



Risk management policy, operating procedure and status of operation for 2025

I. Risk management policy and procedure

The “Corporate Governance Risk Management Policy and Operating Procedures Management Regulations” was approved by the Board of Directors on 9 November 2022 as the highest guiding principle for the risk management of the Company; regularly conducts risk factor identification each year to screen out risk management areas, and monitor potential risks and implements preventive measures in accordance with the latest development and criteria of internal audit so as to strengthen risk management; effective identification, prevention and control of risks through a systematic and institutionalized approach to management so that the Company can maintain normal operation and achieve sustainable operation.

II. Risk Management areas

Internal and external environmental issues in connection with the provision of products, activities and services by the Company and major issues of concern of stakeholders (including workers) fall into this area. The possibility of its occurrence and impact should be evaluated comprehensively, and appropriate countermeasures should be taken to continuously improve and reduce the risks faced by the enterprise. The risk management of the Company includes “safety, health and environmental risks”, “in response to climate change risks”, “product risks”, “market risks”, “raw materials risks”, “employee risks”, “legal compliance risks”, “financial risks”, “information security risks” etc.

III. Organizational structure

In order to strengthen risk control, the Company's risk management matters are supervised by the Audit Committee. The Corporate Governance team is responsible for formulating risk management policies and ensuring the implementation of risk management policies approved by the Board of Directors, and reporting to the Board of Directors on the implementation of risk management at least once a year.

IV. Implementation status

The Company actively promotes the implementation of risk management mechanism and regularly holds meetings to assess and identify the various risks faced by the Company, proposes corresponding countermeasures and submits them to the Audit Committee for discussion and implementation after approval by the Board of Directors.

To enhance risk awareness among the employees and ensure the implementation of risk control concepts in daily work, regular risk management education and training sessions are

conducted. As of September 2025, a total of 825 individuals have received training in hazard identification, risk assessment, and opportunity evaluation, with a total training duration of 790 hours.

For the year ended 11 November, 2025, the risk management operations of the Company were as follows:

Risk assessment items	Implementation status 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 the adaptability of staff responsiveness. 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	<ol style="list-style-type: none"> 1. 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.
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	Ensure strict adherence to labor laws by implementing dynamic manpower allocation and strategic hiring based on order volume fluctuations.

The company's audit committee reported the above operational status at the board meeting on November 11, 2025.