

Kenda Rubber Ind. Co., Ltd. and Subsidiaries

**Consolidated Financial Statements and Independent
Auditors' Review Report
September 30, 2025 and 2024**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To Kenda Rubber Ind. Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Kenda Rubber Ind. Co.,Ltd. and its subsidiaries (collectively referred to as the “Group”) as of September 30, 2025 and 2024, consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the basic paragraph of the qualified conclusions, we conducted our reviews in accordance with SRE 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As mentioned in Note 11 to the consolidated financial statements, the financial statements of non-significant subsidiaries for the same period included in the above consolidated financial statements have not been reviewed by us. The total assets as at September 30, 2025 and 2024 were

NT\$8,102,942 thousand and NT\$7,884,924 thousand, respectively, accounting for 18% and 17% of the total consolidated assets, respectively. The total liabilities were NT\$4,942,570 thousand and NT\$4,997,421 thousand, respectively, accounting for 19% and 19% of the total consolidated liabilities; The total comprehensive income from July 1 to September 30, 2025 and 2024 and those from January 1 to September 30, 2025 and 2024 were NT\$44,347 thousand, NT\$(191,027) thousand, NT\$(202,215) thousand and NT\$(324,790) thousand, respectively, accounting for 8%, 107%, 14% and (19%) of the total consolidated comprehensive income, respectively.

Qualified Conclusion

According to the results of the auditor's review, except that the financial statements of the non-significant subsidiaries mentioned in the basic paragraph of the qualified conclusions may affect the adjustment of the consolidated financial statements if they are reviewed by the auditor, we were not aware that the above consolidated financial statements have not been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, making it impossible to properly express the consolidated financial position of the Group as of September 30, 2025 and 2024, and the consolidated financial performance from July 1 to September 30, 2025 and 2024 and the consolidated financial performance and consolidated cash flow for the period from January 1 to September 30, 2025 and 2024.

Deloitte
Taipei, Taiwan
Republic of China

November 11, 2025

Notice to Readers

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

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

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2025 and December 31, 2024 and September 30, 2024

(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
Current assets						
Cash and cash equivalents (Note 6)	\$ 8,813,615	20	\$ 8,017,817	17	\$ 8,336,219	18
Financial assets at fair value through profit or loss	-	-	-	-	1,727	-
Notes receivable (Note 8)	206,099	-	89,508	-	238,400	-
Trade receivable (Notes 8, 23 and 24)	3,943,113	9	3,631,532	8	4,060,367	9
Inventories (Notes 9 and 24)	9,300,062	21	11,324,863	24	10,057,132	22
Prepayments	230,357	-	288,872	-	352,560	1
Other financial assets - current (Notes 10 and 24)	695,054	2	1,236,355	3	1,219,533	3
Other current assets	331,784	1	642,196	1	618,044	1
Total current assets	<u>23,520,084</u>	<u>53</u>	<u>25,231,143</u>	<u>53</u>	<u>24,883,982</u>	<u>54</u>
Non-current assets						
Financial assets at fair value through other comprehensive income (Note 7)	368,958	1	375,773	1	414,809	1
Investments accounted for using the equity method	142,893	-	153,793	-	146,806	-
Property, plant and equipment (Notes 12 and 24)	15,443,928	35	16,289,339	35	16,030,345	35
Right-of-use assets (Note 13)	1,922,306	4	1,986,261	4	1,847,928	4
Investment properties (Note 14)	27,838	-	29,678	-	29,412	-
Deferred tax assets	643,362	2	429,428	1	428,846	1
Other financial assets - non-current (Note 10)	1,645,328	4	1,969,974	4	1,553,729	3
Other non-current assets (Notes 12 and 24)	522,077	1	715,772	2	669,990	2
Total non-current assets	<u>20,716,690</u>	<u>47</u>	<u>21,950,018</u>	<u>47</u>	<u>21,121,865</u>	<u>46</u>
Total assets	<u>\$ 44,236,774</u>	<u>100</u>	<u>\$ 47,181,161</u>	<u>100</u>	<u>\$ 46,005,847</u>	<u>100</u>
Liabilities and Equity						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	\$ 2,816,273	6	\$ 3,901,513	8	\$ 3,679,754	8
Contract liabilities	233,154	1	273,062	1	279,378	1
Notes payable	19,385	-	51,214	-	56,351	-
Trade payable (Note 23)	2,407,505	5	2,719,669	6	2,701,573	6
Other payables (Note 23)	1,491,651	3	1,625,941	3	1,833,574	4
Current tax liabilities	89,773	-	45,077	-	80,506	-
Lease liabilities - current (Note 13)	211,395	1	137,338	-	128,393	-
Current portion of long-term borrowings (Note 15)	1,771,371	4	1,952,741	4	1,463,378	3
Other current liabilities (Note 17)	375,887	1	371,462	1	394,446	1
Total current liabilities	<u>9,416,394</u>	<u>21</u>	<u>11,078,017</u>	<u>23</u>	<u>10,617,353</u>	<u>23</u>
Non-current liabilities						
Long-term borrowings (Note 15)	13,880,140	31	12,404,672	26	12,657,529	28
Deferred tax liabilities	641,241	2	814,495	2	708,402	2
Lease liabilities - non-current (Note 13)	704,764	2	743,553	2	631,216	1
Net defined benefit liabilities	40,511	-	35,479	-	37,558	-
Other non-current liabilities (Note 14)	924,619	2	1,021,382	2	980,497	2
Total non-current liabilities	<u>16,191,275</u>	<u>37</u>	<u>15,019,581</u>	<u>32</u>	<u>15,015,202</u>	<u>33</u>
Total liabilities	<u>25,607,669</u>	<u>58</u>	<u>26,097,598</u>	<u>55</u>	<u>25,632,555</u>	<u>56</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Note 16)						
Ordinary shares	<u>9,548,900</u>	<u>21</u>	<u>9,548,900</u>	<u>20</u>	<u>9,548,900</u>	<u>21</u>
Capital surplus	<u>41</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>41</u>	<u>-</u>
Retained earnings						
Legal reserve	3,658,774	8	3,531,010	8	3,531,010	8
Special reserve	694,586	2	1,093,568	2	1,093,568	2
Unappropriated earnings	6,096,465	14	6,816,219	15	6,575,193	14
Total retained earnings	<u>10,449,825</u>	<u>24</u>	<u>11,440,797</u>	<u>25</u>	<u>11,199,771</u>	<u>24</u>
Other equity	<u>(1,369,661)</u>	<u>(3)</u>	<u>93,825</u>	<u>-</u>	<u>(375,420)</u>	<u>(1)</u>
Total equity	<u>18,629,105</u>	<u>42</u>	<u>21,083,563</u>	<u>45</u>	<u>20,373,292</u>	<u>44</u>
Total liabilities and equity	<u>\$ 44,236,774</u>	<u>100</u>	<u>\$ 47,181,161</u>	<u>100</u>	<u>\$ 46,005,847</u>	<u>100</u>

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

(Please refer to Deloitte & Touche auditors' review report dated November 11, 2025)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Net operating revenue (Notes 17 and 23)	\$ 8,177,645	100	\$ 8,820,306	100	\$ 25,940,651	100	\$ 26,207,283	100
Operating costs (Notes 9, 18 and 23)	6,561,248	80	6,904,672	78	21,061,106	81	20,284,167	78
Gross profit	1,616,397	20	1,915,634	22	4,879,545	19	5,923,116	22
Operating expenses (Notes 18 and 23)								
Selling and marketing expenses	691,806	9	710,325	8	2,021,394	8	2,008,386	8
General and administrative expenses	358,398	4	410,031	5	1,172,095	4	1,208,619	4
Research and development expenses	408,411	5	428,777	5	1,231,745	5	1,227,514	5
Expected credit loss	2,332	-	4,893	-	1,722	-	8,484	-
Total operating expenses	1,460,947	18	1,554,026	18	4,426,956	17	4,453,003	17
Other operating income and expenses (Notes 14 and 18)	-	-	(11,445)	-	-	-	(77,844)	-
Net operating income	155,450	2	350,163	4	452,589	2	1,392,269	5
Non-operating income and expenses (Notes 18 and 23)								
Interest income	49,000	1	65,514	1	171,047	1	204,242	1
Other income	30,729	-	27,817	-	145,970	-	119,286	-
Other gains and losses	24,445	-	(52,122)	(1)	(140,714)	(1)	68,955	-
Financial costs	(115,745)	(1)	(128,524)	(1)	(369,720)	(1)	(383,065)	(1)
Share of profit of associates recognized under the equity method	3,198	-	2,683	-	4,322	-	1,512	-
Total non-operating income and expenses	(8,373)	-	(84,632)	(1)	(189,095)	(1)	10,930	-
Net income before income tax	147,077	2	265,531	3	263,494	1	1,403,199	5
Income tax expense (Note 19)	(70,825)	(1)	(90,133)	(1)	(204,087)	(1)	(366,586)	(1)
Net profit for the period	76,252	1	175,398	2	59,407	-	1,036,613	4
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	641,020	8	(443,158)	(5)	(1,829,358)	(7)	897,685	4
Income tax related to items that may be reclassified subsequently to profit or loss	(128,204)	(2)	88,632	1	365,872	2	(179,537)	(1)
Other comprehensive income for the period, net of income tax	512,816	6	(354,526)	(4)	(1,463,486)	(5)	718,148	3
Total comprehensive income for the period	\$ 589,068	7	(\$ 179,128)	(2)	(\$ 1,404,079)	(5)	\$ 1,754,761	7
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the parent company	\$ 76,252	1	\$ 175,398	2	\$ 59,407	-	\$ 1,036,613	4
Non-controlling interests	-	-	-	-	-	-	-	-
	\$ 76,252	1	\$ 175,398	2	\$ 59,407	-	\$ 1,036,613	4
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of the parent company	\$ 589,068	7	(\$ 179,128)	(2)	(\$ 1,404,079)	(5)	\$ 1,754,761	7
Non-controlling interests	-	-	-	-	-	-	-	-
	\$ 589,068	7	(\$ 179,128)	(2)	(\$ 1,404,079)	(5)	\$ 1,754,761	7
EARNINGS PER SHARE (Note 20)								
Basic	\$ 0.08		\$ 0.18		\$ 0.06		\$ 1.09	
Diluted	\$ 0.08		\$ 0.18		\$ 0.06		\$ 1.09	

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

(Please refer to Deloitte & Touche auditors' review report dated November 11, 2025)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity attributable to owners of the Company						Other equity			Total Equity	
	Share capital		Retained earnings			Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized valuation gain on financial assets at fair value through other comprehensive income	Total other equity		
	Ordinary Share Capital	Capital surplus	Legal reserve	Special reserve							
Balance as of January 1, 2024	\$ 9,548,900	\$ 41	\$ 3,440,228	\$ 831,490	\$ 6,846,330	(\$ 1,370,790)	\$ 277,222	(\$ 1,093,568)	\$ 19,573,421		
Appropriations of 2023 earnings											
Provision for legal reserve	-	-	90,782	-	(90,782)	-	-	-	-		
Provision of special reserve	-	-	-	262,078	(262,078)	-	-	-	-		
Cash dividends - NT\$1.0 per share	-	-	-	-	(954,890)	-	-	-	(954,890)		
Net profit for the nine months ended September 30, 2024	-	-	-	-	1,036,613	-	-	-	1,036,613		
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	718,148	-	718,148	718,148		
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	1,036,613	718,148	-	718,148	1,754,761		
Balance as of September 30, 2024	\$ 9,548,900	\$ 41	\$ 3,531,010	\$ 1,093,568	\$ 6,575,193	(\$ 652,642)	\$ 277,222	(\$ 375,420)	\$ 20,373,292		
Balance as of January 1, 2025	\$ 9,548,900	\$ 41	\$ 3,531,010	\$ 1,093,568	\$ 6,816,219	(\$ 141,514)	\$ 235,339	\$ 93,825	\$ 21,083,563		
Appropriations of 2024 earnings											
Provision for legal reserve	-	-	127,764	-	(127,764)	-	-	-	-		
Reversal of special reserve	-	-	-	(398,982)	398,982	-	-	-	-		
Cash dividends - NT\$1.1 per share	-	-	-	-	(1,050,379)	-	-	-	(1,050,379)		
Net profit for the nine months ended September 30, 2025	-	-	-	-	59,407	-	-	-	59,407		
Other comprehensive income after tax for the period from January 1 to September 30, 2025	-	-	-	-	-	(1,463,486)	-	(1,463,486)	(1,463,486)		
Total comprehensive income for the period from January 1 to September 30, 2025	-	-	-	-	59,407	(1,463,486)	-	(1,463,486)	(1,404,079)		
Balance as of September 30, 2025	\$ 9,548,900	\$ 41	\$ 3,658,774	\$ 694,586	\$ 6,096,465	(\$ 1,605,000)	\$ 235,339	(\$ 1,369,661)	\$ 18,629,105		

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

(Please refer to Deloitte & Touche auditors' review report dated November 11, 2025)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	January 1 to September 30, 2025	January 1 to September 30, 2024
Net cash flow from operating activities		
Net income before income tax	\$ 263,494	\$ 1,403,199
Income and expense items		
Depreciation	1,340,921	1,292,503
Amortization expense	20,536	12,443
Expected credit loss	1,722	8,484
Net gain on financial assets at fair value through profit or loss	- (413)	(413)
Financial costs	369,720	383,065
Interest income	(171,047)	(204,242)
Dividend income	(53,541)	(30,338)
Share of profit of associates accounted for using the equity method	(4,322)	(1,512)
Gain on disposal of property, plant and equipment	(2,321)	(3,995)
Provision for decline in value of inventories and doubtful accounts	11,581	19,875
Loss on property, plant and equipment	- (9,945)	9,945
Net loss on foreign currency exchange	23,595	116,752
Changes in operating assets and liabilities		
Notes receivable	(116,591)	(25,157)
Accounts receivable	(498,857)	(625,638)
Other receivables	205,314	(125,090)
Inventories	1,453,154	(79,041)
Prepayments	157,724	(90,030)
Other current assets	16,621	(9,259)
Contract liabilities	(39,908)	54,077
Notes payable	(31,829)	15,602
Accounts payable	(194,241)	274,535
Other payables	(167,611)	230,483
Other current liabilities	4,900	59,309
Net defined benefit liabilities	(1,145)	(11,320)
Other non-current liabilities	(2,076)	(300)
New cash inflow from operating activities	2,585,793	2,673,937

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	January 1 to September 30, 2025	January 1 to September 30, 2024
Interest received	\$ 178,504	\$ 231,262
Dividends received	53,541	30,338
Interest paid	(376,821)	(372,811)
Income tax paid	(124,279)	(399,864)
Net cash inflow from operating activities	<u>2,316,738</u>	<u>2,162,862</u>
 Cash flows from investing activities		
Acquisition of property, plant and equipment	(571,325)	(841,718)
Disposal of property, plant and equipment	16,637	45,149
Increase in refundable deposits	(3,734)	(20,102)
Decrease in refundable deposits	15,857	66,177
Acquisition of intangible assets	(30,834)	(27,343)
Increase in other financial assets	(435,808)	(834,550)
Decrease in other financial assets	1,119,507	1,323,002
Increase in prepayments for equipment	(422,261)	(387,491)
Net cash inflow (outflow) from investing activities	<u>(311,961)</u>	<u>(676,876)</u>
 Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(1,059,540)	223,330
Proceeds from long-term borrowings	20,466,492	21,542,419
Repayment of long-term borrowings	(19,111,140)	(21,406,660)
Increase in deposits received	1,822	1,267
Decrease in deposits received	(814)	(6,753)
Repayment of lease principal	(154,192)	(141,156)
Payment of cash dividends	(1,050,379)	(954,890)
Net cash outflow from financing activities	<u>(907,751)</u>	<u>(742,443)</u>
 EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(301,228)</u>	<u>55,576</u>
 Increase (decrease) in cash and cash equivalents for the period	795,798	799,119
 Cash and cash equivalents at beginning of period	<u>8,017,817</u>	<u>7,537,100</u>
 Cash and cash equivalents at the end of the period	<u>\$ 8,813,615</u>	<u>\$ 8,336,219</u>

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

(Please refer to Deloitte & Touche auditors' review report dated November 11, 2025)

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
For the nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. COMPANY HISTORY

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

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

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

2. DATE AND PROCEDURE FOR APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 11, 2025.

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

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

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

b. The IFRS Accounting Standards endorsed by the Financial Supervisory Commission (FSC) for application starting from 2026

New, amended and revised standards and interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 Amendments)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"

1) Amendments to the application guidance on the classification of financial assets

The amendment mainly amends the requirements for the classification of financial assets, including:

a) If a financial asset includes a contingent feature that may change the timing or amount of contractual cash flows, and such contingent feature is not directly related to changes in basic lending risks and costs (e.g., whether the debtor meets a specified carbon emission reduction target), the contractual cash flows of the financial asset shall still be considered solely payments of principal and interest on the outstanding principal amount, provided that both of the following conditions are met:

- In all possible scenarios (both before and after the occurrence of the contingent event), the contractual cash flows are solely payments of principal and interest on the outstanding principal amount; and
- In all possible scenarios, the contractual cash flows do not differ significantly from the cash flows of a financial instrument with the same contractual terms but without the contingent feature.

b) A non-recourse financial asset refers to an asset for which the entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) A contractually linked instrument refers to a structure in which multiple tranches of securities are created through a waterfall payment arrangement that establishes the order of priority for payments to holders of financial assets. This structure results in a concentration of credit risk and causes any shortfalls in cash flows from the underlying pool to be allocated disproportionately among the tranches.

2) Amendments to the application guidance on derecognition of financial liabilities

The amendment primarily explains that financial liabilities shall be derecognized on the settlement date. However, when an enterprise uses an electronic payment system to settle financial liabilities in cash, it may choose to derecognize financial liabilities prior to the settlement date if the following conditions are met:

- The entity no longer has the practical ability to revoke, stop, or cancel the payment instruction;
- The entity no longer has the practical ability to access the cash that will be used to settle the liability as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system is not significant.

The Group should retrospectively apply the amendment without the need to restate the comparative periods, and recognize the impact of initial application on the date of initial application. However, if an entity is able to restate retrospectively without the use of hindsight, it may elect to restate the comparative periods.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the amendments on its financial position and financial performance. The related effects will be disclosed upon completion of the assessment.

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

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

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

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

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- The income statement should classify revenue and expense items into categories of operating, investing, financing, income tax, and discontinued operations.

- The income statement should report operating income, financing and pre-tax income, as well as subtotals and totals of income.
- Proved guidelines for strengthening consolidation and subdivision provisions: The Group must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other matters, and classify and consolidate them based on common characteristics so that each line item reported in the main financial statements has at least one similar characteristic. Items with dissimilar characteristics should be further subdivided into the main financial statements and notes. The Group should only label such items as "Other" when a more informative label cannot be found.
- Enhance disclosure of performance measures defining management levels: When the Group engages in public communication outside of financial statements and communicates the perspective of management levels on the overall financial performance of the Group, relevant information regarding the disclosure of performance measures defining management levels should be disclosed in a single note to the financial statements. This includes the description of the measures, how they are calculated, adjustments to subtotals or totals as defined by IFRS accounting standards, and the impact of income tax and non-controlling interests related to the adjustments.

In addition to the above impacts, as of the date the consolidated financial statements were authorized for issue, the consolidated company is continuously assessing other impacts that the application of various standards and interpretations will have on its financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available as of the measurement date.
- 2) Level 2 inputs: Inputs other than those quoted in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- 3) Level 3 inputs: Unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (i.e., subsidiaries). The consolidated statements of comprehensive income incorporates the operating profit or loss of subsidiaries acquired or disposed of for the period from the date of acquisition or up to the date of disposal. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, account balances, income and expenses are eliminated in full when preparing consolidated financial statements. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

d. Other significant accounting policies

In addition to the descriptions below, please refer to the summary of significant accounting policies in the consolidated financial statements for 2024.

- 1) Carbon Fee Liability Reserve

According to the carbon fee collection regulations and related laws in Taiwan, the reserve for carbon fee liabilities is based on the best estimate of the expenditures required to fulfill obligations for the current year, and is recognized and measured in proportion to the actual emissions relative to the total annual emissions.

- 2) Defined benefit post-employment benefits

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

3) Income tax expense

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

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

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

In developing significant accounting estimates, the Group takes into account the potential impact of U.S. counterpart tariff measures on the estimation of cash flows, growth rates, discount rates, and profitability. Management will continue to review the estimates and underlying assumptions. Please refer to the main explanation of the of significant accounting judgments, estimates, and assumption uncertainty in the consolidated financial statements for the year 2024.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and revolving funds	\$ 10,814	\$ 8,500	\$ 9,550
Bank checks and demand deposits	6,584,770	5,924,925	6,335,159
Cash equivalents (time deposits with original maturity of less than 3 months)	<u>2,218,031</u> <u>\$ 8,813,615</u>	<u>2,084,392</u> <u>\$ 8,017,817</u>	<u>1,991,510</u> <u>\$ 8,336,219</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturity of less than 3 months	0.30%~4.38%	0.30%~4.72%	0.30%~5.32%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2025	December 31, 2024	September 30, 2024
Non-current			
Investments in equity instruments			
Domestic unlisted shares	\$ 265,407	\$ 265,407	\$ 339,551
Foreign unlisted shares	<u>103,551</u>	<u>110,366</u>	<u>75,258</u>
	<u><u>\$ 368,958</u></u>	<u><u>\$ 375,773</u></u>	<u><u>\$ 414,809</u></u>

The Group invests in the ordinary shares of domestic and foreign unlisted companies for medium- to long-term strategic purposes and expects to earn profits from long-term investments. The management of the Group chooses to designate these investments as at fair value through other comprehensive income as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss will not be consistent with the aforementioned long-term investment plan.

8. NOTES AND ACCOUNTS RECEIVABLE

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable			
Measured at amortized cost	<u>\$ 206,099</u>	<u>\$ 89,508</u>	<u>\$ 238,400</u>
Accounts receivable			
Measured at amortized cost			
Total carrying amount	\$ 4,013,730	\$ 3,721,121	\$ 4,140,605
Less: Allowance for impairment loss	(<u>70,617</u>)	(<u>89,589</u>)	(<u>80,238</u>)
	<u><u>\$ 3,943,113</u></u>	<u><u>\$ 3,631,532</u></u>	<u><u>\$ 4,060,367</u></u>

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

The Group recognizes a loss allowance for accounts receivable based on lifetime expected credit losses. Lifetime expected credit losses are calculated using a provisioning matrix that takes into account customers' historical default records, current financial conditions, and prevailing industry and economic conditions. Based on the Group's historical credit loss experience, loss patterns do not differ significantly across customer segments; therefore, the provisioning matrix is not further stratified by customer group and applies expected credit loss rates determined solely based on the number of days past due.

If there is sufficient evidence that the counter-party is in serious financial difficulty and the Group cannot reasonably expect to recover the amount due, the Consolidated Company may

directly write off the related accounts receivable, but will continue the recovery activities, and the amount recovered from the recovery is recognized in profit or loss.

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

September 30, 2025

	Not past due	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due 91 to 120 days	Past due 121 to 180 days	Past due over 181 days	Total
Total carrying amount	\$ 3,839,642	\$ 237,104	\$ 28,918	\$ 20,938	\$ 9,615	\$ 22,415	\$ 61,197	\$ 4,219,829
Allowance for losses (lifetime expected credit losses)	(228)	(3,497)	(585)	(736)	(1,021)	(4,288)	(60,262)	(70,617)
Amortized cost	<u>\$ 3,839,414</u>	<u>\$ 233,607</u>	<u>\$ 28,333</u>	<u>\$ 20,202</u>	<u>\$ 8,594</u>	<u>\$ 18,127</u>	<u>\$ 935</u>	<u>\$ 4,149,212</u>

December 31, 2024

	Not past due	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due 91 to 120 days	Past due 121 to 180 days	Past due over 181 days	Total
Total carrying amount	\$ 3,361,041	\$ 315,904	\$ 41,425	\$ 7,642	\$ 3,042	\$ 103	\$ 81,472	\$ 3,810,629
Allowance for losses (lifetime expected credit losses)	(271)	(3,014)	(1,949)	(2,765)	(1,534)	(14)	(80,042)	(89,589)
Amortized cost	<u>\$ 3,360,770</u>	<u>\$ 312,890</u>	<u>\$ 39,476</u>	<u>\$ 4,877</u>	<u>\$ 1,508</u>	<u>\$ 89</u>	<u>\$ 1,430</u>	<u>\$ 3,721,040</u>

September 30, 2024

	Not past due	Past due 1 to 30 days	Past due 31 to 60 days	Past due 61 to 90 days	Past due 91 to 120 days	Past due 121 to 180 days	Past due over 181 days	Total
Total carrying amount	\$ 3,965,604	\$ 275,006	\$ 38,913	\$ 14,727	\$ 3,545	\$ 10,551	\$ 70,659	\$ 4,379,005
Allowance for losses (lifetime expected credit losses)	(341)	(3,487)	(870)	(1,072)	(485)	(4,156)	(69,827)	(80,238)
Amortized cost	<u>\$ 3,965,263</u>	<u>\$ 271,519</u>	<u>\$ 38,043</u>	<u>\$ 13,655</u>	<u>\$ 3,060</u>	<u>\$ 6,395</u>	<u>\$ 832</u>	<u>\$ 4,298,767</u>

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

	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	\$ 89,589	\$ 69,762
Add: Impairment loss recognized for the period	1,684	8,702
Less: Amounts written off for the period	(16,473)	(2,568)
Foreign currency translation differences	(4,183)	4,342
Ending balance	<u>\$ 70,617</u>	<u>\$ 80,238</u>

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

9. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 3,086,336	\$ 4,147,895	\$ 3,446,430
Work in progress	1,000,331	800,339	861,695
Raw materials	3,410,873	4,639,747	4,179,572
Supplies	816,150	515,881	509,593
Merchandise	112,046	116,040	110,142
Inventory in transit	<u>874,326</u>	<u>1,104,961</u>	<u>949,700</u>
	<u>\$ 9,300,062</u>	<u>\$ 11,324,863</u>	<u>\$ 10,057,132</u>

The cost of revenue associated with inventories was NT\$6,561,248 thousand, NT\$6,904,672 thousand, NT\$21,061,106 thousand and NT\$20,284,167 thousand for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively. The cost of revenue associated with inventories consisted of allowance (reversal) for inventory valuation and obsolescence loss of NT\$(19,253) thousand, NT\$(12,206) thousand, NT\$11,581 thousand and NT\$19,875 thousand, respectively. Reversal of allowance for inventory valuation and obsolescence loss was mainly due to the increase in prices of finished goods and raw materials.

Please refer to Note 24 for information relating to part of inventories pledged as collateral for loans.

10. OTHER FINANCIAL ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Time deposits with an original maturity of more than 3 months	\$ 692,912	\$ 1,234,073	\$ 1,217,274
Others	2,142	2,282	2,259
	<u>\$ 695,054</u>	<u>\$ 1,236,355</u>	<u>\$ 1,219,533</u>
<u>Non-current</u>			
Time deposits with an original maturity of more than 1 year	<u>\$ 1,645,328</u>	<u>\$ 1,969,974</u>	<u>\$ 1,553,729</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits	1.20%~3.10%	1.70%~4.79%	1.90%~3.55%

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

11. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

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

Investor	Name of subsidiary	Nature of business	Percentage of shareholding			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	American Kenda Rubber Ind. Co., Ltd. (KA)	Trading, investment	100%	100%	100%	-
The Company	Kenda Rubber Ind. Co., (Hong Kong) Ltd. (KHK)	Trading, investment	100%	100%	100%	-
The Company	Kenda Rubber (Vietnam) Co., Ltd. (KV)	Manufacturing and selling of tubes and tires for vehicles	100%	100%	100%	-
The Company	Kenda Rubber Industrial Co. (Europe GmbH) (KE)	Marketing planning and R&D	100%	100%	100%	Note 1
The Company	Kenda International Corporation Co., Ltd. (KIC)	Investment	100%	100%	100%	-
The Company	Kenfong Industrial Co., Ltd. (KF)	Manufacturing and selling of tubes and tires for vehicles	100%	100%	100%	Note 1
The Company	Pt. Kenda Rubber Indonesia (KI)	Manufacturing and selling of tubes and tires for vehicles	99.99%	99.99%	99.99%	Note 1
KF	KI	Manufacturing and selling of tubes and tires for vehicles	0.01%	0.01%	0.01%	-
KA	Americana Development, Inc. (ADI)	Manufacturing of rims and distribution and selling of tires and rims	100%	100%	100%	-
KHK	Kenda Rubber (Shenzhen) Ltd. (KS)	Manufacturing and selling of tubes and tires for vehicles	60%	60%	60%	Note 1
KHK	Kenda Rubber (Tianjin) Co., Ltd. (KT)	Manufacturing and selling of tubes and tires for vehicles	13.64%	13.64%	13.64%	-
KIC	Kenda Global Holding Co., Ltd. (KGH)	Investment	100%	100%	100%	-
KIC	Kenda Global Investment Corporation (KGI)	Investment	100%	100%	100%	Note 1
KGI	KENDA Europe A/S (formerly known as STARCO Europe A/S)	Investment	100%	100%	100%	Note 1

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Investor	Name of subsidiary	Nature of business	Percentage of shareholding			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
KGH	Kenda Global (China) Investment Corporation (KGCI)	Investment	100%	100%	100%	-
KGH	KS	Manufacturing and selling of tubes and tires for vehicles	40%	40%	40%	Note 1
KGCI	KT	Manufacturing and selling of tubes and tires for vehicles	86.36%	86.36%	86.36%	-
KGCI	Kenda Rubber (China) Ltd. (KC)	Manufacturing and selling of tubes and tires for vehicles	100%	100%	100%	-
KC	Kunshan Taiyuan New Energy Co., Ltd. (Kunshan Taiyuan)	Research and Development and Services in Emerging Energy Technologies	100%	-	-	Notes 1 and 2
KENDA Europe A/S	KENDA GB Rugeley Ltd. (formerly known as STARCO GB Ltd.)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Deutschland GmbH (formerly known as STARCO GmbH)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Polska Sp.z.o.o. (formerly known as STARCO Polska Sp.z.o.o.)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA België NV (formerly known as STARCO NV)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Schweiz AG (formerly known as STARCO GS AG)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Baltic OÜ (formerly known as STARCO Baltic OÜ)	Distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA France SAS (formerly known as STARCO FR SAS)	Distribution and selling of tires and rims	100%	100%	100%	Note 1

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Investor	Name of subsidiary	Nature of business	Percentage of shareholding			Remark
			September 30, 2025	December 31, 2024	September 30, 2024	
KENDA Europe A/S	KENDA Manufacturing HR d.o.o. (formerly known as STARCO Beli Manastir d.o.o.)	Manufacturing of rims	100%	100%	100%	Note 1
KENDA Europe A/S	KENDA Manufacturing GB Ltd. (formerly known as STARCO DML)	Manufacturing of rims and distribution and selling of tires and rims	100%	100%	100%	Note 1
KENDA Europe A/S	Jelshøj Imovina d.o.o. (Jelshøj Imovina)	Investment	100%	100%	100%	Note 1

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

Note 2: On July 8, 2025, the Board of Directors of KC, a subsidiary of the Group, approved the acquisition of all shares of Kunshan Taiyuan New Energy Co., Ltd. The consideration paid was zero, and the purpose of the acquisition was to obtain autonomy over green energy and other new energy sources, as well as to integrate related industry resources to enhance operational efficiency and flexibility.

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

12. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2025	December 31, 2024	September 30, 2024
Land	\$ 2,586,044	\$ 2,584,465	\$ 2,582,458
Buildings	4,880,671	5,300,564	5,080,660
Machinery and equipment	6,748,504	7,382,350	7,115,582
Other equipment	509,073	557,871	553,889
Equipment under acceptance and unfinished construction	<u>719,636</u> <u>\$ 15,443,928</u>	<u>464,089</u> <u>\$ 16,289,339</u>	<u>697,756</u> <u>\$ 16,030,345</u>

The consolidated company added NT\$560,213 thousand and NT\$881,007 thousand of equipment from January 1 to September 30, 2025 and 2024, respectively.

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

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

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

A portion of the Company's land for operational use in Zhongyang section of Yuanlin City and Citong Township of Yunlin County is categorized as farming and grazing land. The land will be registered under the Company once the category for land use has been changed. The title of the land is currently registered under a related party, Mr. Chen, who is the trustee in a land trust agreement with the Company. The Company retains the certificate of title for the land and the agreement stipulates that the nominal holder or trustee is prohibited from transferring the ownership to a third party.

As of September 30, 2025 and December 31 and September 30, 2024, the prepayments for equipment amounted to NT\$325,645 thousand, NT\$517,629 thousand and NT\$523,477 thousand, respectively, and were recorded as other non-current assets.

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Land	\$ 1,470,863	\$ 1,608,929	\$ 1,567,354
Buildings	421,147	346,751	248,588
Machinery and equipment	9,448	12,137	11,270
Other equipment	20,848	18,444	20,716
	<u>\$ 1,922,306</u>	<u>\$ 1,986,261</u>	<u>\$ 1,847,928</u>
Additions to right-of-use assets	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025
	\$ -	\$ 48,767	\$ 231,892
			January 1 to September 30, 2024
			\$ 217,108
Depreciation expense of right-of-use assets			
Land	\$ 8,396	\$ 9,057	\$ 26,228
Buildings	42,835	34,609	131,880
Machinery and equipment	1,347	2,182	3,998
Other equipment	2,995	2,564	9,017
	<u>\$ 55,573</u>	<u>\$ 48,412</u>	<u>\$ 171,123</u>
			<u>\$ 7,390</u>
			<u>\$ 143,984</u>

Except for the aforementioned addition and recognized depreciation expense, the consolidated company did not have significant subleases or impairment of right-of-use assets for the period from January 1 to September 30, 2025 and 2024.

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of lease liabilities			
Current	\$ 211,395	\$ 137,338	\$ 128,393
Non-current	\$ 704,764	\$ 743,553	\$ 631,216

The discount rate range for lease liabilities is as follows

	September 30, 2025	December 31, 2024	September 30, 2024
Land	3.00%	3.00%	3.00%
Buildings	2.75%~3.20%	2.75%~3.20%	2.75%~3.20%
Machinery and equipment	2.75%~3.20%	2.75%~3.20%	2.75%~3.20%
Other equipment	2.75%~3.20%	2.75%~3.20%	3.20%

c. Material leasing activities and terms

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

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

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

d. Other lease information

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term lease expense	\$ 43,586	\$ 44,239	\$ 134,152	\$ 104,511
Lease expense of low-value assets	\$ 3,232	\$ 144	\$ 9,234	\$ 454
Total cash outflow from leases	\$ 104,044	\$ 91,319	\$ 316,067	\$ 258,449

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

	September 30, 2025	December 31, 2024	September 30, 2024
Lease commitments	\$ 1,172,069	\$ 1,166,641	\$ 1,034,597

14. INVESTMENT PROPERTIES

	September 30, 2025	December 31, 2024	September 30, 2024
Right-of-use assets	\$ 27,838	\$ 29,678	\$ 29,412

Except for the recognition of depreciation expense, there were no significant additions, disposals or impairments of the Group's investment properties from January 1 to September 30, 2025 and 2024. Investment property is depreciated on a straight-line basis over the following useful lives:

Right-of-use assets	40~50 years
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In response to the urbanization policy of future city development in Shenzhen, KS entered into a urban renewal collaboration agreement with Kaisa Urban Renewal Group (Shenzhen) Co., Ltd. ("Kaisa") in October 2014 for the development of land use rights. According to the agreement, KS and Kaisa will jointly transform industrial land in Shenzhen into new types of industrial buildings (office buildings), new types of industrial supporting commercial buildings, new types of industrial supporting residential buildings and government supporting indemnificatory housing. Joint construction and allocation of housing units is carried out in accordance with the ratio stipulated in the contract and the approval documents of the future competent authorities. KS is responsible for the relocation of original factories and termination of employees, while Kaisa is responsible for the demolition of buildings, measurement, assessment, verification of rights, preparation of special plans, signing of compensation agreement, land formation, land acquisition, construction, and project development within the renewal unit of the renovation project.

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

In accordance with the relevant regulations of land development projects in China, KS signed a land resumption agreement with Heju and Shenzhen Planning and Natural Resources Bureau ("Shenzhen Planning Bureau") in September 2022. Shenzhen Planning Bureau first takes back the land use rights of the land, and the construction land will be granted by the Longhua District Government to Heju for urban development and construction in accordance with the relevant procedures. Heju is currently engaged in urban development and construction. And it is agreed to complete the construction, obtain the completion acceptance record, and handle property delivery procedures by the end of 2026.

The Group received a total of CNY200,000 thousand (approximately NT\$856,942 thousand presented in other non-current liabilities) of allocation fee for urban renewal project from Heju according to the aforementioned agreement, which will be returned to Heju after the project is completed and has been delivered to KS.

The fair values of investment properties as of December 31, 2024 and 2023 were NT\$5,771,366 thousand and NT\$5,831,910 thousand, respectively. As evaluated by the management of the Group, there was no significant change in the fair value as of September 30, 2025 and 2024.

15. BORROWINGS

a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Credit borrowings	\$ 2,780,679	\$ 3,781,901	\$ 3,361,465
Secured borrowings (Note 24) (1)	<u>35,594</u> <u>\$ 2,816,273</u>	<u>119,612</u> <u>\$ 3,901,513</u>	<u>318,289</u> <u>\$ 3,679,754</u>
Range of interest rates	1.83%~5.35%	1.82%~5.60%	1.80%~6.24%
b. Long-term borrowings			
	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured borrowings	\$ 14,314,505	\$ 12,848,298	\$ 13,012,569
Secured borrowings (Note 24) (1)	1,317,006 <u>20,000</u> 15,651,511	1,474,115 <u>35,000</u> 14,357,413	1,068,339 <u>39,999</u> 14,120,907
Project borrowing (2)			
Subtotal			
Less: Amount due within one year	1,771,371	1,952,741	1,463,378
Long-term borrowings	<u>\$ 13,880,140</u>	<u>\$ 12,404,672</u>	<u>\$ 12,657,529</u>
Range of interest rates	0.25%~5.91%	1.50%~6.38%	1.50%~6.63%
Maturity date	2025 ~ 2035	2025 ~ 2035	2025 ~ 2035

- 1) Certain subsidiaries of the Company, KA, ADI and KENDA Europe A/S (formerly known as STARCO Europe A/S) are required by contract to maintain certain financial ratios, in addition to providing assets as collateral, and to periodically review their potential defaults on a semi-annual or annual basis. As of September 30, 2025, there were no defaults due to the above financial ratios.
- 2) The Group participated in a project of the Ministry of Economic Affairs that encouraged Taiwanese enterprises to invest locally in September 2019. The Group expects to construct or expand factories, and acquire machinery and equipment in Taiwan from 2019 to 2026. Any shortage of funds would be financed via bank borrowings.

16. EQUITY

a. Ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized shares (in thousands of shares)	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Authorized share capital	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>	<u>\$ 11,000,000</u>
Issued and fully paid shares (in thousands of shares)	<u>954,890</u>	<u>954,890</u>	<u>954,890</u>
Issued share capital	<u>\$ 9,548,900</u>	<u>\$ 9,548,900</u>	<u>\$ 9,548,900</u>

b. Retained earnings and dividends policy

In accordance with the provisions of earnings appropriation of the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals the Company's paid-in capital, then setting aside or reversing a special reserve according to the laws and regulations or provisions of the competent authorities. The Company takes into consideration the Company's operating environment, growth stage, future capital needs, long-term financial plans, and the shareholders' demand for cash inflows before resolving the amount of dividends. The Company's board of directors could propose dividends between 10% and 80% of distributable earnings which comprise of the current remaining earnings and undistributed earnings from the previous year. When distributing dividends via issuing new shares, the motion should be submitted to shareholders' meeting for approval. The shareholders may adjust the ratio of new shares for earnings appropriation to reflect the profit and the adequacy of capital of the year. The cash dividends shall not be less than 10% of the total dividends. The board of directors is authorized, with the presence of at least two-thirds of the Directors and a resolution of a majority of the Directors present, to distribute dividends, bonuses, legal reserve and all or a portion of the capital surplus in cash and report such distribution to the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 18(5).

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

In accordance with the provisions of Jin-Guan-Zheng-Fa No. 1090150022 and the "Questions and Answers for Special Reserves Appropriated Following Adoption of

IFRSs," the Company sets aside special reserve and the reversal of special reserve in other equity items, if any, may be included in distributable retained earnings when the debit balance of other equity items is reversed.

The appropriations of the Company's earnings for 2024 and 2023 were as follows:

	Appropriations of earnings		Dividends per share (NT\$)	
	2024	2023	2024	2023
Provision for legal reserve	\$ 127,764	\$ 90,782		
Provision (reversal) of special reserve	(398,982)	262,078		
Cash dividends	1,050,379	954,890	\$ 1.1	\$ 1.0

The above cash dividends have been approved through board resolution. The rest of the earnings distribution items were also resolved at the shareholders' meetings on May 29, 2025 and May 31, 2024, respectively.

17. REVENUE

a. Breakdown of contracts with customers

Major product/service lines	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Motorcycle and other bias tires	\$ 3,751,884	\$ 3,690,622	\$ 11,084,774	\$ 10,983,971
Radial tires	1,915,247	2,601,878	7,052,427	8,177,505
Bicycle tires	641,289	852,245	2,111,661	1,940,051
Tubes	415,099	527,698	1,184,143	1,069,387
Others	1,454,126	1,147,863	4,507,646	4,036,369
Total	<u>\$ 8,177,645</u>	<u>\$ 8,820,306</u>	<u>\$ 25,940,651</u>	<u>\$ 26,207,283</u>

b. Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Refundable liabilities - current	<u>\$ 254,233</u>	<u>\$ 256,988</u>	<u>\$ 267,112</u>

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

18. Net profit for the period

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

a. Other gains and losses

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Net foreign currency exchange gain (loss)	\$ 21,196	(\$ 58,972)	(\$ 145,352)	\$ 70,182
Gain on disposal of property, plant and equipment	2,350	8,450	2,321	3,995
Net gain on financial assets at fair value through profit or loss	-	146	-	413
Others	899	(1,746)	2,317	(5,635)
	<u>\$ 24,445</u>	<u>(\$ 52,122)</u>	<u>(\$ 140,714)</u>	<u>\$ 68,955</u>

b. Financial costs

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Interest expense on bank loans	\$ 109,538	\$ 124,723	\$ 351,231	\$ 370,737
Interest on lease liabilities	6,207	3,801	18,489	12,328
	<u>\$ 115,745</u>	<u>\$ 128,524</u>	<u>\$ 369,720</u>	<u>\$ 383,065</u>

c. Depreciation and amortization

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Property, plant and equipment	\$ 378,967	\$ 383,543	\$ 1,169,750	\$ 1,148,469
Right-of-use assets	55,573	48,412	171,123	143,984
Investment properties	15	17	48	50
Intangible assets	6,942	5,056	20,536	12,443
	<u>\$ 441,497</u>	<u>\$ 437,028</u>	<u>\$ 1,361,457</u>	<u>\$ 1,304,946</u>
Depreciation expense is aggregated by function				
Operating costs	\$ 334,388	\$ 324,917	\$ 1,036,413	\$ 979,030
Operating expense	100,152	107,038	304,460	313,423
Other gains and losses	15	17	48	50
	<u>\$ 434,555</u>	<u>\$ 431,972</u>	<u>\$ 1,340,921</u>	<u>\$ 1,292,503</u>
Amortization expense is aggregated by function				
Operating costs	\$ 1,369	\$ 1,322	\$ 3,951	\$ 3,716
Operating expense	5,573	3,734	16,585	8,727
	<u>\$ 6,942</u>	<u>\$ 5,056</u>	<u>\$ 20,536</u>	<u>\$ 12,443</u>

d. Employee benefits expense

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term employee benefits				
Salary expense	\$ 1,356,783	\$ 1,438,095	\$ 4,163,949	\$ 4,258,654
Labor/health insurance expense	<u>153,328</u>	<u>155,658</u>	<u>461,317</u>	<u>439,490</u>
	<u>1,510,111</u>	<u>1,593,753</u>	<u>4,625,266</u>	<u>4,698,144</u>
Post-employment benefits				
Defined contribution plan	80,493	76,063	244,715	234,005
Defined benefit plans	<u>191</u>	<u>627</u>	<u>572</u>	<u>1,884</u>
	<u>80,684</u>	<u>76,690</u>	<u>245,287</u>	<u>235,889</u>
Termination benefits	-	1,500	-	67,899
Other employee benefits	<u>63,332</u>	<u>66,100</u>	<u>186,968</u>	<u>198,972</u>
Total employee benefit expenses	<u>\$ 1,654,127</u>	<u>\$ 1,738,043</u>	<u>\$ 5,057,521</u>	<u>\$ 5,200,904</u>
An analysis by function				
Operating costs	\$ 920,494	\$ 983,594	\$ 2,841,904	\$ 2,903,209
Operating expense	733,633	752,949	2,215,617	2,229,796
Other operating income and expenses	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>67,899</u>
	<u>\$ 1,654,127</u>	<u>\$ 1,738,043</u>	<u>\$ 5,057,521</u>	<u>\$ 5,200,904</u>

e. Remuneration of employees and directors

In accordance with the Company's Articles of Incorporation, the Company shall allocate no less than 0.5% of annual profit as employee remuneration and no more than 3% of annual profit as director remuneration. Following the amendment to the Securities and Exchange Act in August 2024, the Company resolved at the 2025 shareholders' meeting to amend the Articles of Incorporation, specifying that no less than 0.5% of annual profit shall be allocated as employee remuneration, with no less than 0.5% of that amount specifically designated for frontline employees. The estimated amounts of employee remuneration (including frontline employee remuneration) and director remuneration for 2025 and for the period from January 1 to September 30, 2024, are as follows:

Accrual rate

	January 1 to September 30, 2025	January 1 to September 30, 2024
Employees' remuneration	0.60%	0.78%
Directors' remuneration	0.89%	1.17%

Amount

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Employees' remuneration	<u>\$ 453</u>	<u>\$ 1,976</u>	<u>\$ 453</u>	<u>\$ 8,705</u>
Directors' remuneration	<u>\$ 680</u>	<u>\$ 2,968</u>	<u>\$ 680</u>	<u>\$ 13,065</u>

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

The remuneration to employees and directors for 2024 and 2023, as resolved by the Board of Directors, are as follows:

	2024	2023
	Cash	Cash
Employees' remuneration	<u>\$ 11,128</u>	<u>\$ 9,262</u>
Directors' remuneration	<u>\$ 16,703</u>	<u>\$ 10,895</u>

The actual amounts of employee compensation and director's remuneration for 2024 and 2023 were not different from the amounts recognized in the consolidated financial statements for each of the respective fiscal years.

Information on the compensation of employees and remuneration of directors resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

19. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Income tax for the period				
In respect of the current period	\$ 73,054	\$ 85,637	\$ 212,655	\$ 351,791
Additional levy on unappropriated earnings	(5,624)	-	19,300	-
Adjustments for prior year	(2,892)	2,469	1,450	2,498
	<u>64,538</u>	<u>88,106</u>	<u>233,405</u>	<u>354,289</u>
Deferred tax				
In respect of the current period	<u>6,287</u>	<u>2,027</u>	<u>(29,318)</u>	<u>12,297</u>
Income tax expense recognized in profit or loss	<u>\$ 70,825</u>	<u>\$ 90,133</u>	<u>\$ 204,087</u>	<u>\$ 366,586</u>

The Pillar Two income tax legislation, applicable to KV, KE, and KENDA Europe A/S (formerly STARCO Europe A/S) along with their subsidiaries registered in Vietnam, Germany, Denmark, France, the United Kingdom, Switzerland, Croatia, and Belgium, has come into effect. According to this legislation, if any subsidiary has profits below the effective tax rate of 15%, it is required to pay a top-up tax in accordance with the Qualified Domestic Minimum Top-up Tax regulations in the respective local jurisdiction. Additionally, KENDA Europe A/S must pay a top-up tax in Denmark for profits from its subsidiaries located in jurisdictions where the Pillar Two income tax legislation has not yet been implemented, provided that these profits are taxed below the effective tax rate of 15%. The primary jurisdictions at risk for this income tax include Poland and Estonia.

b. Income tax recognized in other comprehensive income

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<u>Deferred tax</u>				
Translation of foreign operations entities	\$ 128,204	(\$ 88,632)	(\$ 365,872)	\$ 179,537

c. Income tax assessments

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

20. EARNINGS PER SHARE

Unit: NT\$ per share

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Basic earnings per share	\$ 0.08	\$ 0.18	\$ 0.06	\$ 1.09
Diluted earnings per share	\$ 0.08	\$ 0.18	\$ 0.06	\$ 1.09

The earnings and weighted average number of ordinary shares used in the computation of earnings per share are as follows:

Net profit for the period

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Net profit attributable to shareholders of the parent	\$ 76,252	\$ 175,398	\$ 59,407	\$ 1,036,613

Number of shares

	Unit: Thousands of shares			
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Weighted-average ordinary shares used in calculating basic earnings per share	954,890	954,890	954,890	954,890
Effect of dilutive potential ordinary shares: compensation of employees	22	280	424	345
Weighted average ordinary shares used in calculating diluted earnings per share	<u>954,912</u>	<u>955,170</u>	<u>955,314</u>	<u>955,235</u>

The Group may settle the compensation of employees in shares or cash; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares will continue to be considered in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

21. CAPITAL RISK MANAGEMENT

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

22. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Domestic and foreign unlisted shares	\$ _____ -	\$ _____ -	\$ 368,958	\$ 368,958

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Domestic and foreign unlisted shares	\$ _____ -	\$ _____ -	\$ 375,773	\$ 375,773

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Domestic listed shares	\$ 1,727	\$ _____ -	\$ _____ -	\$ 1,727
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Domestic and foreign unlisted shares	\$ _____ -	\$ _____ -	\$ 414,809	\$ 414,809

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

Financial assets at FVTOCI - equity instruments	January 1 to September 30, 2025	January 1 to September 30, 2024
Opening balance	\$ 375,773	\$ 413,017
Effects of exchange rate	(\$ 6,815)	1,792
Ending balance	\$ 368,958	\$ 414,809

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

Domestic and foreign unlisted equity investments are valued using the market approach and asset-based approach. The market approach refers to the transaction prices of the shares of identical or comparable listed companies on an active market,

the valuation multiples implied by these prices, and related transactions and information to determine the value of the target subject. The asset-based approach separately evaluates a target subject's assets and liabilities based on fair market value, replacement cost, liquidation value or related approaches to reflect the overall value of the enterprise or business. The fair value of these investments will increase accordingly when the significant unobservable inputs (discount for lack of control and discount for lack of marketability) decrease.

c. Types of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Listed shares	\$ -	\$ -	\$ 1,727
Financial assets at amortized cost (Note 1)	15,571,298	15,465,600	15,975,449
Financial assets at fair value through other comprehensive income			
Investments in equity instruments	368,958	\$ 375,773	414,809
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	23,269,423	23,607,312	23,337,658

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

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

d. Objectives and policies of financial risk management

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

1) Market risk

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

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

a) Exchange rate risk

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

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

Sensitivity analysis

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

The sensitivity analysis measures the effect of a 1% increase and decrease in the New Taiwan dollar and RMB (the functional currency) against the USD. The sensitivity rate of 1% is used when reporting currency risk internally to key management and represents management's assessment of the reasonable range of possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency monetary items, and adjusts their translation at the end of the year for a 1% change in currency rates. When the New Taiwan dollar and RMB strengthens/weakens by 1% against the USD, the effect on the Group's net profit before tax from January 1 to September 30, 2025 and 2024 will increase/decrease by NT\$50,501 thousand and NT\$51,976 thousand.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating rates. Interest rate risk is managed by the Group by maintaining an appropriate mix of fixed and floating rates. The Group's interest rate risk is resulted from cash and cash equivalents. Cash and cash equivalents held at a floating rate expose the Group to cash flow interest rate risk, partially offset by borrowings issued at floating rates. Cash and cash equivalents held and borrowings issued at a fixed rate expose the Group to fair value interest rate risk. The Group's policy is to dynamically adjust the ratio of fixed rate and floating rate instruments depending on the overall interest rate trends.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
– Financial assets	\$ 2,910,943	\$ 3,318,465	\$ 3,208,784
– Financial liabilities	4,346,556	4,479,944	4,171,930
Cash flow interest rate risk			
– Financial assets	8,232,178	7,897,119	7,891,085
– Financial liabilities	15,037,386	14,659,873	14,388,340

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to interest rates for derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the balance sheet date was outstanding for the reporting period.

If interest rates increase/decrease by 10 basis points and all other variables are held constant, the Group's net profit before tax from January 1 to September 30, 2025 and 2024 will decrease/increase by NT\$5,104 thousand and NT\$4,873 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity price increases/decreases by 5%, the Group's net profit before tax from January 1 to September 30, 2024 will change favorably/unfavorably by NT\$86 thousand, as a result of the changes in fair value of financial assets measured at fair value through profit or loss. The Group's other comprehensive income from January 1 to September 30, 2025 and 2024 will change

favorably/unfavorably by NT\$18,448 thousand and NT\$20,740 thousand, respectively, as a result of the changes in fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

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

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

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

3) Liquidity risk

The Group manages and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank financing facilities and ensures compliance with the terms of loan covenants.

The Group continuously monitors forecasted and actual cash flows by maintaining adequate bank financing facilities and borrowing commitments. The Group's unutilized financing facilities are described in (b) Financing facilities below.

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

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared on the basis of the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the Group can be required to make a repayment. Accordingly, bank loans that the Group may be required to repay immediately are listed in the earliest period in the table below, without regard to the probability that the bank will exercise such rights immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed upon repayment dates.

September 30, 2025

	Within 1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,917,408	\$ -	\$ -
Lease liabilities	211,395	343,239	361,525
Floating rate instruments	4,352,573	11,285,081	-
Fixed rate instruments	<u>582,243</u>	<u>2,970,702</u>	<u>4,446</u>
	<u>\$ 9,063,619</u>	<u>\$ 14,599,022</u>	<u>\$ 365,971</u>

December 31, 2024

	Within 1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 4,368,993	\$ -	\$ -
Lease liabilities	137,338	340,771	402,782
Floating rate instruments	4,341,616	10,983,929	-
Fixed rate instruments	<u>1,896,419</u>	<u>1,802,603</u>	<u>-</u>
	<u>\$ 10,744,366</u>	<u>\$ 13,127,303</u>	<u>\$ 402,782</u>

September 30, 2024

	Within 1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 4,569,728	\$ -	\$ -
Lease liabilities	128,393	228,376	402,840
Floating rate instruments	3,885,106	11,244,993	-
Fixed rate instruments	<u>1,564,766</u>	<u>1,903,306</u>	<u>-</u>
	<u>\$ 10,147,993</u>	<u>\$ 13,376,675</u>	<u>\$ 402,840</u>

b) Financing limit

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank overdraft limit (reviewed annually)			
– Amount utilized	\$ 52,917	\$ 26,143	\$ 27,129
– Amount unutilized	<u>\$ 52,917</u>	<u>\$ 26,143</u>	<u>\$ 27,129</u>
Secured bank overdraft limit			
– Amount utilized	\$ 24,067	\$ 17,342	\$ 15,024
– Amount unutilized	<u>88,464</u>	<u>89,612</u>	<u>95,969</u>
	<u>\$ 112,531</u>	<u>\$ 106,954</u>	<u>\$ 110,993</u>
Unsecured bank loan limit			
– Amount utilized	\$ 17,431,995	\$ 16,960,383	\$ 16,735,054
– Amount unutilized	<u>25,855,621</u>	<u>24,428,044</u>	<u>22,048,102</u>
	<u>\$ 43,287,616</u>	<u>\$ 41,388,427</u>	<u>\$ 38,783,156</u>
Secured bank loan limit (extendable by mutual agreement)			
– Amount utilized	\$ 958,805	\$ 1,255,058	\$ 1,023,454
– Amount unutilized	<u>3,194,426</u>	<u>3,308,593</u>	<u>3,392,897</u>
	<u>\$ 4,153,231</u>	<u>\$ 4,563,651</u>	<u>\$ 4,416,351</u>

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance receivables in mainland China to suppliers in order to settle the accounts payable. As the Group has transferred substantially all risks and rewards relating to these notes, it derecognized the transferred banker's acceptance receivables and the corresponding trade payable. However, if these derecognized banker's acceptances are not paid at maturity, the suppliers have the right to request settlement from the Group; therefore, the Group still has continuing involvement in these notes.

The maximum exposure to loss from the Group's continuing involvement in the derecognized banker's acceptances is the face amounts of banker's acceptances transferred but not yet matured, and as of September 30, 2025, and December 31, 2024 and September 30, 2024, the face amounts of these transferred but not yet matured banker's acceptances were NT\$651,056 thousand, NT\$711,051 thousand and

NT\$749,249 thousand, respectively. These notes will mature within 6 months after the balance sheet date. Taking into consideration the credit risk of the derecognized banker's acceptances, the Group estimates that the fair values of its continuing involvement are not significant.

From January 1 to September 30, 2025 and 2024, the consolidated company did not recognize any profit or loss upon the transfer of the banker's acceptances. No profit or loss was recognized from the continuing involvement in these bills, both during the period or cumulatively.

23. TRANSACTIONS WITH RELATED PARTIES

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

a. Names of related parties and their relationships

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

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

b. Operating income

Account items	Type of related party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Operating income	Other related party	\$ 277	\$ 627	\$ 1,418	\$ 2,107
	Affiliate	28,295	8,313	44,321	37,840
		<u>\$ 28,572</u>	<u>\$ 8,940</u>	<u>\$ 45,739</u>	<u>\$ 39,947</u>

c. Purchases

Type of related party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Other related party	\$ 38,464	\$ 35,753	\$ 115,160	\$ 112,520
Affiliate	<u>68,352</u>	<u>71,273</u>	<u>188,671</u>	<u>206,760</u>
	<u>\$ 106,816</u>	<u>\$ 107,026</u>	<u>\$ 303,831</u>	<u>\$ 319,280</u>

d. Receivables from related parties

Account items	Type of related party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	Affiliate	\$ 31,749	\$ 22,058	\$ 9,291
Accounts receivable	Other related party	<u>291</u>	<u>82</u>	<u>661</u>
		<u>\$ 32,040</u>	<u>\$ 22,140</u>	<u>\$ 9,952</u>

e. Payables to related parties

Account items	Type of related party	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable	Affiliate	\$ 117,523	\$ 73,676	\$ 69,871
Accounts payable	Other related party	<u>58,332</u>	<u>65,803</u>	<u>53,573</u>
Other payables	Other related party	<u>6,767</u>	<u>7,971</u>	<u>7,927</u>
		<u>\$ 182,622</u>	<u>\$ 147,450</u>	<u>\$ 131,371</u>

f. Others

Account items	Type of related party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Manufacturing expense	Other related party	\$ 4,818	\$ 5,303	\$ 14,749	\$ 14,300
Operating expense	Other related party	128	595	249	1,765
Operating expense	Affiliate	<u>214</u>	<u>1</u>	<u>482</u>	<u>254</u>
		<u>\$ 5,160</u>	<u>\$ 5,899</u>	<u>\$ 15,480</u>	<u>\$ 16,319</u>

g. Lessee's lease agreement

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

Category/Name of Related Party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<u>Lease expense</u>				
Other related party				
ADH	\$ 3,981	\$ 4,293	\$ 12,454	\$ 12,771
Y&C	2,409	2,599	7,537	7,730
Others	<u>737</u>	<u>1,252</u>	<u>2,269</u>	<u>2,785</u>
	<u>\$ 7,127</u>	<u>\$ 8,144</u>	<u>\$ 22,260</u>	<u>\$ 23,286</u>

h. Rental agreement

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

Category/Name of Related Party	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
<u>Lease income</u>				
Other related party HBC	\$ _____ -	\$ 1,292	\$ _____ -	\$ 3,843

i. Remuneration of key management personnel

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term employee benefits	\$ 4,064	\$ 4,616	\$ 14,881	\$ 28,693
Post-employment benefits	\$ 4,064	\$ 4,618	\$ 14,881	\$ 28,754

24. PLEDGED ASSETS

All of the operating assets of KA, including cash and cash equivalents, accounts receivable, inventories, property, plant and equipment, and intangible assets, are pledged as collateral for bank borrowings, and are subject to the bank's priority in settlement. The values of the above assets were NT\$7,770,540 thousand, NT\$8,155,246 thousand and NT\$7,779,226 thousand as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively.

Certain subsidiaries of KENDA Europe A/S have pledged their operating assets, including accounts receivable, inventories, property, plant, and equipment, as collateral for bank financing, granting the banks a priority right of repayment. The carrying amounts of these assets were NT\$1,390,482 thousand, NT\$343,001 thousand, and NT\$325,370 thousand as of September 30, 2025, December 31, 2024, and September 30, 2024, respectively.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged Fixed Deposit, etc.	\$ 11,756	\$ 11,782	\$ 11,753

25. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

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

a. Material capital expenditures contracted for but not yet incurred

Item	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	<u>\$ 208,178</u>	<u>\$ 256,681</u>	<u>\$ 207,166</u>

b. As of September 30, 2025 and December 31 and September 30, 2024, the consolidated company's performance guarantee amounts, issued by banks for the low-carbon upgrade and transformation project, were both NT\$24,000 thousand.

c. Contingencies

1) Product liability insurance

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

2) The Company had entered into an exclusive agency contract with Gabjohn for sales in Nigeria. Due to circumstances related to local sales, the traders commissioned by the Company switched to other distributors to sell products in Nigeria. Consequently, Gabjohn filed a lawsuit against the Company for breach of exclusive agency contract and demanded NT\$90,000 thousand (NGN500,000 thousand) as compensation. The Company signed a litigation agreement with Tommy & Jason Intellectual Property Rights Co., Ltd. ("Tommy & Jason Intellectual"), which then engaged a lawyer in the local intellectual property office, AdenijiKazeem & Co., to handle the litigation and regularly reported the related proceedings. The case has been transferred from the Federal Supreme Court to the State Supreme Court for hearing and judgment. However, Gabjohn has neither initiated the transfer nor filed proceedings with the State Supreme Court. Accordingly, the Company believes that the case has been prolonged without further prosecution by Gabjohn, and there is no possibility of loss or liability arising from this case.

26. OTHER MATTER

Carbon Fee Liability Reserve

Starting from 2025, the Group recognizes carbon fee liability provisions in accordance with Taiwan's Carbon Fee Collection Regulations and related laws. The Group assesses that it is highly likely to obtain approval from the competent authority for its voluntary emission reduction plan and to achieve the specified targets for 2025. The Group expects to submit the 2025 voluntary emission reduction plan progress report to the Ministry of Environment for review by April 30, 2026. If the targets for a given year are not met upon verification, the standard rate will apply. The current provision for carbon fees is calculated based on the preferential rate.

Subsidiaries of the Group located in China are allocated free carbon emission allowances in accordance with the allocation and distribution schemes stipulated by the People's Republic of China. In the event of an insufficiency of allowances, additional allowances may be purchased through the carbon emissions trading market to settle the shortfall.

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

The following information is expressed in aggregate in foreign currencies other than the functional currencies of the entities in the Group, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies were translated into functional currencies. The foreign-currency-denominated assets and liabilities with significant influence are as follows:

September 30, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 107,370	30.45 (USD: TWD)	\$ 3,268,877
USD	107,582	7.11 (USD: CNY)	3,275,330
EUR	7,067	8.34 (EUR: CNY)	252,471
IDR (in million)	112,364	0.06 (IDR: USD)	<u>204.951</u>
			<u>\$ 7,001,629</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	45,557	30.45 (USD: TWD)	\$ 1,386,971
USD	3,519	7.11 (USD: CNY)	107,150
EUR	1,345	35.72 (EUR: TWD)	48,062
VND (in million)	166,119	0.04 (VND: USD)	<u>191,370</u>
			<u>\$ 1,733,553</u>

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 118,283	32.78 (USD: TWD)	\$ 3,877,306
USD	97,539	7.19 (USD: CNY)	3,197,315
EUR	9,572	7.53 (EUR: CNY)	324,992
IDR (in million)	200,266	0.06 (IDR: RMB)	407,942
			<u>\$ 7,807,555</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	45,356	32.78 (USD: TWD)	\$ 1,486,757
USD	4,716	7.19 (USD: CNY)	154,604
IDR (in million)	19,305	0.06 (IDR: USD)	39,323
VND (in million)	175,985	0.04 (VND: USD)	226,317
			<u>\$ 1,907,001</u>

September 30, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 126,007	31.65 (USD: TWD)	\$ 3,988,114
USD	96,416	7.01 (USD: CNY)	3,051,562
EUR	8,126	7.83 (EUR: CNY)	286,326
IDR (in million)	194,590	0.07 (IDR: USD)	406,888
VND (in million)	191,924	0.04 (VND: USD)	247,390
			<u>\$ 7,980,280</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	53,682	31.65 (USD: TWD)	\$ 1,699,030
USD	4,519	7.01 (USD: CNY)	143,041
VND (in million)	265,174	0.04 (VND: USD)	341,809
			<u>\$ 2,183,880</u>

The Group's gains or losses on foreign currency exchange (realized and unrealized) from July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024 were gain of NT\$21,196 thousand, loss of NT\$58,972 thousand, loss of NT\$145,352 thousand, and gain of NT\$70,182 thousand, respectively. These foreign exchange gains or losses could not be disclosed by each foreign currency with material impact due to the wide variety of foreign currency transactions and functional currencies of the intra-group entities.

28. SUPPLEMENTARY DISCLOSURES

- a. Information on Significant Transactions:
 - 1) Loans of funds to others: Table 1.
 - 2) Endorsements/guarantees provided: Table 2.
 - 3) Status of significant securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 3.
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
 - 6) Business relationships and significant transactions and amounts between the parent and subsidiaries and between subsidiaries: Table 6.
- b. Information on reinvestment: Table 7.
- c. Information on investments in mainland China:
 - 1) Information on investee companies in mainland China, including the company names, principal business activities, paid-in capital, investment methods, remittance and repatriation of funds, ownership percentage, investment income or loss, carrying amounts of investments at the end of the period, repatriations of investment income or loss, and investment limit in mainland China: Table 8.
 - 2) Significant transactions with investees in mainland China, either directly or indirectly through a third region, along with their prices, payment terms, and unrealized gains or losses, are as follows:
 - a) The amount and percentage of purchases and the balance and percentage of related payables at the end of the period: Table 6.
 - b) The amount and percentage of sales and the balance and percentage of related receivables at the end of the period: Table 6.
 - c) The amount of property transactions and the amount of the resultant gains or losses: None.
 - d) The ending balance of negotiable instrument endorsements or guarantees or pledges of collateral and the purposes: Table 2.
 - e) The highest balance, ending balance, interest rate range, and total current period interest with respect to the financing of funds: Table 1.
 - f) Other transactions that have a material impact on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

29. SEGMENT INFORMATION

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

Segment revenue and operating results

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

January 1 to September 30, 2025

	Asia	Non-Asia regions	Others	Adjustment and write-off	Total
<u>Revenue</u>					
Revenue from external customers	\$ 13,057,391	\$ 12,883,260	\$ -	\$ -	\$ 25,940,651
Intersegment revenue	6,810,698	144,927	-	(6,955,625)	-
Total	<u>\$ 19,868,089</u>	<u>\$ 13,028,187</u>	<u>\$ -</u>	<u>(\$ 6,955,625)</u>	<u>\$ 25,940,651</u>
Interest income	\$ 170,618	\$ 14,621	\$ 11,009	(\$ 25,201)	\$ 171,047
Financial costs	\$ 260,351	\$ 142,813	\$ -	(\$ 33,444)	\$ 369,720
Depreciation and amortization	\$ 1,031,127	\$ 330,332	\$ -	\$ -	\$ 1,361,457
Segment profit or loss (excluding investment income and other operating income and expenses)	\$ 6,726	\$ 195,573	\$ 29,124	\$ 27,749	\$ 259,172
Investment income or loss accounted for using the equity method					4,322
Net profit before tax					<u>\$ 263,494</u>
Total assets					<u>\$ 44,236,774</u>

January 1 to September 30, 2024

	Asia	Non-Asia regions	Others	Adjustment and write-off	Total
<u>Revenue</u>					
Revenue from external customers	\$ 12,711,478	\$ 13,495,805	\$ -	\$ -	\$ 26,207,283
Intersegment revenue	7,771,915	137,543	-	(7,909,458)	-
Total	<u>\$ 20,483,393</u>	<u>\$ 13,633,348</u>	<u>\$ -</u>	<u>(\$ 7,909,458)</u>	<u>\$ 26,207,283</u>
Interest income	\$ 203,141	\$ 3,936	\$ 16,095	(\$ 18,930)	\$ 204,242
Financial costs	\$ 246,898	\$ 159,610	\$ -	(\$ 23,443)	\$ 383,065
Depreciation and amortization	\$ 1,015,443	\$ 289,494	\$ 9	\$ -	\$ 1,304,946
Segment profit or loss (excluding investment income and other operating income and expenses)	\$ 702,130	\$ 624,923	\$ 13,064	\$ 139,414	\$ 1,479,531
Other operating income and expenses					(77,844)
Investment income or loss accounted for using the equity method					1,512
Net profit before tax					<u>\$ 1,403,199</u>
Total assets					<u>\$ 46,005,847</u>

Intersegment sales are valued at market prices.

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

TABLE 1

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Loans of Funds to Others

January 1 to September 30, 2025

(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Account item	Related party	Maximum balance for the period	Ending balance	Actual amount utilized	Range of interest rates	Nature of loan to others	Amount of transactions	Reason for short-term financing	Allowance for losses	Collateral	Lending of funds to individual parties and limits	Aggregate financing limit	
1	KENDA EUROPE A/S	KENDA Manufacturing GB Ltd	Financing receivables	Yes	\$ 35,641	\$ -	\$ -	6.00%	Short-term financing	\$ -	Business operations	\$ -	-	\$ -	80% of the subsidiary's net worth, \$ 13,349	90% of the subsidiary's net worth, \$ 15,018
1	KENDA EUROPE A/S	KENDA Schweiz AG	Financing receivables	Yes	73,656	-	-	6.00%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 13,349	90% of the subsidiary's net worth, 15,018
1	KENDA EUROPE A/S	KENDA Polska Sp. z.o.o.	Financing receivables	Yes	123,462	-	-	6.00%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 13,349	90% of the subsidiary's net worth, 15,018
1	KENDA EUROPE A/S	KENDA Deutschland GmbH	Financing receivables	Yes	94,102	-	-	6.00%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 13,349	90% of the subsidiary's net worth, 15,018
2	KENDA Manufacturing HR d.o.o	Jelshøj Imovina	Financing receivables	Yes	7,074	-	-	2.68%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 295,869	90% of the subsidiary's net worth, 332,853
3	KENDA GB Rugeley Ltd	KENDA Manufacturing GB Ltd	Financing receivables	Yes	68,365	66,090	66,090	6.00%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 237,356	90% of the subsidiary's net worth, 267,025
4	KENDA Deutschland GmbH	KENDA Schweiz AG	Financing receivables	Yes	3,624	3,572	3,572	4.00%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 114,470	90% of the subsidiary's net worth, 128,779
4	KENDA Deutschland GmbH	KENDA Polska Sp. z.o.o.	Financing receivables	Yes	97,843	96,455	96,455	4.00%	Short-term financing	-	Business operations	-	-	-	80% of the subsidiary's net worth, 114,470	90% of the subsidiary's net worth, 128,779
5	KC	Kunshan Taiyuan	Financing receivables	Yes	128,541	128,541	29,346	3.00%	Short-term financing	-	Business operations	-	-	-	50% of the subsidiary's net worth, being 3,531,301	60% of the subsidiary's net worth, 4,237,561
5	KC	KT	Financing receivables	Yes	979,993	908,358	908,358	2.8565~3.2065%	Short-term financing	-	Business operations	-	-	-	50% of the subsidiary's net worth, being 3,531,301	60% of the subsidiary's net worth, 4,237,561
6	KE	KENDA Deutschland GmbH	Financing receivables	Yes	78,593	78,593	78,593	4.00%	Short-term financing	-	Business operations	-	-	-	200% of the subsidiary's net worth, 455,137	200% of the subsidiary's net worth, 455,137
6	KE	KENDA Polska Sp. z.o.o.	Financing receivables	Yes	61,315	54,051	54,051	4.00%	Short-term financing	-	Business operations	-	-	-	200% of the subsidiary's net worth, 455,137	200% of the subsidiary's net worth, 455,137
6	KE	KENDA Schweiz AG	Financing receivables	Yes	56,242	55,444	55,444	4.00%	Short-term financing	-	Business operations	-	-	-	200% of the subsidiary's net worth, 455,137	200% of the subsidiary's net worth, 455,137
6	KE	KENDA Manufacturing HR d.o.o	Financing receivables	Yes	128,607	128,607	82,166	4.38%	Short-term financing	-	Business operations	-	-	-	200% of the subsidiary's net worth, 455,137	200% of the subsidiary's net worth, 455,137

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

TABLE 2

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Endorsements/Guarantees Provided

January 1 to September 30, 2025

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

No.	Name of endorsing company	Subject of endorsement/guarantee		Endorsement guarantee limit for a single enterprise (Note 2)	Maximum endorsement guarantee balance for the period	Endorsement guarantee balance at the end of the period	Actual amount utilized	Amount of endorsement guarantee secured by property	Ratio of Accumulated Endorsements/Guarantees to Net Equity in Latest Financial Statements (%)	Endorsements/guarantees: Maximum limit (Note 3)	Endorsement/guarantee made by parent for subsidiaries	Endorsement/guarantee made by subsidiaries for parent	Endorsement/guarantee made for entities in mainland china	Remark
		Name of company	Relationship (Note 1)											
0	The Company	KENDA EUROPE A/S	1	\$ 7,451,642	\$ 2,625,828	\$ 2,089,271	\$ 1,496,117	\$ -	11.22%	\$ 14,903,284	Yes	No	No	—
0	The Company	KENDA Deutschland GmbH	1	\$ 7,451,642	576,343	574,406	178,986	\$ -	3.08%	14,903,284	Yes	No	No	—
0	The Company	KENDA Manufacturing GB Ltd	1	\$ 7,451,642	71,474	71,448	-	\$ -	0.38%	14,903,284	Yes	No	No	—
0	The Company	KENDA Polska Sp. z.o.o.	1	\$ 7,451,642	260,156	259,398	-	\$ -	1.39%	14,903,284	Yes	No	No	—
0	The Company	KENDA Schweiz AG	1	\$ 7,451,642	152,945	152,225	-	\$ -	0.82%	14,903,284	Yes	No	No	—
0	The Company	KENDA België NV	1	\$ 7,451,642	217,517	152,225	-	\$ -	0.82%	14,903,284	Yes	No	No	—
0	The Company	KENDA GB Rugeley Ltd	1	\$ 7,451,642	260,156	259,398	-	\$ -	1.39%	14,903,284	Yes	No	No	—
0	The Company	ADI	1	\$ 7,451,642	199,092	182,670	121,780	\$ -	0.98%	14,903,284	Yes	No	No	—
0	The Company	KA	1	\$ 7,451,642	497,730	456,675	213,115	\$ -	2.45%	14,903,284	Yes	No	No	—
0	The Company	KI	1	\$ 7,451,642	2,687,742	2,466,045	922,484	\$ -	13.24%	14,903,284	Yes	No	No	—
0	The Company	KT	1	\$ 7,451,642	365,002	334,895	-	\$ -	1.80%	14,903,284	Yes	No	Yes	—
0	The Company	KE	1	\$ 7,451,642	543,574	535,863	260,787	\$ -	2.88%	14,903,284	Yes	No	No	—
1	KHK	KS	1	\$ 1,055,642	924,521	856,942	-	\$ -	81.18%	1,055,642	No	No	Yes	Note 4
2	KGCI	KS	1	\$ 3,993,567	1,849,043	1,713,884	-	\$ -	17.17%	7,987,135	No	No	Yes	Note 4
3	KENDA EUROPE A/S	KENDA GB Rugeley Ltd	1	\$ 417,165	107,128	102,303	-	\$ -	613.08%	500,599	No	No	No	—
3	KENDA EUROPE A/S	KENDA België NV	1	\$ 417,165	163,072	160,759	-	\$ -	963.40%	500,599	No	No	No	—
3	KENDA EUROPE A/S	KENDA Schweiz AG	1	\$ 417,165	15,503	15,318	11,456	\$ -	91.80%	500,599	No	No	No	—
3	KENDA EUROPE A/S	KENDA Deutschland GmbH	1	\$ 417,165	62,075	46,048	-	\$ -	275.96%	500,599	No	No	No	—
3	KENDA EUROPE A/S	KENDA Manufacturing HR d.o.o	1	\$ 417,165	79,853	78,720	72,290	\$ -	471.76%	500,599	No	No	No	—

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

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

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

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

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

The limit on endorsements/guarantees made by KENDA Europe A/S for a single enterprise is 25 times the net worth of KENDA Europe A/S.

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

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

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

KENDA Europe A/S's aggregate endorsement/guarantee limit is 30 times its net worth.

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

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

TABLE 3

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES**Marketable Securities Held at the End of the Period****September 30, 2025****(In Thousands of New Taiwan Dollars)**

Held by	Type and name of marketable securities	Relationship with the issuer of marketable securities	Account item	End of the Period				Remark
				Shares/Units	Carrying amount	Shareholding (%)	Fair value	
The Company	<u>Shares and equity</u> Kenjou Industrial Co., Ltd.	Its chairman and the chairman of the Company are second-degree relatives	Equity instruments at fair value through other comprehensive income - non-current	7,382	\$ 252,830	10.86%	\$ 252,830	
	Chang Hwa Golf Co., Ltd.	—	Equity instruments at fair value through other comprehensive income - non-current	30	416	0.08%	416	
	TotalEnergies Marketing Taiwan Ltd.	Its chairman and the chairman of the Company are second-degree relatives	Equity instruments at fair value through other comprehensive income - non-current	81	12,161	6.80%	12,161	
	BOMY (BVI) CO., LTD.	—	Equity instruments at fair value through other comprehensive income - non-current	2,000	14,686	9.73%	14,686	
KGI	<u>Shares and equity</u> Kenjou Investment Co., Ltd.	Its chairman and the chairman of the Company are second-degree relatives	Equity instruments at fair value through other comprehensive income - non-current	1,703	88,865	13.00%	88,865	

TABLE 4

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES
Purchase or Sale of Goods with Related Parties Amounting to at Least NT\$100 million or 20% of the Company's Paid-in Capital
January 1 to September 30, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Purchase/sales company	Counterparty	Relationship	Transaction				Justification of unusual transaction terms		Notes and accounts receivable (payable)		Remark
			Purchases (sales)	Amount	Share of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	KA	Subsidiary	Sales	\$ 496,561	14.63%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	\$ 1,075,863	53.69%	—
	KF	Subsidiary	Sales	549,580	16.19%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	61,737	3.08%	—
	ADI	Indirectly invested subsidiary	Sales	507,238	14.94%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	279,281	13.94%	—
KC	KA	Subsidiary of the ultimate parent company	Sales	192,016	3.53%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	-	-	—
	The Company	Parent Company	Sales	607,035	11.15%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	243,953	19.83%	—
	KS	Subsidiary of the ultimate parent company	Sales	590,385	10.85%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	223,985	18.21%	—
	ADI	Subsidiary of the ultimate parent company	Sales	114,864	2.11%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	-	-	—
	KENDA België NV	Subsidiary of the ultimate parent company	Sales	187,572	3.45%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	-	-	—
KV	The Company	Parent Company	Sales	1,991,987	39.63%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	1,031,071	58.57%	—
	ADI	Subsidiary of the ultimate parent company	Sales	773,753	15.39%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	437,746	24.87%	—
KT	KS	Subsidiary of the ultimate parent company	Sales	524,086	19.39%	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	115,692	19.11%	—
KENDA Europe A/S	STARCO Huanmei	Associate	Purchases	(188,671)	(9.62%)	In accordance with the terms and conditions agreed by both parties	By mutual agreement	—	(117,523)	(19.75%)	—

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

TABLE 5

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES
Amounts Receivable from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
September 30, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Companies included in accounts receivable	Counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue amounts receivable from related parties		Recovery amount of receivables from related parties in subsequent period (Note 3)	Allowance for losses
					Amount	Handling method		
The Company	KA	Subsidiary	\$ 1,075,863	0.60	\$ 350,558	—	\$ 269,794	\$ -
	ADI	Indirectly invested subsidiary	279,281	2.35	100,425	—	49,409	-
	KS	Subsidiary of the ultimate parent company	223,985	3.84	-	—	81,202	-
	KT	Subsidiary of the ultimate parent company	908,358	Note 2	-	—	-	-
KV	The Company	Parent Company	243,953	6.61	-	—	64,551	-
	The Company	Parent Company	1,031,071	2.30	303,242	—	56,387	-
	ADI	Subsidiary of the ultimate parent company	437,746	2.42	63,656	—	15,731	-
KT	KS	Subsidiary of the ultimate parent company	115,692	4.68	-	—	58,315	-

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

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

Note 3: Represents the amount recovered as of October 31, 2025.

TABLE 6

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES
Business Relationships and Material Intercompany Transactions between the Parent and Subsidiaries and between Subsidiaries and their Amounts
January 1 to September 30, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
0	The Company	KA	1	Sales revenue	\$ 496,561	(Note 4)	1.91%
		KC	1	Sales revenue	14,589	(Note 4)	0.06%
		KF	1	Sales revenue	549,580	(Note 4)	2.12%
		KI	1	Sales revenue	27,926	(Note 4)	0.11%
		KV	1	Sales revenue	65,229	(Note 4)	0.25%
		KT	1	Sales revenue	9,284	(Note 4)	0.04%
		ADI	1	Sales revenue	507,238	(Note 4)	1.96%
		KENDA GB Rugeley Ltd	1	Sales revenue	13,726	(Note 4)	0.05%
		KENDA Polska Sp. z.o.o.	1	Sales revenue	7,928	(Note 4)	0.03%
		KENDA Deutschland GmbH	1	Sales revenue	17,494	(Note 4)	0.07%
		KC	1	Service (labor) revenue	86,264	(Note 4)	0.33%
		KF	1	Service (labor) revenue	20,451	(Note 4)	0.08%
		KI	1	Service (labor) revenue	44,182	(Note 4)	0.17%
		KT	1	Service (labor) revenue	51,082	(Note 4)	0.20%
		KV	1	Service (labor) revenue	136,985	(Note 4)	0.53%
		KF	1	Rental income	5,656	(Note 4)	0.02%
		KENDA Europe A/S	1	Other income	6,129	(Note 4)	0.02%
1	KC	KA	3	Sales revenue	192,016	(Note 4)	0.74%
		KS	3	Sales revenue	590,385	(Note 4)	2.28%
		KT	3	Sales revenue	8,325	(Note 4)	0.03%
		KF	3	Sales revenue	21,917	(Note 4)	0.08%
		The Company	2	Sales revenue	607,035	(Note 4)	2.34%
		ADI	3	Sales revenue	114,864	(Note 4)	0.44%
		KENDA GB Rugeley Ltd	3	Sales revenue	83,516	(Note 4)	0.32%
		KENDA België NV	3	Sales revenue	187,572	(Note 4)	0.72%
		KENDA Polska Sp. z.o.o.	3	Sales revenue	68,572	(Note 4)	0.26%
		KENDA Deutschland GmbH	3	Sales revenue	11,996	(Note 4)	0.05%
		KENDA Baltic OÜ	3	Sales revenue	10,986	(Note 4)	0.04%
		KENDA Schweiz AG	3	Sales revenue	8,474	(Note 4)	0.03%
		KT	3	Interest income	21,608	(Note 4)	0.08%

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No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
2	KT	KS	3	Sales revenue	\$ 524,086	(Note 4)	2.02%
		KF	3	Sales revenue	11,854	(Note 4)	0.05%
		KC	3	Sales revenue	79,249	(Note 4)	0.31%
		ADI	3	Sales revenue	36,891	(Note 4)	0.14%
		KENDA België NV	3	Sales revenue	34,882	(Note 4)	0.13%
		KENDA Polska Sp. z.o.o.	3	Sales revenue	10,562	(Note 4)	0.04%
		KENDA Schweiz AG	3	Sales revenue	26,705	(Note 4)	0.10%
		The Company	2	Sales revenue	1,991,987	(Note 4)	7.68%
		KA	3	Sales revenue	46,017	(Note 4)	0.18%
		KI	3	Sales revenue	38,729	(Note 4)	0.15%
3	KV	KS	3	Sales revenue	9,863	(Note 4)	0.04%
		KT	3	Sales revenue	6,328	(Note 4)	0.02%
		ADI	3	Sales revenue	773,753	(Note 4)	2.98%
		KENDA GB Rugeley Ltd	3	Sales revenue	12,050	(Note 4)	0.05%
		KENDA Deutschland GmbH	3	Sales revenue	7,541	(Note 4)	0.03%
		KENDA Manufacturing HR d.o.o.	3	Sales revenue	7,809	(Note 4)	0.03%
		KV	3	Sales revenue	17,333	(Note 4)	0.07%
		KENDA GB Rugeley Ltd	3	Sales revenue	28,113	(Note 4)	0.11%
		KENDA België NV	3	Sales revenue	69,918	(Note 4)	0.27%
		KENDA Polska Sp. z o. o.	3	Sales revenue	22,032	(Note 4)	0.08%
4	KI	KENDA Baltic OÜ	3	Sales revenue	58,120	(Note 4)	0.22%
		KENDA Deutschland GmbH	3	Sales revenue	17,234	(Note 4)	0.07%
		KENDA Deutschland GmbH	3	Sales revenue	91,388	(Note 4)	0.35%
		KENDA Polska Sp. z.o.o.	3	Sales revenue	81,693	(Note 4)	0.31%
		KENDA Schweiz AG	3	Sales revenue	23,973	(Note 4)	0.09%
		KENDA België NV	3	Sales revenue	8,870	(Note 4)	0.03%
		KENDA GB Rugeley Ltd	3	Sales revenue	45,785	(Note 4)	0.18%
		KENDA France SAS	3	Sales revenue	22,353	(Note 4)	0.09%
		KENDA France SAS	3	Sales revenue	35,641	(Note 4)	0.14%
		KENDA Baltic OÜ	3	Sales revenue	23,313	(Note 4)	0.09%
5	KENDA EUROPE A/S	KENDA België NV	3	Sales revenue	9,928	(Note 4)	0.04%
		KENDA Manufacturing HR d.o.o.	3	Sales revenue	13,009	(Note 4)	0.05%
6	KENDA Manufacturing HR d.o.o.	KENDA Deutschland GmbH	3	Service (labor) revenue	6,170	(Note 4)	0.02%
		KS	3	Service (labor) revenue	5,237	(Note 4)	0.02%
		KC	3	Service (labor) revenue	141,642	(Note 4)	0.55%
		KT	3	Service (labor) revenue	9,689	(Note 4)	0.04%
		The Company	2	Commission income			
		The Company	2				

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No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
0	The Company	KI	1	Accounts receivable	\$ 19,355	(Note 4)	0.04%
		KA	1	Accounts receivable	1,075,863	(Note 4)	2.43%
		KV	1	Accounts receivable	25,593	(Note 4)	0.06%
		KF	1	Accounts receivable	61,737	(Note 4)	0.14%
		ADI	1	Accounts receivable	279,281	(Note 4)	0.63%
		KENDA Deutschland GmbH	1	Accounts receivable	9,783	(Note 4)	0.02%
		KC	1	Other receivables	10,241	(Note 4)	0.02%
		KT	1	Other receivables	10,900	(Note 4)	0.02%
		KI	1	Other receivables	28,735	(Note 4)	0.06%
		KV	1	Other receivables	20,103	(Note 4)	0.05%
		KA	1	Other receivables	8,568	(Note 4)	0.02%
		KIC	1	Other receivables	19,789	(Note 4)	0.04%
		The Company	2	Accounts receivable	243,953	(Note 4)	0.55%
		KA	3	Accounts receivable	86,895	(Note 4)	0.20%
1	KC	KS	3	Accounts receivable	223,985	(Note 4)	0.51%
		ADI	3	Accounts receivable	46,648	(Note 4)	0.11%
		KENDA België NV	3	Accounts receivable	79,293	(Note 4)	0.18%
		KENDA GB Rugeley Ltd	3	Accounts receivable	45,772	(Note 4)	0.10%
		KENDA Polska Sp. z.o.o.	3	Accounts receivable	10,412	(Note 4)	0.02%
		KENDA Deutschland GmbH	3	Accounts receivable	7,172	(Note 4)	0.02%
		KENDA Baltic OÜ	3	Accounts receivable	5,986	(Note 4)	0.01%
		KT	3	Other receivables	13,286	(Note 4)	0.03%
		KT	3	Other receivables	908,358	(Note 4)	2.05%
		Kunshan Taiyuan	3	Other receivables	29,346	(Note 4)	0.07%
		KS	3	Accounts receivable	115,692	(Note 4)	0.26%
		KC	3	Accounts receivable	25,073	(Note 4)	0.06%
		ADI	3	Accounts receivable	7,552	(Note 4)	0.02%
		KENDA België NV	3	Accounts receivable	13,615	(Note 4)	0.03%
2	KT	KENDA Schweiz AG	3	Accounts receivable	12,894	(Note 4)	0.03%
		The Company	2	Accounts receivable	1,031,071	(Note 4)	2.33%
		KA	3	Accounts receivable	21,220	(Note 4)	0.05%
		KI	3	Accounts receivable	27,555	(Note 4)	0.06%
		KS	3	Accounts receivable	8,701	(Note 4)	0.02%
3	KV	ADI	3	Accounts receivable	437,746	(Note 4)	0.99%
		KENDA Polska Sp. z.o.o.	3	Other receivables	96,455	(Note 4)	0.22%
7	KENDA Deutschland GmbH						

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No. (Note 1)	Transaction party	Counterparty	Relationship with transaction party (Note 2)	Status of transactions (Note 3)			
				Accounting item	Amount	Transaction terms	Percentage of total consolidated revenue or total assets
12	KENDA GB Rugeley Ltd	KENDA Manufacturing GB Ltd	3	Other receivables	\$ 66,090	(Note 4)	0.15%
13	KE	KENDA Deutschland GmbH	3	Other receivables	78,593	(Note 4)	0.18%
		KENDA Polska Sp. z.o.o.	3	Other receivables	54,051	(Note 4)	0.12%
		KENDA Manufacturing HR d.o.o	3	Other receivables	82,166	(Note 4)	0.19%
		KENDA Schweiz AG	3	Other receivables	55,444	(Note 4)	0.13%
14	KA	The Company	2	Accounts receivable	16,424	(Note 4)	0.04%

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

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

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

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

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

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

TABLE 7

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES

Information about the investee company, its location, etc.

January 1 to September 30, 2025

(In Thousands of New Taiwan Dollars and Foreign Currency; In Thousands of Shares)

Investor	Investee	Location	Main business scope and activities	Initial investment amount		Ending shareholding			Profit (Loss) of the Investee for the Period	Investment Profit (Loss) Recognized in the Period	Remark
				End of Period	End of Last Year	Number of shares	Percentage	Carrying amount			
The Company	KA	United States	Trading, investment	USD 9,000	USD 9,000	-	100%	NTD 3,563,808	NTD 185,037	NTD 185,037	Note 3
	KHK	Hong Kong	Trading, investment	HKD 100	HKD 100	-	100%	NTD 1,055,496	NTD 22,635	NTD 22,635	Note 3
	KV	Vietnam	Manufacturing of tires	USD 30,600	USD 30,600	-	100%	NTD 9,786,826	NTD 152,858	NTD 188,745	Notes 2 and 3
	KIC	Cayman Islands	Investment	USD 67,680	USD 67,680	-	100%	NTD 10,561,336	(NTD 92,351)	(NTD 92,351)	Note 3
	KE	Germany	Marketing planning and R&D	USD 81,753	USD 81,753	-	100%	NTD 275,796	NTD 16,977	NTD 16,977	Note 3
	KF	Taiwan	Selling of tires	NTD 199,000	NTD 199,000	19,900	100%	NTD 271,025	NTD 32,096	NTD 32,096	Note 3
KF KA	KI	Indonesia	Manufacturing of tires	USD 52,999	USD 52,999	-	99.99%	NTD 514,090	(NTD 42,217)	(NTD 42,216)	Note 3
	KI	Indonesia	Manufacturing of tires	USD 1	USD 1	-	0.01%	NTD 8	(NTD 42,217)	(NTD 1)	Note 3
	ADI	United States	Manufacturing of rims and distribution and selling of tires and rims	USD 20,000	USD 20,000	1	100%	USD 82,709	USD 577	Note 1	Note 3
KIC	KGH	Cayman Islands	Investment	USD 112,050	USD 112,050	-	100%	USD 342,054	(USD 675)	Note 1	Note 3
KGI KENDA Europe A/S	KGI	Mauritius	Investment	USD 1,703	USD 1,703	-	100%	USD 4,486	(USD 2,292)	Note 1	Note 3
	KENDA EUROPE A/S	Denmark	Investment	EUR 6,936	EUR 6,936	-	100%	USD 601	(USD 3,006)	Note 1	Note 3
	KENDA GB Rugeley Ltd	United Kingdom	Distribution and selling of tires and rims	EUR 552	EUR 552	-	100%	EUR 9,119	EUR 1,235	Note 1	Note 3
	KENDA Deutschland GmbH	Germany	Distribution and selling of tires and rims	EUR 511	EUR 511	-	100%	EUR 2,919	(EUR 1,087)	Note 1	Note 3
	KENDA Polska Sp.z.o.o.	Poland	Distribution and selling of tires and rims	EUR 30	EUR 30	-	100%	EUR 4,096	EUR 448	Note 1	Note 3
	KENDA België NV	Belgium	Distribution and selling of tires and rims	EUR 2,810	EUR 2,810	-	100%	EUR 4,444	(EUR 226)	Note 1	Note 3
	KENDA Schweiz AG	Switzerland	Distribution and selling of tires and rims	EUR 355	EUR 355	-	100%	EUR 1,702	EUR 56	Note 1	Note 3
	KENDA Baltic OÜ	Estonia	Distribution and selling of tires and rims	EUR 3	EUR 3	-	100%	EUR 1,515	EUR 255	Note 1	Note 3
	KENDA France SAS	France	Distribution and selling of tires and rims	EUR 183	EUR 183	-	100%	EUR 843	EUR 80	Note 1	Note 3
	KENDA Manufacturing HR d.o.o	Croatia	Manufacturing of rims	EUR 9,614	EUR 9,614	-	100%	EUR 8,716	(EUR 1,636)	Note 1	Note 3
	KENDA Manufacturing GB Ltd	United Kingdom	Manufacturing of rims and distribution and selling of tires and rims	EUR 1,031	EUR 1,031	-	100%	EUR 178	(EUR 576)	Note 1	Note 3
	Jelshoj Imovina	Croatia	Investment	EUR 3	EUR 3	-	100%	EUR 1,967	EUR 33	Note 1	Note 3

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

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

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

TABLE 8

KENDA RUBBER IND. CO., LTD. AND SUBSIDIARIES
Information on Investments in Mainland China
January 1 to September 30, 2025
(In Thousands of New Taiwan Dollars; In Thousands of Foreign Currency)

Investee Company	Main business scope and activities	Paid-in capital	Investment method	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period	Outward or Inward Remittance for Investment for the Period		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Profit (Loss) of the Investee for the Period	Ownership of Direct or Indirect Investment	Investment Profit (Loss) Recognized in the Period (Note 3)	Carrying Amount of Investment as of the End of the Period	Accumulated Repatriation of Investment Income as of the Current Period	Remark
					Remitted	Recovered							
KS	Manufacturing and selling of various tubes and tires for vehicles	\$ 761,125 USD 25,000	Note 1	\$ 761,125 USD 25,000	\$ -	\$ -	\$ 761,125 USD 25,000	\$ 85,463	100%	\$ 85,463	\$ 1,061,871	\$ 8,179,963	—
KC	Manufacturing and selling of various tubes and tires for vehicles	2,131,150 USD 70,000	Notes 1 and 7	2,131,150 USD 70,000	-	-	2,131,150 USD 70,000	130,127	100%	Note 4	Note 4	Note 4	—
KT	Manufacturing and selling of various tubes and tires for vehicles	6,697,900 USD 220,000	Notes 1, 2 and 7	474,942 USD 15,600	-	-	474,942 USD 15,600	(217,321)	100%	(214,610)	2,842,195	-	Note 10
KGCI	Investment	4,901,645 USD 161,000	Notes 1 and 2	-	-	-	-	(53,912)	100%	(53,912)	9,983,915	-	—
Shanghai Bomy Foodstuff Co., Ltd.	Manufacturing, processing and selling of various foods and beverages	630,331 USD 20,704	Note 1	60,890 USD 2,000	-	-	60,890 USD 2,000	-	9.66%	-	14,686	-	—
Ningbo Jingshang Huaxiang Auto Parts Co., Ltd.	Interior and exterior parts for automobiles	795,619 USD 26,133	Note 1	51,848 USD 1,703	-	-	51,848 USD 1,703	-	2.60%	-	88,865	136,515	—
STARCO Huanmei	Manufacturing of rims	178,621 EUR 5,000	Note 1	Note 9	-	-	Note 9	13,018	33%	4,322	142,893	-	Note 9
Kunshan Taiyuan New Energy Co., Ltd.	Research and Development and Services in Emerging Energy Technologies	-	Note 1	Note 9	-	-	Note 9	(96)	100%	(96)	(95)	-	Note 9

Accumulated Amount of Investment in Mainland China Remitted from Taiwan at End of Period	Investment Amount Authorized by the Department of Investment Review, MOEA	In accordance with the regulations of the Investment Commission, Ministry of Economic Affairs Maximum amount of investment in Mainland China (Note 5)
\$ 3,479,955 USD 114,303 Note 5	\$ 9,792,660 USD 319,703 EUR 1,660 Note 5	Note 6

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

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

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

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

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

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

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

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

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

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