent Company
		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company		From All Consolidated Entities		From the Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Group Chairman	Yang, Ying-Ming	4,529,590	4,529,590	0	0	877,503	877,503	57,728	0	57,728	0	5,464,821 4.36	5,464,821 4.36	None
President	Lin, Chien-Liang													

Remuneration Range Table

Remuneration Paid to Presidents and Vice Presidents	Names of the President and Vice President	
	From the Company	From All Consolidated Entities(E)
\$0 ~ \$999,999		
\$1,000,000 ~ \$1,999,999		
\$2,000,000 ~ \$3,499,999	Yang, Ying-Ming Lin, Chien-Liang	Yang, Ying-Ming Lin, Chien-Liang
\$3,500,000 ~ \$4,999,999		
\$5,000,000 ~ \$9,999,999		
\$10,000,000 ~ \$14,999,999		
\$15,000,000 ~ \$29,999,999		
\$30,000,000 ~ \$49,999,999		
\$50,000,000 ~ \$99,999,999		
Over \$100,000,000		
Total	2	2

Note 1: The remuneration disclosed in this table is for information purposes only and is not intended to be used for tax purposes as the definition of income is different from that under the Income Tax Act.

Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2025

Unit: NT\$

	Position	Name	Stock	Cash Amount	Total	Proportion to Earnings After Tax (%)
Managers	Group Chairman	Yang, Ying-Ming	0	133,911	133,911	0.1068
	President	Lin, Chien-Liang				
	Assistant Vice President	Chen, Chin-Fu				
	Assistant Vice President	Lin, Chin-Tze				
	Assistant Vice President	Chang, Hui-Chu				
	Assistant Vice President	Liu, Kuei-Chun				
	Senior Manager	Wang, Ching-Yi				
	Assistant Vice President	Li, Tsung-Hsun				
	Corporate Governance Officer	Yang, Ya-Ting				

(IV) The analysis of the total remuneration, as a percentage of net income paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president, and vice presidents, and the description of the remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. The total remuneration, as a percentage of net income paid by the Company and by each other company included in the consolidated financial statements to directors, supervisors, president, and vice presidents.

	2024	2025
Remuneration paid to directors, supervisors, president and vice president proportion to earnings after tax (Individual Financial Statement)	2.4786%	11.2621%
Remuneration paid to directors, supervisors, president and vice president proportion to earnings after tax (Consolidated Financial Statement)	2.8649%	15.0363%

The Company's net income for 2024: NT\$ 1,240,953,000.

The consolidated net income for 2024: NT\$ 1,240,953,000.

The Company's net income for 2025: NT\$ 125,407,000.

The consolidated net income for 2025: NT\$ 125,407,000.

2. The description of the remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) In accordance with Article 3 of the “Regulations Governing the Remuneration to Directors” issued by the Company, the remuneration criteria for directors shall be determined by the Board of Directors with reference to the industry standard, based on each individual director’s participation in the daily operation and management of the Company and the performance of his or her duties for the Company. The remuneration of directors includes salary, compensation for duties, various bonuses, pensions, allowance and remuneration to directors from earnings distribution. Based on the Article 27-1 of the Article of Incorporation, the remuneration of directors shall be distributed at a rate of not more than 3% of the Company’s profit for the year. Independent directors do not participate in the distribution of directors’ remuneration. The Company regularly evaluates the remuneration to directors in accordance with the “Rules Governing the Performance Evaluation of the Board of Directors.” The related performance evaluation and the reasonableness of the remuneration are reviewed by the Compensation Committee and the Board of Directors.

(2) The remuneration of the Company’s managers shall be in accordance with Article 3 of the Company’s “Regulations Governing the Remuneration of Managers,” the Company’s “Regulations Governing the Calculation of Salaries” and “Regulations Governing the Appointment and Promotion of Staff,” and the Company’s overall operating performance, the manager’s years of service, personal performance achievement, contribution to the Company, and future potentials. The manager’s remuneration includes salaries, pensions, allowances, bonuses, rewards, employee bonuses, and other substantial incentives; in addition, if the Company makes a profit during the year, the Company shall distribute the employee’s remuneration at a rate of not less than 0.5% of the profit for the year, of which no less than 0.5% of the profits for the year shall be allocated to entry-level employees in accordance with Article 27-1 of the Company’s Articles of Incorporation.

(3) The performance evaluation and the reasonableness of the remuneration for directors and managers of the Company are evaluated and reviewed by the Compensation Committee and the Board of Directors on a yearly basis, with reference to the individual’s performance achievement and contribution to the Company, the overall operational performance of the Company, the future risks and development trends of the industry. The remuneration system is reviewed regularly in light of the actual operating conditions and relevant laws and regulations. In addition, reasonable remuneration is determined by taking into account corporate governance and timely review of the operating conditions and relevant laws and regulations in order to achieve a balance between sustainable operation and risk control.

(4) In addition to the Company’s overall operating performance (e.g. the growth rate in profit before tax, the growth rate in operating revenue, and the over-consumption rate in the Group), the risks associated with the business operation and future development in the industry, the

remuneration procedures also take into account the individual's performance achievement rate and the extent of his or her contribution to the Company's performance (e.g. Disabling Frequency Rate, the turnover rate, the number of trial productions and trial runs, percentage of management fee, and yield rate).

(5)The Company's remuneration policy is reviewed based on the overall operating performance of the Company, and the payment standards are determined based on the performance achievement and contribution level, in order to enhance the overall organizational effectiveness of the Board of Directors and the managers. The Company also takes into account industry salary standards to ensure that the Company's management salaries are competitive with those in the industry in order to retain outstanding management professionals. The Company's managerial performance targets are integrated with "risk control" to ensure that possible risks are managed and prevented within the scope of responsibilities, and the results of the actual performance evaluation are linked to the human resources and related salary and compensation policies. The important decisions made by the Company's management are carefully evaluated based on various risk factors. The performance of related decisions is reflected in the Company's profitability, and furthermore, the management's remuneration is related to the performance of risk control.

III. The Implementation Status of Corporate Governance:

(I) The state of operations of the Board of Directors:

Information on the Operations of the Board

There were five meetings of the Board of Directors in the year 2025, the attendance of Directors and Supervisors at these meetings was as follows:

Position	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Chairman	Yang, Chi-Jen	5	0	100%	
Vice Chairman	Chang, Hong-Der	5	0	100%	
Director	Yang, Ying-Ming	5	0	100%	
Director	Chen, Chao-Jung	5	0	100%	
Director	Lin, Chien-Liang	5	0	100%	
Director	Yang, Chia-Ling	5	0	100%	
Director	Lin, Tsung-Chi	5	0	100%	
Director	Yang, Ying-Yuan	5	0	100%	
Independent Director	Cho, Shih-Chao	5	0	100%	
Independent Director	Weng, Wen-Chi	5	0	100%	
Independent Director	Yieh, Kaili	5	0	100%	

Other matters that require reporting:

1. The implementation of the Board shall state the date and session of the Board meeting, the resolution, the opinions of all independent directors and the Company's response to such opinions, if any of the following circumstances apply:
 - (1) Items listed in paragraph 3 of Article 14 of the Securities and Exchange Act: The Company has established the audit committee on June 11, 2018, which is applicable to Article 14-5 of the Securities Exchange Act. Therefore, Article 14-3 of the Securities and Exchange Act is not applicable. For relevant resolutions, please refer to the description of the operation of the Audit Committee.
 - (2) Except for the preceding matters, other Board resolutions on which the independent directors express objections or reservations that have been included in records or stated in writing: None.
2. The implementation status of the directors' recusal from a resolution in which they may have interests shall include the directors' names, the contents of the resolution, the reasons for the recusal and the participation in voting: The Company has specified the terms of avoid a conflict of interest of directors in Rules of Procedure for Board of Directors Meetings, and has followed the relevant regulations.
3. Information on the evaluation cycle, period, scope, method and content of the self- (or peer)

evaluation of the Board: The performance evaluation results of the board of directors and functional committees in 2025, please refer to the Appendix on the following page.

4. An evaluation of the current and most recent year's goals for improving the Board's functions (e.g. establishing an audit committee, improving information transparency and so on) and the implementation status:

- (1) At the shareholders' meeting in May 2024, 11 directors, including 3 independent directors, were elected for the 21st term of the Board of Directors. All independent directors served as members of the Audit Committee that was established to enhance the independence and diversity of the Board of Directors. This includes basic qualifications, professional knowledge, and skills required for directors, such as operational judgment, accounting and financial analysis, management thinking, crisis management, leadership, decision-making ability, knowledge of the tire industry, and international perspective. The members of the Board of Directors undertake continuing education each year during their term of office. The Company purchases liability insurance for all Directors in respect of the scope of business they conduct. The Board of Directors is responsible to the shareholders of the Company and exercises its powers in accordance with the laws and regulations, the Articles of Incorporation and the resolutions of the shareholders' meeting. To achieve the best company interests, the members of the Board evaluate the Company's business strategies, risk management, investment plans and other major projects with duties of loyalty and the due care of a good-faith administrator, as well as focus on corporate governance and the implementation of internal control systems.
- (2) The composition of the Company's Board of Directors includes overall consideration of operational judgment, management ability, financial analysis ability, crisis management ability, industry knowledge, international market perspective, ability to lead, and ability to make policy decisions.
- (3) The Company discloses the information on directors' continuing education, attendance at board meetings and directors' remuneration on the Market Observation Post System.
- (4) The Company has established an Audit Committee to supervise the fair expression of the Company's financial statements, the selection (dismissal) and independence and performance of the certified public accountant, the effective implementation of the Company's internal controls, the legal compliance of the Company with relevant orders and regulations, and the control of the Company's inherent or potential risks.
- (5) The Company set up a corporate governance officer on May 6, 2021. On March 11, 2025, the Board of Directors approved the appointment of Ms. Yang, Ya-Ting as the Corporate Governance Officer, effective from April 1, 2025.
- (6) The Company engaged the "Taiwan Association for Board Governance" for an on-site board performance evaluation on September 18, 2025. Please refer to the Company's website and the following table for the external evaluation results.

Appendix: The performance evaluation results of the board of directors and functional committees

Cycle	Period	Scope	Method	Content	Result
Once a year	2025.01.01-2025.12.31	The Performance Evaluation of the Board of Directors	Chairman's evaluation	<ol style="list-style-type: none"> 1. Participation in the operation of the Company. 2. Improvement of the quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of the directors. 5. Internal Control. 	Overall: Excellent Weighted average score: 99.00
Once a year	2025.01.01-2025.12.31	The Performance Evaluation of Board members	Board member's self-evaluation	<ol style="list-style-type: none"> 1. Alignment of the goals and mission of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the Company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal Control. 	Overall: Excellent Weighted average score: 97.60
Once a year	2025.01.01-2025.12.31	The Performance Evaluation of the Audit Committee	Self-evaluation of the Audit Committee	<ol style="list-style-type: none"> 1. Participation in the operation of the Company. 2. Awareness of the duties of the Audit Committee. 3. Improvement of quality of decisions made by the Audit Committee. 4. Composition of the Audit Committee, and election and appointment of committee members. 5. Internal Control. 	Overall: Excellent Weighted average score: 99.67
Once a year	2025.01.01-2025.12.31	The Performance Evaluation of the Remuneration Committee	Self-evaluation of the Remuneration Committee.	<ol style="list-style-type: none"> 1. Participation in the operation of the Company. 2. Awareness of the duties of the Remuneration Committee. 3. The quality of decision making by the Remuneration Committee. 4. Composition of the Remuneration Committee, and election and appointment of committee members. 	Overall: Excellent Weighted average score: 100.00

Once every three yeears	2023.01.01-2025.06.30	Board of Directors	External Evaluation of the Board of Directors	<ol style="list-style-type: none"> 1. Composition and Structure of the Board of Directors 2. Election and continuing education of directors. 3. Degree of the Board's involvement in corporate operations. 4. Enhancement of the quality of Board decision-making. 5. Internal control. 6. Sustainability development. 7. Value creation 	<ol style="list-style-type: none"> 1. The Board of Directors demonstrates a broad and comprehensive range of professional expertise, effectively providing diverse perspectives in decision-making and supporting the Company's long-term sustainable operations and development. 2. Directors actively provide professional opinions and recommendations during Board meetings. Material proposals are subject to thorough discussion, effectively building consensus and enhancing the quality of the Board's decision-making process. 3. The 2024 Sustainability Report was subject to assurance by a well-recognized accounting firm, fully demonstrating the Company's strong commitment to sustainability and its continuous efforts to enhance ESG practices and performance. 4. In addition to effectively performing its internal control and audit functions, the Internal Audit Department proactively identifies initiatives to enhance corporate value (such as pursuing tax refunds). These efforts have significantly improved management functions and are highly commendable.
-------------------------	-----------------------	--------------------	---	---	--

(II) The implementation status of the Audit Committee

The Company established the Audit Committee on June 11, 2018, which consists of three independent directors. For the professional qualifications of the members, please refer to the information on directors and independent directors (2) on pages 13-17 of this annual report. The purpose of the Audit Committee is to oversee the fair presentation of the Company's financial statements, the effective implementation of the internal control system, the hiring (and dismissal), independence (and suitability) of certificated public accountants, the Company's compliance with relevant laws and regulations or management of the existing or potential risks, the deliberation of the "Corporate Governance Risk Management Policy and Operational Procedure Management Regulations", and the matters to be reviewed by the Audit Committee are the matters stipulated in Article 14-5 of the Securities and Exchange Act.

The implementation status of the Audit Committee in 2025 is as follow:

1. Convene the quarterly Audit Committee meeting to oversee that the financial statements present fairly and evaluate the effectiveness of the internal control system.
2. Review the financial statements.
3. Review the endorsement and guarantee cases.
4. Evaluate the independence and the suitability of the CPA.
5. Evaluate whether accounts receivable exceeding normal credit terms or amounts constitute funds lending.
6. Review the proposal for distribution of earnings.
7. Review the capital increase proposal for the subsidiary.
8. Review the proposal on the scope of the Company's entry-level employees.
9. Review the proposal for adjustments to the organizational structure of subsidiaries.
10. Oversight of risk management.

There were five meetings of the Audit Committee in the year 2025, the attendance of independent directors at these meetings was as follows:

Position	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Convener	Cho, Shih-Chao	5	0	100%	
Independent Director	Weng, Wen-Chi	5	0	100%	
Independent Director	Yieh, Kaili	5	0	100%	

Other matters that require reporting:

1. The implementation of the Audit Committee shall state the date and session of the Board meeting, the resolution, independent directors' dissenting opinions, qualified opinions or material recommendations, the results of all Audit Committee meetings, and the Company's response to such results, if any of the following circumstances apply.

(1) Items listed in paragraph 5 of Article 14 of the Securities and Exchange Act.

Audit Committee Meeting Dates	Resolutions	Independent directors' opinions	Results of the Audit Committee's resolution	The Company's handling of the recommendation of the Audit Committee
2025.01.22 The 3rd session The 3rd meeting	<ol style="list-style-type: none"> 1. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 2. Report on the evaluation of the independence and suitability of the CPA. 3. The proposal of the endorsement and guarantee of the Company's subsidiaries. 4. The proposal of The Company's capital increase in subsidiaries. 	None	Except for the fourth proposal, which was referred to the Board of Directors for discussion by the chairman after consulting all directors present, all other proposals were resolved by all directors present.	Except for the fourth proposal, which aligns with the overall operations of the group, did not involve a capital increase in the subsidiary, all other proposals were resolved by all directors present at the Board meeting on January 22, 2025.
2025.03.11 The 3rd session The 4th meeting	<ol style="list-style-type: none"> 1. The proposal of the scope of the Company's entry-level employees. 2. The adoption of the 2024 Business Report and Financial Statements. 3. The proposal of the 2024 Earnings Distribution. 4. The statement of the Internal Control System of the Company. 5. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 6. The proposal for organizational restructuring of the Company's European subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Board meeting on March 11, 2025.
2025.05.09 The 3rd session The 5th meeting	<ol style="list-style-type: none"> 1. The proposal of the Company's consolidated financial statements for the first quarter of 2025. 2. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 3. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Board meeting on May 09, 2025.
2025.08.08 The 3rd session The 6th meeting	<ol style="list-style-type: none"> 1. The proposal of the Company's consolidated financial statements for the second quarter of 2025. 2. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 3. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Board meeting on August 08, 2025.

Audit Committee Meeting Dates	Resolutions	Independent directors' opinions	Results of the Audit Committee's resolution	The Company's handling of the recommendation of the Audit Committee
2025.11.11 The 3rd session The 7th meeting	<ol style="list-style-type: none"> 1. The preparation of the Company's audit plan for 2026. 2. The proposal of the Company's consolidated financial statements for the third quarter of 2025. 3. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 4. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Board meeting on November 11, 2025.
2026.02.10 The 3rd session The 8th meeting	<ol style="list-style-type: none"> 1. The amendments to the "The Method for Evaluating the Independence of the Certified Public Accountants." 2. Evaluation of whether accounts receivable exceeding normal credit terms or amounts constitute funds lending. 3. The amendments to the "Procedures for Acquisition or Disposal of Assets." 4. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Board meeting on February 10, 2026.
2026.03.11 The 3rd session The 9th meeting	<ol style="list-style-type: none"> 1. The adoption of the 2025 Business Report and Financial Statements. 2. The proposal of the 2025 Earnings Distribution. 3. Report on the evaluation of the independence and suitability of the CPAs. 4. The proposal for the change of CPAs. 5. The statement of the Internal Control System of the Company. 6. The proposal for the Company to lease land and factory buildings from Kenfong Industrial Co., Ltd. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Board meeting on March 11, 2026.

(2) Other than the preceding matters, matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the Audit Committee: None.

2. The implementation status of the independent directors' recusal from a resolution in which they may have interests shall include the independent directors' names, the contents of the resolution, the reasons for the recusal and the participation in voting: None.
3. Communication between the independent directors and the internal auditors and the independent auditors (including the major issues, methods and results of communication regarding the financial and operating positions of the Company).

(1) Summary of the communications between the independent directors and the internal auditors for the year 2025 and as of the date of publication in 2026.

Meeting Dates	Content of Communication	Method of Communication	Result of Communication
2025.01.22	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2025.03.11	1. Report on the implementation of internal audits. 2. Discussion on the Statement of the Internal Control System.	Presentation in the meeting	Acknowledged, no further comments.
2025.05.09	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2025.08.08	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2025.11.11	1. Report on the implementation of internal audits. 2. Discussion on the audit plan for 2026.	Presentation in the meeting	Acknowledged, no further comments.
2026.02.10	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2026.03.11	1. Report on the implementation of internal audits. 2. Discussion on the Statement of the Internal Control System.	Presentation in the meeting	Acknowledged, no further comments.

(2) Summary of the communications between the independent directors and the independent auditors for 2025 and as of the date of publication in 2026.

Meeting Dates	Content of Communication	Method of Communication	Result of Communication
2025.03.11	1. Communicate with the corporate governance unit on the audit results of financial statements. 2. Critical audits matters. 3. Management's accounting estimates and accounting principle. 4. Statement of Independence. 5. Non-assurance services projects in 2024.	Presentation in the meeting	Acknowledged, no further comments.
2025.11.11	1. Communicate with the corporate governance unit on the review results of financial statements. 2. Significant accounting policies, accounting estimates, and material events or transactions. 3. 2025 annual audit plan. 4. Critical audit matters.	Presentation in the meeting	Acknowledged, no further comments.
2026.03.11	1. Communicate with the corporate governance unit on the audit results of financial statements. 2. Critical audits matters. 3. Management's accounting estimates and accounting principle. 4. Statement of Independence. 5. Non-assurance services projects in 2025.	Presentation in the meeting	Acknowledged, no further comments.

(III) The state of the Company’s implementation of corporate governance, any variance of such implementation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
I. Does Company follow “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	✓		The Company has established a Corporate Governance Practice Principles in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, which is disclosed on the Market Observation Post System and the Company’s website. (https://www.esg.kenda.com.tw)	No material difference.
II. Shareholding Structure & Shareholders’ Rights				
(I) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters? If yes, has these procedures been implemented accordingly?	✓		The Company has established Rules of Procedure for Shareholders’ Meetings and has a spokesperson and an acting spokesperson to handle the relevant issues.	No material difference.
(II) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		The Company maintains a shareholders’ roster through its shareholder service agent and is controlled by an insider share reporting system.	
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company has established the policy of the supervision and management of the subsidiaries and implemented monitoring in accordance with the regulations. The auditors also periodically visit each subsidiary to monitor and audit the subsidiaries in accordance with the policy.	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		The Company has established the “Regulations on Prevention of Insider Trading” to control the trading of securities by insiders with information that is not yet publicly announced in the market. Every year, according to the actual needs, the Company conducts training on “Prevention of Insider Trading” for employees and insiders. On October 27, 2025, the attorney of the Company was invited to publicize “Prevention of Insider Trading” to officers and employees. The information has been sent to each director and posted on the Company's intranet site for employees' reference.	
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Company established a diversification policy for	✓		The Company has established and implemented a diversification policy in	No material difference.

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
the composition of its Board of Directors and has it been implemented accordingly?			<p>accordance with Article 20 of the "Corporate Governance Principles of Kenda Industrial Co., Ltd.", including basic requirements, professional knowledge, and skills required for directors, such as operational judgment , accounting and financial analysis, management thinking, crisis management, leadership, decision-making ability, sufficient knowledge of the tire industry and global perspective.</p> <p>There are total 11 members on the Board of Directors; of which 18% (2 directors) are employees of the Company, 27% are independent directors (3 directors), 27% are female directors (3 directors), 2 independent director has served for less than 3 years, 1 independent directors have served for 3-6 years, 3 directors are over 70 years old, 4 directors are between the ages of 61 to 70, 2 directors are between the ages of 51 to 60 and 2 are under the age of 50. The directors are all qualified and experienced in conducting the Company's business, and relevant experience is summarized in the page 13-17.</p> <p>The Board of Directors of the Company consists of a wide range of professional backgrounds, and the Company has recruited a wide range of talents to achieve diversity in the Board. The composition of the Board included the chemical and marketing professionals who are related to the Company' s business. The Company selects its directors on a merit basis and without any discrimination. The Company emphasizes gender equality in the composition of the Board of Directors and plans to achieve the goal of female directors accounting for at least one-third of all directors by 2027.</p> <p>The Board of Directors of the Company was re-elected in 2024. Originally, there was one female director, but after the re-election, there are now three female directors, accounting for approximately 27% of the board seats. Currently, female directors still do not reach one-third of the board seats, mainly due to the limited availability of qualified female candidates. However, in 2024, the board added two new female directors and plan to continue actively seeking female directors</p>	

<u>Assessed</u> Items	Implementation Status (Note 1)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?	✓		<p>with the goal of achieving at least one-third female directors by 2027, thereby fostering a more inclusive corporate governance environment.</p> <p>The Company’s Board of Directors approved to set up the Sustainable Development Committee on January 21, 2022. On May 31, 2024, after The Board of Directors of the Company was re-elected, Director Yang, Chia-Ling, Chang, Hong-Der and Lin, Tsung-Chi were elected as members of the second Sustainable Development Committee on June 28, 2024. Yang Chia-Ling was appointed as the chairperson of the committee.</p>	
(III) Does the Company establish a standard to measure the performance of the Board of Directors, and implement it annually? And have the results of performance assessments been submitted to the Board of Directors and used as a reference for the remuneration and continued nomination of individual directors?	✓		<p>On May 11, 2015, the Company established the “Self-Evaluation or Peer Evaluation of the Board of Directors,” and conducted annual performance evaluation to implement corporate governance and enhance the functions of the Board of Directors; the performance evaluation of functional committees was added on November 11, 2020. The original regulation was amended and was changed to the “Self-Evaluation or Peer Evaluation of the Board of Directors and Functional Committees” was established with the Board of Directors’ approval. To enhance the objectivity and independence of the evaluation, the Company approved revisions on August 8, 2025, as resolved by the Board of Directors, explicitly stipulating that an external independent professional institution or a team of experts and scholars may be engaged to conduct the evaluation once every three years. The above provisions have also been duly disclosed on the Company’s website.</p> <p>The Company engaged the Taiwan Association for Board Governance to conduct a professional on-site evaluation on September 18, 2025, and completed the annual evaluation covering the overall Board of Directors, individual directors, and functional committees (including the Audit Committee and the Remuneration Committee) before the end of December of the same year. The evaluation methodology integrates multiple dimensions, including the Board performance self-evaluation, individual director self-assessment, and self-evaluations of each</p>	

<u>Assessed Items</u>	<u>Implementation Status (Note 1)</u>			<u>Non-implementation and its reasons</u>
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		<p>functional committee. The evaluation results were reported to the Remuneration Committee and the Board of Directors on February 10, 2026, and serve as the basis for determining individual directors' remuneration and as an important reference for future nomination and reappointment decisions.</p> <p>The results of the performance evaluation of the Board & Functional Committees, please refer to pages 28-29 of this annual report.</p> <p>The appointment of the Company's independent auditor is approved by the Audit Committee and then proposed to the Board of Directors for resolution. The Company has established "The Method for Evaluating the Independence of the Certified Public Accountants" in 2015. The Company regularly reviews the independence of the certified public accountant (CPA) and discusses it at the Audit Committee and the Board of Directors each year to ensure that the CPAs have no other financial interest or business relationship with the Company other than compensation for audit and taxation cases, and to review whether the CPAs have any familial relationships with the Company's directors, managerial officers, or personnel who have significant influence over the audit engagement, and whether they have served as directors, managerial officers, or held positions with significant influence over the audit work within the past two years. Please refer to the information on accountants' independence assessment on page 44 of this annual report.</p> <p>In order to improve the quality of financial statement audits, the Board of Directors approved the amendment to the "Corporate Governance Best-Practice Principles" on January 17, 2023 by adding the audit quality indicators (AQIs), used to evaluate the suitability of auditors. On March 10, 2023, the Board of Directors approved to change the original "Regulations for Evaluation of CPA Independence" to the "Regulations for Evaluation of Independence and Suitability of CPAs". With reference to the Audit Quality Indicators (AQI), the five major components of the CPA professionalism, quality control,</p>	

<u>Assessed Items</u>	<u>Implementation Status (Note 1)</u>			<u>Non-implementation and its reasons</u>
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			<p>independence, supervision, and innovativeness are included in the evaluation of the CPAs. For the evaluation of the independence and suitability of the CPAs, please refer to page 44-45 of this annual report.</p> <p>The appointment of the Company's Independent Auditors meets the requirements of independence and suitability, and the evaluation results were discussed by the Audit Committee and reported to the Board of Directors on March 11, 2026. The Conformation of Independence for Accountants and Audit Team and the Accountants' Independence and Suitability Evaluation Report are published on the Company's website.</p>	
IV. Does the TWSE/TPEX listed company set up an adequate number of corporate governance personnel with appropriate qualifications and appoint a corporate governance manager responsible for corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders' meetings according to laws, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>The Company's Board of Directors resolved on May 6, 2021, to set up a corporate governance manager and a corporate governance staff. On August 8, 2023, the Board of Directors approved the appointment of Mr. Shen, Jui-Hsiung as corporate governance officer. Mr. Shen, Jui-Hsiung resigned in March 2025. On March 11, 2025, the Board of Directors approved the appointment of Ms. Yang, Ya-Ting as the Corporate Governance Officer, effective from April 1, 2025, to handle matters related to corporate governance in accordance with Article 21 of the "Operation Directions for Compliance with the Establishment of Board of Directors and the Board's Exercise of Powers". The corporate governance officer is responsible for dealing with matters relating to board meetings and shareholders' meetings, producing minutes of board meetings and shareholders' meetings, furnishing information required for business execution by directors, assisting in onboarding and continuing education of directors, and legal compliance in accordance with the law.</p> <p>The implementation status for the year 2025 and 2026 are as follows:</p> <ol style="list-style-type: none"> 1. Deal with matters relating to the board meetings and shareholders' meetings in compliance with the law and organize such meetings. 2. Arrange continuing education courses for directors. 3. Furnish information required for business execution by directors. 4. Review the amendments to the rules and regulations relating to corporate governance. 	No material difference.

<u>Assessed</u> Items	Implementation Status (Note 1)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			<p>5. Enhance the operation and achievement of corporate governance evaluation indicators.</p> <p>6. Arrange communication meetings between independent directors and external auditors.</p> <p>The matters relating to the registration and changes to the registration of the Company are performed by the Finance Department of the Company. Please refer to pages 45-46 of this Annual Report for information on the continuing education of the corporate governance officer.</p>	
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company not only establishes a spokesperson system, but also provides a communication channel for employees, suppliers, customers and other stakeholders to ensure that communication is smooth and that the spokesperson has full control over these communications. The Company has also set up a “Sustainable Development” section and an “Investor Relations” section on the Company’s website to disclose the implementation of the Company’s sustainable development, communication with stakeholders and issues of concern. In addition, the Company has set up a “Contact Us” section on the Company’s website for contact information. Please refer to the Company’s website (https://www.esg.kenda.com.tw/en).	No material difference.
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Transfer Agency of the Company: The Transfer Agency Department of CTBC Bank Co., Ltd. was appointed by the Company to conduct the Annual Meeting of Shareholders.	No material difference.
VII. Information Disclosure				
(I) Does the Company establish a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company’s website has set up a “Corporate Governance” section and a “Financial Information” section to disclose the financial information and corporate governance information in compliance with the law. Please refer to the Company’s ESG website (https://www.esg.kenda.com.tw/en)	No material difference.
(II) Does the Company have other information disclosure channels (e.g. maintaining an English website, designating staff to handle information collection and	✓		The Company has a spokesperson responsible for collecting and disclosing the Company’s information and immediately uploading the information to the Company’s website for public access, and the Company has set up a	

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
disclosure, creating a spokesman system, webcasting investors conferences, etc.)? (III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	spokesperson and implemented a spokesperson system in accordance with the regulations. Relevant information is available on the “Investor Relationship” section of the Company’s website for investors’ reference. The Company’s financial statements and monthly operating results are publicly announced within the prescribed timeframe.	
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> 1. Employee rights: The Company is committed to protecting the rights of the employees with integrity and in compliance with the Labor Standards Act. The Union has been set up to ensure employees’ rights and benefits, in addition to basic benefits such as labor insurance, national health insurance and pension fund allocation, the Company also provides regular health checks and group insurance for the employees. 2. Employee care: The Company considers employees as assets of the Company and cares for them based on the Labor Standards Act. The Company has established a labor union to hold regular labor-management meetings to communicate with the employees and has set up an Employee Welfare Committee to allocate funds on a monthly basis and organize regular employee welfare activities. There are 3 on-site visits per month by occupational medicine doctors. In 2025, the Company invited the specialist physician from the Tung’s Taichung MetroHarbor Hospital to give health lectures on heat hazard prevention and response measures and organize health education seminars. Additionally, factory doctors arranged for injured employees’ evaluation for return to work, workplace hazard assessments for pregnant employees and conducting maternity protection programs. 3. Investor relations: The Company provide investors, analysts and domestic and international investors with the best possible service by making the information available through the Market Observation Post System, the 	No material difference.

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			<p>Spokesperson System and the Investor Relations section on the Company’s website, so that investors can fully understand the Company’s operating results and performance and the direction of its long-term business strategy in real time.</p> <p>4. Supplier relations: The Company promote “green procurement” to strengthen the positive impact on society and the environment from our suppliers. The Company maintains good partnerships with our suppliers based on the principle of equality and reciprocity. The Company has established a stable supply chain and conduct audits from time to time to ensure the quality of products supplied.</p> <p>5. Stakeholders’ rights: Stakeholders may communicate and make suggestions to the Company in order to protect their legitimate rights and interests. The Company has also established rules governing the activities that employees may engage in with the stakeholders of the Company.</p> <p>6. Continuing education of directors, financial officers, corporate governance managers, and internal auditors: The continuing education hours of the Company’s directors, financial officers and internal auditors are all in compliance with the requirements for continuing education (please refer to pages 45-46 of the 2025 Annual Report).</p> <p>7. The implementation of risk management policies and risk evaluation measures: The Company's risk management matters are supervised by the audit committee, and the corporate governance group is responsible for formulating risk management policies, ensuring the implementation of risk management policies approved by The Board of Directors, and reporting to the Audit Committee and the Board of Directors on November 11, 2025 on the implementation of risk management operations. Please refer to pages 121-126 of this annual report for relevant risk issues of concern, the response measures and action plans.</p> <p>8. The implementation of customer relations policies: The Company maintains a steady and good relationship with all the customers to create win-win relationships.</p>	

<u>Assessed</u> Items	Implementation Status (Note 1)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			9. The implementation of purchasing insurance for directors: The Company has purchased liability insurance for the directors, the coverage of which is up to June 2026, and has reported to the Board of Directors.	
<p>IX. Please explain the improvements which have been made in accordance with the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and the priority enhancement measures. (This information is not required for companies not listed in the assessment.)</p> <p>The 2024 Sustainability Report has completed external assurance. The 2025 Sustainability Report will conduct assurance, and the English version of the Quarterly Financial Report is available on the Company's website (https://www.esg.kenda.com.tw/en)</p>				
<p>X. The succession plans of the Board of Directors and key management personnel of the Company are as follows:</p> <p>(I) Succession Plan for Board Members</p> <p>In accordance with the Articles of Incorporation, the Company shall have seven to eleven directors, of whom at least three shall be independent directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The Company shall adopt the nomination system to elect the board members in accordance with Article 192 of the Company Act. The members of the Board of Directors should have professional experience in business, law, finance, accounting, or corporate operation that meets the criteria of the Company's business strategies. In response to global sustainable development trends, the Company has strengthened the Board of Directors' effectiveness in guiding sustainability strategies, including corporate governance, environmental protection, social responsibility, and occupational health and safety. This enhancement ensures that Board members can provide substantive contributions to the Company's long-term business objectives. In addition, the Company regularly arranges annual continuing education programs for directors (please refer to pages 45–46 of this Annual Report), covering forward-looking topics such as sustainability transformation, geopolitical risk management, and smart manufacturing, with the aim of enhancing the quality of decision-making.</p> <p>Succession Planning and Nomination Mechanism for Directors:</p> <p>The Company conducts systematic succession planning and maintains a talent pipeline for Board candidates through structured evaluation and nomination procedures, as outlined below:</p> <ol style="list-style-type: none"> 1. Establishment of a diversified talent pool: <ol style="list-style-type: none"> (1) Nomination by incumbent directors: Current directors recommend outstanding candidates with forward-looking industry perspectives, international market insights, or ESG expertise, in alignment with the Company's development vision. (2) Shareholder nomination mechanism: Candidates recommended by shareholders are also considered to ensure that the composition of the Board reflects a balanced representation of stakeholder perspectives. 2. Performance-based re-election evaluation: <p>In accordance with the Company's "Regulations for Performance Evaluation of the Board of Directors," directors' participation, professional contributions, and alignment with corporate culture are used as key indicators for re-nomination, thereby maintaining an effective and high-performing Board.</p> 3. Professional development of succession pipeline: <p>Potential successor candidates are developed through participation in key decision-making meetings, appointment to committee roles, or involvement in specific strategic</p> 				

<u>Assessed</u> Items	Implementation Status (Note 1)		Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	
<p>projects. These measures deepen their understanding of the rubber industry value chain and the Company’s global deployment strategies, ensuring a smooth and orderly succession process.</p> <p>(II) Succession Plan for Key Executives</p> <p>The Company has established a comprehensive succession plan for key management personnel to ensure sustainable operations and leadership continuity. The key implementation measures are as follows:</p> <ol style="list-style-type: none"> 1. Systematic talent development mechanism: Through cross-functional executive rotations and the assignment of strategic projects, the Company enhances candidates’ holistic perspectives and decision-making capabilities. In addition, a formal deputy system is implemented and embedded into daily operations to ensure seamless continuity of managerial functions. 2. Multi-dimensional competency training: Regular internal and external training programs are provided for management personnel and their designated deputies. In addition to strengthening industry expertise, core programs focus on strategic judgment, change management, and crisis response capabilities, thereby enhancing overall decision-making quality and organizational resilience. 3. Talent pool and selection mechanism: In alignment with the Company’s mid- to long-term vision, a dynamic talent pool is established. Key successor candidates are identified through performance evaluations and competency assessments, and targeted development plans are implemented to address capability gaps. 4. Mentorship and corporate culture inheritance: Senior executives serve as mentors to pass on core values and industry experience, ensuring the continuity of the Company’s corporate culture and core competencies, and fostering a strong pipeline of high-quality leadership talent to support long-term growth. 			

2026 Evaluation Form on the Independence and Suitability of Certified Public Accountant (CPA)

Evaluation of appointed firm and accountants: Deloitte & Touche Taiwan/ Chiang, Shu-Ching / Chang, Li-Chun

Appendix 1: Evaluation Form on the Independence of Certified Public Accountant (CPA)

Assessed Items		Result		Description
		Yes	NO	
1.	There is no direct or significant indirect financial interest relationship between the CPAs and the Company.	✓		
2.	There is no significant and close commercial relationship between the CPAs and the Company.	✓		
3.	There is no potential employment relationship between the CPAs and the Company during the audit.	✓		
4.	The CPAs have no lending or borrowing relationship with the Company.	✓		
5.	The CPAs do not hold any shares of the Company.	✓		
6.	The CPAs have not provided audit services to the Company for more than seven consecutive years.	✓		
7.	The CPAs and their audit team members regularly participate in evaluations conducted by professional associations or other relevant organizations, and strictly adhere to the principles of integrity, objectivity, and independence.	✓		
8.	Whether the CPAs or their audit team members have served as Directors, Officers, or held influential positions in the Company currently or within the past two years.		✓	
9.	Whether the CPAs defended the Company or represented the Company in negotiations during a dispute with a third party.		✓	
10.	Whether the CPAs have complied with the independence requirements of "The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10" and have provided a "Statement of Independence."	✓		

Appendix 2: Evaluation Form on the Suitability of Certified Public Accountant

Assessed Items		Result		Description
		Yes	NO	
Professionalism	Whether the audit experience of the CPAs and audit staff is sufficient compared to the industry average to perform audit engagements effectively.	✓		
	Whether the professional education and training received by the CPAs and audit staff are sufficient, compared to the industry average, to ensure the continuous acquisition of professional knowledge and skills.	✓		
	Whether the firm maintains sufficient senior human resources compared to the industry average, considering its staff turnover rate.	✓		
	Whether the firm possesses sufficient professional support staff (excluding auditors) compared to the industry average to assist the audit team.	✓		
Quality Control (QC)	Whether the CPA's workload is reasonable and not excessive compared to the industry average.	✓		
	Whether the level of involvement of audit team members across various stages of the audit is appropriate compared to the industry	✓		

	average.			
	Whether the Engagement Quality Control Review (EQCR) partner devotes sufficient review hours to the audit engagement compared to the industry average.	✓		
	Whether the firm possesses sufficient quality control personnel compared to the industry average to provide adequate support to the audit team.	✓		
Independence	Whether the proportion of fees for non-audit services provided by the firm to the Company does not impair auditor independence.	✓		
	Whether the cumulative years of audit service provided by the firm to the Company do not affects their independence.	✓		
Oversight	Whether the firm's quality control system and individual audit cases are executed in accordance with relevant laws, regulations, and auditing standards.	✓		
Innovation	Whether the accounting firm is committed to enhancing audit quality, including the adoption of or planning for initiatives or investments aimed at improving audit quality.	✓		

Appendix 3: The progress of continuing education of directors, supervisors, financial supervisors, corporate governance officer, and internal auditors in 2025.

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Chairman	Yang, Chi-Jen	2025.07.09	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Vice Chairman	Chang, Hong-Der	2025.07.09	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director	Yang, Ying-Ming	2025.10.31	Taiwan Stock Exchange Corporation	2025 Legal Compliance Briefing on Insider Equity Transactions	3
Director	Yang, Ying-Ming	2025.07.20	Taipei Exchange	Practicing Sustainable Development within the TPEX Market	3
Director	Chen, Chao-Jung	2025.06.20	Cathay United Bank Taiwan Academy of Banking and Finance	2025 Corporate Governance Seminar for Directors	3
Director	Chen, Chao-Jung	2025.03.19	UBS Group AG Taiwan Academy of Banking and Finance	2025 Corporate Governance and Sustainable Management Workshop	3
Director	Lin, Chien-Liang	2025.10.03	Taiwan Stock Exchange Corporation	2025 Legal Compliance Briefing on Insider Equity Transactions	3
Director	Lin, Chien-Liang	2025.10.01	Cathay United Bank Taiwan Academy of Banking and Finance	2025 Corporate Governance Seminar for Directors: Navigating Change, Advancing Together	3
Director	Yang, Chia-Ling	2025.06.10	BCSD Taiwan Taiwan Stock Exchange Corporation	2025 CDP Taiwan Conference	3
Director	Yang, Chia-Ling	2025.04.23	Taiwan Investor Relations Institute	Taiwan's Future in a Changing Global Order	3

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Director	Lin, Tsung-Chi	2025.07.09	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Director	Yang, Ying-Yuan	2025.07.09	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Cho, Shih-Chao	2025.08.26	Accounting Research and Development Foundation	2025 ESG Summit	6
Independent Director	Weng, Wen-Chi	2025.10.15	Taiwan Corporate Governance Association	Strengthening Regulatory Compliance to Ensure Sustainable Operations	3
Independent Director	Weng, Wen-Chi	2025.04.14	Taiwan Corporate Governance Association	An Analysis of the Trump Administration's Trade and Economic Strategy	3
Independent Director	Yieh, Kaili	2025.06.19	Securities & Futures Institute	The Space Technology Boom: B5G, 6G, and the Development Trends of Low Earth Orbit (LEO) Satellite Technologies	3
Independent Director	Yieh, Kaili	2025.06.19	Securities & Futures Institute	Trump 2.0: Corporate Strategies for Global Tax Reform and Supply Chain Restructuring	3
Financial Officer	Liu, Kuei-Chun	2025.05.15 2025.05.16	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuers, Securities Dealers and Stock Exchanges (Finance, Accounting, Professional Ethics and Liability)	12
Corporate Governance Officer	Yang, Ya-Ting	2025.10.31	Taiwan Stock Exchange Corporation	2025 Legal Compliance Briefing on Insider Equity Transactions	3
Corporate Governance Officer	Yang, Ya-Ting	2025.08.15	BCSD Taiwan Taiwan Stock Exchange Corporation	CDP Alignment with IFRS S2: Analytical & Promotional Seminar — Strengthening Climate-Related Disclosures to Enhance Corporate Climate Resilience	6
Corporate Governance Officer	Yang, Ya-Ting	2025.07.09	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Auditing Supervisor	Hsieh, Yu-Huang	2025.12.11	The Institute of Internal Auditors-Chinese Taiwan	Practical Seminar on Digital Transformation in Internal Audit	6
Auditing Supervisor	Hsieh, Yu-Huang	2025.07.15	The Institute of Internal Auditors-Chinese Taiwan	Legal Liability Analysis of Greenwashing and Misleading Sustainability Reports	6
Internal Auditor	Chen, Yu-Jui	2025.10.13	The Institute of Internal Auditors-Chinese Taiwan	Risk-Based Internal Audit: Methods and Practices	6
Internal Auditor	Chen, Yu-Jui	2025.08.05	The Institute of Internal Auditors-Chinese Taiwan	Data Integration and Analysis with Power BI	6

(IV) The composition, duties and operation of the Remuneration Committee:

1. The Company's Remuneration Committee is responsible for periodically reviewing the Company's directors' and managers' performance assessment standards, the annual and long-term performance goals, and the policies, systems, standards and structure of remuneration. Also, periodically assessing the degree to which performance goals for the directors and managerial officers of the Company have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.

The performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company.

2. Information on the members of the Remuneration Committee:

Status (Note 1)	Name	Requirements	Professional Qualifications and Experiences (Note 2)	Independence Analysis (Note 3)	Number of other public companies in which the individual is concurrently serving as a member of remuneration committee
Independent Director (Convener)	Cho, Shih-Chao	Please refer to page 13-17 of the 2025 Annual Report for <u>Information on Directors and Independent Directors</u> (2)		Eligible for independence.	1
Independent Director	Weng, Wen-Chi	Please refer to page 13-17 of the 2025 Annual Report for <u>Information on Directors and Independent Directors</u> (2)		Eligible for independence.	1
Independent Director	Yieh, Kaili	Please refer to page 13-17 of the 2025 Annual Report for <u>Information on Directors and Independent Directors</u> (2)		Eligible for independence.	0

(1) Members of the Remuneration Committee all have qualified working experience in business, legal, finance, accounting or business related to the Company.

(2) Members of the Remuneration Committee, together with the person's spouse and second degree of kinship, are not directors, supervisor or employees of the Company and the affiliates of the Company.

(3) Members of the Remuneration Committee are not directors, supervisor or employees of the associates of the Company.

(4) Members of the Remuneration Committee did not provide business, legal, finance and accounting services to the Company and its affiliates to earn remunerations in the past two years.

Note 1: Please specify the relevant years of work experience, professional qualifications, and status of independence of each member of the

Remuneration Committee in the table. In case the person is an independent director, “please refer to pages XXX for profile on the directors” may be denoted, and please fill in either independent director or others in the ID column (please mark “convener” if the person is convener of the committee).

Note 2: Professional Qualifications and Experiences: Please specify the professional qualifications and experiences of each member of the Remuneration Committee.

Note 3: Independence Criteria: Please specify whether conditions of independence have been met, including but not limited to: whether the independent director, the person’s spouse, or relative within the second degree of kinship have served as a director, supervisor, or employee of the Company or its affiliates; the number and ratio of the Company’s shares held by the person, the person’s spouse, relatives within the second degree of kinship, or held by the person under other’s names; whether the person has served as a director, supervisor, or employee in a company with specific relations with the Company (refer to regulations from Subparagraph 5 to 8 in Article 6-1 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose stock is listed on the Taiwan Stock Exchange or the Taipei Exchange); and compensations received for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.

3. Information on the operation of the Remuneration Committee

(1) There are three members in the Remuneration Committee of the Company.

(2) The term of office: From June 28, 2024 to May 30, 2027.

(3) Attendance: During the period from January 1, to March 31, 2026, the Remuneration Committee met twice and all members were present at the meetings in person. The Remuneration Committee met twice in 2025, with an average attendance rate of 100%, and the attendance of members was as follows:

There were two meetings held for the Remuneration Committee in 2025, with the following attendance:

Position	Name	Attendance in Person	Attendance by proxy	Attendance Rate in Person (%)	Remarks
Convener	Cho, Shih-Chao	2	0	100%	
Independent Director	Weng, Wen-Chi	2	0	100%	
Independent Director	Yieh, Kaili	2	0	100%	

Other matters that require reporting:

1. If the Board of Directors does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date and period, the content of the resolution, the result of the resolution and the Company’s handling of the recommendation of the Remuneration Committee (if the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.
2. Matters resolved by the Remuneration Committee in 2025, where the members expressed objections or reservations on the committee’s resolutions, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion should be specified: None.

Meeting dates of the Remuneration Committee	Resolutions	Result of the resolutions	The Company's handling of the recommendation of the Remuneration Committee
2025.01.22 The 6th session The 2nd meeting	<ol style="list-style-type: none"> 1. Report on matters resolved by the last Remuneration Committee meeting. 2. The results of the performance evaluation of the Board & Functional Committees. 3. Discussion on the payment of the year-end bonus for the managerial officers and executive directors. 4. Discussion on salary adjustments of the managerial officers and executive directors. 5. Discussion on The Company's managerial promotions 	<p>Discussion</p> <p>RESOLVED by all directors present.</p>	<p>On January 22, 2025, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the Board meeting approved the resolution.</p>
2025.03.11 The 6th session The 3rd meeting	<ol style="list-style-type: none"> 1. Report on matters resolved by the last Remuneration Committee meeting. 2. Discuss the distribution of the remuneration to employees and directors of the Company for the year 2024. 3. The proposal of the individual directors' remuneration. 4. The distribution of remuneration to the managerial officers and executive directors. 5. Discussion on the change of the corporate governance officer. 	<p>Discussion</p> <p>RESOLVED by all directors present.</p>	<p>On March 11, 2025, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the Board meeting approved the resolution.</p>

3. Matters resolved by the Remuneration Committee in 2026, where the members expressed objections or reservations on the committee's resolutions, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinions should be specified: None.

Meeting dates of the Remuneration Committee	Resolutions	Result of the resolutions	The Company's handling of the recommendation of the Remuneration Committee
2026.02.10 The 6th session The 4th meeting	<ol style="list-style-type: none"> 1. Report on matters resolved by the last Remuneration Committee meeting. 2. The results of the performance evaluation of the Board & Functional Committees. 3. Discussion on the payment of the year-end bonus for the managerial officers and executive directors. 4. Discussion on salary adjustments of the managerial officers and executive directors. 5. Proposal for the confirmation of the appointment of the acting president of the Company 	<p>Discussion</p> <p>RESOLVED by all directors present.</p>	<p>On February 10, 2026, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the Board meeting approved the resolution.</p>
2026.03.11 The 6th session The 5th meeting	<ol style="list-style-type: none"> 1. Report on matters resolved by the last Remuneration Committee meeting. 2. Discuss the distribution of the remuneration to employees and directors of the Company for the year 2025. 3. The proposal of the individual directors' remuneration. 4. The distribution of remuneration to the managerial officers and executive directors. 	<p>Discussion</p> <p>RESOLVED by all directors present.</p>	<p>On March 11, 2026, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the Board meeting approved the resolution.</p>

(V) Sustainable Development Implementation, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		<p>1. On January 21, 2022, the Board of Directors approved the establishment of the “ESG Committee”, and appointed three directors as members of this Committee.</p> <p>The Committee has set up several functional teams, including the Corporate Governance Team, the Environmental Safety and Health Team, and the Employee Relations and Social Engagement Team. These teams lead the Company in the implementation of environmental protection and energy conservation (E), social responsibility and care (S), and corporate governance and risk control (G), extending the strategy of sustainable development throughout the group and across the industry and supply chains. In addition to creating profits and enhancing international competitiveness, the Company also complies with government regulations to bear the liability for environmental protection, mitigating the environmental risks arising from climate change and related social responsibilities to promote sustainability. The results are presented in a data-driven manner in the sustainability report, allowing stakeholders, including employees, investors, suppliers, government, and the general public, to better understand of the performance of the Company's sustainable management.</p> <p>2. The Committee holds regular meetings and reports to the Board of Directors at least once a year on the performance results and the work plan for the next year and reviews the annual sustainability report. A total of 4 meetings were held in 2025, and the agenda included (1) review of the performance of sustainable development indicators (2) supervision of the implementation of sustainability-related issues (3) revision of sustainable management goals and policies.</p> <p>The Company’s 2024 Sustainability Report was approved by the Board of Directors on August 8, 2025; 2025 Sustainability Report will be submitted to the Board of Directors for approval by the end of August 2026.</p> <p>3. The ESG Committee proposes the Company's sustainable development strategy, and the board of directors regularly reviews the progress of the strategy and provides recommendations to the committee for adjustments in a timely manner.</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy in accordance with the materiality principle? (Note 2)	✓		<ol style="list-style-type: none"> 1. Boundary of risk assessment is mainly based on the region where the Company and its subsidiaries are located. 2. The Company’s “Corporate Governance Risk Management Policy And Operating Procedures” adopted by the Board of Directors on November 9, 2022 stipulate the following: In order to effectively identify and control risk events that affect the Company’s objectives and sustainable operations, the Company’s Risk Management Team conducts risk assessments on environmental, social and corporate governance issues related to the Company’s operations in accordance with the principle of materiality, and establishes relevant management policies and management indexes based on the assessed risk results, which are carried out by the relevant management units and the highest authority. 3. On November 8, 2023, the Board of Directors amended the “Corporate Governance Risk Management Policy and Operating Procedures”, and the Company's risk management organizational structure includes the Audit Committee and the Corporate Governance Team. 4. The risks arising from the above procedures are summarized as follows: <ol style="list-style-type: none"> (1) Extreme Weather Events (2) Economic Downturn (3) Erosion of Human Rights and/or Civic Freedoms (4) Employee Risks (5) Changes in Customer Behavior (6) Rising Raw Material Costs (7) Occupational Safety, Health and Environmental Risks (8) Innovation Risks 	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			(9) Customer Relationship Risks (10) Operational Risks (11) Supply Chain Risks (12) Regulatory Compliance Risks For risk management concerns, response measures and action plans, please refer to the pages 121-126 of the Company's 2025 Annual Report.	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on the industry characteristics?	✓		1. In order to achieve the goal of sustainability, the Company has established the "Environmental Safety and Health Policy" to continuously improve environmental safety and health performance, with "Zero Disaster, Zero Pollution" as the ultimate goal for environmental protection and safety and health efforts. The Company has set annual targets for its environmental health and safety management system, and is committed to continuously improving environmental protection and health and safety management to reduce environmental impacts and improve environmental health and safety in the Company. 2. The Company has ISO 14001:2015, ISO 45001:2018, CNS 45001:2018, and ISO 50001:2018. (1) The validity period of ISO 14001:2015 is from 2026.01.17 to 2029.01.16 (2) The validity period of ISO 45001:2018 is from 2023.11.02 to 2026.11.01. (3) The validity period of CNS 45001:2018 is from 2023.11.02 to 2026.11.01. (4) The validity period of ISO 50001:2018 is from 2023.12.05 to 2026.12.04.	No material difference.
(II) Is the Company committed to improving the resources utilization and the use of renewable materials that have low impact on the environment?	✓		The Company actively promotes five key approaches to energy conservation and carbon reduction, including energy transition, process improvement, electricity efficiency enhancement, fuel efficiency optimization, and waste detection, with the aim of minimizing environmental impact and achieving sustainable operations.	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>In addition, the Company has disclosed environmental protection strategies, such as energy conservation and greenhouse gas reduction, on its website and periodically published the tracking results.</p> <p>The Company has been certified to ISO 50001:2018 management system and is committed to continue to improve energy efficiency.</p> <p>The Company also actively introduces recycled materials, such as recycled rubber and recycled carbon black.</p>	
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take action on climate-related issues?	✓		Please refer to climate-related information on the pages 64-73 of the 2025 Annual Report.	No material difference.
(IV) Does the Company collect data for greenhouse gas emissions, water usage, and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction, and other waste management policies?	✓		<ol style="list-style-type: none"> 1. For annual carbon dioxide emissions, total water consumption, and general waste generation for the last two years: Please refer to sections “3.2 Energy and Greenhouse Gas Emissions Management,” “3.3 Water Resources Management,” and “3.4 Waste Management” of the 2025 Sustainability Report. 2. For the Company's greenhouse gas reduction targets and policies, please refer to the climate-related information on the pages 64-73 of the 2025 Annual Report. 3. For the Company's policy on water consumption reduction and other waste management, please refer to sections “3.3 Water Resources Management” and “3.4 Waste Management” of the 2025 Sustainability Report 	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
<p>IV. Social Issues</p> <p>(I) Does the Company formulate appropriate policies and procedures in compliance with relevant regulations and the International Bill of Human Rights?</p>	✓		<p>The Company is committed to protecting employees' human rights, and recognizes and supports internationally recognized human rights standards such as "United Nations Global Compact", "United Nations Universal Declaration of Human Rights", and "ILO Declaration on Fundamental Principles and Rights at Work". The Company takes practical action to demonstrate its responsibility to respect and protect human rights, abide by the local labor and gender equality applicable laws and regulations, and put an end to any violations of human rights. For related human rights policies, please refer to the pages 109-115 of the 2025 Annual Report.</p> <p>The Company is committed in protecting the employees' rights and complying with the Labor Standards Act and other government's human rights policy by the "Regulations for the Probation and Appointment of New Employees." The Company not only implements the policy but also sets up a variety of communication channels and management mechanisms to ensure that all employees are well protected so that the Company can create a respectful, caring and human rights-protective working environment.</p> <p>The Company has set up a smooth communication mechanism to assist employees in resolving issues related to personal rights or unfair treatment at work. The Company is committed to ensure that employees' opinions are addressed immediately, so that communications throughout the workplace are hassle-free. If an employee is harassed in the workplace causing his/her personality, personal freedom, dignity, or work to be invaded or interfered with, he/she may file a complaint with the employer, supervisor, or HR unit. To ensure the mental and physical health of employees and compliance with the Labor Standards Act, the Company does not employ child labor and persons over the age of 16 and under the age of 18 in dangerous or hazardous work.</p>	No material difference.
<p>(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?</p>	✓		<p>The Company believe that employees are the most valuable asset for the Company and the Company is committed to share the profits with all the employees; the Company is also dedicated to provide a perfect working environment and system by setting rules for calculating the salary, special leave, regulations on employees' leave of absence, and regulations on employees' retirement management. Please refer to the pages 112-113 of the 2025 Annual Report for other related benefits. The monthly performance bonuses are paid based on the performance achievement rate as evaluated.</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>Article 27-1 of the Company's Articles of Incorporation stipulates that employees' remuneration shall be distributed at a rate of not less than 0.5% of the Company's earnings for the year, of which no less than 0.5% of the profits for the year shall be allocated to entry-level employees. The Board of Directors' Meeting on March 11, 2026, approved the employees' remuneration in the amount of NT\$1,482,557, and the entry-level employees' remuneration in the amount of NT\$1,135,014 for 2025.</p> <p>The Company provides monthly employee performance bonuses based on the overall operating performance (e.g. pre-tax net profit growth rate, profitability growth rate, and group overconsumption rate), and also provides reasonable compensation based on individual performance and contribution to the Company's overall performance (e.g. frequency of disability injuries, daily closing speed, trial production and development, overhead expense ratio, yield rate, and reduction in waste rate).</p>	
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		<p>Pre-employment training is arranged for new employees, including training in equipment operation and work environment safety. The Company also provides health lectures on topics such as understanding the results of health checks, dementia, and the treatment and prevention of ergonomic hazards and heat hazard to raise employees' awareness of physical and mental health. Additionally, the Company also organizes professional certification training for staff working on specific tasks.</p> <p>The Company is ISO 45001:2018 certified and follows the ISO 45001 occupational safety and health management system to promote the on-site implementation of occupational safety and health management, This includes conducting regular inspections on workplaces, implementing contract management, introducing a false alarm reporting system, conducting activities for safety, managing toxic chemical substances, and holding regular training on safety and health. It is the Company's responsibility to provide a working environment that satisfies the legal and client requirements through continuous improvement based on the PDCA management cycle for employees and their families.</p> <p>The Company regularly holds seminars on employee safety and conducts safety inspections for the working environment, prepares a manual on safety and hygiene practices. The safety and health work rules have been prepared for all employees, and management staff have been required to attend work safety-related courses; the Company has also allocated funds to</p>	No material difference.

Assessment Item	Implementation Status (Note 1)		Non-implementation and its reasons												
	Yes	No		Summary and Explanation (Note 2)											
			<p>improve the safety and environmental facilities in the factory.</p> <p>The safety and health education includes:</p> <ol style="list-style-type: none"> In accordance with the Occupational Safety and Health Education and Training regulations, the Company provides training for new employees and conducts plant-wide fire drills for all employees. In addition, relevant training programs are provided for supervisors, on-site personnel, special operation workers, pre-job training before first assignment, and occupational safety and health personnel. <p>In 2025, the total number of training sessions for occupational safety and health, environmental protection, and fire safety reached 13,208 participants, totaling 16,875 training hours.</p> <ol style="list-style-type: none"> 2025 Employee Occupational Injuries Statistics: <table border="1" data-bbox="826 901 1583 1098"> <thead> <tr> <th>Item</th> <th>Yuanlin Factory</th> <th>Yunlin Factory</th> </tr> </thead> <tbody> <tr> <td>Number Of Occupational Injuries</td> <td>5</td> <td>15</td> </tr> <tr> <td>Disabling Injury Frequency Rate (FR)</td> <td>2.21</td> <td>7.63</td> </tr> <tr> <td>Disabling Injury Severity Rate (SR)</td> <td>48</td> <td>112</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Improvements for occupational accidents: <ol style="list-style-type: none"> Conducted a comprehensive inspection of all machinery and equipment to identify potential pinch and entanglement points and reviewed the adequacy of safety protection measures. Units were required to implement improvements where deficiencies were identified. Prior to machinery modification, installation of additional equipment, or changes in 	Item	Yuanlin Factory	Yunlin Factory	Number Of Occupational Injuries	5	15	Disabling Injury Frequency Rate (FR)	2.21	7.63	Disabling Injury Severity Rate (SR)	48	112
Item	Yuanlin Factory	Yunlin Factory													
Number Of Occupational Injuries	5	15													
Disabling Injury Frequency Rate (FR)	2.21	7.63													
Disabling Injury Severity Rate (SR)	48	112													

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>operational procedures, hazard identification and risk assessment are conducted in advance. Relevant units are required to implement corrective actions to reduce the likelihood of occupational accidents.</p> <p>4. There are no fire incidents and zero casualties in 2025, so the fatality-injury ratio is 0. Fire prevention and emergency response fire drills are held by the regional fire departments every year. Fire prevention administrators and security personnel are assigned to supervise and manage fire prevention operations.</p>	
(IV) Has the Company established effective career development training plans?	✓		<p>The training program includes pre-employment training for new employees, on-the-job orientation training for new employees, and training for new technical personnel; training for current employees and supervisors by level (common category and core competencies), training for management competencies, training for departmental projects (common category) and professional competencies, succession training programs for senior executives, and self-directed training programs. The Company have offered a wide range of training opportunities and related incentives and subsidies to encourage employees to actively learn in order to improve competitiveness within the organization.</p> <p>The Company regularly organizes new employee orientations, general (core competencies) training, management competency training, project(competency) training, self-training, etc. every year to provide a variety of training courses that are linked to job promotion and serve as criteria for evaluating promotion standards. Please refer to pages 63 of the 2025 Annual Report for the employee training roadmap.</p>	No material difference.
(V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling, etc., and has the Company set polices and consumer appeal procedures to protect consumers' and clients' rights?	✓		<p>1. In accordance with the IATF 16949 Automotive Quality Management System, the Company conducts all required testing and reviews at each stage, including product planning, product design, prototype development, pilot production, and mass production, to ensure that products meet the objectives set during the product planning stage and to guarantee product quality and safety. In product design, the Company considers regulatory requirements related to product safety, marketing, and labeling in different countries. Depending on the product category, performance testing requirements include high-speed endurance testing, bead unseating resistance testing, bead resistance testing, and hydrostatic burst testing. In addition, marketing and labeling must provide consumers with clear and sufficient information to select suitable tires and ensure proper usage. For</p>	No material difference.

Assessment Item	Implementation Status (Note 1)		Non-implementation and its reasons
	Yes	No	
			<p>products exported to the European Union, compliance with E-Mark R117 regulations regarding rolling resistance, wet grip performance, and external rolling noise, as well as REACH requirements, is also required. After mass production, products are subject to regular internal sampling inspections and evaluations to ensure that product quality continues to meet design objectives. In accordance with the internal management review procedures under IATF 16949 and ISO 9001, the Company conducts annual PDCA effectiveness evaluations based on the number of violations of product safety and regulatory requirements imposed by local authorities. In 2025, there were no cases of violations of laws and regulations in the products and services provided by the Company, achieving its established objectives.</p> <p>2. Regarding customer privacy, the Company strengthens the security management of various information to ensure the confidentiality, integrity and availability of information to meet business operation needs. In accordance with Corporate Personal Data Management regulations, the Company has established a personal data monitoring checklist and conducts inventories in the following four major areas to effectively implement the regulations and maintain customer privacy.</p> <p>(1) Each unit shall establish the inventory list for control.</p> <p>(2) Feedback on additional personal data.</p> <p>(3) Orientation training.</p> <p>(4) Feedback on disclosure of personal data.</p> <p>The Company also conducts annual personal data governance reviews. From 2018 to 2025, there have been no incidents of personal data breaches or violations of applicable laws, regulations, or international standards.</p> <p>3. The Company set up a “Sustainable Development” (stakeholder information) section on our website (https://www.esg.kenda.com.tw/en) and have established rules for managing customer complaints and after-sales service. The Quality Assurance Department is assigned to handle the consumer protection and the customer complaints, and to conduct the customer satisfaction survey and set up a free customer service telephone number: 0800-048-888.</p>

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
(VI) Does the company establish a supplier chain management policy that requires suppliers to follow and implement related issues on environmental protection, occupational safety and health, or labor rights?	✓		<p>The Company has established rules for the evaluation of suppliers. In addition to the quality, delivery, supply status, operational performance, and service capability, the evaluations of environmental protection, labor practices, human rights, anti-corruption, and other aspects are also considered. New suppliers must provide a “Supplier Basic Information Questionnaire” with a “Declaration of Confirmation of Environmentally Hazardous Substances and Conflict Minerals”, a “Supplier Sustainable Development Statement”, and samples (including SDS Safety Data Sheet) for investigation and evaluation. The aforementioned documents include basic supplier information, contact person, factory information, certified system, product certification, declaration of environmentally hazardous substances and non-use of conflict minerals, and sustainability practices (legal compliance, labor rights, environmental protection and code of ethics, etc.). Meanwhile, the suppliers shall have at least ISO 9001 quality certification or IATF 16949 quality system certifications. Only after the department responsible conducts an investigation and evaluates the materials as satisfactory can the supplier be listed as a qualified supplier for the Company.</p> <p>Since 2016, the Company has conducted corporate social responsibility (CSR) assessments and communication with its suppliers, and has carried out CSR surveys for all suppliers.</p> <p>As of 2025, the response rate of long-term domestic and international suppliers with stable business relationships reached 94.09%. The Company will continue to promote and enhance the response rate for sustainability questionnaires and declarations.</p> <p>Suppliers that fail to meet the required standards are required to implement corrective actions within a specified timeframe; otherwise, they will not be qualified as approved suppliers of the Company.</p>	No material difference.
V. Does the Company comply with international standards or guidelines for preparing corporate social responsibility or non-financial related reports? Have the previous released reports been verified by third-party certification entity	✓		<p>The Company prepares its Sustainability Report in accordance with the GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the standards of the Sustainability Accounting Standards Board (SASB).</p> <p>The Report is also prepared in compliance with the “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies” and the “Regulations Governing the</p>	No material difference.

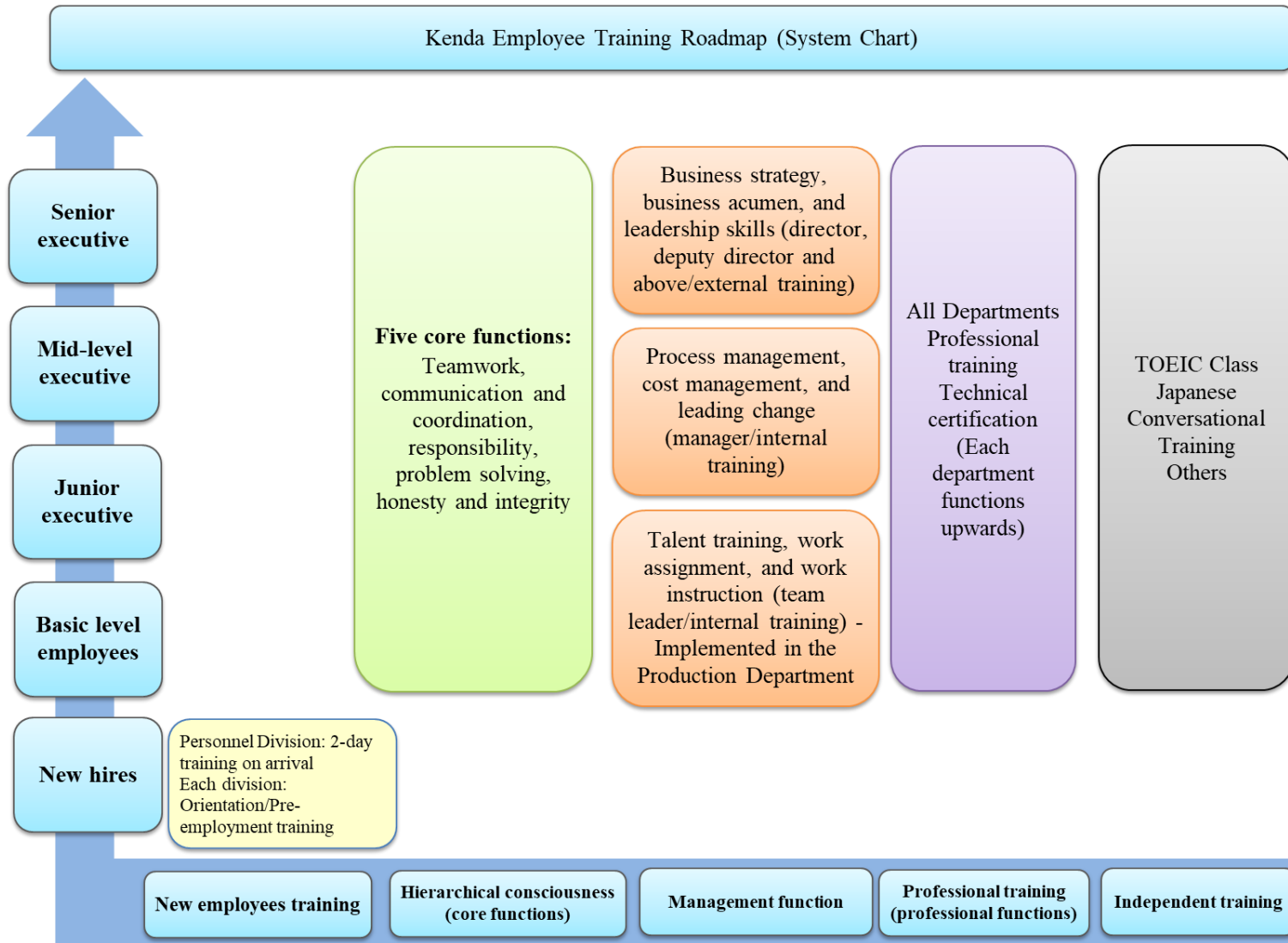
Assessment Item	Implementation Status (Note 1)		Non-implementation and its reasons
	Yes	No	
with assurance or opinion statements?			<p>Preparation and Filing of Sustainability Reports by TWSE Listed Companies.” In addition, the contents are aligned with the United Nations Sustainable Development Goals (SDGs).</p> <p>The Company’s 2024 Sustainability Report obtained a third-party assurance report in July 2025. Please refer to Appendix V of the Sustainability Report for further details.</p>
<p>VI. If the Company has established its corporate social responsibility code of practice according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the operational status and differences:</p> <p>The Company established “Sustainable Development Best Practice Principles” according to “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” in order to strengthen the Company’s focus on sustainable development and to align with the international trend of sustainable development. In order to strengthen the implementation of sustainable development, the Company regularly reviews the implementation status of the Principles and makes improvements accordingly.</p>			
<p>VII. Other important information to facilitate better understanding of the Company’s implementation of corporate social responsibility:</p> <p>(I) Implementation status for sustainable development:</p> <p>1. Established the Kenda Cultural and Educational Foundation:</p> <p>(1) Encourage students to continue their studies by awarding them with the Kenda Outstanding Scholarship and Underprivileged Scholarship for Freshmen Students.</p> <p>(2) Promote education, culture and arts activities: The Company regularly organizes annual summer camps for children, Newton Science Camp and concerts, and Golden Jade Lectures.</p> <p>(3) Project-based support: Donations to the CCCOWE and sponsorship of the One Song Orchestra Taiwan Philharmonic New Year Concert.</p> <p>(4) Seminars in environmental issues: The Foundation holds the Marine Environment Education Seminar, and the Sustainable Management of Enterprises Integrating Environmental Concerns Seminar.</p> <p>(5) National Taichung University of Education: “Outstanding Teaching Award in Commemoration of Alumnus Yang, Jin-Pao” (Juan, Hao-Chi, Department of Education).</p> <p>2. Social concerns:</p> <p>(1) The Company donated residential fire alarms to the Fire Departments of Cihong Township and the West District of Yuanlin City.</p> <p>(2) The Company maintains and cleans the roads around the community area.</p>			

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
<p>(3) The Company sponsored the Bicycle Festival organized by Giant Manufacturing Co. Ltd., The Road to Taiwan KOM, and 2025 TSR Championship etc.</p> <p>(4) The Company supports various sports events in Taiwan and has been sponsoring the Chinese Professional Baseball League (CPBL), a number of potential golfers for a long time, and Taiwanese tennis players with the gold medal in men’s doubles at the Asian Games.</p> <p>(II) For more information on the Company’s sustainable development implementation, please refer to the 2025 Sustainability Report. https://www.esg.kenda.com.tw/en/%E6%B0%B8%E7%BA%8C%E5%A0%B1%E5%91%8A%E6%9B%B8</p>				

Note 1: If “Yes” is selected for the “Implementation Status,” please state the important policies, strategies, measures adopted, and their implementation status. If “No” is selected for the “Implementation Status,” please explain the reasons and state the plans for the future policies, strategies and measures to be implemented. However, with regards to Items 1 and 2, TWSE and TPEx listed companies should specify the governance and supervisory framework for sustainable development, including but not limited to management guidelines, formulation of strategies and goals, and measures for review. The Company's risk management policies or strategies for environmental, social, and corporate governance issues related to its operations, and its evaluation should also be described.

Note 2: The materiality principle refers to environmental, social and corporate governance issues that have a significant impact on the Company’s investors and other stakeholders.

Employee Training Roadmap



Climate-related information

1 Climate-related information implementation

Item	Implementation status
<p>1. Describe the Board’s and management’s supervision and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (for a short term, medium term and long term).</p> <p>3. Describe the effect posed by extreme weather and transformation action to the finance.</p> <p>4. Describe how the procedures for identification, evaluation and management of climate risks are integrated into the overall risk management system.</p> <p>5. If the scenario analysis is applied to assess resilience of climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impact it has used shall be explained.</p> <p>6. If the relevant transformation plan is in place in response to the climate-related risks, please describe the contents of the plan, and the indicators and goals</p>	<p>(For more information on climate change, please refer to 2025 Sustainability Report TCFD Topics)</p> <p>I. Governance</p> <p>The Board of Directors serves as the highest management unit to supervise the climate change management of the Company. The Audit Committee is responsible for identifying potential climate risks and taking corresponding measure. The Sustainable Development Committee gradually implements the measures of climate change management according to the “Sustainable Development Practice” approved by the Board of Directors. Regular meetings are held every quarter to review the performance of climate indicators, and the performance, impact assessment and sustainability goal achievement progress of climate change related issues are reported to the Board of Directors at least once a year.</p> <p>II. Strategy</p> <p>1. The Company pays close attention to the status of global climate actions, and incorporates the possible impacts of climate change into the risk management system according to the TCFD framework to continuously to identify climate risks and opportunities, and formulates relevant measures.</p> <p>2. Below is the list of risks and opportunities in 2025:</p> <p>◆ List of Risk</p>

			Uncertainty of market volatility	Short	Frequent adjustments to the response measures, leading to increased costs	
			Rising raw material costs	Short	Extreme climate affects the supply of raw materials and increases operating costs	
		Reputation	Stigmatization of high-carbon industries	Long	Damage to corporate reputation	
	Physical risk	Extreme	Extreme climate	Medium	Affect production, resulting in increase in cost and decrease in revenue	
		Long-term	Air pollution	Short	Health hazard	
	◆ List of opportunities					
	Type	Opportunity dimension	Name of opportunity	Period of influence	Description of opportunity	
Opportunity	Resource efficiency	Improve the overall efficiency of plants, manufacturing	Short	Improve overall energy efficiency and production efficiency by introducing new technologies, applying data		

			processes, and transportation procedures		analysis, and carrying out process re-engineering
			Promote water efficiency	Short	Improve water utilization efficiency and enhance recycling rate to reduce costs
			Raw material recycle and reuse	Short	Strengthen the recycling and reuse of raw materials and expand the usage of recyclable and recycled new materials to promote a circular economy. Reduction in waste and reduce costs
	Type	Opportunity dimension	Name of opportunity	Period of influence	Description of opportunity
	Opportunity	Source of energy	Participation in renewable energy projects and energy efficiency improvement	Medium	Participate in renewable energy projects developed by national, local, and research institutions to improve energy efficiency
			Usage of low-emission	Short	Build low-emission energy equipment, improve the utilization rate of

		energy		low-emission energy, reduce the usage of high-carbon energy sources, and accelerate the net zero transition.
	Product/Service	Development of low-carbon products and services	Short	New products and services that meet future trends, regulatory requirements, and customer expectations, cause changes in the existing market structure, and create potential demand for emerging products and services
	Market	Positive reputation	Long	Meet the expectations of stakeholders and society, become a role model and benchmark in the industry, and build positive influence and reputation
		Obtaining rewards and cooperation from the public sector	Short	Accelerate the net zero transition goal in line with government policies and regulations, and obtain relevant support resources and incentives rewards

III. Risk management

1. To carry out the Company's sustainable development, the “Corporate Governance Risk Management Policy and Operating Procedures Regulations” had been approved by the Board of Directors in 2022 as the supreme guiding principle for the Company's risk management.
2. The Corporate Governance Team under the Audit Committee regularly collects and identifies risk factors every year, screens out the scope of risk management, and monitors potential risks and proposes corresponding measures

according to the latest internal audit requirements to strengthen risk management; and regularly reported to the Audit Committee for discussion and implementation after approval by the Board of Directors.

3. In 2025, the Corporate Governance Team referred to international trends, reports from important institutions, and standard issued by International Organization for Standardization (“ISO”) to screen out a pool of risks and opportunities based on industry characteristics. The pool of risks and opportunities would be further discussed and analyzed by the various departments of the Company, together with the management's opinions, a list of potential climate risks and opportunities was compiled by the Company. Based on the degree of impact, probability of occurrence, influence and period, a climate risk matrix is prepared, and relevant response strategies are formulated based on the matrix. The Company continuously monitors, manages, and regularly reviews the implementation of the measures.

IV. Indicators and goals

1. In response to the issue of climate adaptation, The Company has set a carbon reduction target of “Carbon reduction by 3% per year and by 25% in total by 2030.”

2. There are four themes for the Company’s current climate risk management: green design, climate action, sustainable supply chain, and circular economy. Indicators are set for each theme, and management and performance tracking are conducted based on annual goals.

3. For the performance of each indicator and greenhouse gas inventory, please refer to “3.2 Energy and Greenhouse Gas Emissions Management” of the 2024 Sustainability Report.

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NTD million), and data coverage for the most recent two years.

The Company's 2024 regional greenhouse gas emissions (tons CO₂e) and intensity (tons CO₂e/NTD million) are shown below. Reporting boundary includes companies included in the consolidated financial statements. In 2024, the scope was expanded to include the Company's operations in Europe and the United States. The following content is calculated based on ISO 14064-1:2018 Category 1 (direct emissions, i.e. direct emissions from emission sources owned or controlled by the Company) and Category 2 (indirect energy emissions, i.e. indirect greenhouse gas emissions resulting from imported electricity, heat or steam) standards. Please refer to "3.2 Energy and Greenhouse Gas Emissions Management " of the 2025 Sustainability Report for information on the 2025 greenhouse gas inventory.

	Category 1: Direct GHG emissions	Category 2: Indirect GHG emissions	Total emissions = Category 1+Category 2	GHG emission intensity
Region/Organization	Tons CO ₂ e	Tons CO ₂ e	Tons CO ₂ e	Total emissions (tonnes CO ₂ e)/Consolidated operating revenue (Million NTD)
Kenda Group	207,215.90	220,728.64	427,944.54	12.512

Note 1: Direct emissions (Category 1, i.e. direct emissions from emission sources owned or controlled by the Company), indirect energy emissions (Category 2, i.e. indirect greenhouse gas emissions resulting from imported electricity, heat or steam) and Other indirect emissions (Category 3: emissions generated from corporate activities that are not indirect energy emissions but from emission sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the guidelines. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or per revenue, but at least the data calculated based on revenue (per one million NTD dollars) shall be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

1. The Company's 2024 Category 1 and Category 2 greenhouse gas inventory data in Yunlin Factory have been verified by SGS in 2025 in accordance with the ISO14064-1:2018 standard. According to the "Greenhouse Gas Declaration" issued by SGS, the greenhouse gas inventory data of the Company in Taiwan in 2025 complied with the requirements of the above standards.
2. The Category 1 and Category 2 greenhouse gas inventory data of the Company's Kunshan Factory in 2024 have been verified by the China Quality Certification Centre (CQC) in 2025 in accordance with the ISO14064-1:2018 and ISO14064-3:2019 standards. According to the "Greenhouse Gas Verification Statement" issued by the CQC, the greenhouse gas inventory data of the Company's Kunshan Factory in 2025 complied with the relevant requirements of the above standards, and the verification statement issued by the CQC did not have material deviations and had a reasonable level of assurance.
3. The verification and assurance of the Company's 2025 greenhouse gas inventory data will be disclosed in the 2025 Sustainability Report.

Note 1: The greenhouse gas assurance shall be processed in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines. If the Company cannot obtain complete assurance opinion up to the date of publication of the annual report, it should state that "The complete assurance information will be disclosed in the Sustainability Report." If the Company does not prepare a sustainability report, it should state that "Complete assurance information will be disclosed on the Market Observation Post System", and the complete assurance information is to be disclosed in the following year.

Note 2: The assurance institutions shall comply with the relevant requirements of Taiwan Stock Exchange Corporation and the Taipei Exchange of the Republic of China on assurance institutions for sustainability reports.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

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

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

1. The greenhouse gas reduction baseline year of the Company in Taiwan and Kunshan Factory is 2022. For 2022 greenhouse gas emission data of ISO 14064-1:2018 Category 1 and Category 2 of the Company's Taiwan region and Kunshan Factory, please refer to 1-1-1 "Greenhouse Gas Inventory Information".
2. Except for Taiwan and Kunshan, the other subsidiaries of the Company set 2023 as the baseline year for greenhouse gas reduction. For 2023 ISO 14064-1:2018 Category 1 and Category 2 greenhouse gas emission data of subsidiaries except for Taiwan and Kunshan Factory, please refer to "1-1-1 Greenhouse Gas Inventory Information".
3. The Company has set a carbon reduction target of "Carbon reduction by 3% per year and by 25% in total by 2030." The Company's greenhouse gas reduction strategy and action plan focus on the usage of green energy, optimization of production technology, replacement of energy-saving equipment and equipment upgrading, etc., in order to improve production efficiency and reduce energy usage, and to reduce greenhouse gas emissions at the same time. At the product level, the Company actively modifies product formulas, uses more low-carbon and environmentally friendly raw materials, improves product performance, and reduces product carbon footprint. The Company has set various KPIs for carbon reduction goals, and regularly reviewed the progress of goal achievement. For more information, please refer to the 2025 Sustainability Report.

Note 1: It shall be processed in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines.

Note 2: The baseline year should be the year that the inventory is completed based on the boundaries of the consolidated financial statements. For example, in accordance with Article 10, Paragraph 2 of the Guidelines, companies with capital over NTD 10,000 million should complete the inventory of the 2024 consolidated financial statements in 2025. Therefore, the baseline year is 2024. If the Company has completed the inventory of the consolidated financial statements ahead of schedule, the earlier year can be used as the baseline year, and the data of the baseline year can be calculated by a single year or by the average of several years.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure content.

(VI) The state of the Company's Code of Conduct on integrity, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons for such variances.

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
<p>I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	<p>✓</p> <p>✓</p>		<p>In 2015, the Board of Directors of the Company approved the Ethical and Integrity Corporate Management Policies and Best Practice Principles, which clearly state that “the Company is committed to a clean, transparent and responsible business philosophy, formulates policy based on integrity and establishes good corporate governance and risk control mechanism to create a sustainable business environment”, and actively promotes the core values of corporate integrity and honesty to prevent corruption. These standards set out the prohibition and preventive measures against dishonest acts such as anti-bribery and corruption, confidentiality mechanism, anti-monopoly and unfair competition, anti-insider trading, monitoring and reporting which should be observed by members of the Company.</p> <p>For business activities with a higher risk of unethical conduct, the Company shall follow the accounting system and internal control system established by the Company. The Company does not allow external accounts or secret accounts and constantly reviews to ensure the appropriateness of the system design and the continuous effectiveness of its implementation. The Company's Audit Office shall conduct audits on the compliance of the preceding system from time to time and shall prepare an audit report to the Board and may appoint an accountant to perform such audits and, if necessary, an independent auditor or professional to perform such audits.</p> <p>In order to improve the mechanism, we have set up a clear and effective reward and punishment system by integrating the ethical management policy with employee performance evaluation and human resources policy through education, training and evaluation. There is also a system for whistleblowing, punishment and grievance. New suppliers of the Company are required to sign a “ESG Statement for Suppliers” as a guarantee.</p>	<p>No material difference.</p>

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
(III) Special Assistance: Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		The Company has established a code of conduct for the relationship of interested parties and ethics guidelines, as well as a non-disclosure policy for its employees, which provides clear directions for directors, managerial personnel, employees and persons having substantial control over the Company. In addition, the management and operation of each business is governed by an internal control system that clearly reveals the disciplinary methods and provides appropriate remedies for grievances.	
II. Ethic Management Practice				No material difference.
(I) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		The suppliers and customers of the Company have signed the Letter of Undertaking of Integrity in compliance with the “Act on Recusal of Public Servants Due to Conflicts of Interest” and the “Ethics Guidelines for Civil Servants.”	
(II) Whether the Company has set up a unit which is dedicated to promoting the Company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	✓		<p>On January 21, 2022, the Board of Directors resolved to establish the “Sustainable Development Committee” with a “Corporate Governance Team”, which is responsible for formulating the Company's Ethical and Integrity Corporate Management Policies, ensuring the implementation of the Ethical and Integrity Corporate Management Policies approved by the board of directors, and reporting to the Board of Directors at least once a year on the implementation of the overall ethical and integrity corporate management. The implementation status for 2025 was reported to the Board of Directors on August 8, 2025.</p> <p>The implementation status for ethical management:</p> <ol style="list-style-type: none"> 1. In order to implement the ethical management policy and prevent unethical conduct, the Company holds annual training courses on relevant laws and regulations. The courses cover ethical management, procedures for investigation and public handling of material information, prevention of insider trading, the Company Act, the Securities and Exchange Act, and other laws and regulations. 2. On October 29, 2025, the Company’s appointed lawyer was invited to explain to the officers and 	

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
(III) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		<p>employees about the prevention of insider trading, and the materials were sent to all directors and announced on the Company’s internal website for employees' reference.</p> <p>The Company has a “Code of Ethical Conduct and Regulations on Conflict of Interest in Public Recusal” to prevent conflict of interest related business; the employee who has a conflict of interest in the business should inform the supervisor and recuse himself/herself; the Board members will not participate in the discussion and vote on the motion if a conflict of interest is involved.</p>	
(IV) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		<p>The Company has an effective accounting system and internal control system, which is audited by an audit unit under the Board of Directors and by professional independent auditors.</p>	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		<p>In 2025, the Company conducted internal and external training related to ethical management (including ethical management regulations, internal control systems, accounting systems, tire quality regulations and policies, safety and health and management) for a total of 169,991 participants and 301,779 hours.</p>	

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
<p>III. Implementation status of whistleblowing procedures</p> <p>(I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible reporting channels, and designate responsible personnel to handle the reports received?</p> <p>(II) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?</p> <p>(III) Does the Company adopt proper measures to prevent improper treatment from retaliation for whistleblower?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>The Company has established a specific whistleblowing system and announced the internal independent whistleblowing mailbox, hotline, responsible personnel or unit on the “Contact Us” and the “Sustainability Report” sections of the Company’s ESG website. For related information, please refer to the Company’s ESG website of “Contact Us” section (https://www.esg.kenda.com.tw/en).</p> <p>The Company has designated a responsible person or unit to handle reports that involve directors or senior executives. The report should be submitted to the independent directors or the Audit Committee, and the types of matters to be reported and the standard operating procedures for the investigation should be established. The investigation cases, investigation processes, results, and related documents are properly recorded and maintained. The identity of the whistleblower and the contents of the whistleblowing report are kept confidential.</p> <p>The Company shall keep the identity of the whistleblower and the contents of the whistleblowing report confidential and shall protect the whistleblower from improper treatment due to his/her whistleblowing.</p>	No material difference.
<p>IV. Information Disclosure</p> <p>Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System (MOPS)?</p>	<p>✓</p>		<p>The Company has established a Code of Conduct on Integrity, which is disclosed on the Company’s website and the Market Observation Post System.</p>	No material difference.
<p>V. If the Company has established corporate governance policies based on the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe any discrepancy between the policies and their implementation.</p> <p>The Company has established the “Ethical Corporate Management Best Practice Principles” in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and has followed the relevant regulations. There is no difference between the operation and the regulations.</p>				

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
VI. Other important information to facilitate better understanding of the Company’s corporate conduct and ethics compliance practices (e.g., review the Company’s corporate conduct and ethics policy):				
			The Company will review and amend the “Ethical Corporate Management Best Practice Principles” based on the implementation status each year and the relevant law and regulations.	

1. Suppliers: <https://www.esg.kenda.com.tw/en/%E4%BE%9B%E6%87%89%E5%95%86%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>

2. Employees: <https://www.esg.kenda.com.tw/en/%E5%93%A1%E5%B7%A5%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>

3. Shareholders: <https://www.esg.kenda.com.tw/en/%E8%82%A1%E5%8B%99%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>

4. Contact for Ethical and Integrity Affairs:

<https://esg.kenda.com.tw/en/%E5%89%AF%E6%9C%AC-%E5%93%A1%E5%B7%A5%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>

(VII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed.

The Company's corporate governance practices are disclosed on the Company's website (<https://www.esg.kenda.com.tw/en>) and on the Market Observation Post System.

(VIII) The implementation status of the Company's internal control system

1. Statement on Internal Control

Kenda Rubber Ind. Co., Ltd.

The statement of the Internal Control System of the Company.

Date: March 11, 2026

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2025:

- I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. The Company internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability of the financial reporting, and compliance with laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, the Company internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the "Regulations" identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. There are several items in each key component. Please refer to the "Regulations" for the preceding items.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability of the financial reporting, and compliance with laws and regulations.
- VI. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was passed by the Board of Directors in their meeting held on March 11, 2026, all the 11 directors present hereby affirm the content of this Statement.

Kenda Rubber Ind. Co., Ltd.

Chairman: Yang, Chi-Jen



President: Lin, Chien-Liang

Note 1: If there are significant deficiencies in the design and implementation of the internal control system of the public company during the year, an explanatory paragraph should be added after Item 4 of the declaration of the internal control system, listing and explaining the major deficiencies found in the self-assessment, and improvement actions taken by the Company prior to the balance sheet date and

status of improvement.

Note 2: The date of declaration is the "end of the fiscal year".

2. If CPA was engaged to conduct a special audit of internal control system, provide its audit report:
None.

(IX) Material resolutions of a Shareholders' Meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:
None.

1. The result and implementation status of the Annual Shareholders' Meeting: The Annual Shareholders' Meeting was convened on May 29, 2025.

Proposals	Resolutions and voting results		Implementation status
	Result of the votes	Percentage of the total votes represented by the attending shareholders at the time of voting	
1. Adoption of the 2024 Business Report and Financial Statements.	Approval votes: 727,313,044 (including 82,362,736 electronic votes)	97.61%	Publicly announced in accordance with the resolution.
	Disapproval votes: 301,522 (including 301,522 electronic votes)	0.04%	
	Invalid votes: 0 (including 0 electronic vote)	0.00%	
	Abstention votes/no votes: 17,449,180 (including 17,395,180 electronic votes)	2.34%	
	This proposal was adopted as proposed.		
2. Adoption of the 2024 Earnings Distribution.	Approval votes: 727,608,215 (including 82,657,907 electronic votes)	97.65%	The cash dividend paid at NT\$1.1 per share. The distribution record date is June 23, 2025, and the payment date is July 14, 2025.
	Disapproval votes: 423,959 (including 423,959 electronic votes)	0.05%	
	Invalid votes: 0 (including 0 electronic vote)	0.00%	
	Abstention votes/no votes: 17,031,572 (including 16,977,572 electronic votes)	2.28%	
	This proposal was adopted as proposed.		
3. Amendment to the "Article of Incorporation"	Approval votes: 727,721,206 (including 82,770,898 electronic votes)	97.67%	Publicly announced on the Company's website.
	Disapproval votes: 306,385 (including 306,385 electronic votes)	0.04%	
	Invalid votes: 0 (including 0 electronic vote)	0.00%	
	Abstention votes/no votes: 17,036,155 (including 16,982,155 electronic votes)	2.28%	
	This proposal was approved as proposed.		

2. Major decisions of Board Meetings

Date	Major Proposals
2025.01.22	<ol style="list-style-type: none"> 1. The proposal of the year-end bonus for the managerial officers and executive directors. 2. The proposal of adjustment to salary for the managerial officers and executive directors. 3. The proposal of promotion for the managerial officers of the Company. 4. Evaluation of the Company's "Overdue Accounts Receivable." 5. Evaluation of the Independence and Suitability of Certified Public Accountant. 6. The proposal of the endorsement and guarantee for the Company's subsidiaries. 7. The proposal of the loan amount application for the Company. 8. The capital increase for subsidiary of the Company.
2025.03.11	<ol style="list-style-type: none"> 1. The proposal of the employees' and directors' remuneration for the year 2024. 2. The distribution of remuneration to individual directors of the Company. 3. The distribution of remuneration to the managerial officers and executive directors. 4. The proposal of definition of entry level employees of the Company. 5. The adoption of the 2024 Business Report and Financial Statements. 6. The proposal of the 2024 earnings distribution. 7. The proposal to distribute the cash dividends to shareholders from the 2024 earnings of the Company. 8. The proposal of change of Corporate Governance Officer of the Company. 9. The amendment to the Company's "Articles of Incorporation". 10. The proposal to convene the 2025 Annual Meeting of Shareholders.. 11. The Company's shareholders proposed the motions for the 2025 Annual Meeting of Shareholders. 12. The statement of the Company's Internal Control System. 13. Evaluation of the Company's "Overdue Accounts Receivable". 14. The proposal of the loan amount application for the Company. 15. The proposal of organizational restructuring of European subsidiary of the Company.
2025.05.09	<ol style="list-style-type: none"> 1. The proposal of the Company's financial statements for the first quarter of 2025. 2. The proposal of the Company to sign a contract with National Changhua University of Education. 3. Evaluation of the Company's "Overdue Accounts Receivable." 4. The application for extending the endorsement and guarantee for the Company's associates. 5. The proposal of the endorsement and guarantee for the Company's subsidiaries. 6. The proposal of the Company's line of credit with banking transaction.
2025.08.08	<ol style="list-style-type: none"> 1. The proposal of the Company's financial statements for the second quarter of 2025. 2. Evaluation of the Company's "Overdue Accounts Receivable." 3. Proposal for the confirmation of the intended use of property after relocation and handover, regarding the Factory No. 1 land development project of the Company's subsidiary, KENDA Rubber (Shenzhen) Co., Ltd. (hereinafter referred to as the "KS"). 4. The proposal of the Company's 2024 Sustainability Report. 5. The amendment to the Company's "Rules for Performance Evaluation of the Board of Directors." 6. The proposal of the destruction of expired accounting books and vouchers of the Company. 7. The proposal of the endorsement and guarantee for the Company's subsidiaries. 8. The proposal of the loan amount application for the Company.
2025.11.11	<ol style="list-style-type: none"> 1. The formulation of the Company's audit plan for 2026. 2. The proposal of the Company's financial statements for the third quarter of 2025. 3. The amendment to the Company's "Corporate Governance Practice." 4. Evaluation of the Company's "Overdue Accounts Receivable." 5. The proposal of the endorsement and guarantee for the Company's subsidiaries. 6. The proposal of the loan amount application for the Company.

Date	Major Proposals
2026.02.10	<ol style="list-style-type: none"> 1. The proposal of the year-end bonus for the managerial officers and executive directors. 2. The proposal of adjustment to salary for the managerial officers and executive directors. 3. The proposal of the announcement of appointment of President. 4. The amendment to the Company's "Measures for the Evaluation of the Independence and Suitability of Certified Public Accountant." 5. Evaluation of whether the Company's Overdue Accounts Receivable exceeding normal credit terms and approved credit limits should be deemed as having the nature of a loan of funds. 6. The amendment to the Company's "Procedures for Acquisition or Disposal of Assets." 7. The proposal of the endorsement and guarantee for the Company's subsidiaries. 8. The proposal of the Company's line of credit with banking transaction.
2026.03.11	<ol style="list-style-type: none"> 1. The proposal of the employees' and directors' remuneration for the year 2025. 2. The distribution of remuneration to individual directors of the Company. 3. The distribution of remuneration to the managerial officers and executive directors. 4. The adoption of the 2025 Business Report and Financial Statements. 5. The proposal of the 2025 earnings distribution. 6. The proposal to distribute the cash dividends to shareholders from the 2025 earnings of the Company. 7. Evaluation of the Independence and Suitability of Certified Public Accountant. 8. The proposal of change in Certified Public Accountant. 9. The proposal to convene the 2026 Annual Meeting of Shareholders. 10. The Company's shareholders proposed the motions for the 2026 Annual Meeting of Shareholders. 11. The statement of the Company's Internal Control System. 12. The proposal of the Company to lease land and factory buildings from Kenfong Industrial Co., Ltd. 13. The proposal of the Company's line of credit with banking transaction.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on CPA Fees:

(I) If any of the following events occurred regarding the amounts of the audit fees and non-audit fees paid to the attesting CPAs and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services, the following information shall be disclosed:

Information on CPA fees

Unit: NT\$ thousand

Accounting firm	Name of CPA	Audit period	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte & Touche Taiwan	Wang, Yi-Wen, Tseng, Done-Yuin	2025	4,593	3,715	8,305	Application for enterprise to exempt it Business Profits from Tax under an Agreement for Avoidance of Double Taxation, Preparation of Transfer Pricing Report and related consulting fees.
Deloitte & Touche Taiwan	Wang, Yi-Wen, Tseng, Done-Yuin	2024	4,593	4,869	9,462	Application for enterprise to exempt it Business Profits from Tax under an Agreement for Avoidance of Double Taxation, Preparation of Transfer Pricing Report and related consulting fees.

Note 1: Audit fees refer to the fees paid by the Company to the CPA for auditing, reviewing and verifying the financial statements and reviewing financial projections.

Note 2: If the Company has replaced its CPA or accounting firm during the year, please indicate the period of audit and the reasons for the change in the remarks column, and disclose information on the audit and non-audit fees paid respectively. The service provided to the non-audit fee should be described in the notes.

(II) When the Company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: Not applicable.

(III) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 15% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

V. Information on Change in CPA:

(I) Former Auditors

Date of Change	Approved by the Board of Directors on March 11, 2026
Reason for Change and Description	Pursuant to applicable regulations requiring auditor rotation, the Company, effective from 2026, replaced the lead signing auditor from Ms. Wang, Yi-Wen, to Ms. Chiang Shu-Ching, and the co-signing auditor from Mr. Tseng, Done-Yuin to Ms. Chang, Li-Chun.

Explanation as to whether the engager or the auditor terminated or declined the engagement	Party		Auditor	Engager
	Circumstances			
	Voluntary termination of engagement		Not applicable	Not applicable
	Declining (continuing) engagement		Not applicable	Not applicable
Audit opinions other than unqualified opinions issued in the most recent two years and the reasons therefor	None			
Whether there are any disagreements with the issuer	Yes			Accounting principles or practices
				Financial statement disclosures
				Audit scope or procedures
				Others
	No		✓	
	Explanation			
Other disclosures (Items required under Subparagraphs 4 to 7 of Paragraph 1, Subparagraph 6, Article 10 of the Regulations)	None			

(II) Successor Auditors

Name of Firm	Deloitte & Touche Taiwan
Names of Auditors	Chiang, Shu-Ching /Chang, Li-Chun
Date of Appointment	Approved by the Board of Directors on March 11, 2026
Consultations prior to appointment regarding accounting treatments or principles for specific transactions and the possible audit opinions on the financial statements, and the results thereof	None
Written opinions from the successor auditors regarding any disagreements with the former auditors	None

(III) Response from the former auditors regarding the matters specified in Item 1 and Item 3 of Subparagraph 2, Paragraph 6, Article 10 of the Regulations: None.

VI. Where the Company's Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of

Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm: None.

VII. Share Transfers and Change in Pledges on Shares by Directors, Supervisors, Managers and Shareholders with at Least 10% Stakes During the Most Recent Year and as of the Print Date of This Annual Report:

(I) Information on changes in the shareholdings of directors, supervisors, managerial officers and major shareholders (holding more than 10% of the shares):

Unit: shares

Position (Note 1)	Name	2025		As of April 5 of the current year	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Yang, Chi-Jen	(400,000)	0	(2,110,000)	0
Vice Chairman	Chang, Hong-Der	0	0	0	0
Director	Yang, Ying-Ming	(1,444,000)	0	(1,586,000)	0
Director	Chen, Chao-Jung	100,000	0	0	0
Director and President	Lin, Chien-Liang	0	0	0	0
Director	Yang, Chia-Ling	0	0	0	0
Director	Lin, Tsung-Chi	0	0	0	0
Director	Yang, Ying-Yuan	0	0	1,603,000	0
Independent Director	Cho, Shih-Chao	0	0	0	0
Independent Director	Weng, Wen-Chi	0	0	0	0
Independent Director	Yieh, Kaili	0	0	0	0
Assistant Vice President	Chen, Chin-Fu	0	0	0	0
Assistant Vice President	Chang, Hui-Chu	0	0	0	0
Assistant Vice President	Liu, Kuei-Chun	0	0	0	0
Assistant Vice President	Li, Tsung-Hsun	0	0	0	0
Assistant Vice President	Lin, Chin-Tze	0	0	0	0
Senior Manager	Wang, Ching-Yi	0	0	0	0
Corporate Governance Officer	Yang, Ya-Ting	80,000	0	0	0

Note 1: The shareholders holding more than 10% of the total shares of the Company should be indicated as major shareholders and listed separately.

(II) Information on the share transfer:

Name (Note 1)	Reason for transferring the share	Transaction Date	Trading Counterpart	Relationship between the trading counterpart and the Company, the directors, managers, and shareholders holding more than 10% of the shares	Shares	Transaction price
Yang, Chi-Jen	Gift	115.01.22	Yang, Sheng-Jie	The 1st degree of kinship	2,110,000	19.90
Yang, Chi-Jen	Gift	114.02.27	Yang, Sheng-Jie	The 1st degree of kinship	400,000	26.10
Yang, Ying Ming	Gift	115.03.19	Lin, Yi-Jung	The 2nd degree of kinship	126,000	19.25
Yang, Ying Ming	Gift	115.03.19	Hsiao, Yu-Chiao	The 2nd degree of kinship	1,460,000	19.25
Yang, Ying Ming	Gift	114.09.24	Hsiao, Yu-Chiao	The 2nd degree of kinship	1,444,000	21.15
Yang, Ying-Yuan	Donee	115.03.13	Hsiao, Ru-Po	The 1st degree of kinship	1,603,000	19.05

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

(III) Information on the share pledge:

The counterparty of the share pledge of the Company is a related party: None.

VIII. Information on the Top 10 Shareholders Who Are Related to Each Other Under SFAS No. 6 or Are Related to Each Other as Spouses, Second Degree of Kinship:

Relationship information among the top ten shareholders

Unit: Shares; %

Name	Number of shares held in person		Number of shares held by spouse and children of minor age		Total number of shares held under other persons' names		The names and relationships of the top ten shareholders who are related parties or are related to each other as a spouse or second degree of kinship		Remarks
	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Name	Relation	
Yang, Chi-Jen	91,251,725	9.56	5,873,800	0.62	150,000	0.02	Yang, Ying-Ming Yang, Hsiu-Ya	2nd degree of kinship	
Yang, Ying-Ming	62,003,772	6.49	11,635,334	1.22	0	0	Yang, Chi-Jen Yang, Su-Ting Yang, Ya-Ting	2nd degree of kinship	
Yang, Jin-Yi	46,072,164	4.82	0	0	0	0	Yang, Shu-Yuan Yang, Ying-Yuan	2nd degree of kinship	
Yang, Chia-Ling	30,081,817	3.15	0	0	0	0	None	None	

Name	Number of shares held in person		Number of shares held by spouse and children of minor age		Total number of shares held under other persons' names		The names and relationships of the top ten shareholders who are related parties or are related to each other as a spouse or second degree of kinship		Remarks
	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Name	Relation	
Yang, Shu-Yuan	29,856,682	3.13	0	0	0	0	Yang, Jin-Yi Yang, Ying-Yuan	2nd degree of kinship	
Yang, Ying-Yuan	29,856,682	3.13	0	0	0	0	Yang, Jin-Yi Yang, Shu-Yuan	2nd degree of kinship	
Yang, Hsiu-Ya	27,937,654	2.93	0	0	0	0	Yang, Chi-Jen	2nd degree of kinship	
Yang, Su-Ting	27,258,624	2.85	2,904,000	0.30	0	0	Yang, Ying-Ming Yang, Ya-Ting	2nd degree of kinship	
Yang, Ya-Ting	26,964,060	2.82	2,904,000	0.30	0	0	Yang, Ying-Ming Yang, Su-Ting	2nd degree of kinship	
Stretch Investment Co., Ltd. Representative: Chiang, Tsai-Feng	20,332,526	2.13	0	0	0	0	None	None	

Note 1: The top ten shareholders should all be listed, and the names of corporate shareholders and the names of their representatives should be listed separately.

Note 2: The calculation of the percentage of ownership refers to the calculation of the percentage of shareholding in the name of oneself, one's spouse, one's minor children or the name of another person respectively.

Note 3: The shareholders listed in the preceding paragraph shall include both juristic and natural persons and the relationship between them shall be disclosed as well.

IX. Ownership of Shares in Affiliated Companies:

Unit: Thousand Shares; %

Investment Business	Invested by the Company		Investment made by directors, supervisors, managers, and companies directly or indirectly controlled by them		Consolidated Investments	
	Shares	Shares Ratio	Shares	Shares Ratio	Shares	Shares Ratio
KA, Subsidiary	-	100.000	-	-	-	100
KHK, Subsidiary	-	100.000	-	-	-	100
KV, Subsidiary	-	100.000	-	-	-	100
KE, Subsidiary	-	100.000	-	-	-	100
Kenda International Corporation, Subsidiary	-	100.000	-	-	-	100
KF, Subsidiary	-	100.000	-	-	-	100
KI, Subsidiary	-	99.998	-	0.002	-	100

Note: Long-term investments accounted for using the equity method.

Three. Capitalization

I. Capitalization and Shares

(I) Source of share capital

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
1962.03	100	9,600	960,000	9,600	960,000	Founding share capital	None	None
1966.03	100	30,000	3,000,000	30,000	3,000,000	Issuance of common stock for cash 2,040,000	None	None
1967.03	100	48,000	4,800,000	48,000	4,800,000	Issuance of common stock for cash 1,800,000	None	None
1968.01	100	60,000	6,000,000	60,000	6,000,000	Issuance of common stock for cash 1,200,000	None	None
1970.04	100	80,000	8,000,000	80,000	8,000,000	Issuance of common stock for cash 2,000,000	None	None
1973.09	100	160,000	16,000,000	160,000	16,000,000	Issuance of common stock for cash 8,000,000	None	None
1974.12	100	240,000	24,000,000	240,000	24,000,000	Issuance of common stock for cash 8,000,000	None	None
1975.12	100	360,000	36,000,000	360,000	36,000,000	Issuance of common stock for cash 1,776,000 Issuance of shares for capitalization of capital surplus 10,224,000	None	None
1977.04	100	480,000	48,000,000	480,000	48,000,000	Issuance of common stock for cash 7,320,000 Issuance of shares for capitalization of earnings 4,680,000	None	None
1978.08	100	600,000	60,000,000	600,000	60,000,000	Issuance of common stock for cash 8,400,000 Issuance of shares for capitalization of earnings 3,600,000	None	None
1979.07	100	860,000	86,000,000	860,000	86,000,000	Issuance of common stock for cash 11,000,000 Issuance of shares for capitalization of earnings 15,000,000	None	None
1980.06	10	12,610,000	126,100,000	12,610,000	126,100,000	Issuance of common stock for cash 10,000,000 Issuance of shares for capitalization of earnings 30,100,000	None	None
1981.07	10	19,545,500	195,455,000	19,545,500	195,455,000	Issuance of shares for capitalization of earnings 69,355,000	None	None
1985.05	10	32,640,985	326,409,850	32,640,985	326,409,850	Issuance of shares for capitalization of earnings 130,954,850	None	Public issuance status in 1985 Official Letter Taiwan-Finance-Securities (I) No. 00682 on May 27, 1985
1986.08	10	43,086,100	430,861,000	43,086,100	430,861,000	Issuance of shares for capitalization of earnings 104,451,150	None	Official Letter Taiwan-Finance-Securities (I) No.00812 on August 6, 1986

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
1988.09	10	60,000,000	600,000,000	50,000,000	500,000,000	Issuance of shares for capitalization of earnings 69,139,000	None	Official Letter Taiwan-Finance-Securities (I) No. 09055 on September 16, 1988
1990.01	10	60,000,000	600,000,000	60,000,000	600,000,000	Issuance of shares for capitalization of earnings 100,000,000	None	Official Letter Taiwan-Finance-Securities (I) No. 02601 on December 29, 1989
1990.11	10	80,000,000	800,000,000	80,000,000	800,000,000	Issuance of common stock for cash 100,400,000 Issuance of shares for capitalization of earnings 99,600,000	None	Official Letter Taiwan-Finance-Securities (I) No. 35820 on October 17, 1990
1991.08	10	96,000,000	960,000,000	96,000,000	960,000,000	Issuance of shares for capitalization of earnings 96,000,000 Issuance of shares for capitalization of capital surplus 64,000,000	None	Official Letter Taiwan-Finance-Securities (I) No. 01562 on July 17, 1991
1992.08	10	120,000,000	1,200,000,000	113,280,000	1,132,800,000	Issuance of shares for capitalization of earnings 76,800,000 Issuance of shares for capitalization of capital surplus 96,000,000	None	Official Letter Taiwan-Finance-Securities (I) No. 01584 on July 13, 1992
1993.08	10	160,000,000	1,600,000,000	130,000,000	1,300,000,000	Issuance of shares for capitalization of earnings 92,538,000 Issuance of shares for capitalization of capital surplus 74,662,000	None	Official Letter Taiwan-Finance-Securities (I) No. 01700 on July 14, 1993
1995.07	10	162,500,000	1,625,000,000	162,500,000	1,625,000,000	Issuance of shares for capitalization of earnings 280,800,000 Issuance of shares for capitalization of capital surplus 44,200,000	None	Official Letter Taiwan-Finance-Securities (I) No. 37684 on June 27, 1995
1996.07	10	173,875,000	1,738,750,000	173,875,000	1,738,750,000	Issuance of shares for capitalization of earnings 81,250,000 Issuance of shares for capitalization of capital surplus 32,500,000	None	Official Letter Taiwan-Finance-Securities (I) No. 37640 on June 14, 1996
1997.07	10	198,217,500	1,982,175,000	198,217,500	1,982,175,000	Issuance of shares for capitalization of earnings 208,650,000 Issuance of shares for capitalization of capital surplus 34,775,000	None	Official Letter Taiwan-Finance-Securities (I) No. 48771 on June 24, 1997
1998.07	10	300,000,000	3,000,000,000	229,932,300	2,299,323,000	Issuance of shares for capitalization of earnings 279,486,675 Issuance of shares for capitalization of capital surplus 37,661,325	None	Official Letter Taiwan-Finance-Securities (I) No. 54403 on June 22, 1998

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
1999.07	10	300,000,000	3,000,000,000	271,320,114	2,713,201,140	Issuance of shares for capitalization of earnings 390,884,910 Issuance of shares for capitalization of capital surplus 22,993,230	None	Official Letter Taiwan-Finance-Securities (I) No. 58268 on June 25, 1999
2000.07	10	320,000,000	3,200,000,000	306,591,728	3,065,917,280	Issuance of shares for capitalization of earnings 339,150,140 Issuance of shares for capitalization of capital surplus 13,566,000	None	Official Letter Taiwan-Finance-Securities (I) No. 55494 on June 27, 2000
2001.07	10	320,388,400	3,203,884,000	320,388,400	3,203,884,000	Issuance of shares for capitalization of earnings 122,636,690 Issuance of shares for capitalization of capital surplus 15,330,030	None	Official Letter Taiwan-Finance-Securities (I) No. 140082 on June 26, 2001
2002.07	10	336,408,000	3,364,080,000	336,408,000	3,364,080,000	Issuance of shares for capitalization of earnings 160,196,000	None	Official Letter Taiwan-Finance-Securities No. 0910134107 on June 24, 2002
2003.07	10	430,000,000	4,300,000,000	360,000,000	3,600,000,000	Issuance of shares for capitalization of earnings 235,920,000	None	Official Letter Taiwan-Finance-Securities (1) No. 0920129322 on July 2, 2003
2004.07	10	430,000,000	4,300,000,000	396,000,000	3,960,000,000	Issuance of shares for capitalization of earnings 360,000,000	None	Official Letter Securities-Futures (1) No. 0930129968 on July 7, 2004
2005.07	10	450,000,000	4,500,000,000	435,600,000	4,356,000,000	Issuance of shares for capitalization of earnings 396,000,000	None	Official Letter FSC(1) No. 0940126863 on July 5, 2005
2006.06	10	480,000,000	4,800,000,000	459,558,000	4,595,580,000	Issuance of shares for capitalization of earnings 239,580,000	None	Official Letter FSC(1) No. 0950126935 on June 28, 2006
2007.07	10	500,000,000	5,000,000,000	489,500,000	4,895,000,000	Issuance of shares for capitalization of earnings 299,420,000	None	Official Letter FSC (1) No. 0960033561 on July 3, 2007
2008.06	10	530,000,000	5,300,000,000	526,250,000	5,262,500,000	Issuance of shares for capitalization of earnings 367,500,000	None	Official Letter FSC (1) No. 0970031758 on June 26, 2008
2009.07	10	560,000,000	5,600,000,000	552,600,000	5,526,000,000	Issuance of shares for capitalization of earnings 263,500,000	None	Official Letter FSC (1) No. 0980032824 on July 2, 2009
2010.07	10	630,000,000	6,300,000,000	620,600,000	6,206,000,000	Issuance of shares for capitalization of earnings 680,000,000	None	Official Letter FSC (1) No. 0990034001 on July 1, 2010
2011.07	10	700,000,000	7,000,000,000	688,900,000	6,889,000,000	Issuance of shares for capitalization of earnings 683,000,000	None	Official Letter FSC (1) No. 1000030584 on July 1, 2011
2012.07	10	740,000,000	7,400,000,000	733,680,000	7,336,800,000	Issuance of shares for capitalization of earnings 447,800,000	None	Official Letter FSC (1) No. 1010029032 on July 2, 2012
2013.07	10	770,000,000	7,700,000,000	763,030,000	7,630,300,000	Issuance of shares for capitalization of earnings 293,500,000	None	Official Letter FSC (1) No. 1020027562 on July 23, 2013
2014.07	10	820,000,000	8,200,000,000	816,450,000	8,164,500,000	Issuance of shares for capitalization of earnings 534,420,000	None	Official Letter FSC (1) No. 1030028779 on July 29, 2014

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
2015.07	10	860,000,000	8,600,000,000	857,280,000	8,572,800,000	Issuance of shares for capitalization of earnings 408,300,000	None	Official Letter FSC (1) No. 1040028293 on July 27, 2015
2016.09	10	880,000,000	8,800,000,000	874,430,000	8,744,300,000	Issuance of shares for capitalization of earnings 171,500,000	None	Official Letter MOEA-Authorization-Business No. 10501227020 on September 22, 2016
2020.09	10	910,000,000	9,100,000,000	909,410,000	9,094,100,000	Issuance of shares for capitalization of earnings 349,800,000	None	Official Letter MOEA-Authorization-Business No. 10901177170 on September 22, 2020
2023.08	10	1,100,000,000	11,000,000,000	954,890,000	9,548,900,000	Issuance of shares for capitalization of earnings 454,800,000	None	Official Letter MOEA-Authorization-Business No. 11230147200 on August 7, 2023.

April 5, 2026

Type of shares	Authorized capital			Remarks
	No. of shares outstanding	No. of shares unissued	Total	
Common shares	954,890,000 shares	145,110,000 shares	1,100,000,000 shares	Note: The shares are listed without restrictions on trading.

(II) Major shareholders: with 5% or more stakes or top ten shareholders

Name of major shareholder	Shareholdings	Number of shares held	Shareholding(%)
Yang, Chi-Jen		91,251,725	9.56
Yang, Ying-Ming		62,003,772	6.49
Yang, Jin-Yi		46,072,164	4.82
Yang, Chia-Ling		30,081,817	3.15
Yang, Shu-Yuan		29,856,682	3.13
Yang, Ying-Yuan		29,856,682	3.13
Yang, Hsiu-Ya		27,937,654	2.93
Yang, Su-Ting		27,258,624	2.85
Yang, Ya-Ting		26,964,060	2.82
Stretch Investment Co., Ltd.		20,332,526	2.13

(III) Dividend policy and implementation status

1. Dividend policy:

If there is any retained earnings at the year-end, the Company shall first pay tax and make up for the accumulated deficits, and then set aside 10% of such earnings as a legal reserve, unless the legal reserve has reached the Company's total capital. If necessary, the special reserve shall be set aside or reversed as required by law or by the competent authority.

The Company takes into consideration its business environment and growth stage in its capital requirements and long-term financial planning as well as cash inflows required by shareholders. The Board of Directors will propose, together with the accumulated undistributed earnings from the previous year, to set aside 10% to 80% of distributable earnings for earnings distribution. When new shares are issued for dividends, a resolution by the shareholders' meeting shall be required. However, the ratio of new shares to be issued for the earnings distribution may be adjusted by a resolution of the shareholders' meeting, depending on the actual profitability and capital position of the year; of which the cash dividends shall not be less than 10% of the total dividends. The Company authorizes the Board of Directors, with the presence of at least two-thirds of the directors and a resolution by a majority of the directors present, to distribute all or part of the dividends from earnings, legal reserve and capital surplus in the form of cash and report the same to the shareholders' meeting.

2. Percentage of profits to be distributed as remuneration to employees and directors:

The Company shall distribute remuneration to its employees at a rate not exceeding 0.5% of the profit for the year and distribute remuneration to its entry-level employees at a rate of no less than 0.5% of the profit for the year.

The Company shall distribute the directors' remuneration not exceeding 3% of the profit for the year.

Where the Company has accumulated losses as provided in the preceding two paragraphs, an amount to cover the losses shall first be set aside.

Employees' remuneration may be paid in shares or in cash to employees of the Company and to employees of controlled or associated companies who meet certain requirements as determined by the Board of Directors.

The earnings for the year referred to in paragraphs 1 and 2 are the earnings before taxation for the year excluding the remuneration to employees and directors.

The distribution of remuneration to employees and directors shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

3. Proposal to the 2026 general shareholders' meeting the distribution of dividends:

Kenda Rubber Ind. Co., Ltd.

Earnings Distribution Table for the Year 2025

Unit: NT\$

Unappropriated retained earnings at the beginning of the year	\$ 6,037,058,658
Net income of 2025	125,407,054
The remeasurement of defined benefit plans recognized in retained earnings	9,545,042
Net income of 2025 plus other profit and loss items adjusted to the current year's unappropriated earnings other than net income	134,952,096
Less: Legal reserve	(13,495,210)
Distributable earnings	6,158,515,544
Distributable items:	620,678,500
Cash Dividends for shareholders (at 0.65 per share)	
Unappropriated retained earnings at the end of the year	\$ 5,537,837,044

(IV) Impact of the issuance of bonus shares proposed to this shareholders' meeting on the Company's operating performance and earnings per share:

There is no issuance of bonus shares proposed to this shareholders' meeting.

(V) Remuneration to employees and directors

1. Percentage or scope of remunerations to employees and directors stated in the Articles of Incorporation: Please refer to (III) for the dividend policy.
2. Basis of estimates for remunerations to employees and directors for the period, calculation for the number of shares to be distributed as employees' remunerations, and accounting treatment of any discrepancy between the actual distributed amount and the estimated amount: To be recognized as adjustment to profit or losses for the following year.
3. Remuneration distribution approved by the Board of Directors

(1) Amount of remunerations to employees and directors issued in cash or shares Difference in amounts, reasons and treatment of any discrepancy between estimated amount and recognized expenses for the year:

The special resolution by the Board of Directors in 2026 decided to distribute the employees' and directors' remunerations for 2025:

The percentage of earnings to be distributed to employees is 0.94 % or NT\$1,482,557 in total. The percentage of earnings to be distributed to entry-level employees is 0.72 % or

NT\$1,135,014 in total. the percentage of earnings to be distributed to directors is 1.41% or NT\$2,225,178 in total. All distributions are in cash.

There is no difference between the recognized amount and the amount intended to be distributed.

(2)The amount of employees' remunerations issued with stocks and such amount as a percentage of net incomes in the parent company's or the individual financial report during the period and as a percentage of the total amount of employees' remunerations:

There is no issuance of stock dividends to employees.

4. During the previous year (2024), actual distribution of remunerations to employees, directors and supervisors (including the number of shares issued, the amount, and share prices) and its difference in amounts, reasons, and treatment of any discrepancy from the recognized expenses for remunerations to employees, directors and supervisors.

Item	The amount resolved by the Board of Directors	The actual distribution amount	Difference	Reason for the difference	Treatment
Remuneration to employees	11,128,418	11,128,418	0	Not applicable.	Not applicable.
Remuneration to directors and supervisors	16,702,515	16,702,515	0		

(VI) Share repurchases: None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Overseas Depositary Receipts: None.

V. Employee Stock Options Plan (ESOP): None.

VI. New Restricted Shares to Employees: None.

VII. Mergers & Acquisitions : None.

VIII. Implementation of Capital Utilization Plan : None.

Four. Operations

I. Content of Businesses

(I) Scope of businesses

1. Content of businesses

(1)C804010 Tires Manufacturing

(2)CD01050 Bicycles and Parts Manufacturing

(3)C805070 Reinforced Plastic Products Manufacturing

(4)CB01010 Mechanical Equipment Manufacturing

(5)F401010 International Trade

(6)F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories

(7)F114040 Wholesale of Bicycle and Component Parts Thereof

(8)F114050 Wholesale of Tires

(9)F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories

(10)F214040 Retail Sale of Bicycle and Component Parts Thereof

(11)F214050 Retail Sale of Tires

(12)ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Percentage of sales

Content of businesses	%
(1) Manufacturing, processing, wholesale and retail of a variety of rubber and plastic products	82.69
(2) Import-export business of various products	17.31

3. The Company's current product portfolios:

Inner tubes and cover tires of bicycles, motorbikes, industrial vehicles and light trucks; radial tires.

4. New products under development:

airless tires; all steel STR trailer tires; tires for electric vehicles.

(II) Industry

1. Current status and development

(1) Sales overview

Since 2025, the addition of new national holidays in Taiwan has provided only limited support to domestic travel, resulting in minimal stimulus to demand for tire repair and replacement in the domestic market. Coupled with the competitive pressure and crowding-out effect from imported tires on local brands, domestic sales performance has been constrained.

On the export side, the U.S. market has been affected by reciprocal tariff policies, leading downstream distributors to adopt conservative restocking strategies. As a result, exports to the United States have declined significantly. Exports to Germany have also been weak. Under the combined impact of a marked decline in exports, it is estimated that Taiwan's tire manufacturing industry will experience a downturn in 2025.

(2) Export overview

Since 2025, U.S. reciprocal tariff policies have caused market uncertainty, prompting downstream distributors to adopt conservative procurement strategies. In addition, a high interest rate environment has dampened consumer spending, resulting in a significant decline in Taiwan's tire exports to the United States.

Meanwhile, the recovery of the European manufacturing sector has been sluggish, and intensified competition from Chinese tire manufacturers expanding exports to the European market has further weakened the industry's export performance to Germany. Although exports to Japan and Australia have grown, the increase has been limited and insufficient to offset declines in major markets. Consequently, the industry's export value declined by 7.10% during January to July 2025.

(3) Overview of Industry Operations

Since 2025, operating performance across industry participants has generally shown a significant decline, with some companies even facing losses.

Among major leading manufacturers, Cheng Shin Rubber's consolidated net profit recorded a year-on-year decrease of 48.49%, while Kenda Rubber has turned to a loss position. As for Nankang Rubber Tire, in addition to its core business being affected by export and exchange rate pressures, the recognition of investment losses under the equity method, including those related to Federal Corporation, resulted in losses in the first half of the year, further weighing on its operating performance.

(4) Industry Trends

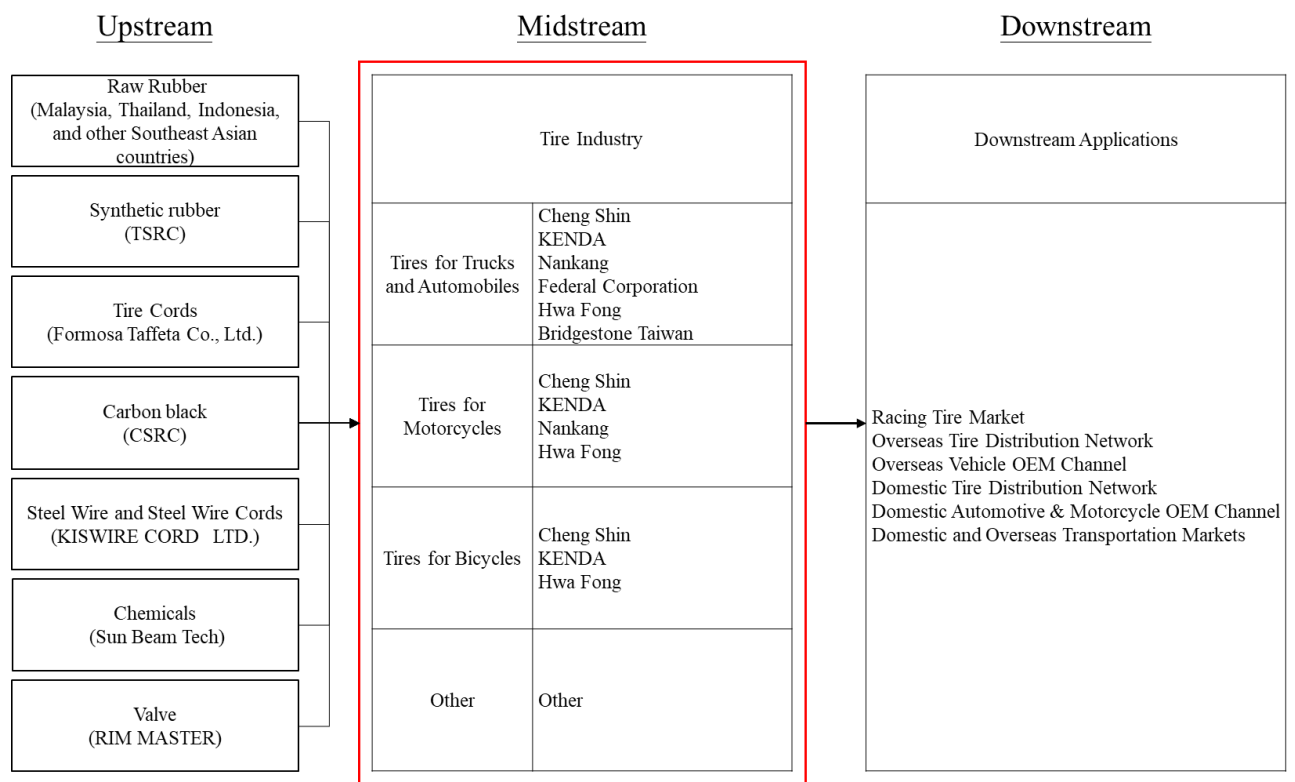
During the first three quarters of 2025, prices of raw materials for SBR and BR declined by approximately 3% to 4% compared with the same period in 2024. Although the supply of

natural rubber remained relatively tight, weakening market demand led to a slight decrease in prices by approximately 0.73% compared with the same period in 2024.

Overall, prices of key raw materials, including natural rubber and synthetic rubber, have shown a modest decline, which has helped alleviate cost pressures on manufacturers.

2. Upstream, midstream, and downstream of the industry:

The upstream raw materials of the tire manufacturing industry are natural rubber, synthetic rubber, carbon black, tire wire and chemicals, which are capital-intensive, while the tire manufacturing industry in the mid-stream is technology-intensive. The downstream is a variety of vehicle industry, such as automobile, motorcycle, and bicycle manufacturing, automobile and motorcycle repair businesses, or dealers. See the figure below for the industrial chain in the tire manufacturing industry.



Note: Midstream is part of the scope of our industry

Source: Taiwan Industry Economics Services

3. Product development trends and competition:

(1) Impacts from the economy

If the domestic and international economy continues to be sluggish, the willingness of private consumption will be weakened, which will lead to the shrinkage of the automobile and tire markets. However, as tires are a consumable product that is indispensable for transportation whether it is for the use of new cars or the demand for replacement of old cars, it is relatively less affected by the economy compared to other industries.

(2) Raw material prices

The main raw materials for manufacturing tires are natural rubber, styrene butadiene (SBR), polybutadiene (BR), and carbon black. The cost of raw materials accounts for more than 60% of the cost structure in this industry. The fluctuation of cost of material has a significant impact on the industry.

(3) Enhancement of environmental protection awareness

Pollution from the production process of the tire manufacturing industry is a major problem that operators need to solve. These include pollution from raw materials, pollution from manufacturing operations, and pollution from waste tires. The government's requirements for environmental protection and the standards set by laws and regulations are increasing, which will increase the cost.

(4) Accession to the World Trade Organization

Taiwan's accession to the WTO led to trade liberalization, lower tariffs, and liberalization of imports, which intensified the competition among domestic tire manufacturers

(5) Effects of exchange rate fluctuations

Among the raw materials costs in this industry, natural rubber is imported from abroad, which accounts for more than 50% of the raw materials costs. Therefore, the depreciation of the NTD will lead to an increase in the cost of importing raw materials.

(III) Technology and R&D status

1. For the whole year of 2025 and the period from January 1, 2025 to February 28, 2026, the Company spent a total of NT\$1,926.038 millions in R&D expenses.
2. Technologies or products successfully developed in 2025 and for the period from January 1, 2026 to February 28, 2026:
 - (1) Implementation of high-value applications for recovered carbon black (rCB) from low-carbon recycled tires.
 - (2) Development of non-staining EPDM high-performance bicycle tire tread compounds.
 - (3) Development of ultra-low rolling resistance (ULRR) tread compounds for electric vehicle (EV) tires.
 - (4) Development of next-generation motorcycle sport tire tread compounds.
 - (5) Development of high-durability tire tread compounds for low-carbon transportation.
 - (6) Development of next-generation all-season tread compounds for electric vehicle (EV) tires.
 - (7) Development of measurement methods for the swelling index of vulcanized rubber.
 - (8) Development of DSC (Differential Scanning Calorimetry) testing methods for the melting point of raw materials.
 - (9) Development of purity testing methods for rubber accelerator DCBS.
 - (10) Development of bead slip running test methods for bicycle tires.
 - (11) Development of low rolling resistance and lightweight bicycle tires (Series E/E-bike).

- (12)Development of tires for sport E-bikes, urban commuters, and cargo bicycles.
- (13)Development of multi-functional utility/garden vehicle tires.
- (14)Development of multi-functional all-terrain tires.
- (15)Development of radial tires for Adventure (ADV) all-terrain motorcycles.
- (16)Development of the KST02 series for two-wheeler OEM applications.
- (17)Development of light commercial vehicle (LCV) tires.
- (18)Development of high-performance electric vehicle (EV) tires.

(IV) Long-term and short-term business development plan

1. Long-term plan

- (1)Continue to develop high-performance and high value-added products to enhance the KENDA brand image.
- (2)In response to the global trend of energy conservation and carbon reduction, develop smart electric tires to maintain market competitiveness.

2. Short-term plan

- (1)Continue to promote all existing products and strengthen and increase market share with the management strategies in each market.
- (2)Utilize the advantages of the production facilities of the Groups' factories to maintain cost competitiveness and improve product profitability.

II. Market, Production, and Sales Overview

(I) Market analysis

1. Overseas markets:

(1)Markets for the Company's main products:

North America, Europe, Central and South America, Middle East and Africa, Asia, New Zealand and Australia.

(2)Market shares:

According to the 2025 Global Tire Company Rankings, the Company was the top 31th tire company based on 2024 sales.

(3) Supply, demand and market growth in the future:

A. The Company will continue to enhance the brand image, *KENDA*, develop high value added products for the market, and strive to increase customers' satisfaction. The performance of multiple PCR products launched in recent years received great ratings in the market and are expected to generate strong sales.

B. High-Value Strategy and EV Transition

With the rising penetration of electric vehicles (EVs), market demand for specialized tires featuring "low rolling resistance, high load capacity, and noise reduction" is experiencing explosive growth. Simultaneously, large-rim and Ultra-High Performance (UHP) tires have become the primary profit drivers. The sales growth rate for high-end tires is projected to outperform the industry average.

C. Growth Driven by Asia-Pacific and Emerging Markets

Infrastructure development and the expanding middle class in regions such as India, Vietnam, and Indonesia are not only driving demand in the OE (Original Equipment) segment but also providing robust support for the massive replacement (AM) market.

D. Environmental Challenges and Macroeconomic Variables

Environmental regulations and requirements for sustainable materials are becoming increasingly stringent. Furthermore, geopolitical disruptions—notably the US-Iran conflict in early 2026—have triggered volatility in global container freight rates and instability in petrochemical raw material prices. In this environment, supply chain resilience management will be the decisive factor for corporate growth.

(4) Trade Policy and Capacity Allocation

In response to the Anti-Dumping (AD) and Countervailing Duties (CVD) imposed by the U.S. on Passenger Car and Light Truck (PLT) tires from Taiwan, South Korea, and Thailand, the Company has strategically optimized its production through our Vietnam plant. Currently, the Vietnam plant enjoys a 0% anti-dumping rate and a 6.46% countervailing duty rate for U.S. exports. Amid the current landscape of regional trade barriers, the Vietnam plant remains a critical production hub for our North American supply chain.

(5) Competitive niches:

A. Precision Capacity Allocation and Risk Diversification

The Company operates production bases across Taiwan, China, Vietnam, and Indonesia. This diversified footprint allows for the flexible reallocation of capacity in response to shifting global geopolitical and economic dynamics, such as changes in U.S. government trade policies.

B. Localized R&D and High-Value Advantages

Leveraging our dedicated R&D centers in the U.S. (KATC) and Europe (KETC), the Company develops high-end products (e.g., specialized tires and large-rim tires) that comply with stringent local standards. This strategy effectively increases our Average Selling Price (ASP) and raises technical barriers to entry.

C. Diversified Marketing and Brand Cultivation

In the European and U.S. markets, the Company implements a "tire-and-wheel assembly" bundled sales strategy. Furthermore, the Company continues to enhance KENDA's professional international brand image through participation in world-class trade shows, integrated digital marketing, and high-profile sports sponsorships—including Major League Baseball (MLB), professional golf, and cycling.

(6) Positive and negative factors for development, and responding strategies:

A. Positive factors:

a. Opportunities in the New Energy Transition:

The automotive market is rapidly shifting toward new energy vehicles. In 2025, the Company completed the development and market launch of electric vehicle (EV) tires (KR616EV and KR108EV), successfully capturing an early-mover advantage in the green energy transition.

b. Expansion of High-Margin Product Lines:

With the rapid growth in sales of 4x4 and SUV models, our mature product series—including the KR601, KR628, and KR629—have gained significant market recognition. This shift helps elevate our Average Selling Price (ASP) and overall gross margins.

c. Regional Trade Advantages:

Benefiting from the CPTPP agreement, products exported from our Vietnam plant to Mexico enjoy 0% tariffs. This significantly enhances our price competitiveness within the Central and South American markets.

d. Global R&D Strategy:

PCR and LTR products developed by KATC (Kenda America Technical Center) have earned strong consumer trust in the U.S. We will continue to invest in marketing and service to pursue our strategic goal of a 5% market share in North America.

B. Negative factors and responding strategies:

a. Challenges of Global Trade Barriers: Rising protectionism—such as U.S. Section 232 tariffs, the 112 Act, and the ongoing Section 301 investigations, alongside European tariff hikes and carbon emission restrictions on imports—presents a complex trade environment. The Company is strengthening its "Multi-Base Supply

Model," flexibly adjusting export ratios between our Taiwan, Vietnam, and Indonesia plants to mitigate high-tariff risks.

- b. Logistics and Geopolitical Risks: Geopolitical tensions, including the US-Iran conflict and Red Sea disruptions, have led to spikes in raw material costs and freight rates. The Company utilizes our global production nodes to shorten shipping routes, tighten control over raw material long-term contracts, and enhance our cost pass-through capabilities while optimizing our product mix.
- c. Regional Competition and Price Pressures: The Company faces intensified competition from Chinese brands establishing overseas facilities and tax reduction pressures from Thailand. The Company continues to drive product premiumization and market segmentation to avoid low-end price wars and maintain our brand value.
- d. Inventory Adjustments in the Bicycle Market: Post-pandemic destocking in the bicycle industry has been slow. The Company is pivoting toward high-growth niche markets, such as e-Bikes, using innovative specifications to stimulate demand in the replacement (AM) market.

2. Domestic market:

(1) Establishment of distribution channels:

The Company maintains a robust and well-established distribution network across the motorcycle, bicycle, and passenger car tire (PCR) segments. By providing customer-centric services and fostering long-term trust through high-quality products, the Company continues to secure a stable and leading position in the market.

(2) New product R&D and innovation:

The Company focuses on the development of high-performance racing slicks (semi-slick tires) and EV-specific tires, continuously enhancing the technological sophistication and value-added potential of the KENDA brand.

(3) Branding and Sports Marketing:

Through the sponsorship of key domestic and international sporting events and active participation in charitable initiatives, the Company strengthens its brand identity and reinforces its image as a socially responsible enterprise (Corporate Social Responsibility).

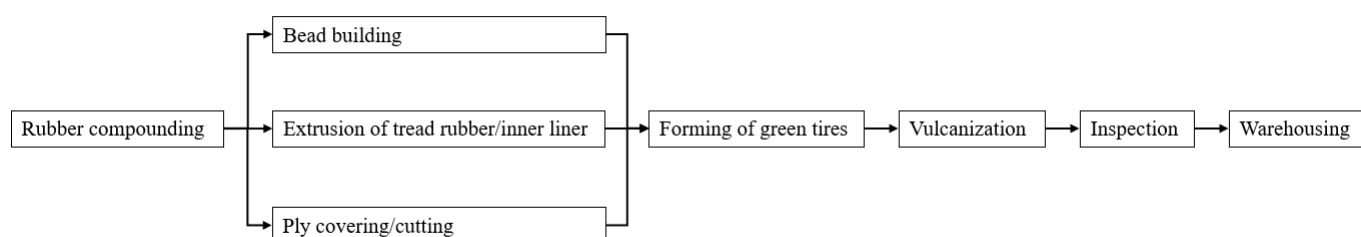
(II) Main utilization and production/manufacturing process of key products

1. Main utilization of key products:

Category	Bicycle Tires	Motorcycle Tires	Industrial Tires	Passenger Car Tires and Truck Tires
Applicable vehicle	Mountain bike	Racing vehicles	Agriculture use	Large trucks
	Cyclocross bikes	Mountain bikes, cyclocross bikes	Forklift tires	Light trucks
	Racing cars, recreational vehicles	Street bikes	Tires for golf carts	High-speed caravans
	Street bikes	Scooters	Tires for beach buggies Tires for mobility scooters Tires for lawn Mowers	Passenger cars

2. Production/manufacturing process of key products:

(1) Manufacturing flows for cover tires:



(2) Manufacturing flows for inner tube:



(III) Supply of major materials

Product name	Supply status
Natural rubber	Mainly imported from Southeast Asia. Stable supply.
Synthetic rubber	Mainly imported from manufacturers in Asia and Europe and some domestic suppliers Stable supply.
Reclaimed rubber	Mainly imported from China and India. Stable supply.
Butyl rubber	Mainly imported from China and Europe. Stable supply.
Carbon black	Mainly from manufacturers in Taiwan, China and other Asian countries. Stable supply.
Plies	Mainly from manufacturers in Taiwan, China and other Asian countries. Stable supply.
Steel wires	Mainly from manufacturers in China and other Asian countries. Stable supply.

(IV) List of suppliers/customers accounting for at least 10% of purchases/sales during the past two years, amounts and percentages of total purchases/sales:

1. Supplies accounting for at least 10% of purchases

Unit: NT\$ thousand

		2025			2024			
Item	Name	Amount	As % of total purchases for the year	Relation with the issuer	Name	Amount	As % of total purchases for the year	Relation with the issuer
1	None	-	-	-	None	-	-	-
	Net purchases	11,752,159	100		Net purchases	13,494,593	100	

2. Customers accounting for at least 10% of sales

Unit: NT\$ thousand

		2025			2024			
Item	Name	Amount	As % of total sales for the year	Relation with the issuer	Name	Amount	As % of total sales for the year	Relation with the issuer
1	None	-	-	-	None	-	-	-
	Net sales	33,963,122	100		Net sale	34,202,669	100	

Note 1: Please list the suppliers/customers accounting for at least 10% of purchases/sales during the past two years, amounts and percentages of total purchases/sales. However, indications may be made in codes if customers' names cannot be disclosed due to contractual agreements or counterparties are non-related individuals.

Note 2: TWSE/TPEX listed companies should disclose financial data audited or reviewed by independent auditors for the most recent period as of the print date of the annual report.

3. The Company's Relation with Suppliers, implementation of risk management policies, and risk measurement criteria.

The Company has always viewed its suppliers as long-term and reliable partners. Good supplier is the key factor for business growth. Therefore, based on the principles of safety, price, delivery, quality, service, environmental protection and sustainability, the Company carefully selects qualified suppliers and regularly reviews the suppliers' product quality, delivery, service, continuous improvement and attention to the environment.

The Company's procurement items can be divided into seven categories: raw materials,

packaging supplies, equipment, molds/fixtures, contractors, subcontract processing, and office supplies. Among them, the procurement of raw materials accounts for the largest proportion. The Company strives to maintain at least two to three suppliers in different geographic locations for each material, in order to have the flexibility to respond to operational risks due to international circumstances change, extreme climates and significant natural disasters. The Company also proactively increases inventory and looks for second suppliers for the materials relying on single suppliers. The Company also asks suppliers to review operating status and to manage the risks associated with geographic distribution of production lines, in order to reduce the shortage risks due to international circumstances change, extreme climates and significant natural disasters.

III. Employees

Employees data during the most recent two years and as of the print date of the annual report

Year		2024	2025	As of February 28, 2026
No. of employees	Office workers	3,414	3,690	2,458
	Operators	7,253	7,286	8,045
	Total	10,667	10,976	10,503
Average age		39.81	39.11	39.44
Average tenure		9.71	9.58	8.93
Distribution of education backgrounds	Doctoral Degree	1	1	1
	Master's Degree	95	90	88
	Colleges and Universities	2,496	2,315	2,305
	Senior High School	2,993	3,057	3,067
	Below Senior High School	5,082	5,513	5,042

IV. Environmental Protection Expenses

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

- (I) The compensation received by the Company due to environmental pollution in the most recent fiscal year and up to the annual report publication date: None.

(II) Items of violations of environmental protection laws and regulations due to environmental pollution in the most recent fiscal year and up to the annual report publication date:

Date	Case number	Violation of legal terms	Violation of regulations	Corrective Action	Penalty
February 27, 2025	20-114-020037	Article 34, Paragraph 4 of the Air Pollution Control Act	Failure to comply with Article 9, Paragraph 1 of the "Regulations for the Establishment and Management of Air Pollution Control Units or Personnel," which requires written notification within 15 days after the resignation of the responsible personnel for record-keeping purposes.	Incorporate the regulations regarding changes and adjustments of air pollution control personnel into the internal management rules.	NT\$200,000
March 3, 2025	40-114-030007	1. Article 31, Paragraph 1, Subparagraph 2 of the Waste Disposal Act 2. Article 36, Paragraph 1 of the Waste Disposal Act	1. From June 2022 to October 2024, the reported volume exceeded the Waste Disposal Plan by more than 10%, but no application for changes to the business waste disposal plan was processed. 2. Hazardous business waste has been stored for over one year without being reported and disposed of according to regulations.	The Company conducts a monthly reconciliation of the actual volume of industrial waste generated. In the event that any change in production capacity is likely to exceed the prescribed threshold of 10%, an amendment or change application shall be submitted in advance through the Waste Declaration and Management System. The Company records the collection and transportation dates of hazardous industrial waste in the Waste Declaration and Management System, arranges for commissioned clearance and disposal by qualified waste treatment contractors within the prescribed time limits, and completes the required declarations in the Waste Declaration and Management Information System.	NT\$120,000

Date	Case number	Violation of legal terms	Violation of regulations	Corrective Action	Penalty
March 31, 2025	20-114-030028	Article 24, Paragraph 4 of the Air Pollution Control Act	<p>The Company previously held an Operation Permit for the Tire Manufacturing Process (M01) (Permit No. Fu-Shou-Huan-Kong-Tsao-Cheng-1206-05), with a validity period from March 9, 2023 to December 10, 2024. Upon applying for an extension of the operation permit, the County Environmental Protection Bureau dispatched personnel on September 3, 2024 to conduct an on-site inspection to verify whether the manufacturing process was consistent with the original permit.</p> <p>At the time of inspection, the manufacturing process was in operation. According to the permit, the pollution source (E007) — the cement spraying machine — was required to adopt a fully enclosed collection method, with a control efficiency of 100%. However, the on-site inspection revealed that the emission area of the pollution source, as well as the entry and exit points for personnel or materials, did not comply with the negative pressure operation requirements as stipulated in the “Regulations Governing Volatile Organic Compound Emission Factors for Industrial Processes, Operation Units (including Equipment Components), Control Efficiencies, and Other Measurement Requirements for Air Pollution Control Fees of Stationary Sources at Public and Private Facilities.” In addition, no pressure monitoring instruments were installed.</p> <p>Accordingly, it was determined that the operation was not conducted in compliance with the contents of the operation permit.</p>	<p>The collection method for the spraying machine (Process Emission Source E007) has been upgraded to a sealed enclosure. This achieves a 100% treatment efficiency, complying with the "negative pressure operation" requirements specified in the "Regulations Governing Volatile Organic Compound (VOC) Emission Factors, Control Efficiency, and Other Measurement Requirements for Fixed Pollution Sources of Public and Private Premises.</p>	NT\$100,000

V. Labor Relations

(I) Current and important labor agreements and implementation status

1. Employees' benefits: To boost employees' morale and work efficiency, enhance employee engagement, and establish a stable work environment, the Company established Kenda Employee Benefit Committee in March 1966 to drive many benefit measures and harmonize labor relations. Below is a description of employee benefits:

(1) To align with the Company's strategic growth, the Company hosts multiple internal training programs annually and provides specialized technical training to cultivate professional expertise across all levels.

(2) Health Management and Preventive Care

The Company conducts annual employee health check-ups. In support of the Ministry of Health and Welfare's "Healthy Taiwan—Chronic Disease Prevention" initiative (including healthy lifestyle cultivation and the "888 Plan" for obesity and hypertension / hyperlipidemia / hyperglycemia prevention), the Company performs regular follow-ups for employees with abnormal readings. The Human Resources Department actively arranges consultations with factory physicians and displays cardiovascular disease prevention materials to promote health literacy.

(3) Establishment of employee leisure clubs such as in bowling, tennis, table tennis, wellbeing, mountain climbing, and cycling.

(4) Bonuses for Labor Day, Dragon Boat Festival, Middle Autumn Festival, and year-end banquet each year.

(5) Organized employee travels each year.

(6) Scholarships for employees and their children, and subsidies for childcare, weddings, funerals, and hospital stays.

(7) Canteens to provide free meals to employees.

(8) The Company implements a flexible working hour system, allowing employees to choose their start and end times to better balance their professional and personal responsibilities.

(9) Unpaid parental leaves

The Company offers unpaid parental leaves according to laws. The numbers of applicants for unpaid parental leaves in 2025 and 2024 are as follows:

No. of applicants for unpaid parental leaves	Male	Female	Total
Actual number of applicants for unpaid parental leaves in 2025	6	9	15
No. of employees expected to return from unpaid parental leaves in 2025 (A)	6	6	12
No. of employees expected and having returned from unpaid leaves in 2024 (B)	6	6	12
Return rate (B/A)	100%	100%	100%
No. of applicants for unpaid parental leaves in 2024 and with a tenure of at least one year (C)	4	8	12
No. of applicants for unpaid parental leaves in 2024 and having returned subsequently (D)	5	9	14
Retention ratio (C/D)	80%	89%	86%

(10) Comprehensive employee insurance coverage: In addition to labor insurance and national health insurance, The Company provides group insurance for all employees with comprehensive medical covers such as hospital stays, cancers, critical illnesses, and occupational accidents.

2. Continued education:

To encourage employees' continued training and enhance employee competencies for the benefit of corporate operation capability, and to ensure the Company's investment in training and education, full-time employees who have been in continuous service for one year may apply for participation in training programs.

3. Training:

To effectively enhance the quality of our workforce and maintain training excellence, the Company has established a dedicated "Education and Training Committee." This committee governs a rigorous management cycle: at the end of each year, it formulates training policies aligned with corporate strategies and reviews annual departmental plans. Through quarterly meetings, the committee evaluates implementation effectiveness using the PDCA (Plan-Do-Check-Act) framework as a basis for continuous optimization.

Diversified Educational Framework

The training system is categorized by nature (Pre-employment vs. In-service) and venue (On-site vs. Off-site), covering every stage of an employee's career development:

(1) New Hire Orientation and Onboarding

Beyond introductory courses on corporate philosophy, quality policy, and EHS (Environment, Health, and Safety) regulations, the program emphasizes departmental operations, document management, and core work skills to ensure new members seamlessly integrate into our organizational culture and workflows.

(2) Tiered Leadership and Competency Training

Curriculums are tailored to different job grades, ranging from quality control practices and specialized tire technology seminars to digital literacy and core management competencies (e.g., Balanced Scorecard (BSC) management, internal control systems, and strategic planning). For mid-to-senior management, the Company offers the "Successor Development Series" to deepen strategic thinking, leadership, change management, and risk control.

(3) Specialized and Project-Based Training

The Company provides advanced training for specialized functions, including inspection, calibration, and auditing, to meet regulatory requirements. In 2025, to support digital transformation and market trends, the Company introduced project-based courses such as "Generative AI x Power BI Visualization," "AEO (Authorized Economic Operator) Certification," and "Effective Workplace Communication & Anti-Bullying Workshops" to strengthen organizational resilience.

2025 Education and Training Performance Summary

The Company regards the enhancement of human capital as a core indicator of sustainable operations. The results for the 2025 fiscal year are summarized below:

Assessment Item	Performance Results
Total Training Expenditure	NT\$ 9,222,179
Total Training Hours	50,958.5 Hours
Average Training Hours per Employee	28.0 Hours

4. Collective Bargaining Agreements

The Company has established an Enterprise Union. However, as the Union has not yet initiated a request for collective bargaining, no Collective Bargaining Agreement (CBA) has been signed to date. Nevertheless, the Company maintains open and transparent communication channels with the Union to ensure employee rights are protected.

5. Employee-Friendly Leave Policy

In addition to the employee welfare measures described above, The Company, in order to safeguard employees' physical and mental well-being, has established a friendly leave policy that exceeds statutory requirements. In addition to ensuring that employees may exercise their

rights to various types of leave and vacation in accordance with applicable labor laws and regulations (such as the Labor Standards Act, the Act of Gender Equality in Employment, and the Regulations of Leave-Taking of Workers), The Company has also implemented a flexible working hours system, allowing employees to adjust their working hours based on their family circumstances.

Furthermore, pursuant to the Regulations of Leave-Taking of Workers, employees are entitled to up to 14 days of personal leave per year without pay, and up to 30 days of ordinary sick leave with half pay. The Company additionally provides employees with leave without pay arrangements that are more favorable than those prescribed by applicable laws, encouraging employees to apply for the above-mentioned types of leave in accordance with their actual needs.

6. Retirement system:

The Company ensures the protection of employees' retirement rights and interests in accordance with applicable laws and regulations, implementing the relevant provisions of the Labor Standards Act (old system) and the Labor Pension Act (new system) to create a secure and stable working environment.

(1) Overview of Pension Contributions and Management

The Company makes full monthly pension contributions based on the retirement system selected by employees to ensure their financial security in retirement.

A. Old Labor Pension System: The Company adopts a contribution rate of up to 15% of total salaries, exceeding the general statutory requirements, and makes monthly contributions to a dedicated account with the Bank of Taiwan. As of December 31, 2025, the balance of the account amounted to NT\$496,388,015, reflecting sound fund management.

B. New Labor Pension System: In accordance with regulations, the Company contributes 6% of the insured salary on a monthly basis to the individual pension accounts of employees who have opted for the new system. Employees may also make voluntary contributions ranging from 1% to 6% of their insured salary.

(2) Retirement Application and Eligibility

A. Voluntary Retirement: Employees who have completed 15 years of service and attained the age of 55, or have completed 25 years of service, or have completed 10 years of service and attained the age of 60.

B. Mandatory Retirement: Employees who have reached the age of 65, or who are unable to perform their duties due to physical or mental disabilities (as defined under Disability Grades 1 to 6 of the Labor Insurance program).

C. Early Retirement Program: In consideration of senior employees, those whose

combined years of continuous service and age total 70 or above may apply for retirement subject to Company approval.

(3) Pension Benefits Standards

A. Employees under the old system (or with retained service years under the old system):

Pension benefits are calculated based on one month of average salary at the time retirement is approved. For the first 15 years of service, two units are granted for each full year of service; for service exceeding 15 years, one unit is granted for each additional year, with a maximum limit of 45 units. In cases of mandatory retirement due to mental incapacity or physical disability resulting from the performance of duties, an additional 20% shall be granted in accordance with regulations.

B. Employees under the new system:

For employees hired on or after July 1, 2005, or those who have opted for the new system, pension benefits are funded through the Company's monthly contribution of 6% of the insured salary to the employee's individual pension account. Employees may choose whether to make voluntary contributions, and upon retirement, benefits are paid based on the accumulated principal and earnings in the individual account.

7. Human right protection policy:

The Company has established the human right policy as follows to protect employees and require suppliers to sign a sustainable development statement and to jointly comply with it to protect human rights.

(1) Diversity and inclusion, ensuring equal employment opportunity, equality, anti-discrimination and anti-harassment

- A. Embed respect for economic, social, cultural, civil, and political rights, as well as the right to development, in the way company's operate.
- B. Shall not discriminate on the basis of race, nationality, religion, gender, age, social class, physical disability, family and marital status, union member, political affiliation, employment, compensation, promotion, training, retirement, termination of employment, etc. There is differential treatment.
- C. Non-interference in employee beliefs, political inclinations, marriages and rights to follow various customs.
- D. Protect labor rights of vulnerable groups or marginalized groups such as indigenous peoples, women, migrant workers, contracted labor and persons with disabilities.
- E. Eliminate unlawful discrimination and ensure equality in the workplace.
- F. A workplace free from harassment and discrimination should be provided. Relevant disciplinary policies and procedures must be clearly defined and communicated to employees. Avoid harsh or inhumane treatment of employees, including but not limited to violence, sexual violence, sexual harassment, sexual assault, corporal punishment, psychological or physical pressure, bullying, public humiliation, or verbal abuse, and do

not threaten to engage in any such behavior. Strictly prohibit any form of harassment, including but not limited to verbal harassment, psychological harassment, and sexual harassment.

(2) Forbid forced labor and prohibit of using child labor

- A. Implement freedom of employment. No force, coercion, detention, or other illegal means, compel a worker to perform work.
- B. Employee wages are not withheld as liquidated damages or compensation costs, and employees retain the right to terminate the contract in accordance with the Labor Standards Act.
- C. Applicants are required to provide age proof documents, and those who are over the age of 15 but under the age of 16 will not be hired.

(3) Set up a complaint channel to promote harmony between labor and management

- A. In order to protect the rights of employees, the Company provides diverse open dialogue channels available, including ways to report anonymously, to help employees resolve issues related to their personal rights or unfair treatment at work, and to ensure that employees' opinions are immediately dealt with, so that making communication without barriers in the entire workplace.
- B. Create an environment that is willing to communicate and establish an open management model.

(4) Safe and Healthy Workplace

- A. Provide a safe and healthy working environment and establish preventive measures to prevent employees from having accidents or affecting their health at work.
- B. Support and assist employees to maintain physical and mental health and work-life balance and provide a zero-harassment working environment.

(5) Regularly review and evaluate human rights-related systems and practices.

(6) Compensation and welfare and working hours

- A. Fair and reasonable compensation and benefits that comply with wage laws, and timely payment of full wages to employees.
- B. Clearly define regulations for working hours and overtime, regularly monitor and manage employee attendance, and respect national holidays or religious holidays.

(7) Freedom of assembly and association and collective bargaining rights

The Company should respect employees' rights to assembly, association, and collective bargaining, value all labor organizations, and promote cooperation between labor and management.

(8) Human Rights Governance Framework

- A. The Human Rights Policy is signed by the Chairman, who provides leadership, allocates resources, and actively supports management in implementing various human rights protection initiatives.
- B. The human resource's function implements various human resource management systems, formulates human rights-related policies and objectives, and conducts human

rights due diligence to assess implementation status, which serves as the basis for evaluation and subsequent improvement actions.

C. The procurement function requires suppliers to sign the Supplier Code of Conduct and Social Responsibility Commitment.

8. Human Rights Risk Assessment

To establish a comprehensive and appropriate human rights management program, the Company effectively controls hazards and risks and prevents and mitigates both the likelihood and severity of potential impacts. The Company has also collaborated with the BAS (Bicycling Alliance for Sustainability, Taiwan) to conduct a “Human Rights Risk Assessment” survey to identify actual and potential human rights risks associated with its operations. According to the seven key human rights issues identified for the bicycle industry through this assessment, “Occupational Health and Safety” has been identified as the highest-risk human rights issue across the industry value chain, followed by “Working Hours,” while “Child Labor” has been identified as the lowest-risk issue.

Human Rights Stakeholder	High-Risk Issues	Remedial Measures	Risk Mitigation
Employees	Occupational Health and Safety	Strengthen inspections in high-risk workplaces prone to occupational injuries, increase the frequency of site visits, and enhance training programs to prevent recurrence of similar incidents, with the aim of achieving “zero occupational injuries.”	<ol style="list-style-type: none"> Promote health management programs by employing nurses and contracting physicians to provide comprehensive health consultation and care services. Conduct employee health examinations.
Employees	Working Hours	Ensure that wages during regular leave days, rest days, holidays, and special leave are paid in full in accordance with labor regulations.	Recruit sufficient personnel to meet production capacity requirements and shorten the review cycle of workforce allocation plans to prevent overtime work on holidays due to manpower shortages.

9. Protective measures for employees’ safety and work environment and implementation status

To protect work safety of all employees, the Company provides a work environment with comprehensive facilities for occupational safety and health. In event of any occupational hazards or accidents, employees will be sent to the hospital, and relevant assistance shall be provided according to the procedures in disaster responses. In terms of human rights management, there is no unfair treatment. To avoid physical or mental diseases caused by illegal infringement on the physical or mental status of employees, any improper management by executives is strictly prohibited.

10. Labor agreement: There is no labor agreement given the Company’s long-standing harmonious relation with workers and a lack of labor disputes.

(II) Losses incurred due to labor disputes during the most recent year and as of the print date of the annual report; disclosure of the estimated amount update or possibly in the future and responding measures: None.

VI. Information Security Management

(I) Describe the information security risk management framework, information security policies, concrete management programs, and investments in resources for information security management.

1. Establish information security risk management framework:

The Company established the “Information Security Management Group” to coordinate information security and protection-related policy formulation, implementation, risk management and compliance verification. The Company has a dedicated supervisor and team members to oversee the implementation of company-wide information security operations and the effectiveness of the information security risk management mechanism, and to report regularly to the Board of Directors on the information security management operations related to the overall information security management organization.

2. Information Security Policies:

The Company has an “Information Security Policy” to ensure the confidentiality, availability and integrity of information assets. Through the implementation of the information security policy, the Company will reduce the Company’s operational disruption caused by information security risk and minimize the leakage of important company information.

3. Concrete management programs:

The Company’s information security mission is to build a strong and effective information security network. The Company signs maintenance contracts for our important hardware and equipment on a yearly basis in order to reduce the risk of business interruptions and liability for claims, and to become a company with outstanding performance in information security management.

In order to strengthen the information security protection capability, the Company regularly asks information security providers to perform information security vulnerability scanning every year, and the Company will improve the high-risk items in the detection results, such as ask the service provider to update the anti-virus software that is discontinued. Continuously improve the quality of information security protection by implementing improved measures.

The Company conducts “Information Security Education Training” for all employees every year to raise their awareness and reduce the risk of information security incidents.

The Company has signed maintenance contracts for all important hardware and equipment to reduce the risk and claims caused by business interruption.

4. Resources for information security management

(1)Regular renewal and update of antivirus software: Expenditure in 2025 is approximately NT\$0.74 million.

(2)Signing important information/network hardware maintenance contracts: Expenditure in 2025 is approximately NT\$0.85 million.

(3)Implementation of “Information Security Education and Training” for all employees: Training hours in 2025 are 2,065 hours.

(4)Computer replacement and updates: Expenditure in 2025 is approximately NT\$3.51 million.

(5)Enhancement of endpoint protection functions for office computers: Actual expenditures in 2025 amounted to approximately NT\$0.35 million.

(II)List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant information security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

1. Losses suffered from significant information security incidents:

No significant security incidents in 2025.

2. Possible impacts and measures being or to be taken for significant information security incidents:

The Company regularly scans for information security weaknesses and make improvements on high-risk issues with contracted providers; regularly perform computer scanning to prevent malware from entering the Company; strengthen network firewalls and network control mechanisms to prevent the occurrence and spread of computer viruses; conduct important file management to reduce the leakage of confidential files; and conduct regular information security education and training to raise employee awareness and reduce information security risks.

VII. Important Contracts: None.

Five. Review and Analysis of Financials and Financial Performance and Risks

I. Financial Status: Main reasons and material effects of significant change in assets, liabilities and shareholder equity during the most recent year and the responding plans going forward.

Comparison and Analysis of Financial Status

Unit: NT\$ thousand

Item	Year	2025	2024	Difference	
				Amount	%
Current assets		24,410,111	25,231,143	-821,032	-3.25%
Financial assets at fair value		455,440	375,773	79,667	21.20%
Property, plant and equipment		15,933,793	16,289,339	-355,546	-2.18%
Intangible asset		77,271	68,445	8,826	12.90%
Other assets		4,616,508	5,216,461	-599,953	-11.50%
Total assets		45,493,123	47,181,161	-1,688,038	-3.58%
Current liabilities		8,994,066	11,078,017	-2,083,951	-18.81%
Non-current liabilities		16,940,067	15,019,581	1,920,486	12.79%
Total liabilities		25,934,133	26,097,598	-163,465	-0.63%
Equity attributable to shareholders of the company		19,558,990	21,083,563	-1,524,573	-7.23%
Share capital		9,548,900	9,548,900	0	0.00%
Capital surplus		41	41	0	0.00%
Retained earnings		10,525,370	11,440,797	-915,427	-8.00%
Other equities		(515,321)	93,825	-609,146	-649.24%
Total Equity		19,558,990	21,083,563	-1,524,573	-7.23%
Analysis on +/- change by at least 20%: Decrease in other equities: mainly due to increase in exchange differences on translation of foreign financial statements.					

II. Financial Performance: Main reasons for significant change in revenues, operating profits and profits before tax during the most recent two years, expected sales and basis for expectation, possible influence on the Company's finance and business going forward, and responding plans.

(I) Comparison and Analysis of Operating Performance

Comparison and Analysis of Operating Performance

Unit: NT\$ thousand

Item	Year		Change	
	2025	2024	Amount	%
Net revenue	33,963,122	34,202,669	-239,547	-0.70%
Cost of revenue	27,454,911	26,662,976	791,935	2.97%
Gross profit	6,508,211	7,539,693	-1,031,482	-13.68%
Operating expenses	5,937,082	5,985,796	-48,714	-0.81%
Other operating income and expenses	0	(83,933)	83,933	-100.00%
Income from operations	571,129	1,469,964	-898,835	-61.15%
Non-operating income and expenses	(172,850)	180,461	-353,311	-195.78%
Income before income tax from continuing operations	398,279	1,650,425	-1,252,146	-75.87%
Income tax expense	272,872	409,472	-136,600	-33.36%
Net income from continuing operations	125,407	1,240,953	-1,115,546	-89.89%
Gain (loss) from discontinued operations	0	0	0	0.00%
Net income	125,407	1,240,953	-1,115,546	-89.89%
Other comprehensive gain (loss), net of income tax	(599,601)	1,224,079	-1,823,680	-148.98%
Total comprehensive income	(474,194)	2,465,032	-2,939,226	-119.24%
Net income attributable to Shareholders of the parent company	125,407	1,240,953	-1,115,546	-89.89%

Analysis on +/- change

1. Decrease in Income from operations: a decline in Net revenue, an increase in Cost of revenue, and Operating expenses remaining approximately in line with the previous period.
2. Decrease in Non-operating income and expenses: mainly due to a decrease in other gains and losses.
3. Decrease in Income before income tax from continuing operations: mainly due to the decline in Income from operations.
4. Decrease in Income tax expense: mainly due to the decrease in Income before income tax from continuing operations.
5. Decrease in Net income from continuing operations: mainly due to the decline in Income from operations.
6. Decrease in Net income: mainly due to the decline in operating income.
7. Decrease in Other comprehensive gain (loss), net of income tax: mainly due to a decrease in exchange differences arising from the translation of foreign operations' financial statements.
8. Decrease in Total comprehensive income: mainly due to decreases in both Net income for the period and exchange differences arising from the translation of foreign operations' financial statements.
9. Decrease in Net income attributable to Shareholders of the parent company: mainly due to the decline in Income from operations.

(II) Change in gross profits: Gross profit decreased compared to last year, mainly due to a decrease in Net revenue and an increase in Cost of revenue.

III. Cash Flows: Analysis and explanation of cash flow changes during the most recent year; improvement plan for inadequate liquidity; and cash flow liquidity for the next year.

(I) Liquidity analysis for the most recent two years

Unit: NT\$ thousand

Item	Year	2025	2024	Change (%)
	Cash flow ratio		24.80%	21.91%
Cash flow adequacy ratio		67.45%	78.55%	-11.53
Cash re-investment ratio		2.16%	2.74%	1.36
Analysis on +/- change: Increase in cash flow ratio: due to a decrease in current liabilities.				

(II) Cash flow liquidity for the next year

Unit: NT\$ thousand

Cash balance at the beginning of the period	Expected net cash flows from operating activities for the year	Expected cash outflows for the year	Expected cash surplus (gap)	Measures to make up the cash gap	
				Investment plan	Financing plan
9,331,556	2,537,250	2,448,380	9,420,426	—	—

IV. Impact of Major Capital Expenditures on Finance and Business During the Most Recent Year:

(I) Utilization and funding sources of major capital expenditures

Unit: NT\$ thousand

Project	Actual or expected funding sources	Actual or expected completion dates	Total amount required	Actual or expected capital utilization	
				2025 (actual)	2026 (expected)
Equipment addition and replacement	Internal capital and bank loans	2025	1,092,994	1,092,994	—
Equipment addition and replacement	Internal capital and bank loans	2026	1,839,815	—	1,839,815

(II) Expected possible benefits:

Increase of production capacity for passenger car tires, motorcycle tires, and bicycle tires in order to boost the Company's market shares in these markets.

V. Investment Policies, Main Causes for Profit or Loss and Improvement Plans in the Most Recent Year and Investment Plans for the Coming Year:

Investment policies in the most recent years:

The Company continues to invest in facility expansion for its core business in order to boost capacity, sales and profits.

Investment plans for the coming year:

The Company continues to carefully evaluate investment projects and develop the global market in line with incremental capacity, in order to grow revenues and profits.

VI. Risks:

(I) Impact of interest rate changes, exchange rate changes, and inflation on the Company's profit and loss and responding measures going forward:

Exports account for 96% of the Company's revenues and imports of raw materials and other materials account for 99% of the total purchases. A relatively high proportion of imports and exports is in US dollars and Euro. Most of our customers are overseas. Therefore, exchange rate changes affect the Company's profits.

As a principle, the Company seeks to hedge currency risks and does not speculate. Finance personnel keep a close eye on movements of the currency market and change of financial information, in order to stay on top of exchange rate directions. Meanwhile, the relation with banks is strengthened and advice from foreign exchange banks is taken into account to ensure reasonable currency hedging activities.

The Company regularly reviews borrowing rates and stays in close conversations with banks to obtain favorable interest rates in the market.

(II) Policies regarding highly-risky, highly leveraged investments, lending, endorsements and guarantees, and derivatives trading; main reasons for related profits or losses, and responding measures:

Endorsements and guarantees are provided by the Company to indirect investees according to the terms and conditions agreed with financial institutions. This may be dealt with by a local branch of the financial institution within the approved credit limit or with L/C loans guaranteed by the Company from another institution designated by the lending bank.

The Company's lending, endorsements and guarantees are in adherence to regulations set by competent authorities and relevant management rules established internally. The Company are not involved in trading derivatives.

(III) R&D plans and expected R&D expenses:

The R&D expenses expected in 2026 will account for approximately 0.6% of that year's revenue. The main projects are as follows.

1. Establishment of a high-speed consistency and low rolling resistance system for tires.
2. Certification of green and sustainable materials.
3. Research and development of intelligent tires.
4. Tire 3D structure computed tomography (CT) system.
5. High-precision tire scanner.
6. Introduction of tire inclination & declination durability and high-speed running equipment.
7. Introduction of electric vehicle tire development equipment.
8. Introduction of tire product life-cycle management (PLM) system.
9. Introduction of lab-grade tire performance testing machine system.

(IV) Impact of major policy and law changes, domestically and overseas, on the Company's finance and business and responding measures: none

(V) Impact of technology (includes information security risk) and industry changes on the Company's finance and business and responding measures:

1. If the computer system that is important for corporate functions such as manufacturing, operation and finance is attacked and paralyzed, the important data of the company may be lost and the production line may be shut down.
2. Response measures include regularly backing up important data and files, signing maintenance contracts for the Company's important hardware, and regularly implementing data recovery exercises every year.

(VI) Impact of corporate image changes on the Company's crisis management and responding measures: None.

(VII) Expected benefits and potential risks of M&As ongoing and responding measures: None.

(VIII) Expected benefits and potential risks of facility expansions, and responding measures: Increase of sales and operating profits.

(IX) Risks associated with purchase or sales concentration and responding measures: None.

(X) Impact and risk of significant transfers or change of stakes by directors, supervisors or major shareholders with at least 10% holdings, and responding measures: None.

(XI) Impact and risk of change of control and responding measures: None.

(XII) Litigation or non-litigation events: It is necessary to describe major litigations, non-litigations or administrative litigations with confirmed judgments or still ongoing involved by the Company or any of its directors, supervisors, General Manager, de facto responsible persons, major shareholders with at least 10% stakes or any of the subordinated companies. If the outcome may have material influence on shareholders' equity or securities prices, it is necessary to disclose the matters in contention, underlying amounts, start dates of the litigations, main parties involved and progress as of the print date of the annual report:

The Company previously had an exclusive distribution agreement with Gabjohn in Nigeria. Due to the sales condition, the trading companies commissioned by the Company switched to other distributors in Nigeria to sell our products. Gabjohn filed a lawsuit against the Company regarding the breach of the exclusive distribution contract and demands compensation of about NT\$90 million (or NGN 500 million). The appointed party has notified the Company in 2025 that this case was transferred from the Federal Court to the State Court for hearings and adjudication. However, Gabjohn has not proceeded with the transfer and filing of the case with the State Court. Accordingly, the Company believes that the case has been significantly delayed, and as no further legal action has been taken by Gabjohn, there is no likelihood of loss or liability arising therefrom.

(XIII) Other important risks and responding measures:

The Company's risk management matters are supervised by the audit committee, and the corporate governance group is responsible for formulating risk management policies, ensuring the implementation of risk management policies approved by the board of directors, and reporting the overall risk management implementation status to the board of directors at least once a year. In 2025, the report is presented to the board on November 11.

Risk items	Response measures for 2025
Extreme Weather Events	<ol style="list-style-type: none"> 1. Assess the exposure of each manufacturing factory to extreme weather risks, develop relevant preventive measures, and establish disaster response plans. 2. Continue promoting greenhouse gas (GHG) emission reduction initiatives. 3. Mitigate the risk of rising raw material costs by substituting with existing alternative materials.
Economic Downturn	<ol style="list-style-type: none"> 1. Actively monitor market changes and factory capacity to adjust sales strategies as appropriate and include such assessments as a key consideration in capacity expansion planning. 2. Expand customer regions and diversify product offerings. 3. Strengthen production site diversification and operational flexibility 4. Ensure adequate company liquidity to withstand temporary economic downturns.
Erosion of Human Rights and/or Civic Freedoms	<ol style="list-style-type: none"> 1. Conduct human rights due diligence. 2. Continuously promote human rights education and training programs. 3. Conduct regular human rights risk assessments.
Employee Risks	<ol style="list-style-type: none"> 1. Address workplace violence through incident reports, complaint forms, and tracking investigation forms. 2. Implement regular education and training programs. 3. Strengthen working hours management. 4. Facilitate notification and appropriate work arrangement for pregnant employees. 5. Conduct employee surveys on a regular basis.
Changes in Customer Behavior	<ol style="list-style-type: none"> 1. Strengthen product development capabilities to accelerate the launch of a full range of new products that meet market demands. 2. Actively develop low-carbon green products and lightweight electric vehicle tire products. 3. Ensure timely delivery to meet customer needs without delay. 4. Increase production line automation to improve quality. 5. Explore new markets and enhance brand image. 6. Phase out non-competitive products promptly.
Rising Raw Material Costs	<ol style="list-style-type: none"> 1. Develop new formulas, flexibly adjust product material composition, and reduce the proportion of specific raw materials. 2. Utilize procurement management negotiation capabilities effectively, actively develop competitive suppliers in various regions, and enhance communication with suppliers to strengthen

	<p>the adaptability of staff responsiveness.</p> <ol style="list-style-type: none"> 3. Combine long-term contracts with spot purchases, placing monthly/quarterly orders to mitigate cost volatility and supply risks. 4. Enhance market monitoring and analysis of bulk raw materials, control group-wide inventory and usage, and procure materials in appropriate quantities at the right time.
Occupational Safety, Health and Environmental Risks	<ol style="list-style-type: none"> 1. Install and maintain fire safety equipment in full compliance with all applicable regulations. 2. Develop comprehensive fire prevention, disaster response, and emergency protection plans. 3. Provide regular safety and environmental health (EHS) education and training. 4. Maintain inventory maps for hazardous materials and chemicals stored on-site. 5. Prioritize the procurement of machinery with advanced safety features and high-level protection configurations. 6. Upgrade single-point photoelectric safety devices to light curtain safety systems. 7. Ensure safety devices are designed so that equipment cannot be activated in the event of a malfunction. 8. Implement application and hazard notification procedures for on-site construction and maintenance activities. 9. Conduct safety inspections for on-site construction activities. 10. Establish a safety operation permit system and procedures for production equipment. 11. Implement improvement projects for workplace ventilation and exhaust systems. 12. Hold monthly group-wide meetings to review and optimize facility and equipment performance. 13. Promote Manufacturing Execution System (MES) implementation and monitor progress of automation projects.
Innovation Risks	<ol style="list-style-type: none"> 1. Introduce new technologies and recruit specialized talent. 2. Establish research and development centers.
Customer Relationship Risks	<ol style="list-style-type: none"> 1. Incorporate customer complaint resolution measures into standardized procedures and conduct regular audits. 2. Set annual targets and monitor progress toward achievement.
Operational Risks	<p>In alignment with the Just-In-Time (JIT) production model and minimum batch production principles, utilize MES and dispatch order-based production systems to establish necessary stock levels, ensuring on-time delivery to customers.</p>

Supply Chain Risks	<ol style="list-style-type: none"> 1. Calculate supply process capability based on delivery lead times and inspection data. 2. Set annual targets and track performance against defined objectives.
Regulatory Compliance Risks	<p>Ensure strict adherence to labor laws by implementing dynamic manpower allocation and strategic hiring based on order volume fluctuations.</p>

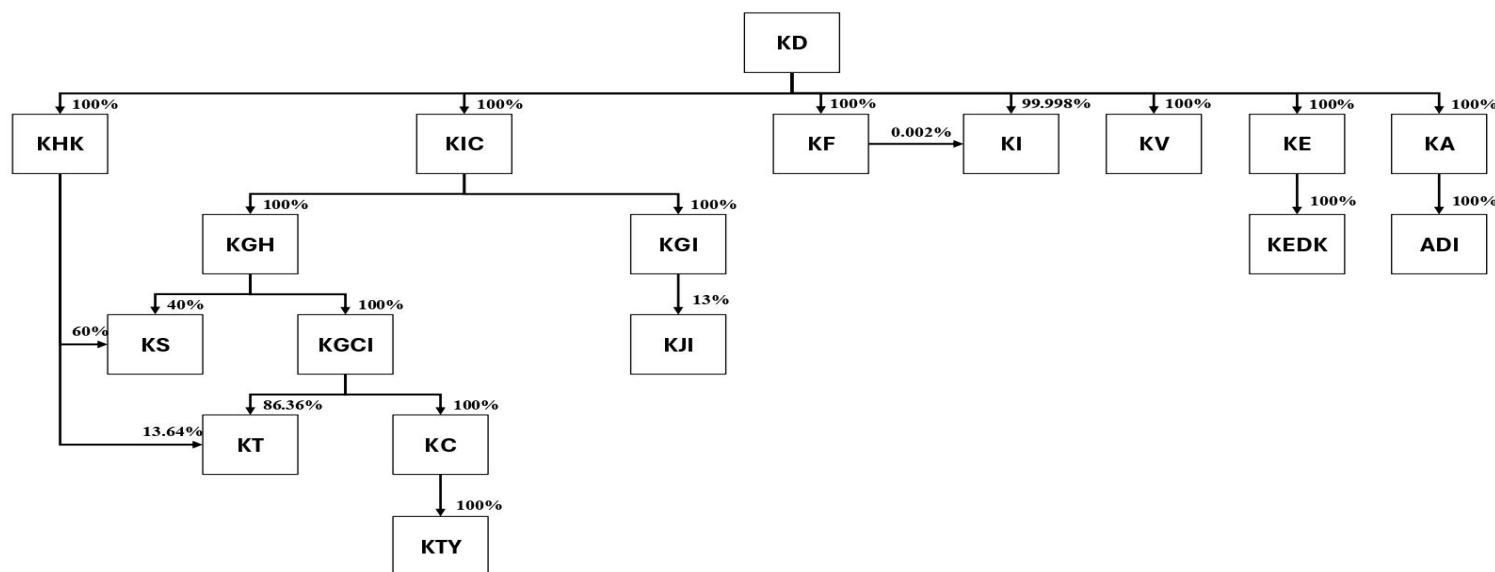
VII. Other Important Matters: None.

Six.Special Notes & Supplementary Information

I. Data on Affiliated Companies

(I) Organization of affiliated companies

1. Kenda Rubber Ind. Co., Ltd.'s Organization Chart for Affiliated Companies



Note 1: Companies controlled and subordinated as inferred according to inferred by Article 369-3 of the Company Act

Note 2: Codes explained:

Code	Company name	Location	Code	Company name	Location
KD	KENDA RUBBER IND.. CO., LTD.	Taiwan	KJI	KENJOU INVESTMENT CO.LTD.	Mauritius
KA	AMERICANA KENDA RUBBER IND.. CO., LTD	Ohio, USA	KGH	KENDA GLOBAL HOLDING CO., LTD.	Cayman Is.
ADI	AMERICANA DEVELOPMENT, INC.	Ohio, USA	KGCI	KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	Kunshan, Jiangsu
KV	KENDA RUBBER (VIETNAM) CO., LTD.	Dong Nai, Vietnam	KC	KENDA RUBBER (CHINA) CO., LTD.	Kunshan, Jiangsu
KI	PT. KENDA RUBBER INDONESIA	Indonesia	KS	KENDA RUBBER (SHENZHEN) CO., LTD.	Shenzhen, Guangdong
KE	KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	Winsen, Germany	KHK	KENDA RUBBER (HONG KONG) CO., LTD.	Hong Kong
KF	KENFONG INDUSTRIAL CO., LTD.	Taiwan	KT	KENDA RUBBER (TIANJIN) LIMITED	Jinhai, Tianjin
KIC	KENDA INTERNATIONAL CORPORATION	Cayman Is.	KEDK	KENDA Europe A/S	Aarhus, Denmark
KGI	KENDA GLOBAL INVESTMENT CORPORATION	Mauritius	KTY	Kunshan Taiyuan New Energy Co., Ltd.	Kunshan, Jiangsu

Note 3: On February 3, 2026, the Company completed its organizational restructuring in Europe. KGI, a wholly owned subsidiary (100%) of the Company, transferred its entire 100% equity interest in KEDK to KE, another wholly owned subsidiary (100%) of the Company.

Note 4: On July 8, 2025, KENDA RUBBER (CHINA) CO., LTD., a subsidiary of the Company, acquired a 100% equity interest in Kunshan Taiyuan New Energy Co., Ltd. at a total consideration of CNY 0.

2. Basic data of affiliated companies

Unit: thousand

Company name	Establishment date	Address	Paid-in Capital	Main businesses or production activities
AMERICAN KENDA RUBBER IND. CO., LTD.	1991.02.11	7095 Americana Parkway Reynoldsburg, OHIO 43068 USA	USD 9,000	Investment and trading
AMERICANA DEVELOPMENT, INC.	1998.11.09	7095 Americana Parkway Reynoldsburg, OHIO 43068 USA	USD 20,000	Production of wheel rims and tires Assembly and distribution of wheel rims
KENDA RUBBER (VIETNAM) CO., LTD.	1997.04.03	Cho Chieu Street, Ho Nai 3 Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam Industrial Zone	USD 67,680	Production and sale of a variety of tires
PT. KENDA RUBBER INDONESIA	2014.12.10	J1. Raya Cikande Rangkasbitung KM.5, Desa kareo, Kec. Jawilan Serang 42177 Banten	USD 53,000	Production and sale of a variety of tires
KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	2013.04.19	Benzstraße 21, 21423 Winsen (Luhe)	EUR 7,394 Note 1	Marketing and planning
KENFONG INDUSTRIAL CO., LTD.	2013.11.22	No. 2, Section 1, Chungshan Road, Yuanlin City, Changhua County	NTD 199,000	Selling of a variety of tires
KENDA INTERNATIONAL CORPORATION	1999.03.30	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD 81,753	Investment consultancy and trading
KENDA GLOBAL INVESTMENT CORPORATION	2003.12.11	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD 14,026.4 Note 2	Investment consultancy and trading
KENDA GLOBAL HOLDING CO., LTD.	1997.01.03	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD 112,050	Investment consultancy and trading
KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	2014.04.16	No. 2, Kun Jia Road, Development Zone, Kunsan City, Jiangsu Province	USD 161,000	Investment and trading
KENDA RUBBER (CHINA) CO., LTD.	1994.03.25	No. 2, Kun Jia Road, Development Zone, Kunsan City, Jiangsu Province	USD 70,000	Production and sale of a variety of tires
KENDA RUBBER (SHENZHEN) CO., LTD.	1990.09.07	Gongye West Road, Dalang Sub-District, Baoan District, Shenzhen City	USD 25,000	Production and sale of a variety of tires
KENDA RUBBER (HONG KONG) CO., LTD.	1991.05.07	No. 51-63, Container Port Road, Kwai Chung, New Territories, Hong Kong Room 613, 6/F, Kwai Shun Industrial Centre	HKD 100 USD 30,600	Investment and trading
KENDA RUBBER (TIANJIN) LIMITED	2007.12.06	South District, Jinghai Economic Development Zone, Jinghai District, Tianjin No. 6/8, Taian Dao	USD 220,000	Production and sale of a variety of tires
KENDA EUROPE A/S	2017.10.02	Sintrupvej 71B, st.tv., 8220 Brabrand	DKK 10,320	Production of wheel rims and tires Assembly and distribution of wheel rims
Kunshan Taiyuan New Energy Co., Ltd.	2023.08.21	1F, No. 2, Kun Jia Road, Development Zone, Kunsan City, Jiangsu Province	RMB 0	New energy technologies research, development, and services

Note 1: On July 17, 2025, KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH completed a cash capital increase of EUR 863 thousand, followed by an additional cash capital increase of EUR 923 thousand on February 3, 2026.

Note 2: On December 20, 2022, KENDA GLOBAL INVESTMENT CORPORATION's capital was increased by the capitalization of US\$12,323 thousand from retained earnings.

Note 3: On July 8, 2025, the Company's subsidiary, Kenda Rubber (China) Co., Ltd., completed the acquisition of 100% equity interest in Kunshan Taiyuan New Energy Co., Ltd. at a total purchase price of RMB 0.

3. Data inferring the same shareholders for controlling and subordinated companies: None.
4. Businesses involved by the group and its affiliated companies: Tire industry, general investment, and international trade.
5. Names and shareholders of directors, supervisors, and General Managers of affiliated companies.

Company name	Title	Name or representative	Shareholding	
			No. of shares (capital contribution)	Shares Ratio (contribution as % of capital)
AMERICAN KENDA RUBBER IND. CO., LTD.	Director	Yang, Chi-Jen Yang Shih, Ching-Huey	Kenda holds 500 shares	100%
AMERICANA DEVELOPMENT, INC.	Director	Yang, Chi-Jen Yang Shih, Ching-Huey	American Kenda Rubber holds 1,500 shares	100%
KENDA RUBBER (VIETNAM) CO., LTD.	Director	Yang, Ying-Ming; Yang, Chi-Jen; Chang, Hong-Der; Chen, Chao-Jung; Huang, Feng-Chou	(Kenda contributed US\$67,680,000 in capitalization)	(100%)
	President	Huang, Feng-Chou		
PT. KENDA RUBBER INDONESIA	Director	Yang, Chi- Jen; Yang, Ying-Ming; Chen, Chao-Jung; Tseng, Shen -Tung;	(Kenda contributed US\$52,999,000 in capitalization)	(99.998%)
	Supervisor	Chang, Hong-Der	(Kenfong contributed US\$1,000 in capitalization)	(0.002%)
	President	Tseng, Sheng-Tun		
KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	Director	Yang, Chi-Jen	(Kenda contributed €7,394,000 in capitalization)	(100%)
KENFONG INDUSTRIAL CO., LTD.	Director	Yang, Ying-Ming; Yang, Chi- Jen; Chen, Chao-Jung	Kenda holds 19,900,000 shares	100%
	Supervisor	Chang, Hong-Der		
KENDA INTERNATIONAL CORPORATION	Director	Yang, Ying Ming Yang, Chi-Jen	(Kenda contributed US\$ 81,753,000 in capitalization)	(100%)
KENDA GLOBAL INVESTMENT CORPORATION	Director	Yang, Ying-Ming Chen, Chao-Jung	(KENDA INTERNATIONAL CORPORATION contributed US\$1,703,000 in capitalization)	(100%)
KENDA GLOBAL HOLDING CO., LTD.	Director	Yang, Ying-Ming Yang, Chi-Jen	(KENDA INTERNATIONAL CORPORATION contributed US\$112,050,000 in capitalization)	(100%)
KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	Director	Yang, Ying-Ming; Yang, Chi- Jen; Chen, Chao-Jung	(KENDA GLOBAL HOLDING CO., LTD. contributed US\$161,000,000 in capitalization)	(100%)
	Supervisor	Chang, Hong-Der		
	President	Lin, Chien-Liang		
KENDA RUBBER (CHINA) CO., LTD.	Director	Yang, Ying-Ming; Yang, Chi- Jen; Chang, Hong-Der	(KENDA GLOBAL HOLDING (CHINA) CO., LTD. contributed US\$ 70,000,000 in capitalization)	(100%)
	Supervisor	Chen, Chao-Jung		
	President	Yang, Jui-Wen		
KENDA RUBBER (SHENZHEN) CO., LTD.	Director	Yang, Ying-Ming Yang, Chi-Jen Chen, Chao-Jung	(KENDA GLOBAL HOLDING CO., LTD. contributed US\$1,000,000 in capitalization)	(40%)
	Vice President	Chen, Ming-Tsung	(KENDA RUBBER (HK) CO., LTD. contributed US\$1,500,000 in capitalization)	(60%)
KENDA RUBBER (HONG KONG) CO., LTD.	Director	Yang, Ying-Ming	(Kenda contributed US\$ 30,600,000 in capitalization; Kenda contributed HK\$100,000 in capitalization)	(100%)
KENDA RUBBER (TIANJIN) LIMITED	Director	Yang, Ying-Ming Yang, Chi-Jen Chen, Chao-Jung	(KENDA GLOBAL HOLDING (CHINA) CO., LTD. contributed US\$190,000,000 in capitalization)	(86.36 %)

	Supervisor President	Chang, Hong-Der Lai, Hsi-Jung	(KENDA RUBBER (HK) CO., LTD. contributed US\$30,000,000 in capitalization)	(13.64 %)
KENDA EUROPE A/S	Director	Yang, Ying-Ming Yang, Chi-Jen Jeffrey Pizzola	(KENDA GLOBAL INVESTMENT CORPORATION contributed € 6,935,916 in capitalization)	(100%)
Kunshan Taiyuan New Energy Co., Ltd.	Director	Yang, Ying-Ming	(KENDA RUBBER (CHINA) CO., LTD. contributed RMB 0 in capitalization)	(100%)

6. Operational status of affiliated companies: financial standing and operational results of affiliated companies.

Unit: NT\$ thousand

Company name	Capitalization	Total assets	Total liabilities	Net	Operating income	Operating profit	Profit or loss (net of tax)	Earnings per share (NT\$) (net of tax)
KENDA RUBBER (SHENZHEN) CO., LTD.	714,415	2,673,086	1,526,231	1,146,855	1,724,139	49,295	123,689	4.95
AMERICAN KENDA RUBBER IND. CO., LTD.	268,598	8,304,031	4,536,156	3,767,875	12,913,449	373,275	222,462	24.72
KENDA RUBBER (HONG KONG) CO., LTD.	907,219	1,113,657	62	1,113,595	0	(135)	35,188	1.15
KENDA RUBBER (CHINA) CO., LTD.	2,252,262	8,479,773	1,028,720	7,451,053	7,197,047	93,314	211,102	3.02
KENDA GLOBAL HOLDING CO., LTD.	3,578,118	10,866,803	275	10,866,528	0	(2,064)	(19,186)	(0.17)
KENDA RUBBER (VIETNAM) CO., LTD.	2,121,380	11,584,519	1,301,124	10,283,395	6,631,422	341,199	224,110	3.30
KENDA INTERNATIONAL CORPORATION	2,454,785	11,035,963	0	11,035,963	0	(271)	(134,771)	(1.65)
KENDA GLOBAL INVESTMENT CORPORATION	389,079	155,307	0	155,307	0	(151)	(115,877)	(8.26)
KENDA RUBBER (TIANJIN) LIMITED	6,870,512	4,413,972	1,525,347	2,888,625	3,616,256	(296,051)	(295,975)	(1.35)
KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	222,396	594,485	329,564	264,921	176,415	(82)	(1,952)	(0.30)
KENFONG INDUSTRIAL CO., LTD.	199,000	429,438	144,425	285,013	930,021	47,296	44,311	0.22
KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	5,057,582	10,403,565	624	10,402,941	0	(557)	(66,832)	(0.42)
PT. KENDA RUBBER INDONESIA	1,660,346	1,727,906	1,207,297	520,609	1,335,876	9,111	(50,462)	(0.95)
KENDA EUROPE A/S	49,563	3,294,814	3,231,036	63,778	3,609,342	(95,054)	(132,148)	(81.08)
Kunshan Taiyuan New Energy Co., Ltd.	0	61,967	62,409	(442)	0	(22)	(432)	0

Note: All the above numbers are converted at exchange rates on the year-end reporting date.

(II) Consolidated financial statements of affiliated companies:

For the Company in 2025 (from January 1, 2025 to December 31, 2025), the entities to be included in the consolidated financial statements of affiliated companies according to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are identical with the entities to be included in the parent's consolidated financial statements under the International Financial Reporting Standards (IFRS) 10. As the consolidated financial statements of affiliated companies are disclosed in the parent's consolidated financial statements, the consolidated financial statements of affiliated companies are not separately prepared. (As above the statement for consolidated financials of affiliated companies)

(III) Relation reports: None.

II. Private Placement of Marketable Securities During the Most Recent Year and as of the Print Date of This Annual Report: None.

III. Other Required Supplementary Information:

The Company does not invest in financial instruments other than shares and depositary receipts. Therefore, hedge accounting is not required.

KENDA RUBBER IND. CO., LTD.

CHAIRMAN

YANG, CHI-JEN



Designed for Your Journey



KENDA RUBBER IND. CO., LTD.

Tel:886-4-8345171 Fax:886-4-8361276

<http://www.kendatire.com>

146 Sec. 1, Chung Shan Road, Yuanlin, Taiwan, 510037