STOCK CODE: 2101

NANKANG RUBBER TIRE CORP., LTD.

2025 Annual Report

TESE：https://mops.twse.com.tw

Company Website：https://www.nankang-tyre.com/

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Names of trading venues for overseas securities and How to access information about overseas securities	none
Company website	https://www.nankang-tyre.com/
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I. Report to Shareholders

Dear shareholders, ladies and gentlemen:

As we enter 2026 , the global economic and trade environment remains affected by variables such as geopolitics, trade protectionism, and green transformation. However, thanks to our solid "resilient management" and "flexible layout," our company has successfully turned challenges into growth opportunities .

In our core tire business, we have not only continued to precisely control external cost fluctuations, but also deepened the results of digital transformation in 2025. By introducing an AI-automated production system, we have achieved significant optimization of production efficiency and lean management of fixed costs.

In terms of product strategy, we have actively entered the high-efficiency and energy-saving electric vehicle tire market. With our technological R&D strength, we have gained high market recognition and successfully developed multiple overseas strategic markets, gradually reducing our dependence on a single region and building a more resilient global sales network.

In addition, the company's highly anticipated "World Pearl" project saw sales of its A -building commercial office area begin in the fourth quarter of 2023, while residential buildings B-G have already sold NT$26.5 billion and office space has sold NT$6.7 billion , injecting significant momentum into Nankang's development . Furthermore, the pedestrian elevated walkway connecting Nankang Station to the Taipei Music Center, part of "World Pearl," was completed in August 2024. This walkway, approximately 800 meters long, creates the "Nankang Green Corridor," balancing ecological landscape and urban development by connecting surrounding stations, commercial offices, residences, and green spaces .

i. 2025 operating results:

(i) Results of Business Plan Implementation:

1. In 2025, the individual business income was NT$6,751,520,000 , an increase of 45.93 % compared to NT$ 4,626,694,000 in 2024 .
2. Consolidated operating revenue for 2025 is NT$8,431,989,000, a decrease of 44.61% compared to NT$15,223,519,000 in 2024. (Note : The revenue decline is mainly due to the inclusion of a larger proportion of real estate sales revenue of NT$6,225,500,000 in 2024 , while real estate sales revenue in 2025 is NT$159,498,000.)
3. The consolidated net profit after tax in 2025 is NT$809,784,000, a decrease of 72.53% compared to NT$2,947,884,000 in 2024.

(ii) Budget execution status: In 2025, the company's actual sales of all types of tires (including PCR, LTR, MCR, MC, SC, etc.) totaled 5,093,000 units , compared with the projected sales of 6,000,000 units in 2024 , achieving 84.9 % of the target.

Note : This data is based on statistics from the parent company in Taiwan.

(iii) Financial income and expenditure and profitability analysis:

Unit: New Taiwan Dollars (NTD) / Thousand

year / project			Individual Information			Merger Information		
			2025	2024	Increase (decrease) rate %	2025	2024	Increase (decrease) rate %
Revenue and Profit /Loss	Operating revenue		6,751,520	4,626,694	45.93%	8,431,989	15 , 223 , 519	(44.61%)
	Net gross profit		1,018,355	881,095	15.58%	1,809,003	4,888,762	(63.00%)
	Net profit (loss) after tax		809,784	2,947,884	(72.53%)	809,784	2,947,884	(72.53%)
Profitability Analysis	Return on assets (%)		4.03%	14.24 %	(71.70%)	2.03%	7.21%	(71.84%)
	Return on equity (%)		6.17%	24.64 %	(74.96%)	6.17%	24.64%	(74.96%)
	paid-in capital (%)	Operating Profit	2.51%	0.99%	153.54%	7.89%	42.12%	(81.27%)
		Pre-tax net profit	13.40%	36.82%	(63.61%)	14.26%	40.28%	(64.60%)
	Net profit (loss) ratio (%)		11.99%	63.71%	(81.18%)	9.60%	19.36%	(50.41%)
	Earnings per share (loss) (RMB)		1.01	3.53	(71.39%)	1.01	3.53	(71.39%)

(iv) Research and Development Status: The following new R&D products are expected to be completed in 2026:

1.the new generation PCR all-season tire AW-9 in Europe.

2.new AT-PRO in Europe.

3.Japan is developing a new snow tire, the AW-1EVO.

4.the new North American racing tire CR-SR.

5.the next-generation European SUV NEX-1 has been expanded.

6.of the new generation European performance tire AS-3 has been expanded.

7.The new RT tire series RT+ has been further developed.

ii. 2026 Business Plan Summary:

（1）Business Policy:

1.We will continue to implement a sales and R&D philosophy centered on customer experience.

2.Improve process efficiency, strictly control production costs, and achieve a production utilization rate of over 93%.

3.We will strive to reduce waste and scrap by 50%.

4.Continue to implement OHSAS18001 and CNS15506 regulations, and strengthen the management of occupational safety and working environment improvement.

5.Strengthen the integration between production and sales departments to achieve the goal of rapid order acceptance and rapid delivery.

6.Actively build physical and online marketing channels.

7.Production processes and warehousing logistics are continuously moving towards automation, three-dimensionality, and intelligence to improve efficiency.

8.Develop high-value-added tires and continuously improve the performance of existing products.

（2）Expected sales volume and basis: The company expects to sell 5,600 tires of all types (including PCR, LTR, MCR, MC, SC, etc.) in 2026 .

Note : This data is based on the company's business plan evaluation results (the statistics are based on the Taiwan parent company).

iii. Future company development strategy:

(1). We are customer experience oriented and continuously develop customized, high-value-added products.

(2). Strengthen internal controls and improve corporate governance capabilities.

(3). Increase physical sales outlets in major markets around the world.

(4). Increase market share in China, mainland China, North America, and the Middle East.

(5). Strengthen marketing planning capabilities and continue to participate in international exhibitions to enhance the company's brand awareness and product image.

(6). Enhance operational and management capabilities, cultivate suitable talent, and integrate human resources.

(7). Develop a complete tire product portfolio and maintain a diversified competitive advantage.

(8). Strengthen the development of environmentally friendly and energy-saving tires to facilitate the expansion of the environmentally friendly tire market.

(9). Introducing AI and big data management makes production and product design more efficient.

(10). Expand profit margins by "managing profits" and "responding quickly".

iv. Affected by the external competitive environment, regulatory environment and overall business environment:

(1). Positive effects:

1. Obtaining TÜV SÜDMark tire certification is beneficial for the research and development, sales, and brand image building of energy-efficient tires.
2. The restrictions imposed by various certification standards in different countries, such as 3C in mainland China, E-MARK in Europe, DOT in the United States, SNI in Indonesia, INMETRO in Brazil, BIS in India, GCC in the Middle East, etc., raise the sales threshold and reduce the pressure from competitors.
3. The rise of automobile markets in emerging countries (such as Vietnam and India) has increased the demand for tires.

4. The easing of the pandemic has led to a significant drop in freight rates, alleviating the situation of soaring costs.

(2). Negative impacts:

1. More stringent environmental regulations and standards have led to increased costs for pollution source treatment equipment and environmentally friendly raw materials.
2. High tax rates resulting from anti-dumping and anti-subsidy measures have led to a decline in product gross profit and sales.

In a turbulent environment, we firmly believe in the adage "time will tell," and that continuous growth and innovation are the keys to survival. We would like to once again thank all our shareholders for their support over the years. In addition to focusing on our core business of production, Nankang Tire will uphold the principles of "sustainable operation" and "green production" to continuously create even better operating performance and reward all our investors!

Chairman Guo Linliang

II. Corporate Governance Report

I. Information on directors, independent directors, general manager, deputy general manager, assistant general manager, and heads of departments and branches.

（1）Information on Directors and Independent Directors (Part 1)

Date: March 28, 2026

job title	Nationality or place of registration	Name	gender / age	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
Chairman	Republic of China	Quanye Investment Co., Ltd.	male	2024.4.19	3	March 19, 2003	33,661,666	4.04	29,625,179	4.04	0	0	0	0	Bachelor of Chemical Engineering, Feng Chia University; Vice President of Manufacturing, Nankang Tire & Rubber Company; Chairman, Nankang Tire &	Note 1	none	none	none	none
		Representative: Guo Linliang	61~70	2024.4.19		June 27, 2016	0	0	291,913	0.04	0	0	0	0						

job title	Nationality or place of registration	Name	gender / age	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
															Rubber Company					
director	Republic of China	Quanye Investment Co., Ltd.	female	2024.4.19	3	March 19, 2003	33,661,666	4.04	29,625,179	4.04	0	0	0	0	from Johnson & Wales University, USA; General Manager and Marketing Manager of Nankang Tire Co., Ltd.	Note 2	none	none	none	none
		Representative: Lin Junying	41~50	2024.4.19		June 13, 2013	0	0	16,663,181	2.27	0	0	0	0						
director	Republic of China	Quanye Investment Co., Ltd.	male	2024.4.19	3	March 19, 2003	33,661,666	4.04	29,625,179	4.04	0	0	0	0	Master of Business Administration, College of Management, National Taiwan	Note 3	none	none	none	none
		Representative: Chen Hengkuan	51~60	2024.4.19		May 18, 2022	0	0	0	0	0	0	0	0						

job title	Nationality or place of registration	Name	gender	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
			age				Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
															University; Judge of New Taipei District Court; Director of Kuandian United Law Firm					
director	Republic of China	Quanye Investment Co., Ltd.	female	2024.4.19	3	March 19, 2003	33,661,666	4.04	29,625,179	4.04	0	0	0	0	Master of Laws from the University of California, Davis; Legal Director of Hotai Property Insurance Co., Ltd.	none	none	none	none	none
		Representative: Huang Jiaying	41~50	2024.4.19		May 18, 2022	0	0	0	0	81,848	0.01	0	0						

job title	Nationality or place of registration	Name	gender	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
			age				Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
director	Republic of China	Quanye Investment Co., Ltd.	female	2024.4.19	3	March 19, 2003	33,661,666	4.04	29,625,179	4.04	0	0	0	0	Master of Laws from Chinese Culture University; Director of the Taipei Bar Association; Principal Attorney at Daheng International Law Firm	none	none	none	none	none
		Representative: Chen Mengxiu	51~60	2024.4.19		May 18, 2022	0	0	7,040	0.01	0	0	0	0						
director	Republic of China	Quanye Investment Co., Ltd.	male	2024.4.19	3	March 19, 2003	33,661,666	4.04	29,625,179	4.04	0	0	0	0	Lianya Optoelectronic Industry (Stock) Co., Ltd., Director of Yingtai Technology (Stock) Co., Ltd.,	none	none	none	none	none
		Representative: Zhang Jingyi	61~70	2024.4.19		2024.4.19	0	0	0	0	41,108	0.01	0	0						

job title	Nationality or place of registration	Name	gender	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
			age				Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
															Director of Cayman Fengxiang Holdings (Stock) Co., Ltd., Independent Director of Jetway Information Co., Ltd.					
independent director	Republic of China	Wu Siyi	female 51~60	2024.4.19	3	April 24, 2007	0	0	0	0	0	0	0	0	Master of Management from National Taiwan University of Science and Technology; passed the Higher Examination of the	none	none	none	none	none

job title	Nationality or place of registration	Name	gender / age	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
															Examination Yuan; Accountant					
independent director	Republic of China	Wu Peijun	female / 61~70	2024.4.19	3	2024.4.19	0	0	0	0	0	0	0	0	Completed Master of Laws/Doctor of Laws program at Keio University, Japan ; Associate Professor and Head of Department of Finance and Law at Ming Chuan University.	none	none	none	none	none
independent	Republic of China	Wu Liyu	male	2024.4.19	3	2024.4.19	0	0	0	0	0	0	0	0	Doctor of Internationa	none	none	none	none	none

job title	Nationality or place of registration	Name	gender	Elected (or appointed) date	term of office	Initial election date	Shares held at the time of election		Current number of shares held		Spouse and minor children currently hold shares		Holding shares in the name of others		Major Experience (Education)	Currently holding positions in this company and other companies.	Other managers, directors, or supervisors who are spouses or relatives within two degrees of kinship			(Situations where the general manager or equivalent (top manager) and the chairman are the same person, spouses, or first-degree relatives)
			age				Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation	
director			51~60												l Trade, National Chengchi University; Director of the Graduate Institute of Business Administration, National Chengchi University					

Note 1: Guo Linliang, the representative of Quanye Investment (Stock) Co., Ltd., also serves as the Chairman of this company, the Chairman of Nankang (Zhangjiagang Free Trade Zone) Rubber Industry Co., Ltd., the Chairman of Taipei Nanhong Tire (Stock) Co., Ltd., the Chairman of Nanrong Development and Construction (Stock) Co. , Ltd. , the Chairman of Taifeng Tire (Stock) Co., Ltd. , the Chairman of Taixin Construction Co., Ltd., and the Chairman of Fucheng Development Co., Ltd.

Note 2: Lin Junying, the representative of Quanye Investment (Stock) Co., Ltd., also serves as the General Manager of this company and a director of Maoxun Computer (Stock) Co., Ltd.

Note 3: Chen Hengkuan, the representative of Quanye Investment (Stock) Co., Ltd. , also serves as the supervisor of Nanrong Development and Construction (Stock) Co., Ltd.

Table 1 : Major Shareholders of Corporate Shareholders

March 28, 2026

Corporate shareholders	Its shareholding ratio accounts for the top ten shareholders	Shareholding ratio (%)
Quanye Investment Co., Ltd.	Hengtai Holdings Co., Ltd.	99.9
	Yuanrui Development Industry Co., Ltd.	0.1

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: Enter the names of the major shareholders of the legal entity (their shareholding ratios should be among the top ten) and their shareholding ratios. If the major shareholders are not legal entities, please also fill in Table 2 below.

Note 3: For corporate shareholders who are not part of the company organization, the shareholder name and shareholding ratio disclosed above are the names of the investors or donors (refer to the Judicial Yuan announcement for inquiry) and their investment or donation ratios. If the donor has passed away, please add "deceased" .

Table 2: Major Shareholders of Companies Where the Major Shareholders in Table 1 are Legal Entities

March 28, 2026

Corporate shareholders	Its shareholding ratio accounts for the top ten shareholders	Shareholding ratio (%)
Hengtai Holdings Co., Ltd.	Yung Tai Charity Foundation	79.03
	Qiupu Cultural and Educational Foundation	20.96
	Lin Junying	0.01
Yuanrui Development Industry Co., Ltd.	Hengtai Holdings Co., Ltd.	72.2 6
	Qiupu Cultural and Educational Foundation	24.39
	Lin Junying	2.05
	Yuanhong Development Industry Co., Ltd.	0.80
	Quanye Investment Co., Ltd.	0.50

Note 1: If the major shareholder in Table 1 above is a legal person, the name of the legal person shareholder should be filled in.

Note 2: Fill in the names of the major shareholders of the legal entity (their shareholding ratios should be among the top ten) and their shareholding ratios.

Note 3: For corporate shareholders who are not part of the company organization, the shareholder name and shareholding ratio disclosed above are the names of the investors or donors (refer to the Judicial Yuan announcement for inquiry) and their investment or donation ratios. If the donor has passed away, add "deceased".

（2） directors , including independent directors (II)

1. Disclosure of information regarding the professional qualifications of directors and independent directors and the independence of independent directors.

condition / Name	Professional qualifications and experience	Independence Case	Number of companies that also serve as independent directors of other publicly listed companies
Guo Linliang	• Possess professional experience in management, business, or related fields, as well as work experience required for company operations. He graduated with a bachelor's degree in chemical engineering from Feng Chia University and has served as the company's vice president of materials research, manufacturing, and chairman.	He also serves as the chairman of the board of directors of the company's subsidiaries, namely Nankang (Zhangjiagang Free Trade Zone) Rubber Industry Co., Ltd., Taipei Nanhong Tire Co. , Ltd., and Nanrong Development & Construction Co., Ltd. There are no spouses or relatives within the second degree of kinship among the directors . There were no violations of any clauses of Article 30 of the Company Law.	-
Lin Junying	• Possesses professional experience in marketing, management, business, and other areas required for company operations. He has served as Marketing Manager, International Business Manager, and General Manager of the company, and has participated in several international motorsports events.	He also serves as the General Manager of this company. There are no spouses or relatives within the second degree of kinship among the directors . There were no violations of any clauses of Article 30 of the Company Law.	-
Chen Hengkuan	• Possess professional experience in management, business, law, or other relevant fields, as well as relevant work experience required for corporate operations, and hold a lawyer's license.	• Also serves as the supervisor of the subsidiary, Nanrong Development and Construction (Stock) Company . There are no spouses or relatives within the second degree of kinship among the directors . There were no violations of any clauses of Article 30 of the Company Law.	1

condition / Name	Professional qualifications and experience	Independence Case	Number of companies that also serve as independent directors of other publicly listed companies
	He has served as a judge and presiding judge of the New Taipei District Court in Taiwan, a judge and section chief of the Criminal Investigation Department of the Judicial Yuan , a judge of the Taiwan High Court , etc. , and is currently the director of Kuandian United Law Firm.		
Huang Jiaying	• Possess professional and work experience in management, business, or legal affairs, and hold a lawyer's license. Previously served as Legal Director and Corporate Governance Director at Hotai Property Insurance Co., Ltd., Deputy Legal Compliance Manager at Fubon Life Insurance Co., Ltd., and Commercial Lawyer at Dexin Law Firm.	There are no spouses or relatives within the second degree of kinship among the directors . There were no violations of any clauses of Article 30 of the Company Law.	-
Chen Mengxiu	• Possess professional and work experience in management, business, or legal affairs, and hold a lawyer's license. Formerly a director of the Taipei Bar Association, currently the managing attorney at Daheng International Law Firm and a director of the National Bar Association Federation.	There are no spouses or relatives within the second degree of kinship among the directors . There were no violations of any clauses of Article 30 of the Company Law.	-
Zhang Jingyi	• Possess relevant work experience in management, business, or corporate operations. of Business Administration from National Chengchi	There are no spouses or relatives within the second degree of kinship among the directors . There were no violations of any clauses of Article 30 of the Company Law.	1

condition / Name	Professional qualifications and experience	Independence Case	Number of companies that also serve as independent directors of other publicly listed companies
	University ; Chairman of Huawi International Group.		
Independent Directors Wu Siyi	• Possess an accounting background and hold an accountant's license. • Convenor of the Company's Audit Committee. previously worked as an accountant at Lihong Accounting Firm.	The following conditions have not been violated: . Circumstances covered by Article 30 of the Company Law. According to Article 27 of the Company Law, the government, legal person or its representative shall be elected. • Violating the "Regulations on the Establishment and Compliance of Independent Directors of Publicly Listed Companies" regarding the qualifications of independent directors. There are no spouses or relatives within the second degree of kinship among the directors .	-
Independent Directors Wu Peijun	• Possess academic or professional background in business, finance, or law. Master of Laws, Keio University, Japan He previously served as a director of United Asia Optoelectronics Co., Ltd., and chairman of Yuanta Futures / Investment Consulting /Sponsor Agency Co., Ltd. He is currently an associate professor and head of the Department of Finance and Law at Ming Chuan University.	The following qualifications have not been violated: . Circumstances covered by Article 30 of the Company Law. According to Article 27 of the Company Law, the government, legal person or its representative shall be elected. • Violating the "Regulations on the Establishment and Compliance of Independent Directors of Publicly Listed Companies" regarding the qualifications of independent directors. There are no spouses or relatives within the second degree of kinship among the directors .	1

condition / Name	Professional qualifications and experience	Independence Case	Number of companies that also serve as independent directors of other publicly listed companies
Independent Directors Wu Liyu	• Possess academic or professional background in business or finance. PhD in International Trade, National Chengchi University He previously served as a director of an international securities company and is currently the director of the Graduate Institute of Business Administration at National Chengchi University.	The following qualifications have not been violated: . Circumstances covered by Article 30 of the Company Law. According to Article 27 of the Company Law, the government, legal person or its representative shall be elected. • Violating the "Regulations on the Establishment and Compliance of Independent Directors of Publicly Listed Companies" regarding the qualifications of independent directors. There are no spouses or relatives within the second degree of kinship among the directors .	2

2. Board diversity and independence

(1). Board of Directors Diversity:

一、In accordance with Article 20, Paragraph 4 of the Company's "Code of Corporate Governance Practices," the Board of Directors should possess the following capabilities to achieve the ideal goals of corporate governance:

1. Operational judgment ability.
2. Accounting and financial analysis skills.
3. Business management capabilities.
4. Crisis management capabilities.
5. Industry knowledge.
6. International market perspective.
7. Leadership skills.
8. Decision-making ability.

二、To enable the Board of Directors to achieve the aforementioned objectives and enhance its effectiveness, the Company has established a diversity policy for its Board members. In accordance with Article 20, Paragraph 3 of the "Code of Corporate Governance Practices," the composition of the Board of Directors should consider diversity. In addition to the requirement that no more than one-third of the directors also serve as managers of the Company, the Company should formulate appropriate diversity strategies based on its own operations, business model, and development needs. These strategies should include, but are not limited to, the following two main aspects:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

三、Our company currently has a board of directors consisting of 9 members, including 3 independent directors, whose professional fields cover finance and accounting, law, business administration, and marketing. Two board members are also employees; one of the three independent directors has served for more than 9 years; and all directors are citizens of the Republic of China.

四、Our company has always been committed to gender equality among board members. Currently, the proportion of female directors has reached over 30%, and 5 out of the 9 directors are women, representing 56%. In order to comply with the norms of gender diversity, our company will maintain more than one-third of any gender .

(2). Board independence:

一、The company’s board of directors currently consists of three independent directors and six directors, with independent directors accounting for 33%.

二、None of the Company’s directors or independent directors are involved in any of the situations described in Section 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

三、The independent director did not have any of the following situations in the two years prior to taking office :

1. Employees of the company or its affiliates .
2. Directors and supervisors of the company or its related enterprises.
3. The individual, their spouse, minor children, or other persons holding more than one percent of the company's total issued shares or being among the top ten individual shareholders.
4. The first paragraph refers to the manager's spouse, relatives within the second degree of kinship, or direct blood relatives within the third degree of kinship of the person listed in the preceding two paragraphs.
5. Directors, supervisors, or employees of corporate shareholders who directly hold more than 5% of the total issued shares of the company, are among the top five shareholders, or whose representatives are appointed as directors or supervisors of the company in accordance with Article 27, Paragraph 1 or 2 of the Company Law .
6. The directorships or voting shares of the company and other companies are controlled by the same person, who is also the director, supervisor, or employee of the other company .
7. The chairman, general manager or equivalent of the chairman of the company and the other company or organization are the same person or spouses, or the

directors (councilors), supervisors (supervisors) or employees of the other company or organization .

8. Directors (board members), supervisors (supervisors), managers, or shareholders holding 5% or more of the shares of a specific company or institution that has financial or business dealings with the company.
9. spouses who have provided auditing services or received cumulative remuneration exceeding NT$ 500,000 in the past two years for business, legal, financial, accounting, or related services to companies or related enterprises. However, members of the Salary and Compensation Committee, the Public Tenders Review Committee, or the Special Mergers and Acquisitions Committee, who exercise their powers in accordance with this Act or relevant laws and regulations of the Enterprise Mergers and Acquisitions Act , are not included in this restriction.

（3）the General Manager, Deputy General Manager, Assistant General Manager, and Heads of Departments and Branches

job title	Name	gender	Country of Citizenship	Elected (or appointed) date	Shareholding		Shares held by spouse and minor children		Holding shares in the name of others		Major Experience (Education)	Currently holding positions at other companies.	Managers with spouses or relatives within two degrees of kinship		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			job title	Name	relation
President	Lin Junying	female	Republic of China	2022.01.07	1 6 , 663 , 181	2.27 %	0	-	0	-	from Johnson & Wales University, USA ; Marketing Manager , Nankang Tire Co., Ltd.	none	none	none	none
Associate	Zhuang Minghong	male	Republic of China	2024.03.12	0	0	0	-	0	-	Department of Transportation Engineering, Arizona State University; Special Assistant to the General Manager of this company; International Department Manager	none	none	none	none
Associate	Wu Yuansheng	male	Republic of China	104.04.15	8,800	0.001 %	0	-	0	-	Graduated from United University with a degree in Mechanical Engineering	none	none	none	none
Associate	Qiu Qiping	male	Republic of China	2026.02.04	70,768	0.01 %	0	-	0	-	Assistant Manager of the Management Department, Deputy Plant Manager of Xinfeng Plant, and Manager of the Engineering Department of this company.	none	none	none	none

Finance and Accounting Department (Assistant)	Guo Meihang	female	Republic of China	June 27, 2016	144,698	0.02 %	0	-	0	-	Graduated from the Department of Public Administration, National Chung Hsing University	none	none	none	none

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Note 1: Information on the General Manager, Deputy General Manager, Assistant General Manager, and heads of departments and branches should be included, as well as information on anyone holding a position equivalent to General Manager, Deputy General Manager, or Assistant General Manager, regardless of their title.

Note 2: Experience related to the current position, such as having worked at an auditing and certification accounting firm or related company during the aforementioned period, should specify the job title and responsibilities held.

Note 3: If the general manager or equivalent position (top manager) is the same person as the chairman, or is the spouse or a close relative of the same degree, the reasons, rationale, necessity and corresponding measures (such as increasing the number of independent directors and ensuring that more than half of the directors do not concurrently serve as employees or managers) should be disclosed: No such situation exists.

II.Remuneration paid to directors, general managers and deputy general managers in the most recent annual period

(1)Remuneration of general directors and independent directors (names and remuneration methods will be disclosed individually)

Unit: New Taiwan Dollar / Yuan

job title	Name	Directors' remuneration								The total amounts of items A, B, C, and D , and their proportions to after-tax net profit (Note 10).		Part-time employees receive related remuneration								total amounts of items A, B, C, D, E, F, and G, and their percentages of after-tax net profit (Note 10).		Remuneration received from investments other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Retirement pension (B)		Directors' remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonuses, and special allowances, etc. (E) (Note 5)		Retirement pension (F)		Employee compensation (G) (Note 6)						
		Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company		All companies listed in the financial reports (Note 7)		Our company	All companies listed in the financial reports (Note 7)	
																Cash amount	Stock Amount	Cash amount	Stock Amount			
Chairman	Quanye Investment (Stock) Company Representative: Guo Linliang	240,000	613,560	0	0	0	0	60,000	90,000	300,000 0.04 %	703,560 0.09 %	3,262,330	4,295,130	0	0	0	0	0	0	3,562,330 0.44 %	4,998,690 0.62 %	none
director	Quanye Investment (Stock) Company Representative: Lin Junying	240,000	253,560	0	0	0	0	54,000	54,000	294,000 0.04 %	307,560 0.04 %	1,357,733	1,357,733	66,312	66,312	3,739	0	3,739	0	1,721,784 0.21 %	1,735,344 0.21 %	none
director	Quanye Investment (Stock) Company Representative: Chen Hengkuan	253,720	373,720	0	0	0	0	54,000	54,000	307,720 0.04 %	427,720 0.05 %	0	0	0	0	0	0	0	0	307,720 0.04 %	427,720 0.05 %	none

job title	Name	Directors' remuneration								The total amounts of items A, B, C, and D , and their proportions to after-tax net profit (Note 10).		Part-time employees receive related remuneration								total amounts of items A, B, C, D, E, F, and G, and their percentages of after-tax net profit (Note 10).		Remuneration received from investments other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Retirement pension (B)		Directors' remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonuses, and special allowances, etc. (E) (Note 5)		Retirement pension (F)		Employee compensation (G) (Note 6)						
		Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company		All companies listed in the financial reports (Note 7)		Our company	All companies listed in the financial reports (Note 7)	
																Cash amount	Stock Amount	Cash amount	Stock Amount			
director	Quanye Investment (Stock) Company Representative: Huang Jiaying	253,720	253,720	0	0	0	0	60,000	60,000	313,720 0.04 %	313,720 0.04 %	0	0	0	0	0	0	0	0	313,720 0.04 %	313,720 0.04 %	none
director	Quanye Investment (Stock) Company Representative: Chen Mengxiu	253,720	253,720	0	0	0	0	60,000	60,000	313,720 0.04%	313,720 0.04 %	0	0	0	0	0	0	0	0	313,720 0.04 %	313,720 0.04 %	none
director	Quanye Investment (Stock) Company Representative: Zhang Jingyi	253,720	253,720	0	0	0	0	48,000	48,000	301,720 0.04 %	3 01 ,720 0.04 %	0	0	0	0	0	0	0	0	301,720 0.04 %	301,720 0.04 %	none
Independent Directors	Wu Siyi	613,720	613,720	0	0	0	0	60,000	60,000	673, 720 0.0 8 %	673,720 0.0 8 %	0	0	0	0	0	0	0	0	673,720 0.0 8 %	673,720 0.0 8 %	none
Independent	Wu Peijun	613,720	613,720	0	0	0	0	60,000	60,000	673 , 720 0.08 %	673,720 0.0 8 %	0	0	0	0	0	0	0	0	673,720 0.0 8 %	673,720 0.0 8 %	none

job title	Name	Directors' remuneration								The total amounts of items A, B, C, and D , and their proportions to after-tax net profit (Note 10).		Part-time employees receive related remuneration								total amounts of items A, B, C, D, E, F, and G, and their percentages of after-tax net profit (Note 10).		Remuneration received from investments other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Retirement pension (B)		Directors' remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonuses, and special allowances, etc. (E) (Note 5)		Retirement pension (F)		Employee compensation (G) (Note 6)						
		Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company	All companies listed in the financial reports (Note 7)	Our company: Cash amount	Our company: Stock Amount	All companies listed in the financial reports (Note 7): Cash amount	All companies listed in the financial reports (Note 7): Stock Amount	Our company	All companies listed in the financial reports (Note 7)	
Directors																						
Independent Directors	Wu Liyu	613,720	613,720	0	0	0	0	48,000	48,000	661 , 720 0.08 %	661,720 0.0 8 %	0	0	0	0	0	0	0	0	661,720 0.0 8 %	661,720 0.0 8 %	none

1. Please describe the policy, system, standards and structure for directors' remuneration, and explain the relationship between the remuneration amount and factors such as the responsibilities, risks and time invested: According to Article 15-1 of the Company's Articles of Association, all directors shall be paid remuneration regardless of profit or loss . The remuneration of the chairman shall not exceed 1.5 times the salary of the general manager, the remuneration of the vice chairman shall not exceed 1 times the salary of the general manager, and the remuneration of other directors shall be paid in accordance with the industry standards. However, the remuneration of independent directors may be slightly higher than that of non-independent directors. The Company also purchases liability insurance for directors to reduce the risk of directors being sued by shareholders or other related parties for performing their duties in accordance with the law.

II. In addition to the information disclosed in the table above, the remuneration received by the company's directors for providing services to all companies listed in the financial statements in the most recent year (such as acting as consultants to non-employees):

1. Independent director Wu Siyi also serves as the Audit and Remuneration Committee member, with a remuneration of HK$ 138,000 .
4. Independent Director Wu Peijun also serves as the Audit and Remuneration Committee member, with a remuneration of HK$ 138,000 .
5. Independent director Wu Liyu also serves as the audit and remuneration committee member, with a remuneration of HK$ 138,000 .

Note 1: The names of directors should be listed separately (corporate shareholders should list the name of the corporate shareholder and its representative separately), and the amount of each payment should be disclosed individually. If a director also serves as the general manager or deputy general manager, this form and the following table [(III) Remuneration of the General Manager and Deputy General Manager (Individual Disclosure of Name)] should be completed.

Note 2: refers to the remuneration of directors in the most recent year (including directors' salaries, position allowances, severance pay, various bonuses, incentives, etc.).

Note 3: This refers to the amount of director remuneration that was approved by the board of directors for the most recent year.

Note 4: Refers to the relevant business expenses of directors in the most recent year (including travel expenses, special expenses, various allowances, accommodation, company cars, etc.). When providing housing, cars, other means of transportation, or personal expenses, the nature and cost of the assets provided, actual or fair market value rental, fuel costs, and other payments should be disclosed. If a driver is provided, please provide a note detailing the company's remuneration for that driver, but this is not included in the remuneration.

Note 5: This refers to the in-kind benefits received by directors who also serve as employees (including general managers, deputy general managers, other managers, and employees) in the most recent year, including salaries, position allowances, severance pay, various bonuses, incentives, travel expenses, special allowances, various subsidies, dormitory accommodations, company vehicles, etc. When providing housing, cars, other means of transportation, or personal belongings, the nature and cost of the assets provided, actual or fair market value rental fees, fuel costs, and other payments should be disclosed. If a driver is provided, please provide a note detailing the company's remuneration for that driver, but this is not included in remuneration. Salary expenses recognized under IFRS 2 "Share-Based Benefits," including employee stock options, restricted employee rights new shares, and shares acquired through cash capital increases, should also be included in remuneration.

Note 6: This refers to directors who also serve as employees (including general managers, deputy general managers, other managers and employees) and receive employee compensation (including stocks and cash) in the most recent year. The amount of employee compensation distributed by the board of directors in the most recent year should be disclosed. If it is impossible to estimate, the proposed distribution amount for this year should be calculated based on the proportion of the actual distribution amount in last year. In addition, the following should be filled in: [IV. Name of the manager who distributed the employee compensation and the distribution details].

Note 7: The total amount of all remuneration paid to the Company's directors by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The total amount of remuneration paid by the Company to each director is disclosed in the class to which the director's name belongs.

Note 9: The total amount of all remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the class to which the remuneration belongs.

Note 10: Net profit after tax refers to net profit after tax for the most recent year; for companies that have adopted International Financial Reporting Standards, net profit after tax refers to net profit after tax in the individual or separate financial report for the most recent year.

Note 11: a. This column should clearly state the amount of remuneration received by the company's directors from investments outside of subsidiaries.

b. If any director of the company receives remuneration from investments other than subsidiaries, the remuneration received by the director from investments other than subsidiaries shall be included in column I of the remuneration bracket table , and the column name shall be changed to "All Investments".

c. Remuneration refers to the compensation, remuneration (including remuneration for employees, directors and supervisors) and related remuneration for business execution expenses received by the Company's directors in their capacity as directors, supervisors or managers of investee businesses other than subsidiaries.

*The remuneration disclosed in this form differs from the income definition under the Income Tax Law. Therefore, this form is for information disclosure purposes only and is not for taxation purposes.

Supervisory remuneration: This does not apply because the Company established an Audit Committee on May 16, 2019, to replace the supervisory personnel.

（2）Remuneration of the General Manager and Deputy General Manager (names and remuneration methods will be disclosed individually)

Unit: New Taiwan Dollar / Yuan

job title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee compensation amount (D) (Note 4)				The total amounts of items A, B, C, and D, and their percentages of after-tax net profit (Note 8)		received from investments other than subsidiaries or from the parent company (Note 9)
		Our company	All companies listed in the financial reports (Note 5)	Our company	All companies listed in the financial reports (Note 5)	Our company	All companies listed in the financial reports (Note 5)	Our company		All companies listed in the financial reports (Note 5)		Our company	All companies listed in the financial reports (Note 5)	
								cash Amount	stock Amount	cash Amount	stock Amount			
President	Lin Junying	1, 066 , 750	1,066,750	66,312	66,312	290 , 983	290 , 983	3,739	0	3,739	0	1,427,784 0.176%	1,427,784 0.1 76 %	none

Note 1: The names of the General Manager and Deputy General Manager should be listed separately, and the amounts of each payment should be disclosed individually. If a director also serves as the General Manager or Deputy General Manager, this form and the above form [(I) Remuneration of Directors (including Independent Directors) (name and method of remuneration disclosed individually)] should be completed.

Note 2: This refers to the salary, position allowance, and severance pay of the General Manager and Deputy General Manager for the most recent year.

Note 3: This section lists the amounts of various bonuses, incentives, travel expenses, special allowances, various subsidies, dormitory accommodations, company vehicles, and other remuneration provided to the General Manager and Deputy General Manager in the most recent year. If housing, cars, or other transportation or personal expenses are provided, the nature and cost of the assets provided, actual or fair market value rental fees, fuel costs, and other payments should be disclosed. If a driver is provided, please specify the company's remuneration for that driver, but this is not included in remuneration. Salary expenses recognized under IFRS 2 "Share-Based Compensation," including employee stock options, restricted employee rights new shares, and shares acquired through cash capital increases, should also be included in remuneration.

Note 4: This refers to the amount of employee compensation (including stock and cash) distributed to the General Manager and Deputy General Manager as approved by the Board of Directors in the most recent year. If it cannot be estimated, the proposed distribution amount for this year should be calculated based on the proportion of the actual distribution amount last year. Additionally, please fill in "[IV. Name of the Manager Distributing Employee Compensation and Distribution Details]". Net profit after tax refers to the net profit after tax for the most recent year; for companies that have adopted International Financial Reporting Standards, net profit after tax refers to the net profit after tax in the individual or separate financial report for the most recent year.

Note 5: The total amount of remuneration paid by all companies (including this company) to the General Manager and Deputy General Manager of this company should be disclosed in the consolidated report.

Note 6: The total amount of remuneration paid by the Company to each General Manager and Deputy General Manager is disclosed in the corresponding tier list, along with the names of the General Manager and Deputy General Manager.

Note 7: The total amount of remuneration paid by all companies (including this company) to each general manager and deputy general manager of this company should be disclosed, and the names of the general manager and deputy general manager should be disclosed in the corresponding tax bracket.

Note 8: Net profit after tax refers to net profit after tax for the most recent year; for those who have adopted International Financial Reporting Standards, net profit after tax refers to net profit after tax in the individual or separate financial report for the most recent year.

Note 9: a. This column should clearly state the amount of remuneration received by the company's general manager and deputy general manager from investments outside subsidiaries. b. If the company's general manager and deputy general manager receive remuneration from investments outside subsidiaries, the remuneration received by the company's general manager and deputy general manager from investments outside subsidiaries should be included in column E of the remuneration bracket table , and the column name should be changed to "All Invested Businesses". c. Remuneration refers to the compensation, remuneration (including employee, director and supervisor remuneration) and business execution expenses received by the company's general manager and deputy general manager in their capacity as directors, supervisors or managers of investments outside subsidiaries.

* The remuneration disclosed in this form differs from the income definition under the Income Tax Law. Therefore, this form is for information disclosure purposes only and is not for taxation purposes.

(3) The top five highest-paid executives' compensation (names and compensation methods will be disclosed individually).

Unit: New Taiwan Dollar / Yuan

job title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee compensation amount (D) (Note 4)				The percentage of the total of items A, B, C, and D to net profit after tax (Note 8)		received from investments other than subsidiaries or from the parent company (Note 9)
		Our company	All companies listed in the financial reports (Note 5)	Our company	All companies listed in the financial reports (Note 5)	Our company	All in the financial reports Company (Note 5)	Our company		All companies listed in the financial reports (Note 5)		Our company	All in the financial reports Company (Note 5)	
								cash Amount	stock Amount	cash Amount	Stock Amount			
Foreign Affairs Assistant	Zhuang Minghong	1,125,648	1,125,648	76,032	76,032	3,691,425	3,691,425	4,100	0	4,100	0	4,897,205 0.605 %	4,897,205 0.605 %	none
Factory Director	Guo Shengwen	1,672,020	1,672,020	108,000	108,000	1,263,482	1,263,482	4,100	0	4,100	0	3,047,602 0.376%	3,047,602 0.376%	
Research and Development Assistant	Wu Yuansheng	1,402,824	1,402,824	90,936	90,936	611,236	611,236	4,100	0	4,100	0	2,109,096 0.26 %	2,109,096 0.26 %	
Financial Assistant	Guo Meihang	1,442,196	1,442,196	94,824	94,824	509,522	509,522	4,467	0	4,467	0	2,051,009 0.253 %	2,051,009 0.253 %	
President	Lin Junying	1,066,750	1,066,750	66,312	66,312	290 , 983	290 , 983	3,739	0	3,739	0	1,427,784 0.176%	1,427,784 0.176%	

Note 1: The term "top five highest-paid executives" refers to company managers. The criteria for identifying these managers are based on the scope of application of the term "manager" as stipulated in the Securities and Futures Commission's Order No. 0920001301 dated March 27, 2003. The calculation principle for "top five highest-paid executives" is based on the total amount of salaries, retirement pensions, bonuses, and special allowances received by company managers from all companies included in the consolidated financial statements, as well as employee compensation (i.e., the total of items A+B+C+D), ranked and then the top five highest-paid executives are identified. If a director also serves as one of the aforementioned executives, this form and the above table (1-1) should be completed .

Note 2: This is a list of the salaries, position allowances, and severance pay of the top five highest-paid executives in the most recent year.

Note 3: This section lists the various bonuses, incentives, travel expenses, special allowances, various subsidies, dormitory accommodations, company cars, and other remuneration provided to the top five highest-paid executives in the most recent year. If housing, cars, or other transportation or personal expenses are provided, the nature and cost of the assets provided, actual or fair market value rental fees, fuel costs, and other payments should be disclosed. If a driver is provided, please specify the company's remuneration for that driver, but this is not included in remuneration. Salary expenses recognized under IFRS 2 "Share-Based Compensation," including employee stock options, restricted employee rights new shares, and shares acquired through cash capital increases, should also be included in remuneration.

Note 4: This refers to the employee compensation amount (including stock and cash) of the top five highest-paid executives approved by the board of directors for distribution in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year should be calculated based on the proportion of the actual distribution amount last year, and Appendix 1-3 should also be filled in .

Note 5: The total amount of all remuneration paid by all companies (including this company) to the company's top five highest-paid executives should be disclosed in the consolidated report.

Note 6: Net profit after tax refers to the net profit after tax in the most recent annual individual or separate financial report.

Note 7: a. This column should clearly state the amount of remuneration received by the company's top five highest-paid executives from investments outside subsidiaries or related to the parent company (if none , please fill in "None").

b. Remuneration refers to the compensation, remuneration (including employee, director and supervisor remuneration) and related remuneration for the Company’s top five highest-paid executives in their capacity as directors, supervisors or managers of investee companies other than subsidiaries or the parent company, as well as business execution expenses.

* The remuneration disclosed in this form differs from the income definition under the Income Tax Law. Therefore, this form is for information disclosure purposes only and is not for taxation purposes.

（4）Name of the manager who distributed employee compensation and details of the distribution :

March 28, 2026; Unit: New Taiwan Dollar/Yuan

	Professional title (Note 1)	Name (Note 1)	Stock Amount	Cash amount	total	The percentage of total amount to net profit after tax (%)
Manager	President	Lin Junying	0	3,739	3,739	0.002%
	Foreign Affairs Assistant	Zhuang Minghong	0	4 , 100	4 , 100	0.002%
	Research and Development Assistant	Wu Yuansheng	0	4 , 100	4 , 100	0.001%
	Finance Department Assistant	Guo Meihang	0	4,467	4,467	0.001%

Note 1: Individual names and titles should be disclosed, but profit distribution may be disclosed in summary form.

Note 2: This refers to the amount of employee compensation (including stock and cash) distributed to managers as approved by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount in last year. Net profit after tax refers to the net profit after tax in the most recent year; for companies that have adopted International Financial Reporting Standards, net profit after tax refers to the net profit after tax in the individual or separate financial report for the most recent year.

Note 3: The scope of application for managers is as follows, based on the letter No. 0920001301 issued by the Commission on March 27, 2003:

(1) General Manager and equivalent, (2) Deputy General Manager and equivalent, (3) Assistant Manager and equivalent, (4) Head of Finance Department, (5) Head of Accounting Department, (6) Other persons with management authority and signing authority.

Note 4: If the directors, general manager and deputy general manager receive employee compensation (including stock and cash), they should complete this form in addition to completing Schedule 1-2 .

(5) This analysis compares and explains the ratio of total remuneration paid to the Company's directors, supervisors, general manager and deputy general managers to net profit after tax for the most recent two years for the Company and all companies in the consolidated financial statements. It also explains the policies, standards and combinations of remuneration, the procedures for determining remuneration, and their correlation with operating performance and future risks.

1. The total remuneration paid by the Company and all consolidated companies to the Company's directors, supervisors, general manager and deputy general managers as a percentage of after-tax net profit:

project	2024	2025
Net profit (loss) after tax	2,947,884,447	809 , 784 , 050
The percentage of total remuneration for directors, supervisors, general manager, and deputy general managers to after-tax net profit (of the Company).	0.329%	1.23 0 %
The percentage of total remuneration for directors, supervisors, general managers, and deputy general managers to after-tax net profit (for all companies in the consolidated financial statements).	0.338%	1.4 24 %

2. The policy, standards and combinations of remuneration, the procedures for determining remuneration, and its relevance to operating performance and future risks.

(1). Regarding the formulation of remuneration for directors and supervisors, the Board of Directors adopted the Organizational Rules of the Committee on Remuneration for Directors, Supervisors and Managers on December 20, 2011.
(2). The quality of business performance affects the distribution of year-end bonuses for business managers.
(3). All directors of the Company (including independent directors) receive fixed remuneration, and apart from receiving an attendance fee for each board meeting, none of the directors receive any other remuneration.
(4). Managerial compensation includes salary and bonuses. Salary is based on industry standards as well as job title, rank, education, experience, professional skills and responsibilities. Bonuses are closely linked to performance evaluation goals, including

financial indicators (such as the achievement rate of company revenue, pre-tax net profit and after-tax net profit), non-financial indicators (such as serving as a mentor in talent development programs, reducing major deficiencies in legal compliance and operational risks in the department under their jurisdiction), and medium- and long-term indicators such as actions to address climate change (such as product research and development innovation, increasing the use of green electricity). The allocation is determined by the chairman based on the operating performance and in accordance with the principles recommended by the Compensation Committee.

III.Information on corporate governance operations

（1） Board of Directors Operations

1. The most recent annual board meeting was held 10 times, and the attendance of directors was as follows:

job title	Name (Note 1)	Actual attendance frequency	Attendance by proxy frequency	Actual attendance rate (%) (Note 2)	Remark
Chairman	Quanye Investment (Stock) Co., Ltd .: Guo Linliang	10	0	100%	-
director	Quanye Investment (Stock) Co., Ltd .: Lin Junying	10	0	100%	-
director	Quanye Investment (Stock) Co., Ltd .: Chen Hengkuan	8	2	80%	-
director	Quanye Investment (Stock) Co., Ltd .: Huang Jiaying	10	0	100%	-
director	Quanye Investment (Stock) Co., Ltd .: Chen Mengxiu	10	0	100%	-
director	Quanye Investment (Stock) Co., Ltd .: Zhang Jingyi	9	1	90%	-
Independent Directors	Wu Siyi	10	0	100%	-
Independent Directors	Wu Peijun	10	0	100%	-
Independent Directors	Wu Liyu	9	0	90%	-

Note 1: If the directors or supervisors are legal entities, the names of the legal entity shareholders and their representatives should be disclosed.

Note 2: (1) If a director or supervisor leaves office before the end of the year, the date of departure should be noted in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings held during their tenure and the actual number of times they attend.

(2) If there is a change of directors or supervisors before the end of the year, both the new and old directors and supervisors should be listed, and the remarks column should indicate whether the director or supervisor is an old, new, or re-elected director or supervisor and the date of the change. The actual attendance rate (%) is calculated based on the number of board meetings held during their term of office and the actual number of times they attended.

Other matters that should be recorded:

一、If any of the following circumstances occur in the operation of the board of directors , the date, term, content of the proposals, opinions of all independent directors, and the company's handling of the independent directors' opinions should be stated:

(一)Matters listed in Article 14-3 of the Securities Exchange Act.

(二)Other matters resolved at the board meeting that were opposed or reserved by the independent directors and for which there is a record or written statement.

二、The implementation of a director's abstention from resolutions involving conflict of interest should include the director's name, the content of the resolution, the reason for the abstention, and the details of the voting.

三、Important resolutions of the Board: Please see page 63-(ix) for the most recent year and up to the date of publication of the annual report.

2. Board of Directors' Assessment of Implementation

In order to implement corporate governance and enhance the function of the board of directors, our company adopted the "Board of Directors Performance Evaluation Regulations" in 2020. In addition to stipulating that performance evaluations should be conducted at least once a year, they should also be conducted by external professional independent institutions or expert teams at least every three years.

The Board of Directors' performance evaluation for 2025 was completed in January 2026, and the evaluation results and improvement plans were submitted to the Board of Directors as a reference for improving the functions of the Board of Directors in the future.

Evaluation cycle	During the evaluation period	Scope of assessment	Evaluation methods
Once a year	An evaluation of the Board's performance from January 1, 2025 to December 31, 2025.	Performance evaluations of the board of directors, individual board members, and functional committees.	Board of Directors' Internal Self-Assessment and Directors' Self-Assessment

Assessment content

Evaluation object	Scope and results of the assessment			
	Indicator Items	Assessment Items	Rating results	Assessment Results
Board of Directors	A. Degree of involvement in company operations	12	85	Standard and above
	B. Improve the quality of board decisions	12	91.67	Better than the standard
	C. Board Composition and Structure	7	100	Better than the standard
	D. Selection and Continuing Education of Directors	7	94.29	Better than the standard
	E. Internal Control	7	100	Better than the standard
Evaluation Results Explanation	The evaluation results showed that the board of directors fulfilled its responsibilities in guiding and supervising the company's strategy, major business operations and risk management, and was able to establish a proper internal control system. The overall operation was sound and met the requirements of corporate governance.			

Evaluation object	Scope and results of the assessment			
	Indicator Items	Assessment Items	Rating results	Assessment Results
Individual Board Members	A. Understanding Company Goals and Tasks	3	100	Better than the standard
	B. Understanding of Directors' Responsibilities	3	100	Better than the standard
	C. Degree of involvement in company operations	8	98.89	Better than the standard
	D. Internal Relationship Management and Communication	3	100	Better than the standard

	E. The professional development and continuing education of directors	3	96.3	Better than the standard
	F. Internal Control	3	100	Better than the standard
Evaluation Results Explanation	The evaluation results were all "better than the standard (90 points or above)," indicating that the directors had a positive evaluation of the efficiency and effectiveness of the operation of each indicator .			

Evaluation object	Scope and results of the assessment			
	Indicator Items	Assessment Items	Rating results	Assessment Results
Audit Committee	A. Degree of involvement in company operations	4	98.33	Better than the standard
	B. Understanding the Responsibilities of Functional Committees	5	98.33	Better than the standard
	C. Improve the quality of decision-making by functional committees	7	100	Better than the standard
	D. Composition and selection of members of functional committees	3	100	Better than the standard
	E. Internal Control	3	100	Better than the standard
Evaluation Results Explanation	The audit committee's evaluation results were all "better than the standard (above 90 points)," indicating that the audit committee's overall operation was sound, met the requirements of corporate governance, and effectively enhanced the functions of the board of directors.			
Evaluation object	Scope and results of the assessment			
	Indicator Items	Assessment Items	Rating results	Assessment Results
Remuneration Committee	A. Degree of involvement in company operations	4	100	Better than the standard
	B. Understanding the Responsibilities of Functional Committees	5	100	Better than the standard
	C. Improve the quality of decision-making by functional committees	7	100	Better than the standard
	D. Composition and selection of members of functional committees	3	100	Better than the standard
Evaluation Results Explanation	The Compensation and Remuneration Committee's evaluation results were all "better than the standard (above 90 points)," indicating that the Compensation and Remuneration Committee's overall operation was sound, met the requirements of corporate governance, and effectively enhanced the functions of the Board of Directors.			
Improvement Plan				
(一) In line with the Financial Supervisory Commission's "Corporate Governance 3.0 - Sustainable Development Blueprint" plan, starting in 2023, directors of listed companies are required to complete at least 3 hours of continuing education in each year of their term of office. This requirement has been changed from an encouragement to a mandatory requirement. Our company will continue to arrange diverse continuing education courses for directors to participate in, in accordance with the "Guidelines for the Implementation of Continuing Education for Directors and Supervisors of Listed Companies" . (二) Strengthening interaction with auditors: In order to improve the efficiency and effectiveness of the audit committee’s operation and strengthen interaction with auditors, in addition to written communication this year, auditors have been required to report to the audit committee on the company’s financial condition and internal control audit results after reviewing the annual financial statements, and to fully communicate on whether there are any material adjusting entries or legal amendments that have a significant impact on the company.				

3. Board of Directors' Training Status in 2025

(1). The main methods of professional development for our company's directors include:

- The secretariat arranges courses for directors related to politics, economics, or law compliance .
- Each director may attend relevant training courses offered by external organizations as needed.

(2). The following are the continuing education materials for directors and independent directors:

body	Name	Study time	Organizer	Course Name	Hours (Hour)	Total training hours (Hour)
director	Guo Linliang	2025/07/25	Republic of China Securities and Futures Market Development Foundation	Legal Compliance in Equity Transactions Promotional briefing	3	9
		2025/11/05	China Corporate Governance Association	Current global economic and financial situation	3	
		2025/11/19		New Thinking on Smart Asset Management	3	
	Lin Junying	2025/11/05	China Corporate Governance Association	Current global economic and financial situation	3	6
		2025/11/19		New Thinking on Smart Asset Management	3	
	Chen Hengkuan	2025/08/20	Cross-Strait Business Development foundation	Global and Taiwan Technology Industry Trends and Business Opportunities under Geopolitical Framework	3	6
				Global and Taiwan Economic, Financial and Investment Trends Outlook	3	
	Huang Jiaying	2025/07/25	Republic of China Securities and Futures Market Development Foundation	Legal Compliance in Equity Transactions Promotional briefing	3	6
		2025/11/19	China Corporate Governance Association	New Thinking on Smart Asset Management	3	
	Chen Mengxiu	2025/07/25	Republic of China Securities and Futures Market	Legal Compliance in Equity Transactions Promotional briefing	3	6

body	Name	Study time	Organizer	Course Name	Hours (Hour)	Total training hours (Hour)
			Development Foundation			
		2025/12/01	Taipei Financial Research and Development Foundation	Information Security - Personal Data Security Audit	3	
	Zhang Jingyi	2025/08/19	Taiwan Investor Relations Association	Implementation of the Sustainability Report	3	9
		2025/08/21		Legal Considerations for Preventing Sexual Harassment, Power Harassment, and Bullying in the Workplace	3	
		2025/08/26	China Corporate Governance Association	Honest business practices and a friendly workplace (Gender Equality Law)	3	

Independent Directors	Wu Siyi	2025/11/05	China Corporate Governance Association	Current global economic and financial situation	3	6
		2025/11/19		New Thinking on Smart Asset Management	3	
	Wu Peijun	2025/03/21	Republic of China Securities and Futures Market Development Foundation	Sustainable Disclosure Promotion Meeting for Listed Companies	3	6
		2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance Season Climate Change Summit Forum	3	
	Wu Liyu	2025/05/06	China Corporate Governance Association	Legal issues to be aware of regarding insider shareholding management and share transactions	3	6
				Practical Issues and Case Studies in Corporate Governance	3	
					total	60

（2）Audit Committee

1. Functional Objectives

Our Audit Committee was established in 2019 and currently consists of three independent directors. The Audit Committee aims to assist the Board of Directors in fulfilling its oversight of the company's quality and integrity in implementing relevant accounting, auditing, financial reporting processes, and financial controls. The matters reviewed by the Audit Committee mainly include:

- ➢Financial Statements
- ➢Audit and accounting policies and procedures
- ➢Internal control system and related policies and procedures
- ➢Significant asset or derivative transactions
- ➢Significant financial loans with endorsements or guarantees
- ➢Raising or issuing securities
- ➢Derivative financial products and cash investments
- ➢Compliance with regulations
- ➢Are there any related-party transactions or potential conflicts of interest between the managers and directors?
- ➢Appeal Report
- ➢Fraud Prevention Program and Fraud Investigation Report
- ➢Enterprise Information Security
- ➢Enterprise risk management
- ➢Visa accountant qualifications, independence and performance evaluation
- ➢Appointment, dismissal or remuneration of visa accountants
- ➢Appointment and dismissal of finance, accounting or internal audit supervisors
- ➢Performance of duties by the audit committee
- ➢Audit committee performance evaluation self-assessment questionnaire, etc.

2. Annual work summary:

Review financial reports

The Board of Directors prepared the Company's 2025 Annual Report, Financial Statements, and Profit Distribution Proposal, among other documents. The Financial Statements were audited by Baker Tilly Clock & Co. , which issued an audit report. The Audit Committee reviewed the aforementioned Report, Financial Statements, and Profit Distribution Proposal and found no discrepancies.

˙Evaluate the effectiveness of the internal control system

The Audit Committee assessed the effectiveness of the company's internal control system policies and procedures (including controls related to finance, operations, risk management, information security, outsourcing, and legal compliance), and reviewed the company's audit department and certified public accountants, as well as management's periodic reports, including those on risk management and legal compliance. Referring to the 2013 COSO (Committee on the Organization of Internal Controls) document – Internal Control – Integrated Framework , the Audit Committee concluded that the company's risk management and internal control systems are effective, and that the company has implemented necessary control mechanisms to monitor and correct violations.

Appoint a visa accountant

The audit committee is responsible for overseeing the independence of the Certified Public Accountants (CPA) firm to ensure the impartiality of its financial statements. Generally, the CPA firm may not provide services other than those related to taxation or specially approved projects. All services provided by the CPA firm must be approved by the audit committee.

To ensure the independence of the certified public accountant firm, the Audit Committee developed an independence assessment form with reference to Article 47 of the Accountants Act and the Gazette of the Code of Ethics for Accountants No. 10, which focuses on "integrity, impartiality, objectivity and independence." The form assesses the accountant's independence, professionalism and competence, as well as whether the firm is related to the company, has business or financial interests with the company, etc.

Baker Tilly Clock & Co. was approved at the 3rd 5th Audit Committee meeting and the 25th 6th Board meeting held on January 17, 2025. Li-Chen Peng, CPA , and Chi-Ping Lin, CPA , both meet the independence assessment criteria and are qualified to serve as the company's financial and tax certified accountants.

1.The annual audit committee recently met 10 times (A), and the attendance of independent directors is as follows:

job title	Name	Actual attendance (B)	Number of times delegated to attend	Number of times required to attend	Actual attendance rate (%) (B/A)(Note)	Remark
Independent Directors (convener)	Wu Siyi	10	0	10	100%	-
Independent Directors	Wu Peijun	10	0	10	100%	-
Independent Directors	Wu Liyu	9	0	10	90%	-

Other matters that should be recorded:

一、If any of the following circumstances occur in the operation of the audit committee, the date and type of the audit committee meeting, the content of the agenda, the independent directors' objections, the content of any qualified opinions or major recommendations, the results of the audit committee's resolutions, and the company's handling of the audit committee's opinions should be stated.

(一)Matters listed in Article 14-5 of the Securities Exchange Act: No such situation exists.

(二)Apart from the aforementioned matters, there are no other matters that were resolved with the consent of more than two-thirds of all directors without the approval of the audit committee.

二、The procedure for independent directors to recuse themselves from voting on proposals involving conflicts of interest should include the independent director's name, the content of the proposal, the reason for the recusal, and their participation in the voting.

<table>
<tr><th>audit Committee date</th><th>Proposal content</th><th>Implementation of Audit Committee's Recusal from Conflict Resolutions</th><th>Audit Committee Resolutions and the Company's Handling of the Audit Committee's Opinions</th></tr>
<tr><td>2025/01/17
(3rd)
(5th time)</td><td>（1）By appointing Baker Tilly Clock & Co. to handle the financial and tax visa matters for fiscal year 2025.
（2）In order to maintain relations with various banks, the financing amount was agreed upon and various credit line plans were listed.
（3）Nankang International (Stock) Co., Ltd. needs to obtain financing from its banks for working capital needs, and our company is proposed to act as guarantor.
（4）No motion was passed.</td><td>This situation does not exist.</td><td rowspan="4">All independent directors
All were approved and submitted to the board of directors for review.</td></tr>
<tr><td>2025/03/04
(3rd)
(6th time)</td><td>（1）The 2024 self-assessed financial statements were approved .
（2）will handle the cash reduction case.
（3）The case involves applying for a medium-term financing quota from the Chengzhong branch of the Bank of Taiwan.
（4）The case involves applying for an export financing quota from the Chengzhong branch of the Bank of Taiwan.
（5）The company's " 2024 Internal Control System Statement" was approved .
（6）By revising certain articles of the Company's Articles of Association.
（7）No motion was passed.</td><td>This situation does not exist.</td></tr>
<tr><td>2025/03/04
(3rd)
(7th time)</td><td>（1）The 2024 financial statements were approved .
（2）The 2024 profit distribution plan was approved .
（3）By drafting the ex- dividend date for the Company's 2024 fiscal year .
（4）No motion was passed.</td><td>This situation does not exist.</td></tr>
<tr><td>2025/04/09
(3rd)
(8th time)</td><td>（1）The proposed plan is to buy back the company's shares and transfer them to employees in order to incentivize them and enhance their sense of belonging .
（2）No motion was passed.</td><td>This situation does not exist.</td></tr>
</table>

audit Committee date	Proposal content	Implementation of Audit Committee's Recusal from Conflict Resolutions	Audit Committee Resolutions and the Company's Handling of the Audit Committee's Opinions
2025/05/14 (3rd) (9th time)	(1) The case involves a change of visa accountant starting from the first quarter of fiscal year 2025 due to an internal rotation at Baker Tilly Clock & Co. (2) The financial report for the first quarter of fiscal year 2025 was approved . (3) The case involves applying for a medium-term financing quota from the Jian Guo branch of Chang Hwa Bank . (4) The case involves applying for a financing quota from Taishin Bank . (5) The company has amended its "Employee Share Buyback and Transfer Regulations" . (6) Amendments and revisions to the Company's "Internal Control System" and "Internal Audit Implementation Rules" . (7) No motion was passed.	This situation does not exist.	
2025/06/16 (3rd) (10th time)	(1) The company has established a "Procedure for Repurchasing Treasury Shares" . (2) No motion was passed.	This situation does not exist.	
2025/07/08 (3rd) (11th time)	(1) The proposed plan is to buy back the company's shares and transfer them to employees in order to incentivize them and enhance their sense of belonging. (2) The case involves applying for a financing quota from Shin Kong Bank . (3) The case involves applying for a financing facility from First Bank . (4) No motion was passed.	This situation does not exist.	

audit Committee date	Proposal content	Implementation of Audit Committee's Recusal from Conflict Resolutions	Audit Committee Resolutions and the Company's Handling of the Audit Committee's Opinions
2025/08/14 (3rd) (12th time)	(1) for the second quarter of 2025 were approved. (2) for the first half of 2025 was approved. (3) to support the company. (4) The case involves applying for a financing quota from the Land Bank. (5) The case involves applying for an export financing quota from the Bank of Taiwan . (6) Nankang International Co., Ltd. applied for an export financing quota from the Bank of Taiwan due to its operational needs, and our company intends to act as guarantor for the application . (7) The case involves applying for an import financing quota from a Taiwanese bank . (8) The case involves applying for an export financing quota from Chang Hwa Bank. (9) By electing a representative from the audit committee, the company entered into an "Equipment Procurement Contract for Guanyin Plant of Taifeng Tire Co., Ltd." with Taifeng Tire Co., Ltd. (10) We request discussion on matters related to the newly revised "Operating Procedures for the Preparation and Verification of Sustainability Reports". (11) The 2024 Sustainability Report was prepared . (12) has amended its "Employee Share Buyback and Transfer Regulations". (13) No motion was passed.	This situation does not exist.	
2025/11/04 (3rd) (13th time)	(1) The proposed plan is to buy back the company's shares and transfer them to employees in order to incentivize them and enhance their sense of belonging. (2) No motion was passed.	This situation does not exist.	
2025/11/12 (3rd) (14th time)	(1) The financial report for the third quarter of 2025 was approved . (2) The proposed authorized audit committee appointed a representative to sign the "Equipment Procurement Contract for Guanyin Plant of Taifeng Tire Co., Ltd." between the Company and Taifeng Tire Co., Ltd. (3) Case concerning the disposal of real estate to natural persons by our company . (4) The company's 2026 annual audit plan has been approved. (5) By defining the scope of the company's frontline employees . (6) By revising the Company's "Code of Practice for Sustainable Development" . (7) No motion was passed.	This situation does not exist.	

audit Committee date	Proposal content	Implementation of Audit Committee's Recusal from Conflict Resolutions	Audit Committee Resolutions and the Company's Handling of the Audit Committee's Opinions

三、Communication between independent directors and the head of internal audit and accountants (including significant matters, methods, and results of communication regarding the company's financial and business situation):

1.Summary of communication between independent directors and the head of internal audit in 2025:

Meeting Dates	Key points of communication	Communication methods	Communication results
2025/01/17	Internal audit overview report.	Meeting Briefing	We have received your feedback and have no further comments.
2025/03/04	Internal audit overview report.	Meeting Briefing	We have received your feedback and have no further comments.
2025/05/14	Internal audit overview report.	Meeting Briefing	We have received your feedback and have no further comments.
2025/06/16	Internal audit overview report .	Meeting Briefing	We have received your feedback and have no further comments.
2025/07/08	Internal audit overview report .	Meeting Briefing	We have received your feedback and have no further comments.
2025/08/14	Internal audit overview report .	Meeting Briefing	We have received your feedback and have no further comments.
2025/11/12	Internal audit overview report .	Meeting Briefing	We have received your feedback and have no further comments.

2.Summary of communications between independent directors and accountants in 2025:

Meeting Dates	Key points of communication	Communication methods	Communication results
2025/03/04	（1）Statement on the independence of auditors of the 2025 financial statements.	Meeting Briefing	We have received your feedback and

audit Committee date	Proposal content	Implementation of Audit Committee's Recusal from Conflict Resolutions	Audit Committee Resolutions and the Company's Handling of the Audit Committee's Opinions
	（2）Auditor's review results of the 2024 financial statements . （3）Communication regarding key verification matters. （4）Major accounting and auditing issues. （5）Important regulatory updates		have no further comments.

Note :

1、If an independent director leaves office before the end of the year, the date of departure should be noted in the remarks column. The actual attendance rate (%) is calculated based on the number of audit committee meetings held and the number of times the director actually attended during his tenure.

2、If there are changes to the selection of independent directors before the end of the year, both the new and outgoing independent directors should be listed, and the remarks column should indicate whether the independent director is an outgoing, new, or re-elected director, as well as the date of the election. The actual attendance rate (%) is calculated based on the number of audit committee meetings held during their term of office and the number of times they actually attended.

2.Recent annual participation of supervisors in board operations: The company has switched to an audit committee, therefore this does not apply.

(3) Remuneration Committee

1. Information on members of the Compensation and Salary Committee

March 28, 2026

Each body separately (Note 1)	condition Name	Professional qualifications and experience (Note 2)	Independence case (Note 3)	Number of other publicly traded companies whose employees also serve as members of the compensation committee	Remark
Independent Directors (convener)	Wu Liyu	1, Information on Directors and Supervisors (I), on page 8.	In accordance with the provisions of the Company's Articles of Association and the "Code of Corporate Governance Practices", directors are elected through a candidate nomination system. When nominating and selecting board members, the Company has obtained written statements, work experience, proof of current employment, and a family relationship table from each director to verify and confirm the independence of themselves, their spouses and relatives within three degrees of kinship from the Company. The Company has further verified that the three independent directors listed on the left met the qualification requirements stipulated in the "Regulations Governing the Establishment and Compliance of Independent Directors of Publicly Offered Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act for the two years prior to their election and during their term of office. Furthermore, the independent directors have been granted full power to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby independently exercising their relevant powers .	0	-
Independent Directors	Wu Siyi			0	-
Independent Directors	Wu Peijun			0	-

Note 1: Please specify the relevant years of service, professional qualifications and experience, and independence of each member of the Remuneration Committee in the table. If the member is an independent director, please refer to Appendix 1 , Directors and Supervisors Information (I), on page 0 for details. Please indicate whether the member is an independent director or other (if the member is the convener, please add a note).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the individual compensation committee.

Note 3: Eligibility criteria for independence: State whether the members of the Remuneration Committee meet the independence criteria, including but not limited to whether they, their spouses, or relatives within two degrees of kinship serve as directors, supervisors, or employees of the Company or its related enterprises; the number and percentage of shares held by them, their spouses, or relatives within two degrees of kinship (or through others); whether they serve as directors, supervisors , or employees of companies with a specific relationship to the Company (refer to Article 6, Paragraph 1, Items 5-8 of the Regulations Governing the Establishment and Exercise of Powers of the Remuneration Committee of Companies Listed on Stock Exchanges or Traded at Securities Dealer Offices); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its related enterprises in the past two years.

Note 4: For disclosure methods, please refer to the Best Practices Examples on the Taiwan Stock Exchange Corporate Governance Center website.

2. Information on the operation of the Salary and Compensation Committee:

(1). The company's Compensation and Remuneration Committee consists of three members.

(2). The term of office for this committee is from April 19, 2024 to April 18, 2027. The Remuneration Committee met 3 times in the most recent year (A). The qualifications and attendance of the committee members are as follows:

job title	Name	Actual attendance (B)	Number of times delegated to attend	Actual attendance rate (B/A) (%) (Note)	Remark
Committee (convener)	Wu Liyu	3	0	100%	-
Committee	Wu Siyi	3	0	100%	-
Committee	Wu Peijun	3	0	100%	-

Other matters that should be recorded:

一、If the Board does not adopt or amend the recommendations of the Compensation Committee, it shall state the date, term, content of the resolution, results of the resolution, and the Company's handling of the Compensation Committee's opinion (if the compensation approved by the Board is better than the recommendations of the Compensation Committee, the differences and reasons shall be stated).

二、If a member objects or has reservations regarding a matter decided by the Salary and Compensation Committee and there is a record or written statement, the date of the Salary and Compensation Committee meeting, the term of the meeting, the content of the motion, the opinions of all members, and the handling of the members' opinions should be stated.

Remuneration Committee Date	Proposal content	Results of the Compensation Committee's Resolutions and the Company's Handling of the Compensation Committee's Opinions
2025/01/17 6th Session, 3rd	1. for the chairman and managers was approved. 2. We regularly discuss the policies, systems, and standards for performance evaluation and compensation of our directors and managers . 3. No motion was passed.	All Compensation Committee All approved
2025/03/04 6th Session, 4th	1. 2024 Employee Compensation Distribution Report was approved . 2. No motion was passed.	All Compensation Committee All approved
2025/11/12 6th Session, 5th	1. We regularly discuss the policies, systems, and standards for performance evaluation and compensation of our directors and managers. 2. No motion was passed .	All Compensation Committee All approved

Note :

(一)If a member of the Salary and Compensation Committee leaves before the end of the year, the date of departure should be noted in the remarks column. The actual attendance rate (%) will be calculated based on the number of Salary and Compensation Committee meetings held and the actual number of times the member attended during their tenure.

(二)If a Salary and Compensation Committee is to be re-elected before the end of the year, both the outgoing and incoming members should be listed, with a note in the remarks column indicating whether the member is an incumbent, new, or re-elected, and the date of the re-election. The actual attendance rate (%) is calculated based on the number of Salary and Compensation Committee meetings held during the member's term of office and the number of times the member actually attended.

3. Information on nomination committee members and their operation: Our company has not yet established a nomination committee .

(4) Corporate Governance Manager

1.Setting Situation

In 2020, the Company's Board of Directors appointed Ms. Huang Hsiao-ling, Section Chief of the Management Department , as the Corporate Governance Manager. She has more than three years of experience in financial and equity - related matters and is responsible for corporate governance matters, including handling matters related to the Board of Directors, Audit Committee, Remuneration Committee and Shareholders' Meeting in accordance with the law; assisting directors in taking office and continuing their studies; providing directors with the information they need to perform their duties; and assisting directors in complying with laws and regulations.

2.Business execution status:

(1). In the past year, we have assisted in organizing 10 board meetings, 10 audit committee meetings, 3 remuneration committee meetings, 1 corporate briefing, and the 2025 annual shareholders' meeting.

(2). For matters related to directors' professional development, the following materials are required for directors' (including independent directors) professional development in 2025:

date	Organizer	Course Name	Participants	Hours
2025/11/05	China Corporate Governance Association	Current global economic and financial situation	Director Guo Linliang Director Lin Junying Wu Siyi, Independent Director Huang Xiaoling, Corporate Governance Supervisor	3 hours
2025/11/19	China Corporate Governance Association	New Thinking on Smart Asset Management	Director Guo Linliang Director Lin Junying Director Huang Jiaying Wu Siyi, Independent Director Huang Xiaoling, Corporate Governance Supervisor	3 hours

(3). Provide directors with the information they need to perform their duties.

(4). Report to the board of directors quarterly on matters related to compliance with laws and regulations, and promptly handle matters requested by directors.

(5). Conducted various promotional activities: On October 30 and November 20, 2025, we conducted promotional activities on insider trading prevention and related regulations on insider shareholding.

3.Corporate governance executives' continuing education status:

In addition to requiring new appointees to at least 18 hours of continuing education within one year of assuming the position , corporate governance executives should also attend at least 12 hours of continuing education annually. Their training courses should include at least the relevant courses on corporate governance, such as business, legal affairs, finance, accounting, corporate social responsibility, risk management, and internal control. The training institutions and procedures shall be handled in accordance with the relevant provisions of the "Guidelines for the Implementation of Continuing Education for Directors and Supervisors of Listed Companies" jointly formulated by the stock exchange and the over-the-counter market .

The details of continuing education in 2025 are as follows:

Study time	**Organizer**	**Course Name**	**Hours**
2025/05/16	Taiwan Science Park Science and Technology Industry Association	Shareholders' Meeting, Management Rights and Equity Strategy	3
2025/05/23	Taiwan Investor Relations Association	Corporate public relations and crisis communication	3
2025/11/05	China Corporate Governance Association	Current global economic and financial situation	3
2025/11/19		New Thinking on Smart Asset Management	3
		Cumulative training hours	12 hours

(5) The company's governance operations and their differences from the governance practices of listed and over-the-counter companies, and the reasons thereof.

Evaluation Project	Operational status (Note 1)			Differences between the Governance Practices and those of Listed and Over-the-Counter Companies and the Reasons Thereof
	yes	no	Abstract Description	
1. Has the company formulated and disclosed its corporate governance practices in accordance with the "Code of Conduct for Listed Companies"?	ˇ		In accordance with the "Code of Conduct for the Governance of Listed Companies" formulated by the Taiwan Stock Exchange and the Taiwan Stock Exchange Center, the Company established its "Corporate Governance Code" on March 2, 2016, which is disclosed on the Public Information Observation Station (Corporate Governance → Corporate Governance Structure → Establishment of Relevant Procedures and Rules for Corporate Governance → Market Class (Listed) → Company Code 2101 → Code of Conduct for the Governance of Companies) and the Company's website (Investor Zone → Corporate Governance → Nankang Corporate Governance Code of Conduct).	Indifference
2. Company equity structure and shareholders' equity (1). Does the company have established internal operating procedures for handling shareholder suggestions, questions, disputes and litigation matters, and implement these procedures accordingly? (2). Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders? (3). Has the company established and implemented risk control and firewall mechanisms with related	ˇ ˇ ˇ ˇ		(1). The company has established a spokesperson and proxy spokesperson mechanism, as well as a stakeholder mailbox and a shareholder question and answer window. The spokesperson or proxy spokesperson and the shareholder affairs agency entrusted by the company will handle shareholder suggestions, doubts, disputes and other matters in a unified manner, or, depending on the type of issue , the relevant department will accept suggestions and handle disputes. (2). Our company has a board secretary office and, through a stock brokerage agency, has a full grasp of the list of major shareholders and their ultimate controllers. In accordance with regulations, we regularly disclose insider shareholding changes every month to ensure we have a firm grasp of major shareholders.	Indifference

companies? (4). Does the company have internal regulations that prohibit company insiders from buying or selling securities using non-public information in the market?			(3). The company has established appropriate risk control and firewalls between the company and its related companies in accordance with relevant laws and regulations, and the management responsibilities for assets and finances of each related company are independent. (4). Our company has established "Insider Trading Prevention Management Procedures" and "Code of Conduct for Honest Business Practices," which are disclosed on our website. (Investor Zone → Corporate Governance → Insider Trading Prevention Management Procedures and Recent Annual Implementation , Code of Conduct for Honest Business Practices) This year, relevant educational and training sessions were conducted for directors, managers, and employees on October 30, 2025, and November 20, 2025. The content included the "Prevention of Insider Trading Management Procedures," the "Insider Trading Made Easy" handbook produced by the Taiwan Stock Exchange, and relevant laws and regulations.	
3. Composition and Responsibilities of the Board of Directors (1). Has the board of directors formulated a diversification policy, specific management objectives, and plans for their implementation? (2). In addition to the salary and compensation committee and audit committee established in accordance with the law, does the company voluntarily establish other functional committees? (3). Does the company have established a board performance evaluation method and evaluation procedures, conduct annual and regular performance	ˇ ˇ ˇ		(1). On March 2, 2016, the Company established the "Code of Corporate Governance Practices," which stipulates that the composition of the Board of Directors should emphasize gender equality and that all members should possess the knowledge, skills and qualities necessary to perform their duties. Of the current nine directors, five are women, representing 56%, which meets the current target of over 30% for female directors. There are three independent directors, comprising 33% of all directors, two of whom are women. To comply with gender diversity guidelines, the company will maintain a representation of more than one-third for any single gender . The directors possess diverse professional backgrounds in business, law, finance, and accounting, as follows: Director Guo Linliang and Director Lin Junying also serve as managers (chairmen and general managers); Directors with business leadership and industry knowledge include Director Guo Linliang, Director Lin Junying, and Director Zhang Jingyi; Independent Directors with financial and accounting analysis capabilities include Director Wu Siyi, Director Wu Peijun, and Independent Director Wu Liyu; Directors with legal expertise include Director Chen Hengkuan, Director Huang Jiaying, Director Chen Mengxiu, and Independent Director Wu Peijun. The Board of Directors has outlined a policy for diversifying its membership, which is disclosed on the company website and the Public Information Observatory. (2). In addition to the Audit Committee (established in 2019) and the Compensation and Remuneration Committee (established in 2012), our	Indifference

evaluations, and submit the results of the performance evaluations to the board of directors for reference in the remuneration and reappointment of individual directors? (4). Does the company regularly assess the independence of its visa accountants?	ˇ		company also has an ESG Committee (established in 2020), which is composed of the management team and chaired by Chairman Kuo Lin-liang. The committee reports on business operations to the board of directors at the end of each year. (3). The Company established the Board Performance Evaluation Method at its 23rd Board Meeting (9th Session). Performance evaluations are conducted annually, and the results are reported to the Board. Functional committee evaluations and the Board's self-evaluation are also submitted to the Board in a report. The evaluation results serve as a reference for remuneration and reappointment. The Company’s 2025 performance evaluation results were completed on December 31, 2025, and reported to the 19th meeting of the 25th Board of Directors on March 11, 2026. The evaluation results will also be published in the annual report and on the Company’s website. The performance evaluation criteria for the company's board of directors (functional committees) include the following aspects: 1. Board performance evaluation: degree of participation in company operations, improvement of board decision-making quality, board composition and structure, selection and continuing education of directors, and internal control. 2. Board members' self-assessment: understanding of company goals and tasks, awareness of director responsibilities, level of participation in company operations, management and communication of internal relationships, professionalism and continuing education of directors, and internal control. 3. Functional committee members' self-assessment: level of involvement in company operations, understanding of the responsibilities of functional committees, improving the quality of functional committee decision-making, composition of functional committees and selection of members, and internal control (applicable to audit committees). All evaluation results show that they are "better than the standard (90 points or above)". The above self-assessment will be taken into consideration when evaluating the remuneration of individual directors and will also serve as a reference for the nomination of directors of the Company next year. (4). Our Audit Committee conducts annual assessments of the independence of our certified public accountants and submits the assessment results to the Board of Directors. In addition to requiring certified public accountants to provide a "Declaration of Independence" and "Audit Quality Indicators (AQIs)," we	

			conduct assessments based on our evaluation standards and 13 AQI indicators. We have confirmed that, apart from fees for certified public accountants and tax cases, our accountants have no other financial interests or business relationships with our company, and that the accountants' family members do not violate independence requirements . was approved by the Audit Committee and the Board of Directors on January 17, 2025. The independence assessment criteria and results are as follows: 1. The audit team members and their spouses and dependents have not been involved in any of the following situations : (1). Holding a direct or indirect significant financial interest in the Company. (2). There are business relationships with the Company or its directors and managers that could affect its independence. 2. During the audit , none of the audit team members, their spouses, or dependents held positions as directors, managers, or other personnel of the Company that had a direct and significant impact on the audit work. 3. The members of the audit team have no spousal, lineal, in-law, or collateral blood relationship with the company's directors, supervisors, or managers. 4. No members of the audit team received any significant gifts or presents from the Company or its executives, managers or major shareholders (the value of which did not exceed the standards of general social etiquette). 5. The audit team members performed the necessary independence /conflict of interest procedures and found no breaches of independence or unresolved conflicts of interest.	
4. Does the listed company have qualified and adequate corporate governance personnel, and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board meetings and shareholders' meetings in accordance with the law, and preparing minutes of board meetings and shareholders' meetings)?	ˇ		On November 5, 2020, the Board of Directors appointed the Section Chief of the Company's Board Secretariat as the Head of Corporate Governance, and assigned one dedicated corporate governance personnel to the Board Secretariat, the main corporate governance unit, to liaise with or provide directors with business information, and to handle various shareholder meetings and stock-related matters. Responsibilities include: handling matters related to board meetings, audit committee meetings, remuneration committee meetings, and shareholders' meetings in accordance with the law; assisting directors in taking office and continuing their professional development; providing directors with the information they need to perform their duties; and assisting directors in complying with laws and regulations.	Indifference

5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up a stakeholder section on the company website, and has it properly responded to important corporate social responsibility issues of concern to stakeholders?	ˇ		The Company has established communication channels (e-mail address and telephone number) and has set up an "Investor Zone" on its website. The communication channels are announced in the "Stakeholders" and "Shareholder Q&A Window and Stock Agents" sections of the zone to ensure smooth communication between the Company and stakeholders and protect their legitimate rights and interests. There is also an "ESG Zone" where the company's annual corporate social responsibility report is published.	Indifference
6. Does the company appoint a professional shareholder affairs agency to handle shareholder meeting matters?	ˇ		Our company has appointed Yuanta Securities Co., Ltd., a professional stock affairs agency , to handle shareholder meeting matters .	Indifference
7. Information Disclosure (1). Does the company have a website that discloses financial and corporate governance information? (2). Does the company adopt other methods of information disclosure (such as setting up an English website, designating a specific person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, and displaying the company website during investor briefings)? (3). Did the company announce and file its annual financial report within two months after the end of the fiscal year , and announce and file its first, second, and third quarter financial reports and monthly operating conditions in advance of the prescribed deadline?	ˇ ˇ ˇ		(1). Our company has a dedicated investor section in both Chinese and English on our website (https://www.nankang-tyre.com/), which is regularly updated and disclosed to investors for reference the latest financial, business and corporate governance information; in addition, our public information observation station also discloses relevant information at any time. (2). The company has designated personnel to collect and disclose company information, and has a spokesperson and acting spokesperson. Relevant documents and materials such as those for shareholder meetings and legal briefings are available in both Chinese and English on the company website. (3). In accordance with relevant regulations, the Company will announce and file its annual financial report within two months after the end of the fiscal year , and will announce and file its first, second, and third quarter financial reports and monthly operating conditions before the prescribed deadline. For disclosure of the above information, please refer to the Public Information Observation Station.	Indifference

8. Does the company have any other important information that would help in understanding its corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors)?	ˇ		1. Employee rights and employee care: Our company strictly abides by all labor laws and regulations, and has established various care systems, welfare systems, and communication and care channels as ways to retain talent. In addition, we invest in education and training funds every year, plan a comprehensive education system as a talent development strategy, and have a performance appraisal system as a talent utilization method. We provide employees with ample room for development, effectively connect employees with the company, and promote the company's sustainable development. 2. Investor Relations: The company has a spokesperson and a proxy spokesperson, and easy contact methods, so investors can express their opinions at any time. 3. Supplier relationships and stakeholder rights: The company treats all suppliers and stakeholders fairly and with respect in order to maintain good relationships. Relevant departments regularly audit and guide suppliers, requiring them to comply with laws and regulations, respect human rights, etc. 4. The company's directors and supervisors have professional industry backgrounds and practical experience. The company provides relevant legal information to the directors and supervisors at any time, arranges for directors to participate in corporate governance courses on an irregular basis each year, and discloses this information on the public information observation station. 5. Implementation status of risk management policies and risk measurement standards: The company has established internal control systems and various internal management rules in accordance with the law to control risks. 6. Customer policy implementation status: The company has an official website with a service area where customers can find the company's sales locations and find service phone numbers and email addresses. Dedicated personnel are responsible for assisting customers in handling issues and protecting customer rights. 7. The Company has purchased liability insurance for its directors and supervisors: The Company has purchased liability insurance (US$1 million per person) for its directors (including independent directors) and managers, and submitted it to the Board of Directors on August 14, 2025.	Indifference
9. Please explain the improvements made in accordance with the most recent annual corporate governance assessment results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and propose priority areas and measures for improvement for those areas that have not yet been improved.	ˇ		1. Based on the corporate governance assessment results, the main improvements completed include: increasing information disclosure on the company website, enhancing directors' professional development, and strengthening the implementation of sustainable development. 2. In the future, efforts will be made in two areas: " protecting shareholders' rights and interests and treating shareholders equally " and "strengthening the structure and operation of the board of directors," such as implementing a succession system as soon as possible and uploading financial forecast reports.	Indifference

（6）The implementation status of promoting sustainable development and the differences between this practice and the sustainable development guidelines of listed and over-the-counter companies, and the reasons thereof.

Promote the project	Implementation status (Note 1)			Differences between the practices and guidelines for sustainable development
	yes	no	Abstract Description (Note 2)	
1. Has the company established a governance structure to promote sustainable development, set up a dedicated (part-time) unit to promote sustainable development, and authorized senior management by the board of directors to handle this matter, and what is the board's supervision status? (Listed and over-the-counter companies should report the implementation status, not whether it is a matter of compliance or interpretation.)	ˇ		1. In accordance with the company’s ESG policy, the company established a CSR Committee in 2015 (which will be restructured into an ESG Committee in 2025), chaired by Director and General Manager Lin Chun-ying. The committee members include senior executives of the company and are responsible for planning the company’s ESG-related strategies and systems, reviewing and improving the effectiveness of implementation, and the company’s management department assists in promoting matters related to sustainable development. 2. The ESG Committee serves as a cross-departmental communication platform that integrates vertical and horizontal connections. Through quarterly regular meetings and project teams, it identifies sustainability issues of concern to the company's operations and stakeholders, formulates corresponding strategies and work guidelines, plans and implements annual plans, and tracks the effectiveness of implementation to ensure that sustainability strategies are fully implemented in the company's daily operations. 3. The ESG Committee prepares a "CSR Report" (renamed the ESG Report in 2020) by the end of June each year, summarizing the previous year's implementation status. After verification by external organizations, the report is submitted to the Board of Directors in the third quarter. The 2025 annual report will be dated August 14th at the 13th meeting of the 25th Board of Directors; the report will cover the greenhouse gas inventory, verification, and implementation status of the consolidated subsidiaries .	Indifference
2. Has the company conducted risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the principle of materiality, and established relevant risk management policies or strategies? (Listed companies should report on the	ˇ		1. To reduce and prevent environmental and occupational safety and health impacts from environmental protection activities, and in line with global trends in environmental protection, occupational safety and health, and labor protection, our company has implemented the ISO14001/ISO45001 management system since 2011. On August 23, 2020, the Board of Directors approved the establishment of "Risk Management Policies and	Indifference

implementation status, not on compliance or interpretation.)			Procedures" and established a "Risk Management Team". Led by the General Manager, the top executives of each department serve as the heads of various business operations and are responsible for implementing risk management policies and strategies. (The “Risk Management Policies and Procedures” and risk assessment details are disclosed in the ESG report and on the company’s website: https://www.nankang-tyre.com/) Each functional unit identifies risks related to economic, financial, operational, environmental, social, and corporate governance issues faced by its operations, based on preventable risks, strategic risks, and external risks. These risks include strategic, operational, financial, hazard, cybersecurity, regulatory compliance, and climate change risks. The risk of each issue is assessed according to the principle of materiality, and the risk management scope is selected. Based on this, relevant risk management strategies and preventive measures are formulated. The identification results are quantified, and improvement countermeasures and preventive measures for each risk scope are continuously implemented to keep the various risks under control within an acceptable range. The above risk assessment results are then submitted to the ESG Committee. The ESG Committee analyzes ESG issues based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and assesses significant ESG issues by reviewing domestic and international research reports and literature and integrating assessment data from various departments and subsidiaries. It then establishes effective risk management policies for identification, measurement, assessment, monitoring and control, and takes concrete action plans to reduce the impact of related risks. 2. This disclosure covers the Company’s sustainability performance at its main locations from January to December 2025. The risk assessment boundary is based primarily on the Company . 3. Based on the risk assessment, the following risk management policies or strategies will be formulated for 2025: 1. Risk considerations: Economic aspects (including corporate governance). Risk type: （1）. Market risk （2）. Operational risks （3）. Investment risks （4）. Regulatory compliance risks	

			Risk control measures: In the event of rising raw material costs and exchange rate fluctuations, the Company's operating strategy will be adjusted as follows: (1). Increase the production of high-value-added products: Europe focuses on the development of all-season tires and snow tires ; Asia focuses on special modified specifications as high-profit products to increase gross profit; and actively develops electric vehicle tires. (2). Adjust the customer segment structure in the region and increase the number of flagship stores. (3). Strengthen the export market: Exports account for 95%, with Europe, America and Japan accounting for 80% of exports, and these are all high- priced products. (4). Reduce production costs: Improve manufacturing processes, reduce scrap rates, and shift some production to mainland China to reduce manufacturing costs. (5). Strengthen financial risk management: conduct forward foreign exchange trading, product liability insurance, and pre-purchase major raw materials to avoid the impact of high material prices on production costs. (6). Strengthen internal control management and reduce costs and expenses. (7). In response to anti-dumping trade barriers, we will assess the possibility of setting up overseas factories or cooperating with contract manufacturers outside of Taiwan and mainland China. (8). Increase the use of green energy and achieve carbon neutrality by 2050 , while reducing the costs associated with carbon taxes. 2. Risk considerations: Environment Risk type: Environmental risk Risk control measures: (1). In accordance with relevant regulations and requirements, formulate key points for operation management. (2). The Occupational Safety and Health Committee regularly reviews compliance with environmental laws. 3. Risk considerations: Environment Risk type: Environmental risk Risk control measures: (1). In accordance with relevant regulations and requirements, formulate key points for the management of various operations.	

			(2). The Occupational Safety and Health Committee regularly reviews compliance with environmental laws. (3). Regularly conduct inventory checks and audits of personnel. (4). Plan and implement employee education, training and development plans. (5). Design competitive compensation and employee benefits packages. (6). A comprehensive training and local talent development program	
3. Environmental issues (1). Has the company established an appropriate environmental management system based on the characteristics of its industry? (2). Does the company commit to improving energy efficiency and using recycled materials with low environmental impact?	ˇ ˇ ˇ		(1). All of our company's plants comply with the International Organization for Standardization (ISO) in establishing an environmental management system (ISO 14001) and greenhouse gas inventory (ISO 14064), and are continuously verified annually by government-approved and announced third-party organizations. In 2025 , the British Standards Institution (BSI) conducted a factory inspection and issued a relevant verification statement. Our company also implements annual projects to reduce emissions and waste, making every effort to ensure environmental sustainability. We continuously update and review relevant environmental management laws and regulations, and the results are publicly disclosed in our sustainability reports . (2). Our company actively promotes various energy reduction measures: selecting equipment with high energy efficiency and energy-saving design, reducing energy consumption of enterprises and products, and expanding the use of renewable energy to optimize energy use efficiency (in 2025, through project -based energy-saving measures, our company's annual electricity savings were confirmed by the Industrial Technology Research Institute to be 632,423.84 kWh) . The electricity consumption target for 2025 is to reduce it by 1% compared to 2024 , with an average energy saving rate of approximately 1.33% in 2025. The annual target of 1% has already been achieved. In the future (2025-2030) , the goal will be to reduce electricity consumption by 1% annually, and high- energy-consuming fluorescent lamps, air conditioners and refrigerators will be gradually phased out and replaced with LED lights and other energy-efficient products . the government's green energy and low-carbon policies and Nankang Tire's sustainable environmental philosophy, the first phase of solar photovoltaic equipment (with a capacity of 2 MWh) has been	Indifference

(3). Has the company assessed the potential risks and opportunities posed by climate change to the company now and in the future, and taken measures to address climate-related issues? (4). Has the company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight over the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?	ˇ		completed on the roof of the Xinfeng plant. A second phase with a planned capacity of 5 MWh is also under development. The company plans to purchase green electricity certificates annually , initially planning to purchase 1,205 certificates per year (increasing the number each year). All raw materials used by the company comply with EU RoHS and REACH regulations. The production unit is also actively developing products based on the concept of sustainable use of raw materials and materials in response to environmental sustainability. It also assists upstream and downstream manufacturers in jointly recycling and reusing related packaging materials and developing products with improved green and environmentally friendly materials. Low-pollution raw materials are used in the production process. For boiler fuel, low-pollution natural gas replaces oil . Through improvements in process fuel input, natural gas will account for 97.53 % of production capacity in 2025 (compared to approximately 99.14 % in 2024) . To improve resource utilization efficiency: the company has stopped providing paper cups, and employees are required to bring their own water cups. Employees are also encouraged to bring their own reusable chopsticks. The company's catering restaurant uses reusable tableware. Water-saving devices have been installed on faucets to reduce water consumption. During lunch breaks, energy-saving measures such as unified control of light sources have been implemented. (3). Our company uses the ESG Committee as the highest organization for climate change management, chaired by the Chairman. The Committee reviews the company's climate change strategy and objectives, manages climate change risks and opportunities, examines the implementation status and discusses future plans annually, and reports to the Board of Directors . Nankang Tire's production base is located in Xinfeng Township, Hsinchu County, with another production site in Zhangjiagang, Jiangsu Province, China. In recent years, due to extreme climate change, the impact of sudden heavy rains, droughts, typhoons, and other extreme weather events has become increasingly apparent. Nankang Tire's suppliers and customers are also experiencing varying degrees of real risks from climate change. Power outages and work stoppages caused by typhoons and floods can prevent suppliers from	

delivering materials, production bases from operating, and customers from shipping or repairing products. This can increase the company's operating costs, impacting production and sales; it can also lead to product malfunctions and shortened lifespans due to deteriorating product usage environments; and energy shortages will further increase operating costs.

The increased operating costs of Nankang Tire due to climate change have prompted the company to further consider using or adopting cost-reduction measures. For example, we have reviewed various procurement costs, evaluated alternatives or developed alternative suppliers for high-priced or large-volume purchases, and reduced prices for those that cannot be replaced through long-term contracts. In terms of greenhouse gases, in addition to replacing direct emission sources with environmentally low-pollution alternatives, we have been implementing projects to improve energy efficiency and reduce total greenhouse gas emissions year by year.

(4). Since 2017, our company has been voluntarily conducting ISO 14064-1 audits and reviewing emissions tracking annually.

(1). Greenhouse gas emissions in the last two years:

Unit: metric tons of $CO2_{e}$/year

year	Category 1	Category Two	per unit product density	Category 3
2025	12 , 175. 18	28 , 227.56	1.2 836	10,438.08
2024	13,759.98	25,276.54	1.2 412	8,9 57 . 67
Note: Data from 2025 will be verified by a third party in June 2026 .				

In 2025 , combined greenhouse gas emissions from Categories I and II will amount to 40,402.74 metric tons of CO2e, with an output per unit of product of 31,475.47 metric tons . (Emissions from purchased electricity in Category II will account for approximately 69.87% of total emissions, a decrease of 633.78 metric tons of CO2e compared to 2024.)

In 2016, Nankang Tire released its greenhouse gas management policy, implementing a "Greenhouse Gas Inventory" (inspecting seven types of gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons , perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride). This ensured a thorough understanding of greenhouse gas emissions, led to the development of feasible reduction plans, and focused on the effective implementation of greenhouse gas reduction initiatives. The inventory process identified the largest carbon emission sources, and concrete improvement measures were developed, including replacing the heavy oil boilers mentioned in the previous section with natural gas boilers. Furthermore, to address climate change and promote sustainable business operations, the company will continue to negotiate the purchase of renewable energy and invest in the development of energy-saving products. The company aims to achieve " zero carbon emissions at office locations and 20% renewable energy consumption in production plants" by the end of 2030, and ultimately achieve its long-term goal of net-zero carbon emissions and 100% renewable energy use by the end of 2050 .

（2）. in the last two years:

Unit: degree

year	2024	2025
Discharge	113,515	135,193
Recycled water volume	87,187	54,799
Recovery rate	43%	29%

The wastewater discharged from Nankang Tire's Xinfeng plant consists of two main parts: process wastewater and domestic sewage. The wastewater is treated by equipment to meet the discharge water quality standards before being discharged (it has a water pollution prevention and control permit issued by the competent authority, so its water quality meets the discharge standards). In accordance with the Water Pollution Prevention and Control Act, the plant conducts semi-annual discharge water testing and cooperates with the Hsinchu County Environmental Protection Bureau to conduct annual wastewater treatment efficiency assessments and increase wastewater recycling and reuse measures (the treatment efficiency assessment has been approved by the Hsinchu County Environmental Protection Bureau for reduction).

The ISO 14001 environmental management system includes items subject to legal supervision and control. We regularly commission third-party environmental testing companies approved by the Environmental Protection Administration to conduct wastewater quality testing to ensure that wastewater discharge meets regulatory standards. We also archive relevant test reports for inspection by the competent authorities.

Furthermore, we regularly promote water conservation among colleagues during five-minute training sessions conducted by unit supervisors to prevent water waste.

(3). Waste production in the last two years:

Unit: tons

Waste categories	2024	2025
Harmful career waste	0	0
General business waste	2,211.08	1,817.06
total	2,211.08	1,817.06

Nankang Tire's waste includes general household waste, waste rubber, waste dust, waste sludge , waste oil, and waste oil mixtures. Regarding its process waste management strategy, the focus is on legal collection and disposal.

All waste disposal within the factory is carried out in accordance with the "Industrial Waste Disposal Plan" approved by the Hsinchu County Environmental Protection Bureau. Waste disposal is entrusted to environmentally certified waste disposal companies. Our company regularly tracks the routes of the waste disposal companies to ensure the legality of the final destination of the waste. In addition, our company does not import or export any hazardous materials.

Recyclable (by-product) waste includes waste rubber, waste metals, waste plastics, waste pallets , and waste paper/cardboard boxes, etc., which are collected separately and handed over to legal recycling companies for recycling to extend the life cycle of resource recycling and reuse. Waste items and containers that are announced as recyclable are handed over to Tzu Chi for sorting, and a proper sorting and recycling system is established to strengthen the concept of resource recycling.

Starting in 2022, 100% of scrap rubber will be reused. In cooperation with waste treatment companies, a series of high-quality fine recycled rubbers will be produced from waste tires through desulfurization and plasticizing. These rubbers have high tensile strength and elongation at break, stable Mooney viscosity , and meet RoHS environmental standards. They are suitable for various tires, conveyor belts, inner tubes, tire pads , rubber foot pads, shoe soles and other rubber products.

<table>
<tr><td></td><td></td><td></td><td>By 2025, the waste disposal contractor will have no record of breach of laws or contracts, and there will be no leakage of chemicals, oils, or fuels.</td><td></td></tr>
<tr><td>4. social issues
(1). Does the company have established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>ˇ</td><td></td><td>(1). Our company recognizes and voluntarily abides by internationally recognized human rights standards such as the "Universal Declaration of Human Rights," the "Global Covenant of the United Nations," the "Guiding Principles of the United Nations on Business and Human Rights," and the "International Labour Organization of the United Nations." Through the "Nankang Tire Human Rights Management Policy," we respect the protections stipulated in human rights conventions, and the relevant content is published on our company's website.
Our company has a Human Resources Department as the responsible unit, and has established "Recruitment, Selection and Appointment Regulations", "Personnel Management Rules", "Sexual Harassment Prevention Measures, Complaint and Disciplinary Measures", "Abnormal Workload Prevention and Management Procedures", "Workplace Illegal Infringement Prevention and Management Procedures", and "Maternal Health Protection Management Procedures" in accordance with relevant labor laws, human rights conventions, and occupational safety and health regulations, in order to safeguard the rights and interests of employees and protect their health and safety.
<u>Nankang Tire's current status and future plans in response to the United Nations Global Covenant (UNGC):</u>
<table>
<tr><th colspan="2">United Nations Global Covenant (UNGC)</th><th>Current Status and Future Plans of Nankang Tire</th></tr>
<tr><td>human rights</td><td>1. Support and respect internationally recognized declarations on the protection of human rights.</td><td>Our company adheres to fundamental international conventions such as the "Universal Declaration of Human Rights" and the "Global Covenant of the United Nations," prohibiting all forms of forced labor and child labor. In 2021, our chairman signed the Human Rights Policy of Nankang Tire Co.,</td></tr>
</table></td><td>Indifference</td></tr>
</table>

				2. Ensure that no human rights violations are involved.	Ltd. , aiming to demonstrate our commitment to respecting and protecting human rights through the human rights protection spirit and basic principles revealed therein .	
			labor	3. Uphold freedom of assembly and explicitly recognize the right to collective bargaining.	Our company guarantees freedom of speech, assembly, and association, and is committed to building a harmonious labor-management workplace environment, providing smooth and diverse communication channels and grievance mechanisms . The company values employee participation and has a corporate union. Labor representatives are elected through a four-yearly voting meeting held by the union, where all employees participate in electing union officers, who then vote to select union officers. Currently, there are 589 union members , representing 59 % of all eligible union members . In accordance with the Collective Bargaining Act, Nankang Tire signed a collective bargaining agreement with the Nankang Tire Enterprise Union in 2008, which has been in effect for many years. The agreement is renewed every three years to adapt to changes in the external environment . Other employees who are not members of the union do not have other collective bargaining agreements, but their rights are protected in accordance with relevant labor laws and regulations.	
	ˇ			4. Eliminate all forms of forced and compulsory labor	Our company respects workplace human rights and opposes any form of forced labor.	
(2). Does the company establish and implement reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflect operating performance or results in				5. Child labor is explicitly prohibited.	Respect workplace human rights, strictly prohibit the employment of child labor, and verify the original identity documents and	

employee compensation?					academic certificates of new employees to prevent child labor through double screening.	
				6. Eliminate employment and occupation-related discrimination	To ensure equal opportunities and diversity and inclusion, we must comply with the Employment Service Act, the Gender Equality in Employment Act, and other regulations, eliminate discrimination in hiring and employment, treat all employees equally and employ people based on their merits, and not discriminate against them or engage in any form of discrimination based on their gender, sexual orientation, race, age, marital status, religion, appearance, or physical or mental disability. We must provide equal opportunities and prohibit any tangible or intangible sexual harassment, bullying, or discrimination in the workplace.	
			environment	7. Support preventative action against environmental challenges	Nankang Tire is committed to balancing economic, environmental, and social aspects, pursuing operational growth while also prioritizing environmental protection . In the face of global climate change, water scarcity, and various environmental pollution issues , the company comprehensively reviews its activities at every stage, including raw materials, manufacturing, service, and recycling, while considering the social and environmental impact. It has established various strategies and goals to create green competitiveness and upgrade equipment to reduce Nankang Tire's carbon emissions, hoping to achieve zero carbon emissions in the future. Please refer to the " Sustainable Environmental Protection " section of this report .	
				8. Respond to initiatives to strengthen environmental responsibility		
				9. Encourage the development and promotion of environmentally friendly technologies.		
			Anti-corruption	10. We resolutely oppose all forms	The company has established and published internal regulations such as the " Code of Conduct for Honest Business Practices , "	

(3). Does the company provide employees with a safe and healthy working environment and conduct regular safety and health training for them?	ˇ		of corruption, including extortion and bribery. — "Code of Ethical Conduct ," and " Operating Procedures and Guidelines for Honest Business Practices" to regulate the ethics and responsibilities that all employees should possess when engaging in business activities. It also widely promotes and continuously deepens the company's ethical and integrity values , establishing a culture of integrity within the company. These regulations are incorporated into training courses for new employees, and all employees receive regular annual briefings . (2). Employee Compensation : The Company's employee benefits and compensation policies are implemented in accordance with the Company's "Personnel Management Rules", "Employee Welfare Subsidy Measures" and "Performance Appraisal Measures". According to Article 21 of the Company's Articles of Association, 0.1 % to 1% of the Company's net profit before tax for the current period , excluding employee remuneration and directors' remuneration, shall be allocated to employee remuneration, which may include employees of subsidiary companies who meet the conditions set by the Board of Directors. Of the aforementioned employee remuneration amount, no less than 30% shall be allocated to remuneration for junior employees. Our company has a quarterly bonus system that allows employees to share in the company's profits (based on 1/5 of the quarterly after-tax operating profit), effectively motivating colleagues. In addition to measuring quarterly EPS and key performance indicators, the quarterly bonus system also incorporates various performance indicators (such as: workplace safety indicators, environmental pollution control, carbon reduction, quality indicators, etc.) . Our company participates in market salary surveys every year and adjusts salaries based on market salary levels, economic trends, and individual performance to maintain overall salary competitiveness. Compensation and benefits include, but are not limited to: 1. Fixed salary: Gender pay ratio 1:1. 2. Bonuses/Prizes: Holiday bonuses/gifts , year-end bonuses , Labor Day bonuses/gifts .	

			3. Insurance: In addition to legally providing employees with labor insurance, health insurance, and monthly retirement contributions; providing group comprehensive insurance, including life insurance, accident insurance, critical illness insurance, and hospitalization medical limit insurance; and to enhance employee welfare, also including critical illness insurance and hospitalization medical limit insurance for their spouses. 4. Leave system: In accordance with the leave system of the Labor Standards Act , employees are provided with two days off per week (shift workers are scheduled on a one-day -off- one- day-off schedule), special leave, maternity/paternity leave, family care leave, menstrual leave for female employees, and parental leave (actual number of employees using parental leave in 2025 : 9 males / 2 females). 5. Regular health checkups: Conduct legally mandated health checkups for all employees annually; and provide courses and documentation to assist employees in implementing self-health care management. 6. Employee dormitory: Provide accommodation or rental subsidies for employees whose registered residence is outside of Hsinchu County or City. 7. Employee shuttle bus: Daily round trip between Taipei and Hsinfeng plant. 8. An employee cafeteria is set up: one meal is provided free of charge each day, and the remaining meals are subsidized by the company and paid for by employees in small amounts. 9. Foreign Employee Self-Improvement Activities: To care for the working and living conditions of foreign employees, we hold foreign employee care forums from time to time to understand their problems and provide relevant assistance. 10. Childcare and parenting allowance: Employees who meet the specified conditions and whose children are of a certain age are eligible to receive a monthly childcare and parenting allowance of NT$2,000. (In 2025, a total of 258 employees received the childcare and parenting allowance, including 203 men and 55 women.) 11. Retirement: Nankang Tyre has established a "Labor Retirement Reserve Fund Oversight Committee" in accordance with the law. The committee meets regularly to review whether the retirement reserve fund is adequate. The retirement of employees and the payment of retirement pensions are handled in accordance with relevant laws and regulations and the retirement regulations issued by the company. 12. Other benefits: The company's Employee Welfare Committee was established in 1982 and allocates more than NT$3 million annually to cover	

(4). Does the company have an effective career development training program for its employees ? (5). Regarding issues such as customer health and safety, customer privacy, marketing, and labelling of products and services, does the company comply with relevant laws and regulations and international standards, and has it established relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	ˇ ˇ		various allowances (such as birthday bonuses, holiday bonuses, travel subsidies, education subsidies, and various consolation payments) . With the aim of strengthening employee cohesion and maintaining harmony between labor and management, the committee is responsible for the planning and implementation of various welfare programs. Through a comprehensive welfare system and various employee activities, the committee continuously promotes employee welfare. Workplace diversity and equality: To achieve equal pay for equal work and equal promotion opportunities for men and women, the average percentage of female employees in 2025 will be 9.3%, and the average percentage of female senior managers (at the deputy manager level and above) will be 13.5%. Our company values comprehensive physical and mental care for all ethnic groups. We aim to employ 100% of our staff from disadvantaged groups (including indigenous people and people with disabilities) and tailor suitable job positions and facilities for each individual. For our foreign colleagues, we have dedicated projects in place to ensure their selection, training, retention, cultural integration, and health and safety. Our company also provides dedicated translators and regularly organizes various activities (such as the Water Festival, Buddhist ceremonies , etc.) to help our foreign staff relax and unwind. (3). Management Mechanism: Our company has established an "Occupational Safety and Health Committee" in accordance with the Occupational Safety and Health Act. We have continuously verified and passed the international standard certifications of "ISO14001 Environmental Management System" and "ISO45001 Occupational Safety and Health Management System". In accordance with the various standard procedures and documents, the Occupational Safety Department and on-site units have established standard operating procedures for workplace safety and employee health management. We also regularly conduct employee safety and health education and training and simulation exercises to promote the management of relevant work environments, equipment and hazardous substances, so as to protect the safety and health of our employees. Work safety inspection Our company's occupational safety personnel have an inspection plan. The results of each inspection are reported and reviewed quarterly by the Safety and	

<table>
<tr>
<td>(6). Does the company have established supplier management policies that require suppliers to comply with relevant standards on issues such as environmental protection, occupational safety and health, or labor rights, and how are these policies implemented?</td>
<td>ˇ</td>
<td></td>
<td>Health Management Committee, and corrective measures for any deficiencies are tracked. The inspection frequency and items for 2025 are as follows:
<table>
<tr><th>project</th><th>frequency</th></tr>
<tr><td>Factory area safety patrol</td><td>More than once a day</td></tr>
<tr><td>Contractor construction inspection</td><td>More than once a day</td></tr>
<tr><td>Firefighting equipment Safety facility inspection</td><td>Once a month</td></tr>
<tr><td>Working environment testing</td><td>Once every six months</td></tr>
<tr><td>Employee health check</td><td>Once a year</td></tr>
<tr><td>Occupational disease prevention and health promotion</td><td>More than once a month</td></tr>
<tr><td>6S Audit Team Evaluation</td><td>Once per quarter</td></tr>
</table>
<u>Implementation measures</u>
Nankang Tire has strengthened its equipment operation management, personnel training, inspection and maintenance, and improved its dust collection system to ensure the normal operation of all environmental protection equipment. Each year, relevant investments and targets are set based on annual goals to review the effectiveness of implementation.
In addition to education and training, in recent years, we have gradually replaced old machines and optimized related processes, and have also continued to add safety protection facilities for old machines in the factory area that have not been replaced .
Based on the control of work environment or occupational hazards, the company conducts regular work environment monitoring every six months and provides employees with annual health checkups once a year, which is in accordance with the law. As a preventive measure for occupational disease health checkup management, the company tracks and manages employees with abnormal test values in particularly hazardous jobs and provides necessary individual health counseling, care and guidance so that employees can understand their own health status.
<u>Education and training</u></td>
<td></td>
</tr>
</table>

			In 2025, the total number of participants in various occupational safety and health education and training and disaster prevention training was 829, with a total participation time of 1,902 hours and an average of 2.3 hours. Validation status Our company has continuously verified and passed the "ISO14001 Environmental Management System" (valid until 2027) and "ISO45001 Occupational Health and Safety Management System" (valid until 2027). Employee occupational injury situation and related improvement measures in the current year Nankang Tire has established an "Internal Abnormal Accident Reporting System" in accordance with its Occupational Safety and Health Management System. A dedicated unit manages occupational safety and health related indicators and provides advice and supervision to on-site production units. Accident management and operations are primarily conducted through an information system for reporting and management. Occupational safety personnel, unit supervisors, labor representatives, and the parties involved jointly go to the accident site to reconstruct the incident , thoroughly analyze , and understand the cause of the accident for subsequent statistics and recording. Based on the investigation results and improvement measures, parallel implementation is carried out on similar machines , educating relevant personnel on safe operating practices and precautions to prevent similar accidents from recurring. The Safety and Health Committee reports the number of occupational accidents each quarter and reviews and tracks the effectiveness of subsequent improvements. The frequency of disability injuries in 2025 is 5.83; there are 14 occupational accidents , of which 4 are " crushing or pinching injuries" and 4 are "improper actions". In 2025, the most common types of occupational accidents were "entanglement and pinching injuries" and "improper actions". The main reasons for these accidents were that personnel failed to stop the machine and resolve the situation after encountering abnormal conditions, and that they accidentally stepped on the device or caused hazards due to inertial movements. In response to this situation, the supervisors have been instructed to revise the standard manual for their respective operations and the principles for handling abnormalities. Number of fires, number of deaths and injuries, and percentage of deaths and injuries to total employees in the current year, and related improvement measures in response to fires : No fires occurred in 2025.	

Specific measures and their effectiveness in preventing and controlling employee obesity and hypertension, hyperlipidemia, and hyperglycemia.

The physical and mental health of employees is the cornerstone of the manufacturing industry. To enhance employee well-being and reduce cardiovascular diseases caused by high blood pressure, high cholesterol, and high blood sugar, our company organizes several health and wellness promotion courses annually according to the " Annual Employee Health Check Implementation Plan," and conducts regular employee health checkups. The relevant measures and results are as follows:

1. A health check was conducted for employees, with 732 employees participating, representing a participation rate of 99.2%. The statistics for employees with hypertension, hyperlipidemia, or hyperglycemia, or those with abnormal conditions are as follows: (Data for 2025 is expected to be completed by August 2026).

year / project	2023	2024	Increase/decrease rate
hypertension	106	294	177%
High blood lipids	91	145	59%
High blood sugar	210	178	-15%
BMI	333	331	-1%

2. The staff canteen has switched to cooking methods with "less oil, less salt, and less seasoning," and reduced fried main dishes, opting instead for steaming and stewing to reduce the physical burden on employees.
3. Twelve health and wellness/LOHAS promotion seminars were held, with a total of 192 participants, covering topics such as physical and mental health promotion, health education, exercise, and stress relief . A vaccination event was also arranged, with 266 participants, enabling colleagues to enhance their immunity in a close-contact environment and reduce the chance of contracting infectious diseases.
4. A subsidy program was planned for employee health and fitness activities, such as cardiorespiratory endurance, muscle strength and endurance, and flexibility exercises, with a total of 22 people participating.

(4). Our company provides comprehensive professional training for all levels of managers and employees, including new employee training,

			professional advancement training, and manager training. We assist employees in continuous learning and growth through diverse learning methods and introduce training courses related to corporate ethics to cultivate key competencies among employees. In 2025, seven workshops on workplace misconduct were held to enhance employees' awareness of mutual protection; a total of 148 new employees received training, totaling 8,836 hours of training. The courses covered occupational safety, tire expertise, business ethics, machine knowledge and practical operation; in total, 1,127 employees received training in 2025, totaling 10,067 hours , with an average training time of 8.93 hours. During the annual performance review, supervisors and employees discuss and set up individual annual competency development plans together. Through regular review and feedback, they help employees tailor the best development plan for themselves. (5). Our company controls and manages the product value chain, from raw materials and logistics to distributors, and has established management mechanisms to continuously track product safety information and improve internal reporting mechanisms in order to fulfill our commitment to product safety. Our company has established personal data protection management systems and policies, and a dedicated cybersecurity manager and personnel are responsible for personal data protection projects, managing and protecting customer privacy. We safeguard customer data through internal audits, external verification, crisis prevention, and training. Our company has established internal procedures for publishing marketing advertisements and has compiled an "Advertising Review Standards Manual" for staff to follow. Some marketing documents also need to be reviewed by our customer service before they can be marketed externally. Product labeling is crucial for protecting consumer rights. In addition to complying with the tire product labeling regulations of various countries (such as EU EC661/2009 and EC1222/2009 tire labeling), our company also requires raw material suppliers to sign agreements guaranteeing that the product composition, manufacturing, labeling, and advertising all comply with regulatory requirements. Our company has a Quality Assurance Department, which is responsible for handling product and customer complaints. We proactively check and confirm the implementation of various customer policies on an irregular basis,	

			accept and handle customer complaints, and assist front-line sales staff in handling customer complaints to protect customer rights. (6). Management Policy: Our company manages suppliers in accordance with the "Procurement Management Procedure" and the "Supplier Evaluation Management Procedure," and conducts an annual assessment of direct material suppliers used in the tire manufacturing process. The assessment follows a PDCA (Plan-Do-Check-Act) cycle, and unqualified suppliers are addressed through guidance and improvement or removal from the program. To implement a sustainable procurement strategy, suppliers are required to sign a "Supplier Code of Conduct," which covers health and safety, labor rights, environment, ethics, and management systems. In 2025 , 20 new suppliers were added , and the supplier code of conduct was signed and the sustainability commitment was responded to. Supplier evaluation . The evaluation criteria for qualified suppliers include performance in quality, environment, occupational health and safety , and corporate social responsibility management. The detailed items are as follows: (1). Quality control assessment : Reconfirm the quality control system of qualified suppliers and follow up on improvement measures for defective parts . (2). Environmental assessment: The extent to which qualified suppliers implement pollution control, waste disposal, and environmental protection measures upon on-site inspection . (3). Occupational safety and health assessment : Assess the appropriateness of qualified suppliers' occupational safety and health policies and their implementation and management. (4). Sustainability assessment: Evaluating suppliers' ESG practices in areas such as business ethics, labor rights, conflict minerals, information security, carbon emissions and audits . (5). Certification and assessment: In 2025 , a total of 2 suppliers from Taiwan were audited and assessed , and both were rated A. Counseling and Education Through supplier training and recognition of outstanding suppliers, suppliers are able to meet Nankang Tire's philosophy and goals of pursuing quality while also ensuring sustainable development.	

			In 2025, 20 educational training sessions and lectures will be held to effectively improve environmental protection and safety and health performance and comply with international standards through various forms of guidance and communication. The courses include workplace health, employee health, fire protection and maintenance, carbon inventory, climate change, regulatory risks and professional ethics.	
5. perpetual report or other reports disclosing non-financial information in accordance with internationally accepted reporting standards or guidelines ? Have the aforementioned reports obtained confirmation or assurance opinions from third-party verification agencies?	ˇ		Our company has completed the preparation of its ESG report for 2025, adopting the GRI published in 2016. Standards Core As the primary framework , this report, after verification, conforms to the GRI guidelines: Core Options and AA1000ASv3 standards. Furthermore, it has been reviewed and verified by BSI (British Standards Institution) according to the AA1000 warranty standard (2008) and certified as a medium warranty level.	Indifference
6. If your company has its own sustainability code in accordance with the "Code of Conduct for Sustainable Development of Listed Companies," please describe the differences between its operation and the established code: In 2014, the Board of Directors adopted the "Corporate Social Responsibility Practice Code," which was later renamed the "Nankang Tyre Sustainable Development Practice Code" in 2022 to strengthen the implementation of corporate social responsibility. The Company regularly reviews the implementation of the Code and makes improvements accordingly, and there have been no discrepancies to date.				
7. Other important information that helps in understanding the implementation of initiatives to promote sustainability: （一）、Environmental protection: Thoroughly implement energy conservation and industrial waste reduction, strengthen reduction, recycling and reuse programs to improve resource utilization efficiency, and pass environmental management certifications such as: ISO14001, ISO14064, ISO45001, TOHMS and other environmental, health and safety management certifications, ISO9001 quality certification, ISO16949, E-MARK, 3C, etc. （二）、Social responsibility: Responding to government regulations by employing people with disabilities in accordance with the Rights and Interests Protection Act for People with Disabilities. （三）、Consumer rights: Our company communicates with customers promptly regarding all customer complaints and holds meetings to review and improve upon major customer complaints.				

(Part 6) Climate-related information for listed and over-the-counter companies.

1. Implementation status of climate-related information

project	Implementation status
1. Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	1. The Board of Directors is the highest governing body for climate-related risk and opportunity management . It is responsible for overseeing and reviewing issues arising from climate change , including risk identification and strategy development across all aspects of the company, to ensure that future impacts are mitigated and potential opportunities are developed . 2. The Board of Directors established the "Sustainability Committee" (ESG Committee) to implement specific plans for sustainable operations . The Committee has five working groups: Management Group, Social Engagement Group, Supply Chain Group, Employee Care Group, and Environmental Protection Group. Each group consists of relevant department heads or their representatives. The committee is responsible for collecting, planning, assessing, and implementing climate-related risk and opportunity data, and assisting the company in determining the scale, intensity, and impact of climate change on future market opportunities and the company's operations, as well as how to respond to potential risks and take appropriate mitigation and adaptation measures.
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term).	1. The company has adopted climate-related risk and opportunity identification, and has comprehensively reviewed and assessed the short-, medium- and long-term impacts of various risk and opportunity issues on the Group's operations. Based on the existing internal target management timeline, the short-term is defined as within 3 years , the medium-term as 3-5 years, and the long-term as more than 5 years. 2. As a result of climate change increasing the company's operating costs, the company has been prompted to use or adopt cost-reduction measures, such as reviewing various procurement costs, evaluating alternatives or developing alternative suppliers for high-priced or large-volume purchases, and reducing prices through long-term contracts for those that cannot be replaced; in terms of reducing greenhouse gas emissions, the company is considering starting with electricity conservation and the use of low-pollution energy (replacing heavy oil with natural gas fuel) to reduce indirect greenhouse gas emissions.
3. Describe the financial impact of extreme weather events and transitional actions.	1. Our production bases are located in Xinfeng Township, Hsinchu County, and Zhangjiagang, Jiangsu Province, China. In recent years, due to extreme climate change, we have been increasingly affected by sudden heavy rains, droughts, typhoons, and other extreme weather events. Our suppliers and customers also face varying degrees of real risks from climate change, such as power outages and work stoppages caused by typhoons and floods . This can lead to suppliers being unable to deliver materials, production bases being unable to operate, and customers being unable to ship or repair products. As a result, our operating costs may increase, impacting production and sales; and our products may also experience deterioration in their operating environment, leading to shorter lifespans.

project	Implementation status
	2. The financial impact of risks includes "increased operating costs due to raw material /R&D costs", "decreased revenue due to increased production costs", and "reduced revenue and disaster prevention investment and insurance expenses due to operational disruptions". The financial impact of opportunities includes "increased revenue due to improved resource utilization efficiency", "decreased operating costs", and "increased revenue due to increased orders". The company will regularly review, manage, track and update the financial impact on the organization's operations that may be caused by climate risks and opportunities under various scenarios, and assess the changes in financial impact data after the implementation of subsequent control measures, so as to gradually reduce the operational and financial impact of climate change and enhance the organization's climate resilience.
4. Explain how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	1. Risk and opportunity management process: Referring to the TCFD guidelines, the global risk assessment report, and the Taiwan climate change research report on the projections for 2050, major risks and opportunities are identified by assessing the likelihood and severity of impacts. The impact of each climate risk and opportunity on operations , strategies, and financial planning is evaluated , and the financial impact on the organization's operations under various scenarios is regularly updated. Relevant committee members and teams formulate management practices for major risks. Method: Establish "risk management policies and procedures", and regularly conduct risk factor identification by managers and employees of various departments to identify relevant risks that may affect the sustainable development of the enterprise, screen out the scope of risk management, monitor potential risks and implement preventive measures to strengthen risk management. 2. Indicators for assessing risks and opportunities: Indicators related to climate and opportunity risks include environmental indicators such as carbon reduction target achievement, greenhouse gas emissions, energy use, water consumption, and waste. By reviewing the performance of each environmental indicator year by year, overall operational efficiency can be controlled and improved. Methodology: Each plant continuously monitors greenhouse gas emissions, using Category 1 and Category 2 emissions and emissions intensity per million units of revenue as the units for calculating greenhouse gas indicators. Efforts are made to maximize energy and resource conservation, and greenhouse gas emissions are reduced through investment in plant equipment and improvements in production equipment efficiency . 3. Integration of existing risk management systems: Climate change risk is one of the major risks to the company's operations. Operational risks are integrated into the enterprise risk management system and reported to the board of directors regularly through risk management meetings. Method: Each unit identifies climate risks and opportunities, proposes management strategies and methods for risk identification and potential risks, reviews existing management

project	Implementation status
	measures and strengthens future management measures to reduce the impact of climate change. 4. Goal setting and results review: To mitigate the impact of greenhouse gases generated during operations on climate change, we are promoting various energy-saving solutions to reduce electricity consumption and carbon dioxide emissions , and we hope to leverage our influence to lead the upstream and downstream supply chains to create a more sustainable value supply chain. Approach: Our company's greenhouse gas emissions are indirect , with 65 % of the carbon dioxide emissions coming from electricity use , and the remainder primarily from fuel emissions. Therefore, our management strategy is divided into two main directions: 1. Promote various energy-saving initiatives to reduce electricity consumption and carbon dioxide emissions. 2. Production process – Adjusting raw materials and fuels to be low-pollution and implementing green design: 1. The factory continuously researches and develops its processes to promote waste recycling and green production. By improving processes, adjusting formulas, tire structure and tread pattern design, etc., the rolling resistance during driving is reduced, thereby reducing fuel consumption and indirectly reducing greenhouse gas emissions. 2. Every year, through the energy manager set up at the factory, we will continuously submit energy conservation and electricity reduction improvement targets to the Energy Bureau (electricity saving target, mainly 1% per year), and confirm and reply on the implementation performance annually. Third, considering the sustainability of the environment and future carbon emissions , the first phase of solar energy has been planned and completed on the roof of our plant and is already in operation. At present, the Nankang Tire Xinfeng Plant is planning the second phase of solar power panel installation (expected to install 5Mwp). In the future, after the completion of the second phase of solar panel project, we do not rule out the possibility of carbon neutrality reduction measures through the repurchase of green electricity certificates . IV. Natural gas boilers continue to be put into production to replace oil-fired power plants . However, due to political factors such as foreign anti-dumping measures, production has been adjusted. At the same time , the supply and price of fuel have fluctuated dramatically and become unstable due to foreign turmoil. As a result, electricity consumption per unit of production in 2025 will

project	Implementation status
	increase by 7.4 % compared with 2024 (metric tons of CO2 equivalent/production).
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts used should be described.	for 2025 has not yet been conducted .
6. If there is a transition plan to address climate-related risks, describe the details of the plan and the indicators and objectives used to identify and manage entity risks and transition risks.	No transformation plan has been proposed by 2025 .
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	Internal carbon pricing was not used in 2025.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the annual progress should be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon reduction credits offset or the quantity of renewable energy certificates (RECs) should be described .	6,132,301 kWh of electricity in 2025. We have also signed solar photovoltaic power transfer contracts with renewable energy power generation/sales operators to transfer the electricity generated by our plant to other users and purchase 1,205,000 kWh of renewable energy certificates.
9. Greenhouse gas inventory and confidence status, reduction targets, strategies and specific action plans	Please fill in the "Greenhouse Gas Inventory and Confirmation Status" section separately.

1-1 Recent Greenhouse Gas Inventory and Confirmation Status for the Two Most Recent Years

1-1-1 Greenhouse gas inventory information:

<table>
<tr><td colspan="2">Company Basic Information
□ Companies with capital of over 10 billion yuan, steel industry, cement industry
Companies with capital of 5 billion yuan or more but less than 10 billion yuan
Companies with capital of less than 5 billion yuan</td><td colspan="2">According to the regulations on the sustainable development roadmap for listed companies, at least the following should be disclosed:
■ Parent company individual audit ■ Subsidiary audit of consolidated financial statements
■ Parent company individual assurance □ Consolidated financial statements subsidiary assurance</td><td>2025</td></tr>
<tr><td>Category 1</td><td>Total emissions (metric tons of CO2e)</td><td>Concentration (metric tons of CO2e/million yuan)</td><td>Confirmation Agency</td><td>Remark</td></tr>
<tr><td>Nankang Tire Co., Ltd.</td><td>12,175.1752</td><td>1.4439</td><td rowspan="5">British Standards Institution (BSI)</td><td rowspan="5">2025 revenue was 8,432 (million yuan)</td></tr>
<tr><td>Category Two</td><td>Total emissions (metric tons of CO2e)</td><td>Concentration (metric tons of CO2e/million yuan)</td></tr>
<tr><td>Nankang Tire Co., Ltd.</td><td>28,227.5607</td><td>3.3477</td></tr>
<tr><td>Category 3</td><td>10,438.0826</td><td>1.2379</td></tr>
<tr><td>total</td><td>50,840.8185</td><td>6.0295</td></tr>
</table>

1-1-2 Greenhouse Gas Assurance Information:

The following is a description of the assertion status of greenhouse gas inventory for the Company and certain subsidiaries (including subsidiaries) in the consolidated financial statements for the most recent two years:

<table>
<tr><td rowspan="2">year</td><td rowspan="2">scope</td><td>Category 1</td><td></td><td>Category Two</td><td></td><td rowspan="2">Confirmation Agency</td><td rowspan="2">Assurance Criteria</td><td rowspan="2">Confirmation of opinion</td></tr>
<tr><td>Total emissions</td><td>density</td><td>Total emissions</td><td>density</td></tr>
<tr><td>2025</td><td>parent company</td><td>12,175.1752</td><td>1.4439</td><td>28,227.5607</td><td>3.3477</td><td>BSI</td><td>ISO 14064-3 :2006</td><td>Reasonable guarantee level</td></tr>
<tr><td></td><td>Subsidiary</td><td colspan="7">The verification process is expected to be completed in 2026.</td></tr>
<tr><td>2024</td><td>parent company</td><td>13,759.9827</td><td>0.9038</td><td>25,276.5381</td><td>1.6603</td><td>BSI</td><td>ISO 14064-3:2006</td><td>Reasonable guarantee level</td></tr>
</table>

Note: Data from 2024 will be verified by a third party in June 2025.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans:

It should describe the baseline year for greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, and the status of achieving the reduction targets.

Greenhouse gas reduction baseline year and reduction target

Nankang Tire's base year is set at 2019 (2015 was the first year of voluntary registration and reporting; in 2019, the overall change exceeded the significance threshold of 3%, so 2019 was revised to be regarded as the base year). Its total greenhouse gas emissions are 67,307.825 tons (Category 1 : 23,293.7508 tons, Category 2: 44,014.0740 tons). In addition, in line with the policy, it aims to achieve the goal of " zero carbon emissions in office locations and 20% of electricity consumption in production plants being renewable energy" by the end of 2030, and further achieve the long-term goal of net zero carbon emissions and 100% use of renewable energy by the end of 2050.

Greenhouse gas reduction strategies and specific action plans

2016, Nankang Tire released its greenhouse gas management policy, implementing a "Greenhouse Gas Inventory" (inspecting seven types of gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons , perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride). This ensured a thorough understanding of greenhouse gas emissions, led to the development of feasible reduction plans, and focused on the effective implementation of greenhouse gas reduction initiatives. The inventory process identified the largest carbon emission sources, and concrete improvement measures were devised, including replacing the heavy oil boilers mentioned in the previous section with natural gas boilers, using low-pollution natural gas instead of traditional heavy oil . Furthermore, to address climate change and promote sustainable business operations, the company will continue to negotiate the purchase of renewable energy and invest in energy-saving product development . The first phase of solar photovoltaic equipment installation (with a capacity of 2 MWh) on the roof of the Xinfeng plant has been completed , and a second phase with a planned capacity of 5 MWh is under development. The company plans to purchase green energy certificates annually , initially planning to purchase 1,205 certificates per year (increasing the number annually) .

Status of achieving reduction targets

The emissions data and target achievement status for each year to date are as follows:

year	Emissions			Annual total emissions and baseline year Compared to the increase or decrease
	Category 1	Category Two	Total emissions	
2019	23,293.7508	44,014.0740	67,307.825	-
2024	13,759.9827	25,276.5381	39,036 . 5208	-4 2%
2025	12,175.1752	28,227.5607	40 , 402 , 7359	- 39.97 %
Note: Data from 2025 will be verified by a third party in March 2026.				

(7) The company's compliance with the code of conduct for honest business operations and the differences between this code and the code of conduct for honest business operations of listed and over-the-counter companies, and the reasons thereof.

Evaluation Project	Operational status (Note 1)			Differences between the Code of Conduct for Integrity Management of Listed and Over-the-Counter Companies and the Reasons Therefor
	yes	no	Abstract Description	
1. Establish integrity management policies and plans (1). Has the company formulated a policy of honest operation approved by the board of directors, and has it clearly stated the policy and practices of honest operation in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the operating policy? (2). Has the company established a risk assessment mechanism for dishonest behavior, regularly analyzed and assessed business	ˇ ˇ		(1). On May 13, 2014, the Board of Directors of the Company adopted the "Code of Conduct for Honest Business Practices" as a policy for honest business practices across all enterprises and organizations within the Group. Furthermore, to facilitate understanding and promotion of the Group's integrity and ethical standards by the Company and its subsidiaries' directors, supervisors, managers, employees, and external parties, and to ensure their adherence, the "Nankang Tire Code of Ethical Conduct" was established in May 2020. The contents of the "Code of Conduct for Honest Business Practices" and the "Code of Ethical Conduct" are disclosed on the Public Information Observation Station and the Company website. Furthermore, at its 6th Board meeting on March 3, 2023, the Company approved the amendment of the " Operational Guidelines for Financial Transactions with Related Parties ". The guidelines include management procedures for transactions such as purchase and sale, acquisition or disposal of assets, and require that major transactions be submitted to the Board of Directors for approval and to the Shareholders' Meeting for consent or reporting . The Operating Guidelines	Indifference

Evaluation Project	Operational status (Note 1)			Differences between the Code of Conduct for Integrity Management of Listed and Over-the-Counter Companies and the Reasons Therefor
	yes	no	Abstract Description	
activities within its business scope that pose a high risk of dishonest behavior, and formulated a plan to prevent dishonest behavior accordingly, at least covering the preventive measures for each of the behaviors outlined in Article 7, Paragraph 2 of the "Code of Conduct for Listed Companies"? (3). Does the company have clearly defined operating procedures, behavioral guidelines, penalties for violations, and appeal systems in its plan to prevent dishonest behavior, and has it implemented these measures and regularly reviewed and revised the aforementioned plan?	ˇ		will also be uploaded to the Company's website and the Public Information Observation Station. The company requires its directors and senior management to strictly adhere to the integrity management policy and requires employees to comply with the integrity management policy in their employment terms . The policy is to be signed by directors, supervisors, managers and employees of all companies in the group before the end of each year and by new employees. Translation versions are also provided for employees who speak different languages. The signing rate is expected to be 100% by 2025. (2). Our company has established a risk assessment mechanism for dishonest behavior, regularly analyzes and evaluates business activities with a high risk of dishonest behavior within our business scope, and formulates prevention plans accordingly, and regularly reviews the appropriateness and effectiveness of the prevention plans. explicitly includes integrity clauses in all supplier contracts and conducts regular supplier evaluations, rejecting unqualified suppliers. Furthermore, the company has established "Integrity Management Operating Procedures and Conduct Guidelines," which should at least cover preventative measures against the following behaviors : (1). Offering and accepting bribes. (2). Providing illegal political donations. (3). Improper charitable donations or sponsorships.	

Evaluation Project	Operational status (Note 1)			Differences between the Code of Conduct for Integrity Management of Listed and Over-the-Counter Companies and the Reasons Therefor
	yes	no	Abstract Description	
			(4). Offering or accepting unreasonable gifts, hospitality, or other improper benefits. (5). Infringement of trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights. (6). Engaging in unfair competition. (7). Products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders during their research, development, procurement, manufacturing, provision or sale. (3). Our company has established the "Code of Conduct for Honest Business Practices", "Management Procedures for Preventing Insider Trading", and "Code of Ethical Conduct" in accordance with the Code of Conduct for Integrity Management of Listed Companies. Our company regularly analyzes and evaluates business activities with a high risk of dishonest behavior within its business scope. Every year, we conduct job reviews for middle and senior managers and arrange compliance training courses to ensure that they comply with the necessary standards when handling related business. Those who violate the company's integrity policy will be subject to the following penalties, depending on the severity of the offense: reprimand, minor demerit, major demerit, salary reduction or cancellation of bonuses, termination of employment, and legal action will be taken if there are illegal circumstances. In addition, if the violation of the integrity policy involves obtaining improper personal	

Evaluation Project	Operational status (Note 1)			Differences between the Code of Conduct for Integrity Management of Listed and Over-the-Counter Companies and the Reasons Therefor
	yes	no	Abstract Description	
			benefits, these benefits should be recovered and returned to the person or company that was solicited.	
2. Implement honest business practices (1). Does the company assess the integrity records of its business partners and include integrity clauses in the contracts it signs with them? (2). Does the company have established a dedicated unit under the board of directors to promote corporate integrity, and report to the board of directors regularly (at least once a year) on its integrity policies, measures to prevent dishonest behavior, and the implementation status? (3). Has the company established and implemented policies to prevent conflicts of interest, provided appropriate channels for disclosure, and ensured their implementation? (4). Has the company established effective accounting and internal control systems to implement honest business practices, and has its internal audit unit formulated relevant audit plans based on the risk assessment results of dishonest behavior, and used these plans to verify compliance with the measures to prevent dishonest	ˇ ˇ ˇ ˇ ˇ		(1). Before establishing supplier information, our company and all trading partners sign an integrity commitment letter. As of 2025, the signing rate was 41.37 %. Furthermore, the contracts clearly stipulate integrity clauses, and any violation will result in termination of the contract, compensation, and being listed as a non-trading partner. (2). The Management Department is responsible for promoting the company's integrity management goals and policies, while the relevant corporate governance units have established preventative measures. The Audit Team conducts regular internal audits, and the implementation status for 2025 was reported to the Board of Directors on March 11, 2026. (3). Our company's "Integrity Management Operating Procedures and Code of Conduct" clearly stipulates policies to prevent conflicts of interest. We also provide appropriate external channels for reporting conflicts of interest in the "Stakeholders" section of the "Investors Zone" on our website, and implement these policies. Internally, we have a complaint mailbox, which is handled by the relevant department.	Indifference

Evaluation Project	Operational status (Note 1)			Differences between the Code of Conduct for Integrity Management of Listed and Over-the-Counter Companies and the Reasons Therefor
	yes	no	Abstract Description	
behavior, or has it commissioned an accountant to conduct the audit? (5). Does the company regularly conduct internal and external training on integrity in business operations?			(4). The Company has established accounting and internal control systems in accordance with relevant laws and regulations. The audit team formulates audit plans, regularly checks their compliance, and reports to the Board of Directors. (5). New employees will be given integrity management training upon joining the company, while current employees will undergo integrity management training and education once a year.	
3. Operation of the company's whistleblower system (1). Does the company have established a specific reporting and reward system, set up convenient reporting channels, and assign appropriate personnel to handle reports? (2). Does the company have established standard operating procedures for handling whistleblower reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms? (3). Has the company taken any measures to protect whistleblowers from being mistreated as a result of their whistleblowing?	ˇ ˇ ˇ		(1). Our company has clearly stipulated a reporting and reward system in the "Honest Business Operation Procedures and Code of Conduct" and "Work Rules". We have also set up a reporting channel in the "Investors Zone" of our company's website for people to report dishonest behavior. After the case is filed, a dedicated unit will be assigned to handle it. (2). established a reporting procedure and a confidentiality mechanism in its "Integrity Management Operating Procedures and Code of Conduct" and other systems . (3). Our company takes measures to keep the identities of whistleblowers confidential and protect them from improper treatment.	Indifference

<table>
<tr><th rowspan="2">Evaluation Project</th><th colspan="3">Operational status (Note 1)</th><th rowspan="2">Differences between the Code of Conduct for Integrity Management of Listed and Over-the-Counter Companies and the Reasons Therefor</th></tr>
<tr><th>yes</th><th>no</th><th>Abstract Description</th></tr>
<tr><td>4. Strengthen information disclosure
Does the company disclose the content and effectiveness of its code of conduct for honest operation on its website and public information observation platform?</td><td>ˇ</td><td></td><td>Our company's "Corporate Social Responsibility Report" on our website details the content and effectiveness of our code of conduct for honest business practices; our "Code of Conduct for Honest Business Practices" is also disclosed on our website, and we regularly update our results on honest business practices annually.</td><td>Indifference</td></tr>
<tr><td colspan="5">5. If your company has its own code of conduct in accordance with the "Code of Conduct for Listed Companies," please describe the differences between its operations and the code of conduct.
Our company has established a "Code of Conduct for Honest Business" and a "Code of Conduct for Honest Business Operations and Behavioral Guidelines", and operates in accordance with the relevant regulations. There is no difference between our operations and the code of conduct.</td></tr>
<tr><td colspan="5">6. Other important information that helps to understand the company's integrity in its operations includes: (such as the company reviewing and revising its code of conduct for integrity).
（一）、Our company complies with the relevant laws and regulations of the Company Act, Securities and Exchange Act, and other competent authorities as the basis for implementing honest business practices.
（二）、The Company’s “Rules of Procedure for Board Meetings” stipulate that if a director has a conflict of interest with himself or a legal entity he/she represents that may be detrimental to the Company’s interests, he/she may state his/her opinion and answer questions , but may not participate in the discussion or voting. He/she shall recuse himself/herself from the discussion and voting and may not act as a proxy for other directors to exercise his/her voting rights.</td></tr>
<tr><td colspan="5">7. Other important information that may enhance understanding of the company's governance can be accessed through the following methods: Taiwan Stock Exchange (MOPS > Individual Company > Basic Information > Basic Information > Company Basic Information > Enter Company Code), or by visiting the company's website (https://www.nankang-tyre.com/investors/corporate_governance , Investor Zone > Corporate Governance).</td></tr>
</table>

(8) Implementation status of internal control system

1. 2025 Internal Control System Statement: Please refer to "Public Information Observation Station → Internal Control Statement Announcement" at: https://mops.twse.com.tw/mops/#/web/t06sg20
2. Those who commission an accountant to review their internal control system should disclose the accountant's audit report: None.

(9) Important resolutions of the shareholders' meeting and the board of directors for the most recent year and up to the date of publication of the annual report.

1. Resolutions passed at the 2025 Annual General Meeting of Shareholders and their implementation status: (9:00 AM, May 22, 2025)

Cause of action and resolution details		Implementation status
Recognition and Items for discussion	Acceptance of the Company's 2024 Financial Statements	■ The minutes of the proceedings were compiled based on the adopted resolutions and then published and uploaded to the stock exchange website.
	Through the proposed cash capital reduction by our company Case of refunding share funds	■ The minutes of the proceedings were compiled based on the adopted resolutions and then published and uploaded to the stock exchange website. ■ on August 18, 2025.
	By amending certain articles of the company's articles of association	■ The minutes of the proceedings were compiled based on the adopted resolutions and then published and uploaded to the stock exchange website.
temporary motion	No temporary motion	

2. Important resolutions of the Board of Directors

Board of Directors date	The content of the proposal and the implementation of the directors' recusal from proposals involving conflicts of interest.	All independent directors' opinions and the company's handling of independent directors' opinions.
2025.1.17 (25th) (6th time)	(1) By appointing Baker Tilly Clock & Co. to handle financial and tax visa matters for 2025 . (2) In order to maintain relations with various banks, the agreed financing amount is used to cover the various credit lines. *In this case, Chairman Guo Linliang is a joint guarantor, and Director Lin Junying is a second-degree relative of the joint guarantor Lai Qiugui, thus involving their own interests. Therefore, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting in this case.	All independent directors All approved

Board of Directors date	The content of the proposal and the implementation of the directors' recusal from proposals involving conflicts of interest.	All independent directors' opinions and the company's handling of independent directors' opinions.
	（3）Nankang International (Stock) Co., Ltd. needs to obtain financing from its banks for working capital needs, and our company intends to act as guarantor . *In this case, Chairman Guo Linliang is a joint guarantor, and Director Lin Junying is a second-degree relative of the joint guarantor Lai Qiugui, thus involving their own interests. Therefore, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting in this case. （4）The year-end bonus scheme for the chairman and managers was approved. *This case involves the year-end bonuses of Chairman Guo Linliang and Director Lin Junying, who also serve as General Manager. Since this involves their own interests, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting of this case. （5）The company regularly discusses its policies, systems, and standards regarding the performance evaluation and compensation of its directors and managers. （6）No motion was passed.	
March 4 , 2025 (25th) (7th time)	（1）Based on the self-assessed financial statements for 2024 . （2）The company will handle the cash reduction case. （3）The reason for applying for a medium-term financing quota from the Chengzhong branch of the Bank of Taiwan. （4）The reason for applying for an export financing quota from the Chengzhong branch of the Bank of Taiwan. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （5）According to the company's " 2024 Internal Control System Statement" . （6）By revising certain articles of the Company's Articles of Association. （7）The company has drafted the arrangements for convening the 2025 Annual General Meeting of Shareholders and announced the acceptance of proposals from shareholders holding 1% or more of the company's shares . （8）No motion was passed.	All independent directors All approved
2025.3.4 (25th) (8th time)	（1）The 2024 Employee Compensation Distribution Report has been approved . （2）Based on the 2024 financial statements . （3）Through the 2024 profit distribution . （4）By setting the ex-dividend date for the Company's 2024 fiscal year . （5）No motion was passed.	All independent directors All approved
April 9, 2025 (25th) (9th time)	（1）In order to incentivize employees and enhance their sense of belonging, the company intends to repurchase its own shares and transfer them to its employees. （2）No motion was passed.	All independent directors All approved

Board of Directors date	The content of the proposal and the implementation of the directors' recusal from proposals involving conflicts of interest.	All independent directors' opinions and the company's handling of independent directors' opinions.
2025.5.14 (25th) (10th time)	（1） The visa accountant will be replaced starting in the first quarter of fiscal year 2025 due to an internal rotation at Baker Tilly Clock & Co. （2） for the first quarter of fiscal year 2025 . （3） The reason for applying for a medium-term financing quota from the Jian Guo branch of Chang Hwa Bank. （4） The reason for applying for a financing quota from Taishin Bank. （5） The company has revised its "Employee Share Buyback and Transfer Policy". （6） The company has made additions and revisions to its "Internal Control System" and "Internal Audit Implementation Rules". （7） No motion was passed.	All independent directors All approved
June 16, 2025 (25th) (11th time)	（1） The company has established a "Procedure for Repurchasing Treasury Shares". （2） No motion was passed.	All independent directors All approved
2025.7.8 (25th) (12th time)	（1） In order to incentivize employees and enhance their sense of belonging, the company intends to repurchase its own shares and transfer them to its employees. （2） The reason for applying for a financing quota from Shin Kong Bank. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （3） The reason for applying for a financing line from First Bank. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （4） No motion was passed.	All independent directors All approved

Board of Directors date	The content of the proposal and the implementation of the directors' recusal from proposals involving conflicts of interest.	All independent directors' opinions and the company's handling of independent directors' opinions.
August 14 , 2025 (25th) (13th time)	（1） for the second quarter of 2025 . （2） in the first half of 2025 . （3） The company intends to lend funds to its wholly-owned subsidiary, Nanrong Development & Construction Co., Ltd., to support the company . *In this case, Chairman Guo Linliang and Director Chen Hengkuan concurrently serve as Chairman and Supervisor of Nanrong Development and Construction (Stock) Co., Ltd., respectively, which involves their own interests. Therefore, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting in this case . （4） The reason for applying for a financing quota from the Land Bank. （5） The reason for applying for an export credit line from a Taiwanese bank. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （6） Nankang International Co., Ltd. applied for an export financing quota from the Bank of Taiwan due to its operational needs, and our company intends to act as guarantor. *In this case, Chairman Guo Linliang is a joint guarantor, and Director Lin Junying is a second-degree blood relative of Ms. Lai Qiugui, Chairman of Nankang International (Stocks). Due to their conflicting interests, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting in this case . （7） The reason for applying for an import financing quota from a Taiwanese bank. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （8） The reason for applying for an export financing quota from Chang Hwa Bank. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （9） The representatives nominated by the proposed audit committee are the Company and Taifeng Tire. *This case involves a conflict of interest because Chairman Guo Linliang also serves as Chairman of Taifeng Tire (Stock) Co., Ltd., and Independent Director Wu Siyi acted as the signing representative. Therefore, Chairman Guo Linliang appointed Director Chen Mengxiu as the acting chairman. （10） The relevant matters were discussed in the revised Operating Procedures for the Preparation and Assurance of Sustainability Reports. （11） Based on the preparation of the 2024 Sustainability Report . （12） The company has revised its "Employee Share Buyback and Transfer Policy". （13） No motion was passed.	All independent directors All approved

Board of Directors date	The content of the proposal and the implementation of the directors' recusal from proposals involving conflicts of interest.	All independent directors' opinions and the company's handling of independent directors' opinions.
2025.11.4 (25th) (14th time)	(1) In order to incentivize employees and enhance their sense of belonging, the company intends to repurchase its own shares and transfer them to its employees. (2) No motion was passed.	All independent directors All approved
2025.11.12 (25th) (15th time)	(1) for the third quarter of 2025 . (2) The Company entered into an "Equipment Procurement Contract for Guanyin Plant of Taifeng Tire Co., Ltd." with the representative nominated by the proposed authorized audit committee . *Because Chairman Guo Linliang also serves as Chairman of Tai Fung Tire (Stock) Co., Ltd., and Independent Director Wu Siyi serves as the signing representative, there is a conflict of interest. Therefore, they should recuse themselves from the discussion and voting on this case, and Chairman Guo Linliang has appointed Director Zhang Jingyi as the acting chairman. (3) Matters related to the disposal of real estate to natural persons by our company. (4) According to the Company’s 2026 Annual Audit Plan . (5) By defining the scope of the company's entry-level employees. (6) By revising the company's "Code of Practice for Sustainable Development". (7) The company regularly discusses its policies, systems, and standards regarding the performance evaluation and compensation of its directors and managers. (8) No motion was passed.	All independent directors All approved
2026.1.5 (25th) (16th time)	(1) In order to incentivize employees and enhance their sense of belonging, the company intends to repurchase its own shares and transfer them to its employees. (2) No motion was passed.	All independent directors All approved
February 4, 2026 (25th) (17th time)	(1) Regarding the company's appointment of Baker Tilly Clock & Co. to handle financial and tax matters for 2026 . (2) Our company plans to establish the position of "Sustainability Executive". *Since this case involves discussions of the appointment of Director Lin Junying, which involves personal interests, she should recuse herself during the discussion and voting. (3) The company plans to establish a Sustainable Development Committee and its list of members. *Since this case involves discussions of the appointment of Director Lin Junying, which involves personal interests, she should recuse herself during the discussion and voting. (4) The case of Qiu Qiping, assistant manager of the management department, being promoted to assistant manager. (5) By defining the scope of the company's entry-level employees for 2026 . (6) The year-end bonus scheme for the chairman and managers was approved. *This case involves the year-end bonuses of Chairman Guo Linliang and Director Lin Junying, who also serve as General Manager. Since this involves their own interests, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting of this case .	All independent directors All approved

Board of Directors date	The content of the proposal and the implementation of the directors' recusal from proposals involving conflicts of interest.	All independent directors' opinions and the company's handling of independent directors' opinions.
	（7）The company regularly discusses its policies, systems, and standards regarding the performance evaluation and compensation of its directors and managers. （8）No motion was passed.	
February 23, 2026 (25th) (18th time)	（1）In order to incentivize employees and enhance their sense of belonging, the company intends to repurchase its own shares and transfer them to its employees. （2）No motion was passed.	All independent directors All approved
2026.3.11 (25th) (19th time)	（1）Based on the self-assessed financial statements for 2025 . （2）to purchase residential units and parking spaces jointly owned with the Company in the World Pearl project from related parties, Zhikai Development Co., Ltd. and Yuanrui Development Industrial Co., Ltd. （3）In order to maintain relations with various banks, the agreed financing amount is used to cover the various credit lines. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （4）Nankang International (Stock) Co., Ltd. needs to obtain financing from its banks for working capital needs, and our company intends to act as guarantor . *In this case, Chairman Guo Linliang is a joint guarantor, and Director Lin Junying is a second-degree relative of Ms. Lai Qiugui, which involves their own interests. Therefore, the Chairman appointed Independent Director Wu Siyi to act as his proxy to preside over the discussion and voting in this case. （5）The reason for applying for a medium-term loan quota from Chang Hwa Bank's Jian Guo branch. *In this case, Chairman Guo Linliang is a joint guarantor, which involves his own interests. Therefore, the chairman appointed independent director Wu Siyi to act as his agent to preside over the discussion and voting in this case. （6）The reason given was to apply for a short-term loan quota from the Chengzhong branch of the Bank of Taiwan. （7）According to the company's " 2025 Internal Control System Statement" . （8）No motion was passed.	All independent directors All approved
2026.3.11 (25th) (20th time)	（1）The 2025 employee (including frontline employees) compensation distribution will be implemented . （2）for 2025 . （3）Through the 2025 profit distribution . （4）The company has amended its "Director Election Procedure". （5）The company passed a resolution to amend its "Rules of Procedure for Shareholders' Meetings". （6）By setting the ex-dividend date for the Company's 2025 fiscal year . （7）The Company hereby approves the drafting of the 2026 Annual General Meeting of Shareholders and announces the acceptance of proposals from shareholders holding 1% or more of the Company's shares . （8）No motion was passed.	All independent directors All approved

(10) If any director or supervisor has expressed dissenting opinions on important resolutions passed by the board of directors in the most recent year or up to the date of publication of the annual report, and there are records or written statements there, the main content of which is: No such situation exists.

IV.Visa Accountant Public Funding Information

（1） Visa Accountant Public Funding Information

Amount unit: New Taiwan Dollar/Thousand

Accounting firm name	Accountant's Name	During the accountant's audit	audit Public funds	Non-audit Public funds	total	Remark
Baker Tilly Clock & Co	Li-Chen Peng	January 1, 2025 to December 31, 2025	5,450	380	5,830	
	Chi-Ping Lin					

（2） Non-audit services provided free of charge: Other financial consultation (assistance with reading annual reports and meeting minutes, including financial information).

Note :

1. If an accounting firm is changed and the audit fee paid in the year of the change is less than the audit fee in the year before the change, the amount of audit fee before and after the change and the reason should be disclosed: This situation does not exist.
2. If the audit expenses decrease by more than 10% compared to the previous year, the amount, percentage, and reasons for the decrease in audit expenses should be disclosed: This situation does not exist.

V.Change accountant information: Not applicable.

VI.whether the company's chairman, general manager, or manager in charge of finance or accounting affairs has worked for the firm of the certified public accountant or its affiliated companies within the past year : No such case exists.

VII.Changes in the shareholding structure of directors, managers, and major shareholders

(i) For the most recent annual report and up to the date of publication of the annual report, please refer to the Public Information Observation Station → Summary Table of Changes in Shareholdings of Directors, Supervisors, Managers, and Shareholders Holding More Than 10% of Shares for any changes in shareholdings .
Website: https://mopsplus.twse.com.tw/mops/#/web/stapap1_all

(ii) the counterparties in equity transfers or equity pledges are not related parties, information on equity transfers and equity pledges is not disclosed.

VIII.Information on the relationships between the top ten shareholders by shareholding percentage.

March 28 , 2026 Unit : Shares; %

Name (Note 1)	I hold shares		Shares held by spouse and minor children		Shares held in the names of others		For the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship, please provide their names or surnames and their relationships. (Note 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or full name)	relation	
Nanguan Tire (Stock) Company Representative: Zhang Yueyi	123,644,256 -	16.85% -	-	-	-	-	none	none	Abbreviation: south crown
Yuanrui Development Industry (Stock) Co., Ltd. Representative: Wang Zhongzheng	68,542,796 154,558	9.34 % 0.02%	-	-	-	-	Zhikai Development (Stock) Co., Ltd.	Chairman Wang Zhongzheng is the chairman of Yuanrui.	Abbreviation: Yuanrui
Yuanhong Development Industry (Stock) Co., Ltd. Representative: Zheng Jinmu	40,585,191 715,524	5.53% 0.10%	-	-	-	-	none	none	Abbreviation: Yuan Hong
Quanye Investment Co., Ltd. Representative: Jiang Mingdong	29,625,179 -	4.04% -	-	-	-	-	none	none	Abbreviation: Quan Ye
Zhikai Development (Stock) Co., Ltd. Representative: Wang Zhongzheng	27,744,728 154,558	3.78% 0.02%	-	-	-	-	Yuanrui Development Industry (Stock) Co., Ltd.	Chairman Wang Zhongzheng is the chairman of Zhikai.	Abbreviation: Zhikai
Lin Junying	16,663,181	2.27%	-	-	-	-	none	none	none
Guoqiang Technology (Stock) Co., Ltd. (Repeated)	8,849,913	1.2 1 %	-	-	-	-	none	none	none
Taifeng Tire Co., Ltd. Representative: Guo Linliang	7,100,000	0.97%	-	-	-	-	Guo Linliang	Chairman Guo Linliang is the Chairman of the Board of Directors of this company.	none
Farglory Life Insurance Co., Ltd. Representative: Meng Jiaren	6,863,027	0.94%	-	-	-	-	none	none	none

Standard Chartered International Commercial Bank's business department is entrusted with the safekeeping of Advanced Starlight Fund Management Co., Ltd.'s series of funds, Advanced Total International Equity Index Fund investment account.	3,722,201	0.51%	-	-	-	-	none	none	none

Note 1: All of the top ten shareholders have been listed. For corporate shareholders, the names of the corporate shareholders and their representatives are listed separately.
Note 2: The calculation of shareholding ratio refers to the shareholding ratio calculated separately in one's own name, spouse's name, minor children's name, or in the name of another person.
Note 3: The shareholders listed above include legal persons and natural persons, and their relationships are disclosed in accordance with the issuer's financial reporting preparation standards.

IX.Overall shareholding ratio

December 31, 2025 Unit : Shares; %

Investee businesses (Note)	Our company's investment		Directors, supervisors, managers, and investors in businesses directly or indirectly controlled by them.		Comprehensive Investment	
	Number of shares (shares)	Shareholding ratio	Number of shares (shares)	Shareholding ratio	Number of shares (shares)	Shareholding ratio
Taipei Nan Hong Tire (Stock) Company	900,000	100.00	-	-	900,000	100.00
Nanguan Tires (Stock) Company	549,994	20.37	-	-	549,994	20.37
Nanrong Development Construction (Stock) Company	421 , 574 , 935	100.00	-	-	421 , 574 , 935	100.00
Nankang Tires (Singapore) Private (owned) company	SGD 10,410,687	100.00	-	-	SGD 10,410,687	100.00
Nankang International (Stock) Company	USD 43,040,000	100.00	-	-	USD 43,040,000	100.00
Southport Holland (There is) a company	EUR 6 00	100.00	-	-	EUR 600	100.00
Nankang Yisheng Property Management Consulting (Stock) Company	200,000	40.00	-	-	200,000	40.00
Taifeng Tires (Stock) Company	148,768,000	31.43	-	-	148,768,000	31.43

Note : This refers to investments made by the company using the equity method.

III.Fundraising situation

一、Company capital and shares

（一）Source of equity

March 28, 2026; Unit: Thousand shares/Thousand yuan

years	Issue price	Approved share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Those who use assets other than cash to offset share payments	other
1948/01	100.00	450.00	45000.00	225.00	22500.00	set up	-	
1949/02	100.00	450.00	45000.00	450.00	45000.00	Cash capital increase	-	
1950/03	100.00	675.00	67500.00	675.00	67500.00	Cash capital increase	-	
1954/05	100.00	1000.00	100000.00	1000.00	100000.00	Cash capital increase	-	
1954/08	50.00	2000.00	100000.00	2000.00	100000.00	Change denomination	-	
1958/10	50.00	2200.00	110000.00	2200.00	110000.00	Capitalization of surplus and capital reserve	-	
1962/08	50.00	2420.00	121000.00	2420.00	121000.00	Earnings transferred to capital increase	-	
1963/05	50.00	3660.00	183000.00	3660.00	183000.00	Cash capital increase	-	
1963/07	50.00	4144.00	207200.00	4144.00	207200.00	Earnings transferred to capital increase	-	
53/07	50.00	4703.60	235180.00	4703.60	235180.00	Earnings transferred to capital increase	-	
54/07	50.00	7200.00	360000.00	4938.78	246939.00	Earnings transferred to capital increase	-	
55/03	50.00	7200.00	360000.00	6600.00	330000.00	Cash capital increase	-	
55/07	50.00	7200.00	360000.00	7000.00	350,000.00	Earnings transferred to	-	

years	Issue price	Approved share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Those who use assets other than cash to offset share payments	other
						capital increase		
56/07	50.00	7420.00	371000.00	7420.00	371000.00	Earnings transferred to capital increase	-	
56/12	50.00	10420.00	521000.00	10420.00	521000.00	Cash capital increase	-	
57/07	50.00	11384.60	569230.00	11384.60	569230.00	Capitalization of surplus and capital reserve	-	
58/05	10.00	74322.99	743229.90	74322.99	743229.90	Cash capital increase, transfer of surplus and capital reserve to capital increase	-	
59/06	10.00	81280.00	812800.00	81280.00	812800.00	Capitalization of surplus and capital reserve	-	
60/07	10.00	100000.00	1,000,000.00	87782.40	877824.00	Capitalization of surplus and capital reserve	-	
61/03	10.00	100000.00	1,000,000.00	92782.40	927824.00	Cash capital increase	-	
62/08	10.00	100000.00	1,000,000.00	94638.05	946380.48	Capital Conversion from Public Funds	-	
65/03	10.00	100000.00	1,000,000.00	100000.00	1,000,000.00	Cash capital increase	-	
66/04	10.00	150,000.00	1,500,000.00	112500.00	1,125,000.00	Cash capital increase	-	
68/06	10.00	150,000.00	1,500,000.00	129375.00	1293750.00	Cash capital increase	-	

years	Issue price	Approved share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Those who use assets other than cash to offset share payments	other
74/10	10.00	150,000.00	1,500,000.00	135843.75	1358437.50	Capital Conversion from Public Funds	-	
75/05	10.00	238800.00	2,388,000.00	173880.00	1738800.00	Capitalization of surplus and capital reserve	-	Note 1
76/08	10.00	238800.00	2,388,000.00	208656.00	2086560.00	Capital Conversion from Public Funds	-	Note 2
77/07	10.00	320000.00	3,200,000.00	260820.00	2608200.00	Capitalization of surplus and capital reserve	-	Note 3
80/07	10.00	320000.00	3,200,000.00	148667.40	1486674.00	Capital reduction	-	
81/08	10.00	320000.00	3,200,000.00	260820.00	2608200.00	Cash capital increase	-	Note 4
84/07	10.00	480000.00	4,800,000.00	359228.00	3592280.00	Earnings transferred to capital increase	-	Note 5
85/08	10.00	600000.00	6,000,000.00	520880.60	5208806.00	Earnings transferred to capital increase	-	Note 6
86/05	10.00	1,000,000.00	10000000.00	677144.78	6771447.80	Earnings transferred to capital increase	-	Note 7
100/06	10.00	1,000,000.00	10000000.00	717773.47	7177734.70	Earnings transferred to capital increase	-	Note 8
100/10	10.00	1,000,000.00	10000000.00	720446.84	7204468.40	Number of convertible shares of corporate bonds	-	Note 9

years	Issue price	Approved share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Those who use assets other than cash to offset share payments	other
101/10	10.00	1,000,000.00	10000000.00	878945.14	8789451.40	Capitalization of surplus and capital reserve	-	Note 10
2013/08	10.00	1,000,000.00	10000000.00	879893.90	8798939.00	Number of convertible shares of corporate bonds	-	Note 11
103/10	10.00	1,000,000.00	10000000.00	844922.90	8449229.00	Cancellation of Treasury Shares and Capital Reduction	-	
104/02	10.00	1,000,000.00	10000000.00	833934.90	8339349.00	Cancellation of Treasury Shares and Capital Reduction	-	
2025/08	10.00	1,000,000.00	10000000.00	733934.9	7339349.00	Cash reduction	-	Note 12

Note :

（1）On April 25, 1986, the Taishin Financial Securities (I) Letter No. 30420 approved the transfer of NT$244,518,750 from surplus to capital and NT$135,843,750 from capital reserve to capital.

（2）On August 30, 2018, the Taishin Financial Securities (I) Letter No. 67636 approved the transfer of capital reserve to increase capital by NT$347,760,000.

（3）On May 14, 1988, the Taishin Financial Information Service (I) approved the transfer of NT$312,984,000 of surplus to capital and NT$208,656,000 of capital reserve to capital.

（4）the Taiwan Finance and Economics Securities (I) Letter No. 0920108712 on March 12, 2003, and the stock was restricted from trading. The stock was delisted on December 6, 2006.

（5）The capital increase from the retained earnings was approved by the Financial Institutional Registry on May 5, 2006 (Letter No. 0950115542) with a capital increase of NT$984,080,000, and trading on the stock exchange was restricted; the stock exchange was delisted on December 6, 2006.

（6）The transfer of profits to capital has been approved by the Financial Regulatory Commission (FRC) under document number 0960039828 on August 1, 2009, with a total transfer of RMB 1,616,526,000.

（7）The transfer of profits to capital has been approved by the Financial Regulatory Commission (FRC) under document number 0970019241 (97.5.6), amounting to RMB 1,562,641,800.

（8）The transfer of profits to capital was approved by the Financial Regulatory Commission (FRC) on June 27, 2019, with a total amount of RMB 406,286,860.

（9）The conversion of convertible corporate bonds into ordinary shares was approved and registered on October 20, 2010, with a capital increase of RMB 26,733,690.

（10）The issuance of new shares through the transfer of surplus and capital reserve was approved by the Ministry of Commerce on October 12, 2011, with RMB 1,368,848,980 transferred from surplus to capital reserve and RMB 216,134,050 transferred from capital reserve.

（11）The conversion of convertible corporate bonds into ordinary shares was approved and registered on August 15, 2013, with a capital increase of RMB 9,487,660.

（12）This cash capital reduction has been approved and registered on August 18, 2025, with the approval document number 11430122680.

Types of shares	Approved share capital	Remark

	Outstanding Shares	Unissued shares	total	
Registered common stock	733,934,904	266,065,096	1,000,000,000	outstanding shares are listed stocks.

Summary of reporting system information: Not applicable

(二) List of major shareholders

Shareholders holding 5% or more of the shares or ranking among the top ten shareholders.

March 28 , 2026

Name	Number of shares	Shareholding ratio
Nanguan Tire (Stock) Company	123,644,256	16.85%
Yuanrui Development Industry (Stock) Co., Ltd.	68,542,796	9.34%
Yuanhong Development Industry (Stock) Co., Ltd.	40,585,191	5.53%
Quanye Investment Co., Ltd.	29,625,179	4.04%
Zhikai Development (Stock) Co., Ltd.	27,744,728	3.78%
Lin Junying	16,663,181	2.27%
Guoqiang Technology (Stock) Co., Ltd. (Repeated)	8,849,913	1.21%
Taifeng Tire Co., Ltd.	7,100,000	0.97%
Farglory Life Insurance Co., Ltd.	6,863,027	0.94%
Standard Chartered International Commercial Bank's business department is entrusted with the safekeeping of Advanced Starlight Fund Management Co., Ltd.'s series of funds, Advanced Total International Equity Index Fund investment account.	3,722,201	0.51%

（三）Company dividend policy and its implementation

1. Dividend Policy:

   The Company may distribute profits or cover losses after the end of each semi-annual accounting period. If there is a surplus in each semi-annual accounting period, the Company shall first estimate and retain taxes payable, cover accumulated losses, estimate and retain employee compensation, and then set aside 10% as statutory surplus reserve; and shall also set aside or reverse special surplus reserve in accordance with the law. If there is still a surplus, the balance plus the accumulated undistributed surplus of the preceding semi-annual accounting period shall be used as shareholder dividends. The Board of Directors shall draft a profit distribution proposal. When the profit is distributed in cash, it shall be approved by the Board of Directors. When the profit is distributed by issuing new shares, it shall be submitted to the Shareholders' Meeting for approval before distribution.

   Our company's main business is the tire industry, with diversified operations. Currently, the tire industry is in its mature stage, and we adopt a residual dividend policy. Given the funding needs for equipment maintenance and upgrades, production technology, and factory expansion plans in the coming years, we first retain the necessary funds for financing the remaining profits, and then distribute the remaining profits as cash dividends. In principle, stock dividends account for 70% to 100% of the profit distribution, while cash dividends account for 0% to 30% . However, these ratios can be adjusted as needed. Any adjustments to these ratios due to actual needs should take into account the funds required for the company's future investment plans and long-term financial planning. If the funds required for the company's future investment plans and long-term financial planning are less than 50% of the distributable profits for the year, the cash dividend payout ratio can be increased to 50% .

2. Regarding the proposed dividend distribution at this shareholders' meeting: The Company's 2025 profit distribution plan was resolved by the Board of Directors on March 11, 2026, as follows :

project	Amount: Thousand Yuan
Beginning retained earnings	1,600,739
Add : Net profit (loss) after tax for 2025	809,784
Add : Reversal of Special Surplus Reserve	2,356
Add : Determine the employee benefits actuarial plan (profit and loss) for fiscal year 2025.	13,182
Distributable surplus for this year	2,426,061
Project allocation :	
1. 10% of the statutory reserve fund shall be allocated.	82,532
II. Distribution of Dividends	
Cash dividend for the second half of 2025 (RMB 0.7 per share)	506,149
III. Retained Earnings	1,837,380
total	2,426,061

（四）Impact of the proposed free share placement at this shareholders' meeting on the company's operating performance and earnings per share: As the company has not conducted public financial forecasts, it is unable to estimate or formulate the impact of the free share placement on the company's operating performance and earnings per share.

（五）Employee and Director Compensation

1. The percentage or scope of remuneration for employees, directors, and supervisors as stipulated in the Articles of Association:

   If the Company has a profit at the end of each year (profit refers to pre-tax profit before deducting employee remuneration), it shall allocate 0.1% to 1% as employee remuneration, to be distributed by the Board of Directors and reported to the Shareholders' Meeting. However, if the Company has accumulated losses, an amount shall be reserved to cover the losses before allocating employee remuneration , and the remaining balance shall be allocated according to the aforementioned proportion .

   Of the aforementioned employee remuneration amount, no less than 30% shall be allocated to junior employees.

   When the employee remuneration mentioned above is paid in shares or cash, the recipients include employees of subsidiary companies who meet certain conditions.

2. between the estimated amounts of employee, director and supervisor remuneration, the basis for calculating the number of shares for employee remuneration distributed in stock, and the actual amount distributed in the current period and the estimated amounts is as follows: these discrepancies are recognized as profit or loss adjustments for the following year.
3. Board of Directors approved the distribution of remuneration as follows:
   A. If there is a difference between the amount of employee compensation and director/supervisor compensation distributed in cash or stock and the estimated amount for the year in which expenses are recognized, the difference, the reason and the handling shall be disclosed: The estimated cash compensation for employees in 2025 is NT $ 985,000 .
   B. The amount of employee compensation distributed in stock and its percentage of the total net profit after tax and total employee compensation in the individual financial statements for the current period: The Company has not proposed to distribute employee stock compensation for the year 2025 .
4. The actual distribution of shares to employees and directors in the previous year (including the number of shares distributed, the amount, the reason and the share price), and any differences between these and the recognized amount , the reasons and the handling of the differences: all distributions were completed in October 2025 .

Distribution method	**cash**			**stock**			
project	Actual distribution Amount	Number of differences	Reasons for the difference	Actual distribution Number of shares	share price	Number of differences	Reasons for the difference
Employee compensation	2,203,000 yuan	none	none	not applicable			

（六）Company's repurchase of its own shares :

1. Company's share buyback program (completed):

buy issue	16th	17th	18th	19th	20th
buy Purpose	Transfer of shares For employees	Transfer of shares (For employees)	Transfer of shares For employees	Transfer of shares For employees	Transfer of shares For employees
Expected repurchase Quantity (shares)	11,000,000	2,200,000	2,200,000	2,200,000	2,200,000
Actual buyback period	2025/4/17~ 2025/6/5	2025/7/31~ 2025/9/3	2025/11/5~ 2026/1/2	2026/1/6- 2026/2/3	2026/2/24- 2026/3/9
Actual repurchase range Price (RMB)	35.30~40.05	37.50~40.95	36.25~37.50	34.80~37.20	33.30~36.00
Shares already bought back Types and Quantities (Thousands of shares)	Common stock Before the capital reduction: 3,199,000 shares After the capital reduction: 2,816,000 shares	Common stock Before the capital reduction: 1,833,000 shares After the capital reduction: 1,613,000 shares	Common stock 2,037,000 shares	Common stock 2,200,000 shares	Common stock 2,200,000 shares
Share buyback Amount (in thousands of dollars)	Before the capital reduction: 121,439 thousand yuan After the capital reduction: 117,603,000 yuan	Before the capital reduction: 72,403,000 yuan After the capital reduction: 70,205,000 yuan	74,913 thousand yuan	80,712 thousand yuan	76,560,000 yuan
Cancellation has been processed or transfer of shares Quantity (thousand shares)	--	--	--	--	--
Cumulative holdings Company shares Quantity (thousand shares)	Before the capital reduction: 3,199,000 shares	Before the capital reduction: 5,032,000 shares	6,466,000 shares	8,666,000 shares	10,866,000 shares

	After the capital reduction: 2,816,000 shares	After the capital reduction: 4,429,000 shares			
The percentage of shares held by the company as a percentage of the total issued shares	0.38%	0.60%	0.88%	1.18%	1.48%

Note : At its annual shareholders' meeting on May 22, 2025, the Company resolved to reduce its capital by NT$1 billion in cash, canceling 100,000 shares , representing a capital reduction ratio of 11.9913436%. The base date for the issuance of new shares was September 12, 2025 (which were returned to shareholders on September 15 , 2025) .

2. Company share buybacks (currently underway): None.

二、Status of corporate bond (including overseas) processing: None .
Information on exchanged corporate bonds: No such situation exists.
Information on overseas corporate bonds: No such case.

三、Status of special shares: None.

四、Status of overseas depositary receipt processing: None.

五、Status of employee stock warrants: None.

六、Circumstances regarding restrictions on employee rights in new share issuance: None.

七、Status of issuing new shares for mergers and acquisitions or acquisitions of shares in other companies: None.

八、Status of fund utilization plan implementation: None.

IV.Operational Overview

一、Business Content

（一）Business Scope

1. The business operations of Nankang Tire Co., Ltd. are as follows, in accordance with Article 2 of the company's articles of association:
   （1）C804010 Tire manufacturing industry.
   （2）CC01010 Power generation, transmission and distribution machinery manufacturing industry.
   （3）CC01030 Electrical and audio-visual electronic product manufacturing.
   （4）CC01060 Wired communication machinery and equipment manufacturing industry.
   （5）CC01070 Wireless communication machinery and equipment manufacturing industry.
   （6）CC01080 Electronic Components Manufacturing.
   （7）CC01990 Other electrical and electronic machinery manufacturing industries.
   （8）F114050 tire wholesale business.
   （9）F214050 tire retail industry.
   （10）F301020 Supermarket industry.
   （11）F401010 International Trade.
   （12）F501060 Restaurant industry.
   （13）G202010 Parking lot operation.
   （14）G801010 Warehousing industry.
   （15）H701010 Residential and building development, leasing and sales.
   （16）H701020 Industrial plant development, leasing and sales.
   （17）H701040 Development of Specialized Industrial Zones.
   （18）H701050 Investment in public construction.
   （19）H701060 New town and new community development.
   （20）I301010 Information software services industry.
   （21）J701020 Amusement park industry.
   （22）J901020 General hotel industry.
   （23）JE01010 Leasing industry.
   （24） In addition to its licensed business, ZZ99999 may engage in businesses that are not prohibited or restricted by law.

   The operation of the above-mentioned business shall be carried out in accordance with relevant laws and regulations.
2. Main products and their sales proportion

Revenue share of each business segment in 2025

Unit: NT$1,000; %

Business Content	Revenue Amount - Individual	Revenue share - Individual	Revenue Amount - Consolidated	Operating Proportion - Consolidation
Tires - Cars	6,683,194	98.99	8,187,793	97.10
Tires- Motorcycles	68,290	1.01	83,323	0.99
Tires - Other	36	-	1,375	0.02

Construction (Note 1)	-	-	159,498	1.89
Total (Note 2)	6,751,520	100.00	8,431,989	100.00

Note 1: Construction revenue recognized by subsidiary Nan Rong Development & Construction (Stock) Co., Ltd.
Note 2: Consolidated Revenue - Tire Total: 8,272,491,000 yuan (representing 98.11% of consolidated revenue) .

3. The company's current product (service) items:
   (1) Automobile tires (electric vehicle EV tires, light truck LT tires, passenger car PC tires, snow ST tires, recreational vehicle RV tires, semi-slick tires, etc.).
   (2) Motorcycle tires (MCR heavy motorcycle tires and MC/SC general motorcycle tires).
   (3) Truck tires.
   (4) other.
4. New products planned for development
   (1) the new generation PCR all-season tire AW-9 in Europe.
   (2) new AT-PRO in Europe.
   (3) Japan is developing a new snow tire, the AW-1EVO.
   (4) the new North American racing tire CR-SR.
   (5) the next-generation European SUV NEX-1 has been expanded.
   (6) of the new generation European performance tire AS-3 has been expanded.
   (7) The new RT tire series RT+ has been further developed.

(二) Industry Overview

1. Current Status and Development of the Industry

Benefiting from the improvement of industrial R&D technology and the demand for high-priced products, and the market's general tendency to extend the service life of cars by replacing parts, the sales and export situation has improved. However, the sales performance of the low-priced tire market has been slightly suppressed by the adverse effects of rising raw material prices, low-price market competition, and increased tariffs and anti-dumping duties . Therefore, the development of high-niche product markets is particularly important.

Our company mainly produces tires for motor vehicles, with light truck tires and passenger car tires accounting for over 99% of our production. In recent years, we have also been actively investing in the research and development of high-niche products such as electric vehicle tires and racing tires in order to boost sales momentum.

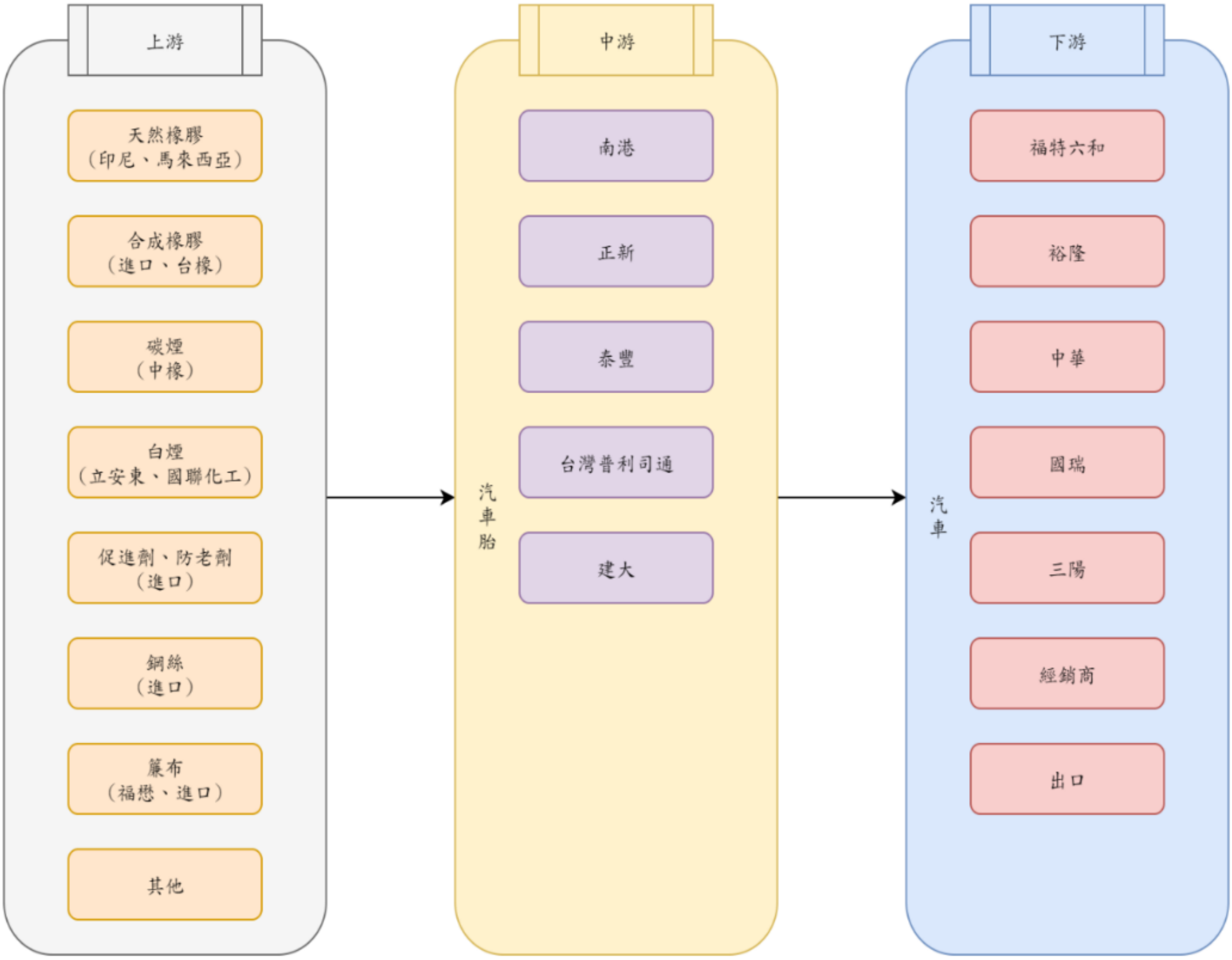
The daily production capacity of PCR, 4x4, and LTR equipment at the Hsinfeng plant in Taiwan has increased to over 20,000 units.

The Zhangjiagang plant in China started production in 2023. In 2025, its operating revenue was 3.4 billion yuan , accounting for about 41% of the consolidated operating revenue of tires . Currently, the equipment's maximum daily production capacity can reach more than 18,000 tires .

2. Interconnection between upstream, midstream and downstream industries

Our company manufactures tires. The upstream of our industry consists of raw materials such as rubber, soot, and steel wire, while the downstream consists of new car manufacturers and dealers. The relationship between the upstream, midstream, and downstream sectors is

國內汽車輪胎業產業關聯圖



shown in the diagram below:

3. Product Development Trends

focuses on the development of fully slick tires, UHP (wet grip A, rolling resistance B), and the global market 4×4 series (RT, MT).

Environmental awareness, policies, and power infrastructure in Europe and the United States have clearly fueled the growth trend of electric vehicles. In response to the low pollution, low noise, and high torque characteristics of these vehicles, tire performance must be appropriately matched to their features. For example, improved fuel efficiency reduces environmental pollution, low-noise tread patterns enhance the quietness of the ride, and durable tread compounds prevent rapid tire wear caused by the high torque of electric vehicles. This advanced product can broaden the differentiation of our company's products from other brands, enhance competitiveness, and increase product sales profits.

4. Competition in the industry

Well-known brands such as MICHELIN, BRIDGESTONE, and CONTINENTAL are not directly affected due to their different market positioning. Their main competitors are domestic brands Cheng Shin, Tai Feng, and Kenda, and South Korean brands KUMHO and HANKOOK. In 2021, the U.S. Department of Commerce's ruling on anti-dumping and countervailing duties (anti-dumping and countervailing duties) on four Asian countries (Thailand, Vietnam, South Korea, and Taiwan) severely impacted Taiwanese businesses, forcing manufacturers to accelerate investment plans in Southeast Asia and expand into other markets to mitigate the effects of the anti-dumping and countervailing policies. Conversely, the deadline for Chinese brands to be affected by the U.S. anti-dumping and countervailing policies is approaching, and sales in the Americas are expected to increase.

In 2022, the automotive manufacturing industry was unable to escape the impact of the COVID-19 pandemic . While the shortage of automotive chips forced major automakers to reduce production, they instead increased their R&D capacity for electric vehicles. Anticipating the huge market demand, Nankang accelerated its R&D work on electric vehicle tires, incorporating its technological achievements in recent years into upcoming new products to meet the performance expectations of top European markets. Given the rising cost of raw materials and the impact of exchange rates, the company has adjusted its business strategy as follows :

（1）Increase the production of high-value-added products: Europe focuses on the development of all-season tires and snow tires ; the US, Australia and Middle East markets focus on 18-26 inch PCRUHP tires, while expanding the light-duty series for 4x4/SUV vehicles; Asia and Oceania expand special modification specifications, retro all-white edge and retro two-tone tires and other high-profit products to increase gross profit; invest in racing tire MC/SC products to increase profits in the domestic market .

（2）The research and development simulation program is continuously being improved (including noise simulation, structural simulation, real vehicle simulation, etc.).

（3）The use of sustainable and recycled materials (including synthetic rubber, tire cord fabric , carbon black, white smoke, recycled rubber BIIR, etc.).

(4) Adjust the customer segment structure in the region and increase the number of flagship stores.
(5) Strengthening export markets: Exports account for 94% of total sales, with Europe, the US, and Japan accounting for 78.9% of exports, all of which are high- priced products. (Based on consolidated revenue)
(6) Reduce production costs: Improve manufacturing processes, reduce scrap rates, and shift some production to mainland China to reduce manufacturing costs.
(7) Strengthen financial risk management: Forward foreign exchange trading, product liability insurance, and pre-purchase of major raw materials can help avoid the risk of increased production costs when material prices are high.
(8) Strengthen internal control management and reduce costs and expenses.

(三) Technology and R&D Overview

1. Research and development expenses invested each year for fiscal year 2025 and up to February 28, 2026:
   (1). 2025: 88,394 thousand yuan.
   (2). 2026 fiscal year ending February 28: 14,276,000 yuan.
2. Key technologies or products successfully developed this year
   (1). Continue to expand the development of the new generation SUV series NEX-1.
   (2). Continue to expand the development of the novel PCR series AS-3.
   (3). Continue to complete the expanded development of the new RT series RT+.

(四) Long-term and short-term business development plans

1. Long-term business development plan:

   In the future, our company plans to establish sales outlets in major markets around the world to expand overseas markets (such as setting up branches to serve local markets). Since 2010, our European branch has been in operation. In the future, in response to increased production capacity, we will increase revenue through the introduction of new channels and new products.
2. Short-term business development plan:

   In response to rising raw material costs, the company plans to maintain its annual gross margin by adjusting its product portfolio and implementing automated production, and will expand sales in the European and African markets in fiscal year 2025.

二、Market and Production Overview

(一) Market Analysis

1. Sales regions of main products (services)
   (1). Automobile tires (light truck tires LT, passenger car tires PC, snow tires, SUV tires, etc.) account for approximately 99.9% of revenue (including purchased goods, based on consolidated data).
   (2). Our company (individual) accounts for 14% of the domestic tire market in Taiwan and 86% of the tire export market in Taiwan . [Based on consolidated tire revenue: domestic tire sales in Taiwan account for 13% of total consolidated tire revenue, domestic sales in mainland China (which are classified as exports in consolidated tire

revenue) account for 3%, and the total tire export market accounts for 87%] .

(3). Major sales regions in 2025:

Unit: NT$1,000

Sales regions		Operating Revenue - Individual				Operating Revenue - Consolidated			
		2024		2025		2024		2025	
		Amount	ratio	Amount	ratio	Amount	ratio	Amount	ratio
Domestic sales (Note 1)		965,358	20.86	930,412	13.78	1,058,177	6.95	1,060,230	12.57
export		3,661,336	79.14	5,821,108	86.22	7,939,842	52.16	7,212,261	85.54
Tire sales total		**4,626,694**	**100.00**	**6,751,520**	**100.00**	**8,998,019**	**59.11**	**8,272,491**	**98.11**
Export sales by region and their percentage of total sales	America	606,223	13.10	654,994	9.70	1,185,023	7.79	1,230,334	14.59
	Europe	991,185	21.43	2,902,830	43.00	3,558,209	23.38	3,380,195	40.09
	mainland	12,007	0.26	18,343	0.27	522,385	3.43	280,527	3.33
	Other Asian	1,019,212	22.03	1,042,163	15.44	1,276,384	8.38	1,070,302	12.69
	other	1,032,709	22.32	1,202,778	17.81	1,397,841	9.18	1,250,903	14.84
Building domestic sales (Note 2)		**-**	**-**	**-**	**-**	**6,225,500**	**40.89**	**159,498**	**1.89**
Total Revenue		**4,626,694**	**100.00**	**6,751,520**	**100.00**	**15,223,519**	**100.00**	**8,431,989**	**100.00**

Note 1: Domestic sales in this table refer to domestic sales of tires from Taiwan.

Note 2: Domestic sales of construction projects in this table refer to the domestic construction revenue of the subsidiary, Nan Rong Development & Construction (Shares) .

2. Market share and future supply and demand and growth potential

(1)Market share: According to the latest 2020 global tire sales ranking published by TireBusiness magazine, Nankang Tire ranked 55th, making it one of the top 60 tire manufacturers in the world.

(2)Future potential supply and growth: After the Taiwan plant increases its production capacity to 20,000 tires per day, it will provide a sufficient supply of passenger car and light truck tires for the main markets of Europe, America, and Japan . Starting in 2020, the research and development and mass production of electric vehicle tires will also be included in the production focus of both plants. Compared with general UHPT tires, the quality advantage of our products will bring more business opportunities to global distributors and agents.

3. Advantages and disadvantages of competitive advantages and development prospects, and corresponding countermeasures:

(1)Competitive niche:

A. Advantageous R&D capabilities and experience: Since its establishment in 1959, our company has accumulated rich experience in the design of professional tires and the development of new products. From product design and manufacturing to the quality and testing of finished products, we hold an important position in the industry. In 2011, we were awarded the honor of being one of the top 100 brands in Taiwan. In April 2013, we were awarded the "2013 Taiwan Excellence Award". In March 2016, AS-2+ was awarded the "Silver Medal for Innovative Products" at the 2016 Taipei International Auto Parts Show organized by the Taiwan External Trade Development Council.

B. Our products are of excellent quality and widely recognized: Our company has long been dedicated to improving tire products, collaborating with internationally renowned companies, and has obtained ISO9001 and ISO14001 quality management system certifications. As a result, the quality of our manufactured products has been highly praised. Our new product, ECO-2+, launched in 2015, also obtained the TÜV SÜDMark tire certification from the German certification body.

C. We have a long-standing and positive relationship with our upstream raw material suppliers, ensuring a stable supply and quality of raw materials.

(2)Advantages and disadvantages of the development prospect and corresponding countermeasures:

A.Favorable factors:

a. The tire industry is a capital-intensive and technology-intensive industry. Due to the high level of capital and technology, it is difficult for new manufacturers to enter the market. At the same time, China adopts a tight policy on new licenses and restricts the development of new production capacity.

b. Having obtained ISO9001 and ISO14001 quality management system certifications and European E-MARK verification, it helps enhance its competitiveness in both domestic and international markets. In October 2006, it passed TS/ISO16949 certification, and in 2007, it was able to begin supplying overseas new car manufacturers, thus adding another sales channel.

c. Because tires are consumable products, they are less affected by economic conditions than other industries.
d. Our company has strong R&D capabilities and frequently develops cutting-edge new products, such as snow tires and high-performance car tires.
e. We have good relationships with domestic and international raw material suppliers, ensuring a stable supply of raw materials.
f. The company has a long history, dating back to 1959. Its image and product quality have been highly recognized by customers.
g. Increase revenue and reduce costs. Actively develop new customers to generate revenue, while diversifying risks to make revenue less susceptible to the influence of a single region or customer; in addition, strengthen cost and expense control to improve profitability.

B.Negative factors:

a. The limited strength of the European economic recovery has led to a decrease in people's purchasing power, which has had an adverse impact on the company's tire sales in the important European market.
b. The price of rubber raw materials is gradually rising, which in turn affects the overall profit margin.
c. Due to the anti-dumping and anti-subsidy measures taken by the United States against mainland China, there is an overcapacity in Chinese tire manufacturers, resulting in a supply exceeding demand in the tire market. Competition in the low-to-medium priced tire market is expected to intensify, which will have an adverse impact on tire prices.

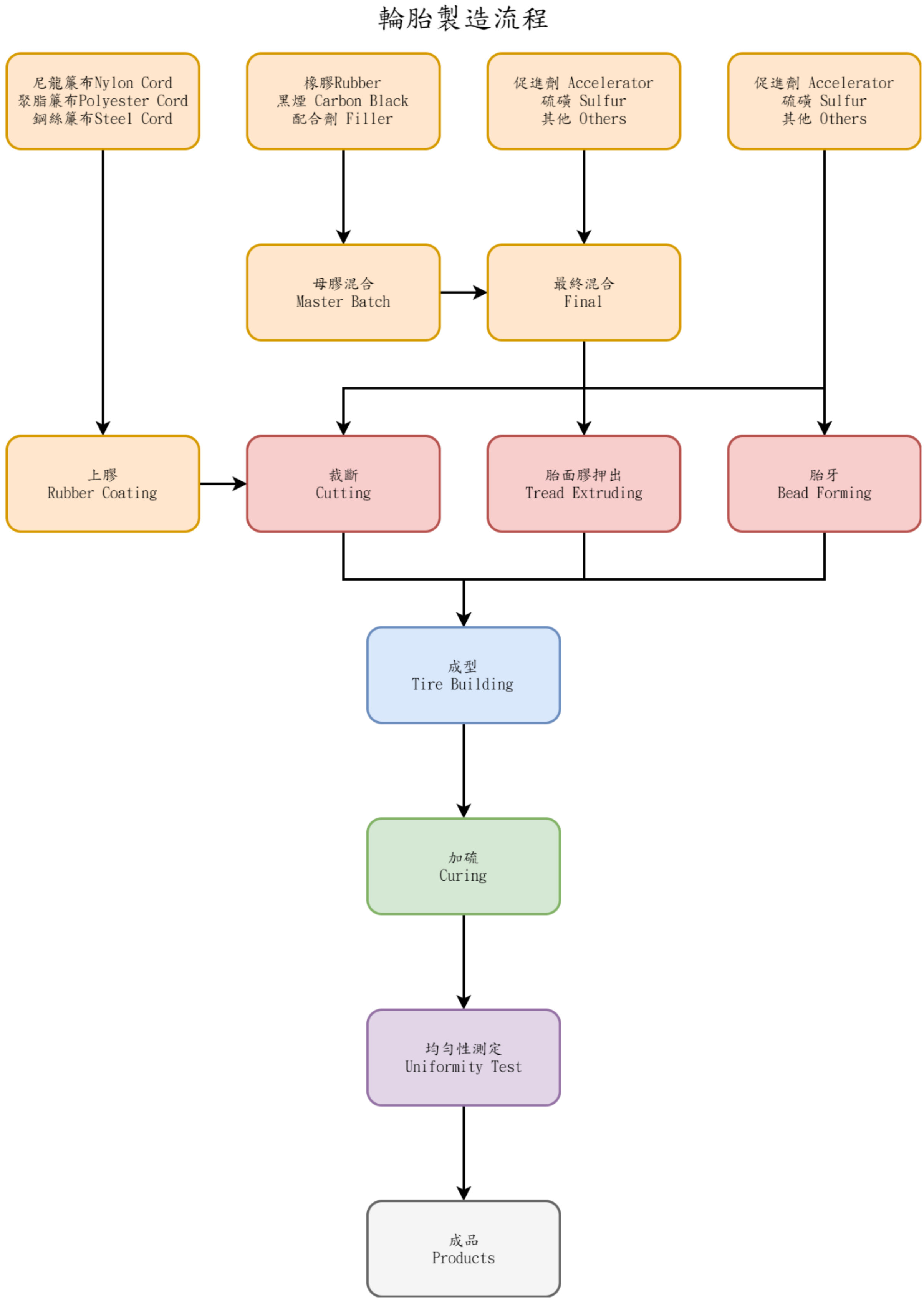
C.Countermeasures:

a. Actively and continuously develop new products, such as low-profile, high-performance passenger car tires and electric vehicle tires, to meet market demands.
b. Actively research and develop alternative raw materials to reduce costs and diversify risks, avoiding the risk of being limited by a single material.
c. Actively develop new customers and expand overseas markets to increase sales.
d. Adjust the product structure and increase the number of high value-added products to improve the company's profitability.
e. Improvements to the on-site working environment and upgrades to machinery and equipment are aimed at enhancing work quality, production efficiency, and attracting top talent.

（二）Key uses and manufacturing processes of main products

1.Our main products are automobile tires.

2.Tire manufacturing process



（三）Supply status of main raw materials

Raw material name	supplier
natural rubber	HEVEAGLOBALPTELTD
	REGIONALRUBBERTRADING
	ProtradeAsiaLimited
synthetic rubber	TSRC Corporation
Black smoke	Linyuan Advanced Materials Technology
	Ningbo Detai Chemical Co., Ltd.
Curtain	HYOSUNGCHEMICALFIBER(JIAXING) CO.,LTD.
	ORIENTALINDUSTRIES(SUZHOU)LTD.
steel wire	JIANGSUXINGDASTEEL
	CHINABEKAERTSTEELCORDCO .,LTD
chemicals	Ciyang Technology Industry Co., Ltd.
	SHANDONGYANGGUHUATAICHEMICAL

（四）purchases (sales) accounted for more than 10% of the total purchases (sales) in either of the two most recent years , along with the purchase (sales) amounts and percentages:

1.List of major customers: Information on major suppliers for the past two years

Unit: NT$1,000

2024							
Individual ranking	Manufacturer Name	Purchase amount - individual	Percentage of total annual net purchases (%) - Individual	Merged rankings	Purchase amount - merge	Percentage of total net purchases (%) - consolidated	Relationship with the issuer
-	Total purchase amount	2,007,652	100.00	-	4,445,923	100.00	-
2025							
Individual ranking	Manufacturer Name	Purchase amount - individual	Percentage of total annual net purchases (%) - Individual	Merged rankings	Purchase amount - merge	Percentage of total net purchases (%) - consolidated	Relationship with the issuer
-	Total purchase amount	1,972,555	100.00	-	3,755,756	100.00	-

Note : There is no information regarding suppliers accounting for more than 10% of total purchases in 2024 and 2025 .

2.List of major customers: Information on major customers for the past two years

Unit: NT$1,000

2024 (including construction from 2024 onwards)							
Individual ranking	Customer Name	Sales Amount - individual	of total net sales for the year (%) individual	Merged rankings	Sales Amount - merge	of total net sales for the year (%) merge	Relationship with the issuer
-	Client - A (Construction)	-	-	1	4,978,446	32.70	none
1	Customer - B (Tires)	640,770	13.85	-	-	-	Subsidiary
2	Customer A (Tires)	624,869	13.51	3	655,405	4.31	none
-	Other customers (tires)	3,361,055	72.64	-	8,342,614	54.80	-
-	Other clients (construction)	-	-	-	1,247,054	8.19	-
-	Total sales	4,626,694	100.00	-	15,223,519	100.00	-
2025 (including construction from 2024)							
Individual ranking	Customer Name	Sales Amount - individual	of total net sales for the year (%) individual	Merged rankings	Sales Amount - merge	of total net sales for the year (%) merge	Relationship with the issuer
-	Total sales	6,751,520	100.00	-	8,431,989	100.00	-

Note :

(1) In 2024, A and B were customers whose individual tire sales accounted for more than 10% of the Company's total sales. However, in 2025 , there was no information on customers whose individual revenue or consolidated tire revenue accounted for more than 10% of the Company's total sales .

(2) Construction revenue of the newly added subsidiary Nanrong Development Construction (Shares) Co., Ltd. in 2024 , of which the construction of Client A was completed in September 2024, and construction revenue of RMB4.978 billion was recognized , accounting for 32.70% of the consolidated revenue for that year .

三、employees

Employee information for the most recent two years and up to the date of publication of the annual report

year		2024	2025	By March 28, 2026
Number of employees	staff	278	271	266
	Operator	335	342	344
	foreign workers	398	397	407
	total	1,011	1010	1017
Average age of local employees (in years)		45.2	45.6	45.9
Average length of service for local employees (in years)		13.8	14.1	14.4
Employees' Education Distribution ratio	PhD	0.00%	0.00%	0.00%
	master	6.75%	6.74%	6.44%
	Junior college	37.56%	37.67%	37.36%
	high school	41.85%	41.94%	42.48%
	High school and below	13.84%	13.65%	13.72%

四、Environmental spending information

(一) Annual losses due to environmental pollution and corresponding mitigation measures: None.

(二) Annual investment in environmental protection expenditures

1.industrial waste disposal is approximately NT$14,394,000 .

2.Annual expenditure on air pollution control equipment is approximately NT$ 1,216,000 .

五、Labor relations

(一) Employee benefits

●Factory facilities and services:
The factory area is equipped with facilities such as an employee restaurant, employee welfare center, and vending machines, and shuttle buses are provided for employees to commute.

●Health Management:
Regularly conduct various health promotion activities, including health lectures, factory doctor consultations, blood donation, weight loss, smoking cessation, etc., to enhance employees' self-health awareness; provide employees with annual physical health checkups, and provide appropriate health promotion suggestions based on the checkup results, and monitor employees' physical and mental health through abnormal group tracking; for employees with human factors hazards and maternal health protection,

conduct hazard prevention or improvement measures after consultation with a doctor.

- Employee children's education benefits policy:
  Employees' children under the age of 7 can apply for childcare and parenting subsidies every year to reduce the burden on employees and reduce work pressure; scholarships, grants and related tuition and fee subsidies are also provided for employees' children.
- Various employee benefit programs:
  In addition to general labor and health insurance, the welfare measures provided by the Employee Welfare Committee include annual holiday bonuses, travel subsidies, scholarships for employees' children, birthday celebrations, weddings, senior employee awards, hospitalization condolence payments, and funeral allowances.
  (On August 3, 1982, our company established an employee welfare committee with the approval of the competent authority. The sources of its welfare funds are: (1) 1% of the capital at the time of establishment , (2) 0.5% of the monthly salary , (3) 0.15% of the monthly net operating revenue , (4) 40% of the proceeds from the sale of off-the-shelf items , and (5) other interest income.)
- Employee training and development:
  To enhance employee competence and improve staff quality and work efficiency, our company has established employee education and training procedures to provide necessary training to employees at all levels. Each September, the company's Management Review Committee will submit its education and training plan, budget, implementation results, trainee learning evaluation reports, and annual education and training review report.
  Our company's education and training system is divided into four types: (1) new employee training, (2) on-the-job training for employees, (3) training for cadres at all levels, and (4) overseas technical study and external lectures. Through various education and training programs, we aim to enhance employees' skills and improve the company's competitiveness, and file the training data of employees.
- Employee reward methods:
  To encourage employees to actively pursue continuous growth and enhance the company's competitiveness, Nankang Tire offers various reward methods, including: monthly outstanding employee selection, quarterly model worker selection, 6S evaluation awards for each unit, seniority service awards, and retirement appreciation gifts.

（二） Retirement System and its Implementation

Our company has established a "Labour Retirement Reserve Oversight Committee" in accordance with the law, and the retirement of our employees is handled in accordance with relevant retirement regulations and the retirement procedures promulgated by our company.

Our company has a retirement policy for formally employed staff. According to this policy, each employee receives two base contributions for each full year of service during their first fifteen years of service, and one base contribution for each full year of service from the sixteenth year onwards, up to a maximum of 45 base contributions. Employee retirement benefits are calculated based on years of service and the employee's salary for the six months preceding retirement . In accordance with the regulations governing the allocation and management of labor retirement reserves, our company allocates 15% of the total monthly salary to a retirement reserve fund, which is deposited into the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. For employees who choose the new labor retirement system, 6% of their monthly insured salary is contributed to the Labor Insurance Bureau's individual employee account.

（三） Status of labor-management agreements and various employee rights protection measures

Our company has been established for over 60 years since 1959. We have always maintained harmonious labor relations and have always emphasized the principle of labor-management unity. We hold labor-management meetings every three months and regularly sign collective bargaining agreements with enterprise unions. Therefore, all relevant proposals can be resolved satisfactorily under the conditions of mutual understanding and mutual benefit between labor and management.

（四） Disclose the losses suffered due to labor disputes in the most recent year and up to the date of publication of this prospectus, and disclose the estimated amounts and corresponding measures that may occur now and in the future :

Our company has always upheld the spirit of harmonious labor relations and has not suffered any losses due to labor disputes. It is estimated that with the continued active promotion of harmonious labor relations policies, the strengthening of communication between labor and management, and the improvement of welfare measures, there should be no situation where we suffer losses due to labor disputes.

（五） Employee Code of Conduct or Ethics

Our company has established various codes of conduct and ethics for employees, which are included as an important part of the year-end performance evaluation. In order to ensure the implementation of these codes, we have also established a comprehensive reward and punishment system.

六、Information and communication security management

（一）Information and communication security risk management architecture :

(1). Our company designates the Information Technology Department as the responsible unit for information and communication security, overseeing the planning, implementation, and promotion of information security policies . To implement standardized management, our company implemented the ISO/IEC 27001 Information Security Management System (ISMS) in Q4 of 2025, establishing a PDCA (Plan-Do-Check-Act) cycle mechanism to enhance information security awareness , optimize management procedures, and apply defensive technologies .

(2). special audit of information and communication security annually in accordance with the internal control system . In line with the ISMS certification schedule, a third-party external audit is expected to be conducted in Q2 of 2026 to assess the effectiveness of internal controls, track improvement results, and implement closed-loop management of information security risks .

（二）Information and Communications Security Policy : Our company adheres to the ISO 27001 standard and internal functional specifications, and has established the following core policies :

(1). Ensure the confidentiality, integrity, and availability of information assets .

(2). Ensure the confidentiality, integrity, and availability of information assets .
(3). Maintain the continuous operation of information service systems to build corporate operational resilience.
(4). Prevent human error, malicious attacks, and illegal use, and strictly prevent the leakage of trade secrets .
(5). Strengthen the safety of physical equipment and the environment, and conduct regular cybersecurity audits to ensure the implementation of regulations.

(三) Specific management plan :
(1). Regularly conduct information and communication outage backup drills and asset inventory checks. These drills verify contingency plans, identify weaknesses, and strengthen the company's overall crisis management capabilities.
(2). The core computer room and power system are regularly maintained by dedicated personnel. This ensures the proper functioning of fire protection facilities and uninterruptible power supply (UPS) systems, providing a stable operating environment.
(3). Deploy next-generation firewalls to implement VLAN isolation and application control for internal network segments . Combine application requests and time-based management to enhance network management flexibility and security.
(4). It employs a SPAM filtering system and is equipped with an advanced APT defense module. Utilizing sandbox technology to scan for potential malicious code, it effectively defends against spear-phishing attacks, ransomware, and fraudulent emails.
(5). Establish an automated multi-version backup mechanism and implement off-site storage. Utilize server virtualization and snapshot technology to ensure rapid service recovery in the event of emergencies, achieving the RTO recovery target.
(6). All Windows computers in the company are equipped with antivirus software and undergo regular security updates. Employee login passwords must be at least 8 characters long and include special characters, uppercase and lowercase letters, and reuse of past passwords is prohibited.
(7). Regularly conduct cybersecurity education and training to enhance colleagues' awareness of risks related to online behavior, email content, USB devices, and BYOD (Bring Your Own Device).

(四) Invest resources in cybersecurity management :
(1). In line with the requirements for ISMS implementation, cybersecurity personnel were arranged to participate in ISO 27001 professional courses and lead auditor training.
(2). Key Implementation Plans for 2026 :
1. Promote the implementation of ISMS and ensure that the external audit is passed and certification is obtained by Q2 of 2026.
2. In conjunction with the office relocation, the replacement of equipment in the computer room and the deployment of standardized cabling were completed simultaneously.
3. The Xinfeng plant network optimization implementation redeployed the local area network , eliminating signal dead zones and improving the stability of machine connections.

4. The Xinfeng plant has installed a second physical optical fiber to ensure that external lines have backup capabilities.
5. The Xinfeng plant has established a core network backup mechanism (HA) to eliminate the risk of single points of failure and ensure uninterrupted service.

（五） List the losses, potential impacts, and countermeasures suffered due to major cybersecurity incidents in the most recent year and up to the date of publication of the annual report (if such losses cannot be reasonably estimated, the fact that they cannot be reasonably estimated should be explained): There were no such incidents.

七、Important Contracts

Contractual nature	**party**	**Contract start and end dates**	**Main content**	**Restrictions**
Technology Cooperation Agreement	A Industrial (Stock) Company	April 9, 2025 ~ April 9, 2017	Assisting with tire manufacturing	none

八、Environment and Occupational Health:

Our company is committed to environmental protection, occupational safety and health, and employee well-being, and has established standard procedures to ensure on-site management. In July 2024, we passed ISO 14001 Environmental Management System and ISO 14064 Greenhouse Gas Inventory verification, as well as ISO 45001 and TOSHMS verification. Through the PDCA principle, we continuously improve the company's environmental and safety culture, creating a comfortable workplace where employees can work with peace of mind .

（一）Environmental policy

Nankang Tire strives for a balance between economic, environmental, and social interests, and conducts environmental management based on this principle. We comprehensively examine the social and environmental impacts of each stage of our activities and regularly develop and review management plans to enhance our green competitiveness. We also continuously upgrade our equipment to reduce greenhouse gas emissions, aiming to achieve zero carbon emissions in the future .

- Air pollution prevention and management:

  Nankang Tire's main sources of air pollution include particulate matter, sulfur oxides, nitrogen oxides, and volatile organic compounds (VOCs) from its manufacturing processes. Through activated carbon exhaust treatment equipment, the procurement of environmentally friendly raw materials, and process optimization, all of these sources currently meet air pollution emission standards. Considering environmental standards and corporate sustainability, the company introduced natural gas boilers in 2018 and a nitrogen workstation in 2023. Furthermore, since 2015, it has gradually replaced 70% of its forklifts from diesel to electric models to reduce carbon emissions and provide a more comfortable environment for employees and neighbors.

- Water resource management:

  The wastewater discharged from Nankang Tire's Xinfeng plant includes process wastewater and domestic sewage. Water quality is regularly tested through a monitoring system and the ISO14001 environmental management system to ensure compliance with domestic standards. The total discharge volume in 2025 was 135.193 cubic meters, destined for the Xinfeng River. The wastewater discharge volume in 2025 decreased by 29 % compared to 2024 .

- Waste management:

  Nankang Tire's waste includes household garbage and waste rubber, all of which are legally entrusted to government-approved companies for collection and treatment. Recyclable waste is sorted and processed. Waste management is carried out in accordance with the "Industrial Waste Disposal Plan," and collection routes are regularly tracked to ensure legality. Recyclable waste, such as waste rubber and metal, is sorted and collected by legal companies to improve resource reuse. The company also strengthens employees' awareness of resource recycling through outreach and establishes a proper sorting and recycling system.

（二）annual greenhouse gas emissions

In 2025, combined greenhouse gas emissions from Category I and Category II will amount to 39,036.52 metric tons of CO_2e, with a production per unit of 31,475.474 metric tons .

（三）Energy management and usage statistics

Climate change is one of the most important global environmental issues, and energy use is a major source of greenhouse gas emissions. Nankang Tire recognizes the high correlation between energy use and production activities in the manufacturing industry and continuously improves energy efficiency and strengthens overall energy management performance through process optimization, equipment improvement, and energy management measures.

renewable and non- renewable energy cover the head office and the Zhangjiagang plant in China. The relevant energy disclosure data has also been verified according to ISO 14064. Detailed statistics are shown in the table below:

year	2024		2025	
project	Xinfeng Factory	Zhangjiagang Factory	Xinfeng Factory	Zhangjiagang Factory
Electricity consumption in the power grid (GJ)	191,35 0.83	157,40 7.99	213,777.53	135 , 890.56
Solar power generation (GJ)	-	23,945.05	-	25 , 384.37
Fuel oil consumption (GJ)	2,099.26	-	5,700.85	2,530.81
Steam consumption (GJ)	-	261,481.91	-	246,368.80
Natural gas consumption (GJ)	226,778. 27	3,417.03	210,350.48	4,323.43
Total energy consumption (GJ)	420 , 228 , 36	446 , 251 , 98	429,828.86	414,497.98
Annual production (metric tons)	31,450.97	39,443.67	31,475.47	32,124.73
Energy intensity	13.36	11.31	13.66	12.9 0
Green electricity certificate (GJ)	0.00	0.00	0.00	0.00
Percentage of grid power	45.53 %	35.27 %	49.74 %	32.78 %
Percentage of renewable energy	0.00 %	5.37 %	0.00 %	6.12 %

（四）Occupational safety and health

Nankang Tire is committed to improving workplace safety and minimizing occupational injuries for its employees. All production processes strictly adhere to safety regulations, and occupational hazard analysis and prevention strategy discussions are conducted. All safety and health management is carried out in accordance with ISO 45001:2018 standards, and the company expects every employee to work under safe conditions. Regular employee safety and health training and drills, along with enhanced equipment operation management and personnel training, ensure the proper functioning of all environmentally friendly equipment. Annual targets and resources are set based on annual goals to evaluate implementation effectiveness.

（五）Corporate Sustainable Development

Enterprise Perpetual Full-time (Part-time) Unit

To fulfill its corporate social responsibility and implement its sustainable business philosophy, Nankang Tire adopted the "Corporate Social Responsibility Practice Code" at its board meeting in 2016. Since 2017, it has established the "Corporate Social Responsibility Committee," which was renamed the "Corporate Sustainability Committee"

(ESG Committee) in 2022. The ESG Committee is responsible for implementing corporate social responsibility and developing concrete plans for sustainable business operations . The ESG Committee comprises five working groups: Management, Social Engagement, Supply Chain, Employee Care, and Environmental Protection. Each group consists of relevant department heads or their representatives, responsible for data collection, planning, evaluation, and implementation of their respective tasks. Their responsibilities are as follows:

1. Set goals for the sustainable development of the entire company.
2. Promote and implement plans for the sustainable development of the enterprise.
3. Report regularly to the board of directors on the company's sustainable development performance and future goals.
4. Review corporate social responsibility policies and management guidelines.

group	Responsible unit	Function
Management Team	General Affairs Department	Corporate governance, sustainable operation, ethical integrity, business performance, risk control
Social Participation Group	Personnel Department, Work Safety Department, Marketing Planning Department	Communicating with local residents and promoting products through public welfare activities to increase visibility.
Supply Chain Team	Materials Department, Domestic/International Business Department	Supplier management, customer satisfaction, and raw material quality control
Employee Care Group	Personnel Department, Work Safety Department	Compensation and benefits, labor relations, occupational health and safety, talent development
Environmental Protection Group	Environmental Management Course	Pollution source management, climate change and greenhouse gas management, energy management

Our company is committed to environmental protection management and practice, and we spare no effort in attaching importance to industrial safety. Specific measures include: regularly conducting fire drills, health checkups for all employees, setting up factory safety facilities, and training and obtaining various professional environmental protection and industrial safety certifications. At the same time, in order to prevent accidents, improve employee safety and health, protect company property, prevent pollution, and promote good neighborly relations, we regularly conduct emergency response drills to strengthen the company's emergency response capabilities.

In addition, we actively participate in various local activities to improve the living environment for community residents.

In accordance with this guideline, our company promotes the following public welfare activities:

一、To foster good neighborly relations, they regularly participate in and sponsor public welfare activities organized by residents of nearby villages.

二、Employees are dispatched to participate in beach cleanups and street sweeping activities organized by the Hsinchu County Environmental Protection Bureau every year. They also participate weekly in the cleaning, maintenance, and tidying of the local Hongmaogang Scenic Area in Xinfeng Township.

三、Sponsor local volunteer fire services and community and school activities.

四、We continue to collaborate with local colleges and universities in Hsinchu to offer industry-academia partnerships, enabling students to acquire a skill and prepare for the workforce in advance. The collaborations cover topics such as tire manufacturing processes, raw material management, industrial engineering management, materials and formulation research and development, tire tread design , and other related industry knowledge.

Risk assessment of environmental, social and corporate governance issues related to company operations

Our ESG Committee quantifies the impact and urgency of various risk items based on the "Organizational Background and Risk Management Procedures," and determines their importance by comparing them with the "Risk Analysis and Management Strategy Matrix." This identifies major issues and assesses key major risk items, enabling Nankang Tire to take necessary countermeasures such as transfer, acceptance, reduction, and avoidance. Through the PDCA management cycle, we continuously and effectively improve and grasp various risk factors in order to reduce the probability and extent of risk losses.

The company's risk assessment and control measures are as follows:

<table>
<tr><th>considerations</th><th>Risk type</th><th>Risk control measures</th></tr>
<tr><td rowspan="4">1. Economic aspects (Including corporate governance)</td><td>1.1 Market Risk</td><td rowspan="4">In light of rising raw material costs and exchange rate fluctuations, the Company has adjusted its business strategy as follows:
(1) Increase the production of high value-added products: Europe focuses on the development of all-season tires and snow tires ; North America continues to focus on 18" and above PCRUHP products and is expanding its sales of light-duty products for 4x4/SUVs; Asia is increasing gross profit by developing high-profit-margin products based on special modified specifications.
(2) Adjust the customer segment structure in the region and increase the number of flagship stores.
(3) Strengthen the export market: Exports account for 95%, with Europe, America and Japan accounting for 80% of exports, and these are all high- priced products.
(4) Reduce production costs: Improve manufacturing processes, reduce scrap rates, and shift some production to mainland China to reduce manufacturing costs.
(5) Strengthen financial risk management: Forward foreign exchange trading, product liability insurance, and pre-purchase of major raw materials to avoid production costs when material prices are high.
(6) Strengthen internal control management and reduce costs and expenses.</td></tr>
<tr><td>1.2 Operational Risks</td></tr>
<tr><td>1.3 Investment Risks</td></tr>
<tr><td>1.4 Regulatory Compliance Risks</td></tr>
<tr><td>2. Environment</td><td>2.1 Environmental Risks</td><td>With the rapid depletion of renewable energy sources in the future, the issue of energy conservation and environmental protection has once again been highlighted through the Kyoto Protocol. One of the current research and development themes is ECOTIRE, which combines fuel efficiency and safety .</td></tr>
</table>

considerations	Risk type	Risk control measures
3. Society	3.1 Workplace Hazard Risks	(1) In accordance with relevant regulations and requirements, formulate key points for the management of various operations. (2) The Occupational Safety and Health Committee regularly reviews compliance with environmental laws.
	3.2 Human Resources Risks	(1) Conduct regular inventory and verification of manpower. (2) Plan and implement employee education, training and development plans. (3) Design competitive compensation and employee benefits measures (4) A comprehensive training and local talent development program

九、Marketing activities and philanthropic participation

To enhance brand image and awareness, the marketing department is responsible for developing and implementing marketing strategies and promotional activities, brand management, market and sales data analysis and reporting, customer relationship management, market promotion and advertising, etc.

In addition to organizing various marketing activities, Nankang Tire also encourages and supports its employees to participate in various public welfare activities to respond to social needs, thereby cultivating a sense of social citizenship, internalizing it into the corporate social responsibility culture, and implementing the concept of giving back to society.

The marketing activities and charitable participation in 2025 are as follows:

Project Type	Project Name	Activity content and benefits
Sports event sponsorship	of the Hsinchu Yuding Lions Basketball Team for the 6th Year	By partnering with well-known professional sports teams, the brand can increase its exposure and attract a younger fan base, while also enhancing its positive image of supporting the local community. Sponsorship significantly improves brand visibility. The company's IP character, " Tai Ge ," continued to appear, and an opening dance and ceremonial ball were arranged, greatly increasing the IP's exposure. The off-site games and booths also significantly increased the number of Facebook/Instagram followers by hundreds, allowing for continued brand and product promotion by engaging with existing fans.
Sports event sponsorship	Sponsored by Wei Chuan Dragons, a	Returning to professional baseball sponsorship and partnering with a northern

Project Type	Project Name	Activity content and benefits
	professional baseball team, for their themed day.	team, the brand combines brand exposure with a younger fan base, targeting families and young people. Through sponsorship and booth activities, brand visibility has significantly increased. The company's IP character, " Tai Ge, " continued to appear, and an opening dance and ceremonial ball were arranged, greatly increasing the IP's exposure. Through off-site booths and interactive games, hundreds of new Facebook/Instagram followers were gained, and by engaging with existing fans and family groups, the brand and products can be continuously promoted.
Domestic event sponsorship	2025 American Motorsport Festival Annual sponsorship	In response to sponsoring a major domestic entertainment event, the company focuses on combining local government and tourism industry efforts. It selects legally registered closed areas outside Tainan High Speed Rail Station across Taiwan to hold drift races. By setting up booths and planning games to interact with the public, the company aims to increase brand exposure and generate discussion about its performance products.
Domestic event sponsorship	Sunset Town in 2025 Virtual Music Festival	NPC characters appeared in virtual scenes and games, allowing companies to gain real-world exposure for their IP through online means . This was combined with in-person events to integrate brand products and image, deeply resonating with young consumers. Over the four-day event, it attracted 2,000 online players. The event's pre-event and during-event results included: a total of 4 million Facebook/Instagram reach and 900 attendees at the offline event on a single day.
Domestic Exhibitions	2025 Toy Show	For the first time participating in a physical consumer exhibition, Nankang Tire showcased its IP character, "Tai Ge ," alongside numerous other IPs, bringing its brand and IP image to the attention of consumers from different perspectives. It also

Project Type	Project Name	Activity content and benefits
		demonstrated a new look for traditional industry brands and their youthful appeal, while displaying a variety of related merchandise to attract new audiences and fans, reinforcing the impression of Nankang Tire as something beyond its traditional manufacturing framework . Over the four-day exhibition, it attracted a total of 36,000 visitors. The social media impact before and during the exhibition included: 8.8 million total impressions on Google keywords, 4 million total reach on Facebook/Instagram, and 120,000 total links to YouTube videos.
Team and driver sponsorship	Nankang Drift Team Annual sponsorship	By partnering with long-term drifter Sakuragi's team through an annual sponsorship, Nankang has established a drift team, deeply cultivating the drift scene in Taiwan , solidifying Nankang's drift product positioning, and continuously expanding the drift sports community, bringing the Nankang brand to drift enthusiasts all over the world .
Media driver sponsorship	Killer Lan x Lin Yuanhu -Annual Sponsorship	The long-term partnership with renowned racing husband-and-wife team, the automotive media powerhouse Lan, and top domestic racing driver Lin Yuanhu continues. Whether it's using Nankang products in physical races or assisting with brand promotion on online social media, it brings the brand continuous publicity and the accumulation of fans.
Spring Festival Consumer Activities	Annual Spring Festival Consumers Tire purchase activity	During the peak tire replacement season in Taiwan during the Lunar New Year, we collaborate with our directly operated distributors to hold a promotion where customers receive free gifts with their tire replacements. Through online social media and synchronized promotion with the stores, all 13,400 sets of exquisite "NK Thermos Bottle Sets" were redeemed , boosting actual

Project Type	Project Name	Activity content and benefits
		sales performance and attracting more new users, thus continuously breaking through domestic sales records.
New product video promotion	AS-3 Product Unboxing Experience	Collaborating with internet celebrity race car driver Killer Lan, they filmed and produced the new flagship sedan product ' AS-3', focusing on actual driving experience sharing. After being exposed on online social media platforms, it successfully sparked discussions and inquiries among car enthusiasts.
Blood donation drive	We invite the mobile blood donation vehicle to our Xinfeng plant to hold a blood donation event.	To help address the blood shortage, two blood donation drives were held in 2025, with 66 employees participating and a total of 96 bags of blood collected.

V. financial condition and performance, and assessment of risk factors.

一、Financial situation analysis

(一) Merger Information

Unit: NT$1,000

project	2025	2024	difference		Remark
			Amount	%	
Current assets	42,473,461	32,490,815	9,982,646	30.72	Note (1)
Real estate, plant and equipment	6,586,118	7,046,625	(460,507)	(6.54)	
Intangible assets	5,320	1,623	3,697	227.79	
Other assets	5,215,348	4,599,210	616,138	13.40	
Total assets	54,280,247	44,138,273	10,141,974	22.98	Note (1)
Current liabilities	26,917,183	17,132,308	9,784,875	57.11	Note (2)
Non-current liabilities	14,696,591	13,440,769	1,255,822	9.34	
Total liabilities	41,613,774	30,573,077	11,040,697	36.11	Note (2)
Share capital	7,339,349	8,339,349	(1,000,000)	(11.99)	
Capital Reserve	293,222	293,222	-	-	
Retained Earnings	4,981,547	4,575,548	405,999	8.87	
Other rights	52,355	357,077	(304,722)	(85.34)	Note (3)
Total equity	12,666,473	13,565,196	(898,723)	(6.63)	

1. Explanation of reasons for changes in assets, liabilities, and shareholders' equity exceeding 20% and amounting to RMB 10 million in the most recent two years:

(1) Current assets, total assets: Consolidated bank deposits in 2025 decreased by NT$814,636,000 compared to 2024 (mainly due to a decrease of NT$346,107,000 in Nanrong Development & Construction Co., Ltd. as payment for construction projects , and a decrease of NT$365,375,000 in bank deposits due to the transfer of orders back to Taiwan by Nankang International Co., Ltd.); consolidated accounts receivable - non-related parties decreased by NT$371,503,000 compared to 2024; other receivables in 2025 compared to 2024 were mainly due to NT$489,696,000 in exchange for assets and early development costs with other related parties , and inventory increased by NT$7,216,658,000 mainly because the subsidiary Nanrong Development & Construction Co., Ltd. obtained a land use permit in August 2025 and transferred the land for sale; in addition, other financial assets - trust funds for pre-sale land projects with restricted use increased by NT$3,415,231,000 compared to 2024 .

(2) Current liabilities and total liabilities : The increase in contract liabilities in 2025 compared to 2024 was mainly due to an increase of NT$4,921,187,000 in advance payments for real estate from Nan Rong Development (Stock) Co., Ltd. , and an increase of NT$4,119,066,000 in

accounts payable for construction work due to the transfer of building permits to properties for sale in 2025 .

(3) Other interests: This is mainly due to the decrease of HK$66,579,000 in the conversion difference between the financial statements of the consolidated foreign operations in 2025 and 238,143,000 shares of the Company repurchased in 2025 .

2. A review and analysis of major capital expenditures and their funding sources.

(1) Use of funds for major capital expenditures and sources of funding: None.

(2) Expected benefits: None.

（二）Individual Information

Unit: NT$1,000

project	2025	2024	difference		Remark
			Amount	%	
Current assets	3,549,375	2,394,821	1,154,554	48.21	Note (1)
Real estate, plant and equipment	4,776,891	5,019,308	(242,417)	(4.83)	
Intangible assets	-	-	-	-	
Other assets	15,056,451	15,552,001	(495,550)	(3.19)	
Total assets	23,382,717	22,966,130	416,587	1.81	
Current liabilities	9,931,002	8,088,106	1,842,896	22.79	Note (2)
Non-current liabilities	785,242	1,312,828	(527,586)	(40.19)	Note (3)
Total liabilities	10,716,244	9,400,934	1,315,310	13.99	
Share capital	7,339,349	8,339,349	(1,000,000)	(11.99)	
Capital Reserve	293,222	293,222	-	-	
Retained Earnings	4,981,547	4,575,548	405,999	8.87	
Other rights	52,355	357,077	(304,722)	(85.34)	Note (4)
Total equity	12,666,473	13,565,196	(898,723)	(6.63)	

1. Explanation of the reasons for changes in assets, liabilities, and equity exceeding 20% and amounting to RMB 10 million in the most recent two years:

(1) Current assets: The increase in current assets was mainly due to a 45.93% increase in revenue in 2025 , which led to an increase of RMB 327,550,000 in receivables compared to 2024. In 2025, there were new other receivables - related parties [US $ 20,000,000 in capital reduction of Nan Kong Singapore (shares) Co., Ltd. and RMB 181,400,000 in non-current assets to be sold and other financial assets of RMB 175,721,000] . As a result, current assets increased by 48.21% .

(2) Current liabilities: In 2025 , an additional USD 10,000 was financed to Nankang Singapore (Shares) . In March 2025 , the order for the triangular trade was changed from being received by Nankang International (Shares) to being received by Taiwan, resulting in an increase of USD 949,599 in payables to related party Nankang (Zhangjiagang Free Trade Zone) Rubber Industry Co., Ltd. compared to 2024. In 2025 , there were additional other payables of USD 75,950 to Nanrong Development and Construction (Shares) Co., Ltd. (World Pearl - early development costs, etc.) and additional advance payments of USD 179,162 to World Pearl , resulting in a change of 22.79% in current liabilities.

(3) : Repayment of long-term loan of USD 16,500,000 to Nankang International (Stock) Co., Ltd.

(4) Other interests: The decrease in other interests was mainly due to a reduction of HK$66,579,000 in the conversion difference between the financial statements of the

consolidated foreign operating entities in 2025 and 238,143,000 shares repurchased in 2025 , resulting in a decrease of 85.34% .

2. Review and analysis of major capital expenditures and their funding sources

(1) Use of major capital expenditures and sources of funds: None.

(2) Expected benefits: None.

二、Financial performance

（一）Merger Information

1.Financial performance comparative analysis

Unit: NT$1,000

project	2025	2024	Increase/Decrease	rate of change	Remark
Operating revenue	8,431,989	15,223,519	(6,791,530)	(44.61)	Note (1)
Operating costs	6,623,597	10,334,065	(3,710,468)	(35.91)	Note (2)
Gross profit	1,808,392	4,889,454	(3,081,062)	(63.01)	Note (3)
(Unrealized) interests among affiliates	611	(692)	1,303	188.29	
Operating expenses	1,230,183	1,375,920	(145,737)	(10.59)	
other income and expenses	-	-	-	--	
Operating profit (loss)	578,820	3,512,842	(2,934,022)	(83.52)	Note (3)
Total non-operating income and expenses	467,412	(153,672)	621,084	404.16	Note (4)
Pre-tax net profit (loss)	1,046,232	3,359,170	(2,312,938)	(68.85)	Note (5)
Income tax expense (benefit)	236,448	411,286	(174,838)	(42.51)	Note (5)
Net profit (loss) for this period	809,784	2,947,884	(2,138,100)	(72.53)	Note (5)
Other comprehensive (profit and loss)	(53,397)	258,827	(312,224)	(120.63)	Note (6)
Total comprehensive (profit) and loss for this period	756,387	3,206,711	(2,450,324)	(76.41)	Note (5)

Explanation of reasons for changes exceeding 20% and amounting to 10 million yuan:

(1) Operating revenue: In 2024, the newly added subsidiary, Nanrong Construction Development, generated 6.2 billion yuan in construction revenue.
Construction: Revenue for fiscal year 2025 was NT$159,498,000 , compared to NT$6,225,500,000 in fiscal year 2024 , representing a decrease of 97.44%.
Tires : Revenue for fiscal year 2025 was NT$8,272,491,000 , compared to NT$8,998,019,000 in fiscal year 2024 , representing a decrease of 8.06%.

(2) Operating costs :
Construction : The operating cost ratio was 49.08% in fiscal year 2025 and 56.07% in fiscal year 2024, representing a decrease of 6.99% in the cost ratio.
Tires: The operating cost ratio was 79.12% in 2025 and 76.05% in 2024, representing an increase of 3.07%.

(3) Gross profit and operating profit : mainly due to the significant fluctuations in revenue of subsidiary Nanrong Development and Construction in 2025 and 2024 , the gross profit and operating profit in 2025 changed by 20% compared with 2024 ;

(4) Net non-operating income and expenses : mainly due to the increase in bank borrowings in 2025, resulting in a financial cost disadvantage of NT$57,348,000 in 2025 compared to 2024. In addition, the share of profits and losses of related parties and joint ventures using the equity method in 2025 was NT$679,663,000 more favorable than in 2024 (mainly due to the equity of Nan Guan and Tai Feng being disadvantaged by NT$437,036,000 and favorable by NT$1,116,427,000 respectively in 2025 compared to 2024).

(5) Pre-tax net profit, income tax expense, net profit for the period, and total comprehensive profit and loss for the period : In summary , the changes in these percentages in 2025 will all exceed 20%.

(6) Other comprehensive gains and losses: mainly due to the increase of RMB 301,569,000 in the translation of the financial statements of overseas operating entities in 2025 compared to 2024 .

2.Gross Profit Analysis of Operating Changes:

Construction: In 2024, the newly added subsidiary, Nanrong Development and Construction (Shares) Co., Ltd., had construction revenue of RMB 6.2 billion , and the operating cost ratio of this subsidiary was 56.07% .
Tires: Consolidated tire revenue in 2025 declined by 8.06% compared to 2024. Tire raw material prices showed an upward trend in 2025 , and the overall operating cost ratio increased by 3.07% compared to 2024.
In summary, both construction and tire sales were favorable for increasing gross profit in 2024. However, in 2025, construction revenue decreased significantly by 97.44% , and tire revenue decreased by 8.06% , resulting in an unfavorable change of 63.01% in consolidated gross profit in 2025 .

（二）Individual Information

1.Financial performance comparative analysis

Unit: NT$1,000

project	2025	2024	Increase/Decrease	rate of change	Remark
Operating revenue	6,751,520	4,626,694	2,124,826	45.93	Note (1)
Operating costs	5,736,414	3,740,148	1,996,266	53.37	Note (1)
Gross profit	1,015,106	886,546	128,560	14.50	Note (1)
(Unrealized) interests among affiliates	3,249	(5,451)	8,700	159.60	
Operating expenses	834,283	798,358	35,925	4.50	
other income and expenses	--	-	--	--	
Operating profit (loss)	184,072	82,737	101,335	122.48	Note (1)
Total non-operating income and expenses	799, 4 56	2,987,974	(2,188,518)	(73.24)	Note (2)
Pre-tax net profit (loss)	983,528	3,070,711	(2,087,183)	(67.97)	Note (3)
Income tax expense (benefit)	173,744	122,827	50,917	41.45	Note (3)
Net profit (loss) for this period	809,784	2,947,884	(2,138,100)	(72.53)	Note (3)
Other comprehensive (profit and loss)	(53,397)	258,827	(312,224)	(120.63)	Note (4)
Total comprehensive (profit) and loss for this period	756,387	3,206,711	(2,450,324)	(76.41)	Note (3)

Explanation of reasons for changes exceeding 20% and amounting to 10 million yuan:

(1) Operating revenue and operating costs : In March 2025, the orders for Triangle Trading were changed from being received by Nankang International (stock) to being received by Taiwan, resulting in significant changes to operating revenue (mainly due to an increase of NT$1,911,645,000 in European revenue), operating costs, and operating profit in 2025.

(2) Total non-operating income and expenses : mainly due to the decrease of RMB 2,309,643,000 in the share of profits and losses of subsidiaries, related parties and joint ventures using the equity method in 2025 compared to 2024 (mainly an increase of RMB 1,116,427,000 for Taifeng Tire, a decrease of RMB 2,646,219,000 for Nanrong Development and Construction, a decrease of RMB 437,036,000 for Nanguan Tire , and a decrease of RMB 297,413,000 for Singapore and Nankang International); additional labor service income of RMB 59,880,000 from Nankang Netherlands in 2025 and an increase of RMB 37,651,000 in financial asset gains measured at fair value through profit or loss compared to 2024.

(3) Pre-tax net profit, income tax expense, net profit for the period, and total comprehensive profit and loss for the period : In summary, the change rates for 2024 all exceeded 20%.

(4) Other comprehensive gains and losses: mainly due to a decrease of HK$301,569,000 in the translation of the consolidated financial statements of foreign operating entities in 2025 compared to 2024.

2.Gross Profit Analysis Based on Operating Changes: None

三、Cash flow

（一）Liquidity Analysis for the Past Two Years

1.Merger Information

year / project	December 31, 2025	December 31, 2024	Increase/decrease ratio
Cash flow ratio (%)	6.75	-	-
Cash Flow Appropriation Ratio (%)	7.08	6.55	8.09
Cash reinvestment ratio (%)	4.18	-	-

Analysis of changes in the percentage increase/decrease:

(1). The net cash flow from operating activities turned into a net inflow in 2025 , mainly because the subsidiary Nanrong Development Construction (Stock) Co., Ltd. obtained the use license in August 2025 and was put on sale , which improved liquidity such as the cash flow ratio.

(2). In 2024, there were no cash dividend payments and working capital was negative , so both the cash flow ratio and the cash flow adequacy ratio were negative .

2.Individual Information

year / project	December 31, 2025	December 31, 2024	Increase/decrease ratio
Cash flow ratio (%)	15.47	3.48	344.54
Cash Flow Appropriation Ratio (%)	98.61	65.72	50.05
Cash reinvestment ratio (%)	5.40	0.97	456.7

Analysis of changes in the percentage increase/decrease:

(1). Cash flow ratio: The net cash inflow from operating activities in 2025 increased significantly compared to 2024 , resulting in a relative increase in the cash flow ratio and cash reinvestment ratio.

(2). The five-year capital expenditures and inventory cash dividends in 2025 are all lower than in 2024 , which is conducive to the cash flow adequacy ratio in 2025 .

（二）Cash Liquidity Analysis for the Next Year

1. Merger Information

Beginning cash balance①	from operating activities throughout the year ②	Annual cash outflow③	Cash balance (insufficient) ①+ ②-③	Remedies for insufficient cash	
				Investment Plan	Financial Planning
1,110,688	3,000,000	(3,100,000)	1,010,688	-	-

1. Analysis of cash flow changes this year:
(1) Operating activities: due to the increase in net profit.
(2) Investment activities: Increase investment in equipment.
(3) Fundraising activities: Repayment of part of the loan.
2. Expected remedial measures for cash shortages and liquidity analysis: None.

2. Individual Information

Beginning cash balance①	from operating activities throughout the year ②	Annual cash outflow③	Cash balance (insufficient) ①+ ②-③	Remedies for insufficient cash	
				Investment Plan	Financial Planning
209,088	2,200,000	(2,300,000)	109, 088	-	-

1. Analysis of cash flow changes this year:
(1) Operating activities: due to the increase in net profit.
(2) Investment activities: Increase equipment investment and dividend income .
(3) Fundraising activities: Repayment of part of the loan.
2. Expected remedial measures for cash shortages and liquidity analysis: None.

四、Impact of recent significant annual capital expenditures on financial operations: None

五、Recent annual investment policy, main reasons for profits or losses, improvement plans, and investment plans for the coming year: None

六、Analysis and assessment of risk matters for the most recent year and up to the date of publication of the annual report.

（一）The impact of interest rate and exchange rate fluctuations and inflation on the company's profit and loss and future countermeasures.

1. Interest Rates and Inflation: Our company has sound financial standing. Regarding bank lending rates, we maintain close relationships with banks and gather relevant financial information to understand interest rate trends and secure the most favorable rates. Furthermore, for the use of short-term idle funds, we invest in low-risk bank deposits, financial bonds, and funds. Therefore, changes in interest rates and currency inflation have a negligible impact on our company's profit and loss.
2. Exchange Rate: Our company's products are mainly exported to Europe and the United States, and most of the exported products are priced in US dollars and euros. Therefore, any significant exchange rate fluctuations are closely related to our company's exchange gains and losses. As a result, our company prudently engages in forward foreign exchange trading contracts with the aim of hedging risks and appropriately controlling the gains and losses caused by exchange rate fluctuations to a minimum.

（二）Recent annual policies regarding high-risk, high-leverage investments, lending to others, guarantees, and derivative financial product trading; main reasons for profits or losses; and future countermeasures :
Our company practices prudent financial management and does not engage in high-risk, high-leverage investments. We have established comprehensive policies and internal control procedures for lending funds to others, providing guarantees, and dealing in derivative financial products. Our derivative product trading contracts are for hedging purposes and are managed according to company regulations and regularly evaluated. Any profits or losses arising from exchange rate fluctuations are generally offset against the profits or losses of the hedged assets.

（三）Future R&D plans and projected R&D expenditures

1. Recent annual new product development plan

Research and development projects	Research and development progress	Expected mass production time
European four-season tire development	1.New Material Development and Research 2.New Pattern Development Research	2026.12.31
European next-generation AT development	1.New Material Development and Research 2.New Pattern Development Research	2026.12.31

European Label (RRC, Wet) Double A Grade Summer Pregnancy Product Development	1.New pattern development and design 2.New Structure Development Research	2026.12.31
European-label Wet A-grade and RRC B-grade all-weather tire development	1.New pattern development and design 2.New Structure Development Research	2026.12.31
European-label Wet A-class and RRC B-class electric vehicle tire development	1.New Pattern Development Research 2.New Structure Development Research	2026.12.31
Track -grade rain tire development	1.New Pattern Development Research 2.New Material Development and Research	2026.12.31
Track -grade rain tire development	1.R&D conditions assessment 2.Research on the Development of New Fetal Structures	2026.12.31

2. Projected R &D expenditure: The estimated R&D expenditure in 2026 is NT$7,500,000 to ensure R&D competitiveness.

（四） Impact of Key Domestic and International Policy and Legal Changes on the Company's Financial Operations and Corresponding Measures: At the end of 2020, the U.S. Department of Commerce initiated anti-dumping and countervailing duty investigations against four Asian countries (Thailand, Vietnam, South Korea, and Taiwan). The preliminary tariff rate was unfavorable to Taiwanese businesses. In addition to actively submitting relevant production and sales data for appeal, the company sought to mitigate the impact by adjusting production capacity and actively developing new markets. While the COVID-19 pandemic severely impacted the automotive manufacturing industry and related sectors, it did not affect the trend of electric vehicles replacing gasoline vehicles in various markets. In response to the rising demand for electric vehicle tires, Nankang promptly initiated new product development and production capacity planning to maintain market competitiveness.

（五） The impact of technological changes (including information and communication security risks) and industry shifts on the company's financial and operational activities, and corresponding countermeasures:

1. information system damage on company business and corresponding countermeasures:
2. high availability (HA) and core network backup according to risk level to eliminate the risk of single point of failure.
3. Implement regular backups of data and off-site storage of media, and further refine management in accordance with the 2026 ISO 27001 standard.
4. Regularly conduct Business Impact Analysis (BIA) and emergency drills to ensure that Recovery Time to Operation (RTO) meets the needs of business continuity.

5. Establish a comprehensive disaster recovery plan to effectively reduce the risk of system disruptions caused by natural disasters or human error.

（六）Impact of corporate image on corporate crisis management and corresponding countermeasures: None.

（七）Expected benefits, potential risks, and corresponding countermeasures for mergers and acquisitions: None.

（八）Expected benefits, potential risks, and corresponding measures for expanding the factory.

In response to the impact of the pandemic and anti-dumping and countervailing duties , Nankang has been gradually replacing old machines with new smart machinery to improve its manufacturing processes . Currently, it has replaced molding machines and some ferrule machines , which can reduce labor by about 30% and effectively increase production capacity.

（九）Risks and Countermeasures for Concentrated Purchasing or Sales

1. On the procurement side, the materials department is required to seek long-term contracts with multiple manufacturers for natural rubber, and to increase the number of raw material suppliers in mainland China for tire cord fabric , carbon black and other various raw materials.
2. Regarding sales, to avoid the risk of over-concentration in a single market, the company actively expands into emerging markets (such as Indonesia, India, and Vietnam), while continuing to expand its presence in the two major markets of Japan and Europe.

（十）Impact, risks, and countermeasures of significant transfers or changes in shareholdings by directors, supervisors, or major shareholders holding more than 10% of the shares on the company: None

（十一）Impact of the change in management rights on the company, risks and countermeasures: None.

（十二）Litigation or non-litigation matters : Former Executive Vice President Hu has solicited illegal kickbacks from suppliers. Our company has appointed lawyers to file a criminal complaint against former Executive Vice President Hu with the Criminal Investigation Bureau of the National Police Agency, Ministry of the Interior . The case is currently under investigation by the Taipei District Prosecutors Office .

（十三）Environmental risk assessment and response measures

1. The raw materials and chemicals used in the manufacture of our company are subject to relevant international laws and regulations concerning environmental protection, climate change, and safety and hygiene. Nankang Tire is currently taking the following measures:

(1) International environmental risks

Our company promises not to use conflict minerals. The metal materials we use (such as steel wire, rings , etc.) will not be sourced from primary minerals mined in the Democratic Republic of Congo and neighboring conflict countries in the Central African Republic. This is to ensure that the metals we use are not mined from mines controlled by armed groups in the Democratic Republic of Congo and its neighboring countries. We have also launched an investigation into upstream suppliers and traced the source of primary minerals contained in all our products , and have required upstream suppliers to comply with the ban on the use of the aforementioned "conflict minerals".

(2) Climate regulatory risks

With increasingly stringent greenhouse gas emission regulations worldwide , our company began conducting greenhouse gas inventory and reporting of emissions in 2017, replaced oil-fired boilers with gas-fired boilers, actively controlled greenhouse gas pollution sources within the Xinfeng plant, and closely monitored changes in domestic and international regulations.

(3) Climate disaster risk

The global greenhouse effect has exacerbated climate anomalies, exacerbating the crises of windstorms, floods, droughts, and water shortages, significantly impacting our company's sales and supply chain . To ensure a stable supply of tap water and electricity, in addition to requiring internal carbon reduction and water conservation measures within the company and supplier factories , we are also actively holding meetings with power and water companies to jointly address short-term supply and allocation contingency issues.

2. The Company has not been affected by any environmental risks in its most recent year or up to the date of publication of its annual report.

七、Other important matters: None.

VI.Special Records

一、Related company information

Search method: Public Information Observation Station > Single Company > Electronic Document Download > Related Companies' Three Documents Section > Search Company Code (2101)

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

二、For the most recent year and up to the date of publication of the annual report, there were no private placements of securities.

三、Other necessary supplementary explanations: None.

四、If any event that has a material impact on shareholders’ equity or securities prices occurs in the most recent year or up to the date of publication of the annual report, as defined in Article 36, Paragraph 3, Subparagraph 2 of this Act.

Nankang Tire Co., Ltd.

Chairman: Guo Linliang

Memo