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2024 ANNUAL REPORT

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One. Letter to Shareholders

The recent economic survey data indicates that the global economy remained stable in 2024, maintaining a growth rate of 3.2% (IMF). The World Bank's "Global Economic Prospects" released in January 2025 continued to hold a positive forecast for the global economy. Especially with the significant easing of inflation and the support of monetary policies from various countries, investment activities across economies were expected to be more stable. Due to the continued easing of inflation worldwide, the Company's costs remained stable in 2024, leading to an increase in gross profit margin to 22%, and the EPS also rising from 0.92 in 2023 to 1.30 in 2024. The bicycle industry, which had been hit hard, passed through the tough time in 2024 and is on path to continuous recovery, with orders expected to gradually return to pre-pandemic levels by 2025.

However, the Trump administration's unpredictable tariff policies present a variable to the aforementioned forecasts. Currently, it is predicted that the Company will be significantly impacted by the 'Reciprocal Tariffs' imposed on all countries on April 9, 2025, and the 25% tariff imposed on all automotive parts (including tires) exported to the U.S. starting May 3, 2025, under Section 232 of the Trade Expansion Act. Regarding the Reciprocal Tariffs, in addition to the 10% "baseline" rate, many of the countries where the Company's factories are located are subject to higher, country-specific rates ranging from 32% to 145%, which exceeds the original expectations. However, as of the publication date of this report, these additional tariffs have been announced to be postponed for 90 days, except for China. According to current mainstream economic analysis, if the Trump administration implements these high tariff policies, global economic growth forecasts could be downgraded to below 2%. This could result in a global supply chain disruption crisis, leading to a significant increase in production costs for manufacturers, affecting product prices, and substantially raising long-term price volatility and inflation risks.

In response to the unpredictable measures of the Trump administration, the Company will closely monitor market conditions and relevant regulatory changes and maintain smooth communication with U.S. clients. The Company will thoroughly assess products most susceptible to tariff adjustments, improve the product portfolio, and formulate short, medium, and long-term strategies to enhance its position in the industry value chain and ensure increased profitability to cope with the high-tariff era. The Company will also carefully evaluate various investment plans and actively enhance the production capabilities of the factories, such as by introducing automated production and real-time production monitoring systems, to improve quality and increase diversification and flexibility.

Promoting sustainable development continuously is also an important strategy of the Company. The Company's carbon reduction goal is to "Reducing Carbon By 3% Per Year And 25% By 2030." Through continuous collaboration with suppliers, the Company aims to strengthen the carbon management capabilities within the industry and enhance the energy-saving and carbon reduction capabilities of upstream and downstream processes.

In an era of heightened geopolitical risks and unpredictable changes, the Company will strive to accelerate supply chain adjustments and market diversification to strengthen business resilience. The Company sincerely thank all employees, customers, suppliers and shareholders for the long-term support. In the future, the Company will continue to uphold the founder's belief of "Honesty, Quality, Service, and Innovation", and work with all stakeholders to build a high-quality company and protect the best interests of all shareholders.

I. The 2024 Business Report

(I) Results of the 2024 Business Plan

1. Production and Sales:

Unit: Thousand units; %

Product \ Year	Production in 2024	Sales in 2024	Sales in 2023	Percentage of increase/decrease (%)
Bicycle tires	32,769	28,631	21,674	32.10
Motorcycle tires and other bias tires	28,904	30,411	32,224	-5.63
Radial tires	9,221	6,708	6,731	-0.34
Inner tube	45,099	38,666	31,569	22.48

2. Operational Status:

Consolidated

Unit: NTD Thousand; %

Item \ Year	2024	2023	Percentage of increase/decrease (%)
Net operating revenue	34,202,669	34,443,676	-0.70
Operating cost	26,662,976	27,771,016	-3.99
Operating expenses	5,985,796	5,377,682	11.31
Profit from operations	1,469,964	1,294,978	13.51
Profit after tax	1,240,953	880,982	40.86

Standalone

Unit: NTD Thousand; %

Item \ Year	2024	2023	Percentage of increase/decrease (%)
Net operating revenue	4,787,548	4,430,610	8.06
Operating cost	3,504,540	3,427,417	2.25
Operating expenses	1,141,287	1,098,444	3.90
Profit from operations	154,855	(118,194)	-231.02
Profit after tax	1,240,953	880,982	40.86

(II) Budget implementation

The Company's actual revenues for the year 2024 were NT\$34.203 billion, representing an achievement of 88.90% compared to the forecasted target of NT\$38.473 billion for the year 2024.

(III) Analysis of Revenue, Expenditures, and Profitability

Consolidated		Unit: NTD Thousand; %		
Item \ Year		2024	2023	Percentage of increase/decrease (%)
Revenue and Expenditure	Operating revenue	34,202,669	34,443,676	-0.70
	Gross profit	7,539,693	6,672,660	12.99
	Profit after tax	1,240,953	880,982	40.86
Profitability Analysis	Ratio of Return on Total Assets (%)	3.60	2.91	23.71
	Ratio of Return on Equity (%)	6.10	4.52	34.96
	Ratio of income before tax to paid-in capital (%)	17.28	13.67	26.41
	Profit ratio (%)	3.63	2.56	41.80
	Earnings per share (NT\$)	1.30	0.92	41.30

Standalone		Unit: NTD Thousand; %		
Year		2024	2023	Percentage of increase/decrease (%)
Item				
Revenue and Expenditure	Operating revenue	4,787,548	4,430,610	8.06
	Gross profit	1,283,008	1,003,193	27.89
	Profit after tax	1,240,953	880,982	40.86
Profitability Analysis	Ratio of Return on Total Assets (%)	4.04	3.12	29.49
	Ratio of Return on Equity (%)	6.10	4.52	34.96
	Ratio of income before tax to paid-in capital (%)	13.47	9.69	39.01
	Profit ratio (%)	25.92	19.88	30.38
	Earnings per share (NT\$)	1.30	0.92	41.30

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

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

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

1. Research on the advance technology for smart tires to innovate new ideas in the tire industry.
2. Study on the advance technology for a new type of non-inflatable tire.
3. Provide the high value-added products and introduce automatic equipment to ensure the quality of our products.
4. Establish a tire laboratory to enhance the technology capability for dynamic tire simulation.
5. Establish a VOC (odor) laboratory in response to the new international regulations to reduce the tire odors and enhance the technical capability of the Company.
6. In 2024, the Company completed more than 400 new product developments and patents in total.
7. The Company has won the 33th Taiwan Excellence Award, which is the 18th consecutive year for the Company's products to be awarded, including All-Weather Road Tires – K1225, Airolution Gargo Bicycle Tubes, Motorcycle Dual Sport Tires – K6342, Turf/Utility Tires – K505, Radial Spare Tires – K801 and Ultra High Performance Tires – KR20A.
8. In recent years, with the goal to actively promote the intellectual property management plan, the R&D department has established a KPI for the number of patent applications to regularly review the technologies produced, and actively apply for various patents.

II. Summary of Business Plan for 2025

(I) Business strategy for 2025

The Company's operating policy for 2025 focuses on tariff risk mitigation, sustainable management, innovative research and development and strengthening occupational safety and health:

1. Monitor tariff news and relevant regulatory changes, thoroughly assess products most susceptible to tariff adjustments, improve the product portfolio, and formulate short, medium, and long-term strategies to enhance the Company's position in the industry value chain.
2. Evaluate various investment plans and continue to promote automated production and real-time production monitoring systems within the Group to improve quality and increase diversification and flexibility.
3. Continuously enhance R&D capabilities in major markets, carefully listen to clients' needs, develop high value-added products, and optimize existing products to expand into new markets. Many Premium passenger car tires specifically designed for electric vehicles will be launched in 2025, aiming to aggressively capture the electric vehicle market share in China, Europe and the United States.
4. Maintain the occupational safety and health and environmental protection management in order to ensure the workplace and production safety.
5. Refine human resources, enhance team discipline and improve the management capability and operational performance.
6. Set the goal of "Reducing Carbon By 3% Per Year And 25% By 2030." Through continuous collaboration with suppliers, the Company aims to strengthen the carbon management capabilities within the industry, enhance the energy-saving and carbon reduction capabilities of upstream and downstream processes, and build excellent sustainable development management.

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

Consolidated

Product Type	Year	2025
		Sales Volume (in thousand units)
Bicycle tires		33,946
Motorcycle tires and other bias tires		30,578
Radial tires		11,070
Inner tube		50,176
Total		125,770

Standalone

Year	2025
Product Type	Sales Volume (in thousand units)
Bicycle tires	1,921
Motorcycle tires and other bias tires	3,712
Radial tires	1,807
Inner tube	6,472
Total	13,912

III. The Company's Future Development Strategy

Our business strategy is to “Operate in Taiwan; Distribute globally; Deeply develop around the world,” to increase the production capacity, to innovate and develop new products with high quality and low price, and to serve global customers with the **KENDA** brand.

1. Strive to accelerate supply chain adjustments and market diversification to strengthen operational flexibility and sales resilience in various regions in an era of heightened geopolitical risks.
2. Continuously enhance R&D capabilities in major markets, carefully listen to clients' needs, develop high value-added products, and optimize existing products to expand into new markets.
3. Actively promote the launch of premium PCR tires for electric vehicles.
4. Continue to introduce automated equipment, and, based on manufacturing execution system(“MES”), promote intelligent manufacturing to stabilize the quality in production processes and improve the productivity.
5. Integrate human resources, enhance team discipline and improve the management capability and operational performance.
6. Set the goal of “Reducing Carbon By 3% Per Year And 25% By 2030”. Through continuous collaboration with suppliers, the Company aims to strengthen the carbon management capabilities within the industry, enhance the energy-saving and carbon reduction capabilities of upstream and downstream processes, and build excellent sustainable development management.

IV. The Effect of External Competition

1. The Indian government had announced the ban on the tires imported from other countries in June 2020. The restriction on imports is still imposed, which would seriously affect our sales to the Indian market.
2. The Chinese tire manufacturers have invested and set up factories worldwide to intensify the competition in tire manufacturing industry.
3. The U.S. imposed a huge anti-dumping tax on PCR tires produced in Taiwan, Korea,

Thailand, and Vietnam. However, Vietnam factory of the Company was only subject to a 6.46% anti-dumping tax rate.

4. Currently, it is predicted that the Company will be impacted by the 'Reciprocal Tariffs' imposed on all countries on April 9, 2025 (as of the publication date of this report, these additional tariffs have been announced to be postponed for 90 days, except for China), and the 25% tariff imposed on all automotive parts (including tires) exported to the U.S. starting May 3, 2025, under Section 232 of the Trade Expansion Act.

V. The Effect of Legal Environment

1. The regulations and standards for product certification in tire industry continue to increase, and the time and cost consumed for the applications of product certification have increased significantly, causing another type of trade barrier; for example, the E-mark and labelling act in EU, DOT in US, CCC in China, SNI in Indonesia, GCC in the Middle East, SASO in Saudi Arabia, INMETRO in Brazil, TIS in Thailand, BIS in India, etc.
2. In response to the global warming crisis, the government has set the 2050 net-zero emissions target, and has included the amendment of the “Greenhouse Gas Reduction and Management Act” as a key objective. In the face of the future carbon fee and various government policies on greenhouse gas reduction, the Company is actively launching carbon reduction measures.
3. The government’s policy of restricting the worker from overseas due to the impact of the COVID-19 pandemic has resulted in a labor shortage and limited the production capacity.

VI. The Effect of the Overall Business Environment

1. Favorable factors:
 - (1) Due to increasingly harsh investment environment in China, and the impact of trade protection measures in Europe and the United States, the bicycle manufacturers gradually shifts the factories to Vietnam, Cambodia and other Southeast Asian countries. The demand for bicycle tires and inner tubes in the local market will increase, which is a great benefit for the Company’s Vietnam and Indonesia factories.
 - (2) Our company has several production sites in China, Southeast Asia and Taiwan, offering great flexibility in supply.
 - (3) There is a low price competition among Chinese factories. Many countries have begun to levy high anti-dumping tariffs. The Company has multiple production bases for customers to diversify risks.
2. Unfavorable factors:
 - (1) The Ukrainian-Russian War aggravated the uncertainty of the global economic market, which has made raw material prices unstable, and made it more difficult to control profit margins.
 - (2) The Red Sea crisis, rising freight rates and fluctuating oil prices have led to higher import costs for customers and affected the order placement cycle.
 - (3) The situation in the Middle East is unstable, affecting the business environment, and

business activities are disrupted due to government reforms, demonstrations or conflicts; the wars in Israel-Hamas and Yemen's Houthis have affected the geopolitical risks in the Mediterranean Sea and Europe.

- (4) The Trump administration imposed the 'Reciprocal Tariffs' on all countries on April 9, 2025, and the 25% tariff on all automotive parts (including tires) exported to the U.S. starting May 3, 2025, under Section 232 of the Trade Expansion Act. As of the publication date of this report, the 'Reciprocal Tariffs' has been announced to be postponed for 90 days.

Kenda Rubber Ind. Co., Ltd.

Yang, Chi-Jen



Chairman

Two. Corporate Governance Report

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

(I) Information on Directors and Independent Directors

Information on Directors and Independent Directors (1)

March 31, 2025

Position Name	Nationality	Gender Age	Date elected (initial elected date)	Terms of office	Number of shares held on date elected		Number of shares held currently		Number of shares held by spouses and children of minor age currently		Number of shares held under other persons' names		Principal work experience and academic qualifications	Position(s) held concurrently in the Company and other companies	Other officers, directors or supervisors who are spouses or within the second degree of kinship			Remarks
					Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership			Position	Name	Relation	
Chairman Yang, Chi-Jen	Republic of China	Male 71-80	2024.05.31 (1979.05.20)	3 years	95,361,725	9.99	93,361,725	9.78	7,983,800	0.84	150,000	0.02	MBA, The City University of New York Vice Chairman, Kenda Rubber Ind., Co., Ltd.	Chairman, American Kenda Rubber Ind., Co., Ltd.	Director	Yang, Ying-Ming	2nd degree of kinship	
Vice Chairman Chang, Hong- Der	Republic of China	Male 61-70	2024.05.31 (2003.06.20)	3 years	8,044,172	0.84	8,044,172	0.84	149,690	0.02	0	0	Ph.D., Mechanical Engineering, Cornell University President, Kenda Rubber Ind., Co., Ltd.	Member of ESG Committee, Kenda Rubber Ind., Co., Ltd.	None	None	None	
Director Yang, Ying-Ming	Republic of China	Male 71-80	2024.05.31 (1974.01.01)	3 years	65,959,222	6.91	65,033,772	6.81	14,413,334	1.51	0	0	M.S., Chemical Engineering, Syracuse University Chairman, Kenda Rubber Ind., Co., Ltd.	Group Chairman, Kenda Rubber Ind., Co., Ltd. Chairman, Kenjou Ind., Co., Ltd.	Chairman	Yang, Chi-Jen	2nd degree of kinship	
Director Chen, Chao-Jung	Republic of China	Male 51-60	2024.05.31 (1990.05.23)	3 years	0	0	0	0	0	0	20,332,526	2.13	M.S., Materials Science and Engineering, The Ohio State University President, Kenda Rubber Ind. Co. Ltd.		None	None	None	
Director Lin, Chien-Liang	Republic of China	Male 61-70	2024.05.31 (2024.03.01)	3 years	45,545	0	45,545	0	0	0	0	0	Associate degree in Business Administration, Tamsui Institute of Business Administration General Manager, Kenda Rubber (China) Ind., Co., Ltd. General Manager, Kenda Rubber (Shenzhen) Ind., Co., Ltd.	President, Kenda Rubber Ind. Co. Ltd.	None	None	None	
Director Yang, Chia-Ling	Republic of China	Female 51-60	2024.05.31 (2015.06.23)	3 years	30,081,817	3.15	30,081,817	3.15	0	0	0	0	B.S. degree in Pharmacy, China Medical University President, Kenlight Trading Corp.	President, Kenlight Trading Corp. Chairman of ESG Committee, Kenda Rubber Ind., Co., Ltd.	None	None	None	
Director Lin, Tsung-Chi	Republic of China	Male 41-50	2024.05.31 (2012.06.13)	3 years	10,142,046	1.06	10,142,046	1.06	1,106,855	0.12	0	0	M.S., Electrical and Computer Engineering, University of Wisconsin-Madison Deputy Director, Realtek Semiconductor Corp. President, OBERLIN TECH. CO., LTD.	President and Director, OBERLIN TECH. CO., LTD. Member of ESG Committee, Kenda Rubber Ind., Co., Ltd.	None	None	None	
Director Yang, Ying-Yuan	Republic of China	Female 41-50	2024.05.31 (2009.06.16)	3 years	27,345,682	2.86	28,253,682	2.96	0	0	0	0	MBA, University of Maryland Marketing Assistant Vice President, Kimberly- Clark Corporation Taiwan Branch Brand Director, PepsiCo Foods Taiwan Co., Ltd.	Director, 7th Island Leisure Ltd.	None	None	None	
Independent Director Cho, Shih-Chao	Republic of China	Male 71-80	2024.05.31 (2021.08.31)	3 years	0	0	0	0	0	0	0	0	MBA, University of Louisville Director General, Bureau of Foreign Trade; Vice Minister and Deputy Minister, Ministry of Economic Affairs Adjunct Professor, Department of Political Science, National Taiwan University	Independent Director and Convener of the Remuneration/Audit Committee, Kenda Rubber Ind., Co., Ltd. Independent Director, Convener of Remuneration Committee, and Member of Audit Committee, Plum- Monix Industry Co., Ltd.	None	None	None	
Independent Director Weng, Wen-Chi	Republic of China	Male 61-70	2024.05.31 (2017.06.30)	3 years	0	0	0	0	0	0	0	0	M.S., Investment and Financial Risk Management, City University of London Chairman, Chunghwa Post Co., Ltd. Chairman, Sinopac Financial Holdings Company Limited	Independent Director and Member of the Audit/Remuneration Committee, Kenda Rubber Ind., Co., Ltd. Independent Director and Member of the Audit/ Remuneration Committee, ASE Technology Holding Co., Ltd.	None	None	None	
Independent Director Yieh, Kaili	Republic of China	Female 61-70	2024.05.31 (2024.05.31)	3 years	0	0	0	0	0	0	0	0	Ph.D., Consumer Science and Retailing, Purdue University Professor, Department of Business Administration; Dean, College of Business Administration and College of Extension Education; and Director, Language Center, National Changhua University of Education	Independent Director and Member of the Audit/Remuneration Committee, Kenda Rubber Ind., Co., Ltd. Professor, Department of Business Administration, National Changhua University of Education	None	None	None	

Information on Directors and Independent Directors (2)

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

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

Requirements Name (Note 1)	Professional Qualifications and Experiences (Note 1)	Status of Independence (Note 2)	The number of other public companies in which the individual is concurrently serving as an independent director
Yang, Ying-Yuan	MBA, University of Maryland B.B.A. degree in International Business, National Taiwan University Marketing Assistant Vice President, Kimberly-Clark Corporation Taiwan Branch Brand Director, PepsiCo Foods Taiwan Co., Ltd Director, 7th Island Leisure Ltd.	Not applicable.	None
Cho, Shih-Chao (Independent Director)	MBA, University of Louisville B.B.A. degree in Business Management, Tatung University Passed the Examination for Overseas Economic Officer (English Group) of the Ministry of Economic Affairs Overseas Representative and Director-General of Department of Economic and Trade Affairs, Ministry of Foreign Affairs Trade Representative, The Office of Trade Negotiations Director-General, Bureau of Foreign Trade; Vice Minister and Deputy Minister, Ministry of Economic Affairs Adjunct Professor, Department of Political Science, National Taiwan University Independent Director, Plum-Monix Industry Co., Ltd.	Eligible for the independence criteria.	1
Weng, Wen-Chi (Independent Director)	M.S., Investment and Financial Risk Management, City University of London B.A. degree in International Relations, Department of Political Science, National Taiwan University Responsible for foreign-related business such as foreign investment management at the Securities and Futures Commission, Ministry of Finance. Counselor, Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization Responsible for foreign banks affairs at Banking Bureau, Financial Supervisory Commission, R.O.C.(Taiwan) Establish a representative office in New York during the tenure at the Financial Supervisory Commission, where he was responsible for interactions with various financial regulatory agencies in the United States and Wall Street corporations. Representative, Taipei Economic and Cultural Center in India Chairman, Chunghwa Post Co., Ltd. Chairman, Sinopac Financial Holdings Company Limited	Eligible for the independence criteria.	1
Yieh, Kaili (Independent Director)	Ph.D., Consumer Science and Retailing, Purdue University MBA, University of Central Missouri B.B.A degree in Business Administration, National Chengchi University President, Asian Consumer and Family Economic Association Principal Investigator, University Social Responsibility, Ministry of Education Professor, Department of Business Administration; Dean, College of Business Administration and College of Extension Education; and Director, Language Center, National Changhua University of Education	Eligible for the independence criteria.	None

(1) All directors of the Company possess work experience in business, law, finance, accounting or corporate business.

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

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

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

2. Diversity and Independence of the Board of Directors:

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

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

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

The Board of Directors of the Company consists a wide range of professional backgrounds, and we have recruited a wide range of talents to achieve the diversity in the Board. The composition

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

The Board of Directors of the Company was re-elected in 2024. Originally, there was one female director, but after the re-election, there are now three female directors, accounting for approximately 27% of the board seats. Currently, female directors still do not reach one-third of the board seats, mainly due to the limited availability of qualified female candidates. However, in 2024, the board added two new female directors and plan to continue actively seeking female directors with the goal of achieving at least one-third female directors by 2027.

Status of Board diversity

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

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

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

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

The Board of Directors oversees the management and operation of the Company and is

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

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

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

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

March 31, 2025

Position	Nationality	Name	Gender	Date on which current position was assumed	Shareholding		Number of shares held by spouse and children of minor age		Number of shares held under other persons' names		Principal work experience and academic qualifications (Note 2)	Position(s) held concurrently in other companies	Managers who are related to the spouse or the second degree of kinship			Remarks (Note 3)
					Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership			Position	Name	Relation	
Group Chairman	Republic of China	Yang, Ying-Ming	Male	2018.06.11	65,033,772	6.81	14,413,334	1.51	0	0	M.S., Chemical Engineering, Syracuse University	Chairman, Kenjou Ind. Co., Ltd.	None	None	None	
President	Republic of China	Lin, Chien-Liang	Male	2024.07.01	45,545	0	0	0	0	0	Associate degree in Business Administration, Tamsui Institute of Business Administration	None	None	None	None	
Assistant Vice President	Republic of China	Chen, Chin-Fu	Male	2006.04.01	0	0	0	0	0	0	Associate degree in Mechanical Engineering, National Taipei Institute of Technology	None	None	None	None	
Assistant Vice President	Republic of China	Chang, Hui-Chu	Female	2011.04.01	0	0	0	0	0	0	B.A. degree in Foreign Languages and Literatures, National Chung Hsing University	None	None	None	None	
Assistant Vice President	Republic of China	Liu, Kuei-Chun	Male	2017.07.16	0	0	0	0	0	0	Associate degree in Public Finance and Taxation, Tamsui Institute of Business Administration	None	None	None	None	
Assistant Vice President	Republic of China	Li, Tsung-Hsun	Male	2021.09.01	11,550	0	0	0	0	0	M.S., Information Management, National Yunlin University of Science and Technology	None	None	None	None	

Position	Nationality	Name	Gender	Date on which current position was assumed	Shareholding		Number of shares held by spouse and children of minor age		Number of shares held under other persons' names		Principal work experience and academic qualifications (Note 2)	Position(s) held concurrently in other companies	Managers who are related to the spouse or the second degree of kinship			Remarks (Note 3)
					Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership			Position	Name	Relation	
Assistant Vice President	Republic of China	Lin, Chin-Tze	Male	2025.02.01	0	0	0	0	0	0	Associate degree in Electrical Engineering, National Yunlin Institute of Technology	None	None	None	None	
Senior Manager	Republic of China	Wang, Ching-Yi	Male	2024.07.16	0	0	0	0	0	0	Associate degree in Electrical Engineering, National Yunlin Institute of Technology	None	None	None	None	
Corporate Governance Officer	Republic of China	Shen, Jui-Hsiung	Male	2023.08.08	0	0	0	0	0	0	Associate degree in Chemical Engineering, National Taipei Institute of Technology	None	None	None	None	

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

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

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

Note 4: Lin, Chien-Liang was promoted to Vice President on April 1, 2024, and was promoted to Acting President on July 1, 2024. Wang, Ching-Yi was promoted to Senior Manager on July 16, 2024. Lin, Chin-Tze was promoted to Assistant Vice President on February 1, 2025.

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

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

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

December 31, 2024 Unit: NT\$

Position	Name	Remuneration paid to Directors								(A+B+C+D) and as a % of Net Income		Remuneration paid to part-time employees								(A+B+C+D+E+F+G) as a % of Net Income		Compensation Received from Non-consolidated Affiliates or Parent Company
		Remuneration (A)		Severance Pay and Pensions (B)		Director's remuneration (C)		Expenses from professional practice (D)				Salary, Bonuses and Allowances (E)		Severance Pay and Pensions (F)		Remuneration to employees (G)						
		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	Cash	Stock	Cash	Stock	From the Company	From All Consolidated Entities	
Director	Yang, Chi-Jen	3,622,685	3,622,685	463,143	463,143	16,702,515	16,702,515	563,343	563,343	21,351,686 1.72	21,351,686 1.72	6,147,914	10,941,743	665,707	665,707	383,805	-	383,805	-	28,549,112 2.30	33,342,941 2.69	-
	Chang, Hong-Der																					
	Yang, Ying-Ming																					
	Chen, Chao-Jung																					
	Stretch Investment Co., Ltd. Representative: Chen, Chao-Jung																					
	Yang, Shin-Nan																					
	Lin, Chien-Liang																					
	Yang, Chia-Ling																					
	Lin, Tsumg-Yi																					
	Kenjou Co., Ltd. Representative: Lin, Chun-Ke																					
	Lin, Chien-Liang																					
	Lin, Tsung-Chi																					
	Yang, Ying-Yuan																					
Independent Director	Hsieh,Chun-Mou	1,917,325	1,917,325	-	-	-	-	292,000	292,000	2,209,325 0.18	2,209,325 0.18	-	-	-	-	-	-	-	-	2,209,325 0.18	2,209,325 0.18	-
	Su, Ching-Yang																					
	Cho, Shih-Chao																					
	Weng, Wen-Chi																					
	Yieh, Kaili																					

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

Note 1: Kenjou Co., Ltd reassigned its representative from Lin, Chun-Ke to Lin, Chien-Liang on March 1, 2024.

Note 2: The Company held a board re-election at the shareholders' meeting on May 31, 2024. Remuneration paid includes the remuneration of all Directors appointed before and after the re-election.

Remuneration Range Table

Remuneration paid to directors	Directors' Names			
	Total of the remunerations (A+B+C+D)		Total of the remunerations (A+B+C+D+E+F +G)	
	From the Company	From All Consolidated Entities (H)	From the Company	From All Consolidated Entities(I)
\$0 ~ \$999,999	Lin, Chun-Ke, Lin, Chien-Liang, Yang, Shin-Nan, Lin, Tsumg-Yi, Hsieh, Chun-Mou, Su, Ching-Yang, Cho, Shih-Chao, Weng, Wen-Chi, Yieh, Kaili	Lin, Chun-Ke, Lin, Chien-Liang, Yang, Shin-Nan, Lin, Tsumg-Yi, Hsieh, Chun-Mou, Su, Ching-Yang, Cho, Shih-Chao, Weng, Wen-Chi, Yieh, Kaili	Lin, Chun-Ke, Yang, Shin-Nan, Lin, Tsumg-Yi, Hsieh, Chun-Mou, Su, Ching-Yang, Cho, Shih-Chao, Weng, Wen-Chi, Yieh, Kaili	Lin, Chun-Ke, Yang, Shin-Nan, Lin, Tsumg-Yi Hsieh, Chun-Mou, Su, Ching-Yang Cho, Shih-Chao, Weng, Wen-Chi, Yieh, Kaili
\$1,000,000 ~ \$1,999,999	Yang, Chia-Ling, Lin, Tsung-Chi, Yang, Ying-Yuan	Yang, Chia-Ling, Lin, Tsung-Chi, Yang, Ying-Yuan	Yang, Chia-Ling, Lin, Tsung-Chi, Yang, Ying-Yuan	Yang, Chia-Ling, Lin, Tsung-Chi, Yang, Ying-Yuan
\$2,000,000 ~ \$3,499,999	Chen, Chao-Jung	Chen, Chao-Jung	Lin, Chien-Liang	Lin, Chien-Liang
\$3,500,000 ~ \$4,999,999	Yang, Ying-Ming, Chang, Hong-Der	Yang, Ying-Ming, Chang, Hong-Der	Chang, Hong-Der, Chen, Chao-Jung	Chang, Hong-Der, Chen, Chao-Jung
\$5,000,000 ~ \$9,999,999	Yang, Chi-Jen	Yang, Chi-Jen	Yang, Chi-Jen, Yang, Ying-Ming	Yang, Ying-Ming
\$10,000,000 ~ \$14,999,999				Yang, Chi-Jen
\$15,000,000 ~ \$29,999,999				
\$30,000,000 ~ \$49,999,999				
\$50,000,000 ~ \$99,999,999				
Over \$100,000,000				
Total	16	16	16	16

Note 1: The Company held a board re-election at the shareholders' meeting on May 31, 2024. New Directors: Chen, Chao-Jung, Lin, Chien-Liang, Lin, Tsung-Chi, Yang, Ying-Yuan, Weng, Wen-Chi, Yieh, Kaili. Old Directors: Stretch Investment Co., Ltd., Kenjou Co., Ltd., Lin, Tsumg-Yi, Yang, Shin-Nan, Hsieh, Chun-Mou, Su, Ching-Yang. Kenjou Co., Ltd reassigned its representative from Lin, Chun-Ke to Lin, Chien-Liang on March 1, 2024.

Note 2: Remuneration paid includes the remuneration of all Directors appointed before and after the re-election.

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

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

December 31, 2024 Unit: NT\$

Position	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Remuneration to employees (D)				(A+B+C+D) as a % of Net Income		Compensation Received from Non-consolidated Affiliates or Parent Company
		From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities	From the Company		From All Consolidated Entities		From the Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Group Chairman	Yang, Ying-Ming	4,951,305	4,951,305	665,707	665,707	1,196,609	1,196,609	225,858	0	225,858	0	7,039,479 0.57	7,039,479 0.57	None
Vice President	Lin, Chun-Ke													
President	Chen, Chao-Jung													
President	Lin, Chien-Liang,													

Note 1: Vice President Lin, Chun-Ke retired on February 27, 2024.

Note 2: Lin, Chien-Liang was promoted to Vice President on April 1, 2024, and was promoted to Acting President on July 1, 2024.

Note 3: President, Chen, Chao-Jung retired on June 30, 2024.

Remuneration Range Table

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

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

Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2024

Unit: NT\$

	Position	Name	Stock	Cash Amount	Total	Proportion to Earnings After Tax (%)
Managers	Group Chairman	Yang, Ying-Ming	0	537,775	537,775	0.0433
	President	Lin, Chien-Liang				
	Assistant Vice President	Chen, Chin-Fu				
	Assistant Vice President	Lin, Chin-Tze				
	Assistant Vice President	Chang, Hui-Chu				
	Assistant Vice President	Liu, Kuei-Chun				
	Senior Manager	Wang, Ching-Yi				
	Assistant Vice President	Li, Tsung-Hsun				
	Corporate Governance Officer	Shen, Jui-Hsiung				

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

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

	2023	2024
Remuneration paid to directors, supervisors, president and vice president proportion to earnings after tax (Individual Financial Statement)	2.8856%	2.4786%
Remuneration paid to directors, supervisors, president and vice president proportion to earnings after tax (Consolidated Financial Statement)	3.3678%	2.8649%

The Company's net income for 2023 was NT\$ 880,982,000.

The consolidated net income for 2023 was NT\$ 880,982,000.

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

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

2. The description of the remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:
 - (1) In accordance with Article 3 of the “Regulations Governing the Remuneration to Directors” issued by the Company, the remuneration criteria for directors shall be determined by the Board of Directors with reference to the industry standard, based on each individual director’s participation in the daily operation and management of the Company and the performance of his or her duties for the Company. The remuneration of directors includes salary, compensation for duties, various bonuses, pensions, allowance and remuneration to directors from earnings distribution. Based on the Article 27-1 of the Article of Incorporation, the remuneration of directors shall be distributed at a rate of not more than 3% of the Company’s profit for the year. Independent directors do not participate in the distribution of directors’ remuneration. The Company regularly evaluates the remuneration to directors in accordance with the “Rules Governing the Performance Evaluation of the Board of Directors.” The related performance evaluation and the reasonableness of the remuneration are reviewed by the Compensation Committee and the Board of Directors.
 - (2) The remuneration of the Company’s managers shall be in accordance with Article 3 of the Company’s “Regulations Governing the Remuneration of Managers,” the Company’s “Regulations Governing the Calculation of Salaries” and “Regulations Governing the Appointment and Promotion of Staff,” and the Company’s overall operating performance, the manager’s years of service, personal performance achievement, contribution to the Company, and future potentials. The manager’s remuneration includes salaries, pensions, allowances, bonuses, rewards, employee bonuses, and other substantial incentives; in addition, if the Company makes a profit during the year, the Company shall distribute the employee’s remuneration at a rate of not less than 0.5% of the profit for the year in accordance with Article 27-1 of the Company’s Articles of Incorporation.
 - (3) The performance evaluation and the reasonableness of the remuneration for directors and managers of the Company are evaluated and reviewed by the Compensation Committee and the Board of Directors on a yearly basis, with reference to the individual’s performance achievement and contribution to the Company, the overall operational performance of the Company, the future risks and development trends of the industry. The remuneration system is reviewed regularly in light of the actual operating conditions and relevant laws and regulations. In addition, reasonable remuneration is determined by taking into account corporate governance and timely review of the operating conditions and relevant laws and regulations in order to achieve a balance between sustainable operation and risk control.
 - (4) In addition to the Company’s overall operating performance (e.g. the growth rate in profit before tax, the growth rate in operating revenue, and the over-consumption rate in the Group), the risks associated with the business operation and future development in the

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

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

III. The Implementation Status of Corporate Governance:

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

Information on the Operations of the Board

There were seven meetings of the Board of Directors in the year 2024, the attendance of Directors and Supervisors at these meetings was as follows:

Position	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Chairman	Yang, Chi-Jen	7	0	100%	Re-elected on May 31, 2024.
Vice Chairman	Chang, Hong-Der	7	0	100%	Re-elected on May 31, 2024.
Director	Yang, Ying-Ming	7	0	100%	Re-elected on May 31, 2024.
Director	Stretch Investment Co., Ltd. Representative: Chen, Chao-Jung	3	0	100%	Left office on May 31, 2024.
Director	Chen, Chao-Jung	4	0	100%	Newly elected on May 31, 2024.
Director	Kenjou Co., Ltd. Representative: Lin, Chun-Ke	1	0	100%	Left office on March 1, 2024 (Resigned its representative)
Director	Kenjou Co., Ltd. Representative: Lin, Chien-Liang	2	0	100%	Left office on May 31, 2024.
Director	Lin, Chien-Liang	4	0	100%	Newly elected on May 31, 2024.
Director	Yang, Chia-Ling	7	0	100%	Re-elected on May 31, 2024.
Director	Lin, Tsung-Yi	2	0	66.67%	Left office on May 31, 2024.
Director	Lin, Tsung-Chi	4	0	100%	Newly elected on May 31, 2024.
Director	Yang, Shin-Nan	3	0	100%	Left office on May 31, 2024.
Director	Yang, Ying-Yuan	4	0	100%	Newly elected on May 31, 2024.
Independent Director	Hsieh, Chun-Mou	3	0	100%	Left office on May 31, 2024.
Independent Director	Su, Ching-Yang	3	0	100%	Left office on May 31, 2024.
Independent Director	Cho, Shih-Chao	7	0	100%	Re-elected on May 31, 2024.
Independent Director	Weng, Wen-Chi	4	0	100%	Newly elected on May 31, 2024.
Independent Director	Yieh, Kaili	4	0	100%	Newly elected on May 31, 2024.

Note 1: The actual attendance rate (%) is calculated based on the number of board meetings held during the member's term and their actual attendance count.

Note 2: The Company held a board re-election at the shareholders' meeting on May 31, 2024.

Other matters that require reporting:

1. The implementation of the Board shall state the date and session of the Board meeting, the resolution, the opinions of all independent directors and the Company's response to such opinions, if any of the following

circumstances apply:

- (1) Items listed in paragraph 3 of Article 14 of the Securities and Exchange Act: The Company has established the audit committee on June 11, 2018, which is applicable to Article 14-5 of the Securities Exchange Act. Therefore, Article 14-3 of the Securities and Exchange Act is not applicable. For relevant resolutions, please refer to the description of the operation of the Audit Committee.
 - (2) Except for the preceding matters, other Board resolutions on which the independent directors express objections or reservations that have been included in records or stated in writing: None.
2. The implementation status of the directors' recusal from a resolution in which they may have interests shall include the directors' names, the contents of the resolution, the reasons for the recusal and the participation in voting: The Company has specified the terms of avoid a conflict of interest of directors in Rules of Procedure for Board of Directors Meetings, and has followed the relevant regulations.
 3. Information on the evaluation cycle, period, scope, method and content of the self- (or peer) evaluation of the Board: The performance evaluation results of the board of directors and functional committees in 2024 are as follows:

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

Cycle	Period	Scope	Method	Content	Result
Once a year	2024.01.01-2024.12.31	The Performance Evaluation of the Board of Directors	Chairman's evaluation	1. Participation in the operation of the Company. 2. Improvement of the quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of the directors. 5. Internal Control.	Overall: Excellent Weighted average score: 98
Once a year	2024.01.01-2024.12.31	The Performance Evaluation of Board members	Board member's self-evaluation	1. Alignment of the goals and mission of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the Company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal Control.	Overall: Excellent Weighted average score: 97.44
Once a year	2024.01.01-2024.12.31	The Performance Evaluation of the Audit Committee	Self-evaluation of the Audit Committee	1. Participation in the operation of the Company. 2. Awareness of the duties of the Audit Committee. 3. Improvement of quality of decisions made by the Audit Committee. 4. Composition of the Audit Committee, and election and appointment of committee members.	Overall: Excellent Weighted average score: 98.34

				5. Internal Control.	
Once a year	2024.01.01-2024.12.31	The Performance Evaluation of the Remuneration Committee	Self-evaluation of the Remuneration Committee.	1. Participation in the operation of the Company. 2. Awareness of the duties of the Remuneration Committee. 3. The quality of decision making by the Remuneration Committee. 4. Composition of the Remuneration Committee, and election and appointment of committee members.	Overall: Excellent Weighted average score: 98.80

Note: The Company held a board re-election at the shareholders' meeting on May 31, 2024. 5 directors were re-elected with a full year of assessment. 6 directors were newly elected with an assessment period from June to December 2024.

4. An evaluation of the current and most recent year's goals for improving the Board's functions (e.g. establishing an audit committee, improving information transparency and so on) and the implementation status:
- (1) At the shareholders' meeting in May 2024, 11 directors, including 3 independent directors, were elected for the 21th term of the Board of Directors.. All independent directors served as members of the Audit Committee that was established to enhance the independence and diversity of the Board of Directors. This includes basic qualifications , professional knowledge, and skills required for directors, such as operational judgment, accounting and financial analysis, management thinking, crisis management, leadership, decision-making ability, knowledge of the tire industry, and international perspective. The members of the Board of Directors undertake continuing education each year during their term of office. The Company purchases liability insurance for all Directors in respect of the scope of business they conduct. The Board of Directors is responsible to the shareholders of the Company and exercises its powers in accordance with the laws and regulations, the Articles of Incorporation and the resolutions of the shareholders' meeting. To achieve the best company interests, the members of the Board evaluate the Company's business strategies, risk management, investment plans and other major projects with duties of loyalty and the due care of a good-faith administrator, as well as focus on corporate governance and the implementation of internal control systems.
 - (2) The composition of the Company's Board of Directors includes overall consideration of operational judgment, management ability, financial analysis ability, crisis management ability, industry knowledge, international market perspective, ability to lead, and ability to make policy decisions.
 - (3) The Company discloses the information on directors' continuing education, attendance at board meetings and directors' remuneration on the Market Observation Post System.
 - (4) The Company has established an Audit Committee to supervise the fair expression of the Company's financial statements, the selection (dismissal) and independence and performance of the certified public accountant, the effective implementation of the Company's internal controls, the legal compliance of the Company with relevant orders and regulations, and the control of the Company's inherent or potential risks.

- (5) The Company set up a corporate governance officer on May 6, 2021. On August 8, 2023, the Board of Directors approved the appointment of Mr. Shen, Jui-Hsiung as corporate governance officer. Mr. Shen, Jui-Hsiung resigned in March 2025. On March 11, 2025, the Board of Directors approved the appointment of Miss Yang, Ya-Ting as the corporate governance officer, effective from April 1, 2025.

(II) The implementation status of the Audit Committee

The Company established the Audit Committee on June 11, 2018, which consists of three independent directors. For the professional qualifications of the members, please refer to the information on directors and independent directors (II) on pages 11 to 15 of this annual report. The purpose of the Audit Committee is to oversee the fair presentation of the Company's financial statements, the effective implementation of the internal control system, the hiring (and dismissal), independence (and suitability) of certificated public accountants, the Company's compliance with relevant laws and regulations or management of the existing or potential risks, the deliberation of the “Corporate Governance Risk Management Policy and Operational Procedure Management Regulations”, and the matters to be reviewed by the Audit Committee are the matters stipulated in Article 14-5 of the Securities and Exchange Act.

The implementation status of the Audit Committee in 2024 is as follow:

1. Convene the quarterly Audit Committee meeting to oversee that the financial statements present fairly and evaluate the effectiveness of the internal control system.
2. Review the financial statements.
3. Review the endorsement and guarantee cases.
4. Evaluate the independence and the suitability of the CPA.
5. Evaluate duration and amount of overdue of accounts receivable.
6. Review the proposal for distribution of earnings.
7. Review the capital increase proposal for the subsidiary.
8. Review the revision of the “Corporate Governance Risk Management Policy and Operational Procedure Management Regulations”.

There were five meetings of the Audit Committee in the year 2024, the attendance of independent directors at these meetings was as follows:

Position	Name	Attendance in person	Attendance by proxy	Attendance rate in person (%)	Remarks
Convener	Hsieh, Chun-Mou	3	0	100%	Left office on May 31, 2024.
Independent Director	Su, Ching-Yang	3	0	100%	Left office on May 31, 2024.
Independent Director (Convener)	Cho, Shih-Chao	5	0	100%	Re-elected on May 31, 2024.
Independent Director	Weng, Wen-Chi	2	0	100%	Newly elected on May 31, 2024.
Independent Director	Yieh, Kaili	2	0	100%	Newly elected on May 31, 2024.

Note 1: The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee held during the member's term and their actual attendance count.

Note 2: The Company held a board re-election at the shareholders' meeting on May 31, 2024.

Other matters that require reporting:

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

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

Audit Committee Meeting Dates	Resolutions	Independent directors' opinions	Results of the Audit Committee's resolution	The Company's handling of the recommendation of the Audit Committee
2024.01.31 The 2nd session The 13th meeting	<ol style="list-style-type: none"> 1. Report on the evaluation of the independence and suitability of the CPA. 2. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Audit Committee on January 31, 2024.
2024.03.11 The 2nd session The 14th meeting	<ol style="list-style-type: none"> 1. The adoption of the 2023 Business Report and Financial Statements. 2. The proposal of the 2023 Earnings Distribution. 3. The statement of the Internal Control System of the Company. 4. The proposal of the Company's purchase of land and buildings from KENFONG INDUSTRIAL CO., LTD. 5. Evaluation of "Whether Past Due and Amount of Accounts Receivable" of the Company. 	None	RESOLVED by all directors present.	Except for the fourth proposal, where director Yang, Ying-Ming suggested providing more information for discussion at the next meeting, other proposals were resolved by all directors present at the Audit Committee on March 11, 2024.
2024.05.09 The 2nd session The 15th meeting	<ol style="list-style-type: none"> 1. The proposal of the Company's consolidated financial statements for the first quarter of 2024. 2. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 3. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Audit Committee on May 9, 2024.

Audit Committee Meeting Dates	Resolutions	Independent directors' opinions	Results of the Audit Committee's resolution	The Company's handling of the recommendation of the Audit Committee
2024.08.08 The 3rd session The 1st meeting	<ol style="list-style-type: none"> 1. The proposal of the Company's consolidated financial statements for the second quarter of 2024. 2. The proposal of The Company's capital increase in subsidiaries. 3. The amendment of the Company's Internal Control System Manual and Internal Audit Implementation Manual. 4. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 5. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	RESOLVED by all directors present.	Resolved by all directors present at the Audit Committee on August 8, 2024.
2024.11.11 The 3rd session The 2nd meeting	<ol style="list-style-type: none"> 1. The preparation of the Company's audit plan for 2025. 2. The proposal of the Company's consolidated financial statements for the third quarter of 2024. 3. The proposal of The Company's capital increase in subsidiaries. 4. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 5. The proposal of the endorsement and guarantee of the Company's subsidiaries. 	None	Except for the third proposal, which was referred to the board of directors for discussion by the chairman after consulting all directors present, all other proposals were resolved by all directors present.	Except for the third proposal, which provided more sufficient information for discussion at the next meeting, all other proposals were resolved by all directors present at the Audit Committee on November 11, 2024.
2025.01.22 The 3rd session The 3rd meeting	<ol style="list-style-type: none"> 1. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 2. Report on the evaluation of the independence and suitability of the CPA. 3. The proposal of the endorsement and guarantee of the Company's subsidiaries. 4. The proposal of The Company's capital increase in subsidiaries. 	None	Except for the fourth proposal, which was referred to the board of directors for discussion by the chairman after consulting all directors present, all other proposals were resolved by all directors present.	Except for the fourth proposal, which aligns with the overall operations of the group, there will be no capital increase for the subsidiary, all other proposals were resolved by all directors present at the Audit Committee on January 22, 2025.

Audit Committee Meeting Dates	Resolutions	Independent directors' opinions	Results of the Audit Committee's resolution	The Company's handling of the recommendation of the Audit Committee
2025.03.11 The 3rd session The 4th meeting	1. The proposal of the range of the Company's junior employees. 2. The adoption of the 2024 Business Report and Financial Statements. 3. The proposal of the 2024 Earnings Distribution. 4. The statement of the Internal Control System of the Company. 5. Evaluation of "Overdue Accounts Receivable and the Amounts" of the Company. 6. The proposal of organizational restructuring of the Company's European subsidiaries.	None	RESOLVED by all directors present.	Resolved by all directors present at the Audit Committee on March 11, 2025.

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

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

(1) Summary of the communications between the independent directors and the internal auditors for the year 2024 and as of the date of publication in 2025.

Meeting Dates	Content of Communication	Method of Communication	Result of Communication
2024.01.31	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2024.03.11	1. Report on the implementation of internal audits. 2. Discussion on the Statement of the Internal Control System.	Presentation in the meeting	Acknowledged, no further comments.
2024.05.09	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2024.08.08	1. Report on the implementation of internal audits. 2. The amendment to the Company's Internal Control System Manual and Internal Audit Implementation Manual.	Presentation in the meeting	Acknowledged, no further comments.
2024.11.11	1. Report on the implementation of internal audits. 2. Discussion on the audit plan for 2025.	Presentation in the meeting	Acknowledged, no further comments.
2025.01.22	Report on the implementation of internal audits.	Presentation in the meeting	Acknowledged, no further comments.
2025.03.11	1. Report on the implementation of internal audits. 2. Discussion on the Statement of the Internal Control System.	Presentation in the meeting	Acknowledged, no further comments.

(2) Summary of the communications between the independent directors and the independent auditors for 2024 and as of the date of publication in 2025.

Meeting Dates	Content of Communication	Method of Communication	Result of Communication
2024.03.11	Communicate with the corporate governance unit on the audit results of financial statements, key audits matters, management's accounting estimates and accounting principle, non-assurance services projects in 2023.	Presentation in the meeting	Acknowledged, no further comments.
2024.11.11	Communicate with the corporate governance unit on the review results of financial statements, the responsibilities of the Audit Committee, the accounting estimates and accounting principles, significant risks management override of controls, and critical audit matters.	Presentation in the meeting	Acknowledged, no further comments.
2025.03.11	Communicate with the corporate governance unit on the audit results of financial statements, key audits matters, management's accounting estimates and accounting principle, evaluation on the independence and non-assurance services projects in 2024.	Presentation in the meeting	Acknowledged, no further comments.

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

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
I. Does Company follow “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	✓		The Company has established a Corporate Governance Practice Principles in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, which is disclosed on the Market Observation Post System and the Company’s website. (https://www.esg.kenda.com.tw)	No material difference.
II. Shareholding Structure & Shareholders’ Rights				
(I) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters? If yes, has these procedures been implemented accordingly?	✓		The Company has established Rules of Procedure for Shareholders’ Meetings and has a spokesperson and an acting spokesperson to handle the relevant issues.	No material difference.
(II) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		The Company maintains a shareholders’ roster through its shareholder service agent and is controlled by an insider share reporting system.	
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company has established the policy of the supervision and management of the subsidiaries and implemented monitoring in accordance with the regulations. The auditors also periodically visit each subsidiary to monitor and audit the subsidiaries in accordance with the policy.	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		The Company has established the “Regulations on Prevention of Insider Trading” to control the trading of securities by insiders with information that is not yet publicly announced in the market. Every year, according to the actual needs, the Company conducts training on “Prevention of Insider Trading” for employees and insiders. On November 27, 2024, the attorney of the Company was invited to publicize “Prevention of Insider Trading” to officers and employees. The information has been sent to each director and posted on the Company's intranet site for employees' reference.	

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	✓		<p>The Company has established and implemented a diversification policy in accordance with Article 20 of the "Corporate Governance Principles of Kenda Industrial Co., Ltd.", including basic requirements, professional knowledge, and skills required for directors, such as operational judgment , accounting and financial analysis, management thinking, crisis management, leadership, decision-making ability, sufficient knowledge of the tire industry and global perspective.</p> <p>There are total 11 members on the Board of Directors; of which 18% (2 directors) are employees of the Company, 27% are independent directors (3 independent directors), 27% are female directors (3 female directors), 2 independent director has served for less than 3 years, 1 independent directors have served for 3-6 years, 3 directors are over 70 years old, 4 directors are between the ages of 61 to 70, 2 directors are between the ages of 51 to 60 and 2 are under the age of 50. The directors are all qualified and experienced in conducting the Company's business, relevant experience is summarized on the pages 11 to 12 and 14.</p> <p>The Board of Directors of the Company consists a wide range of professional backgrounds, and we have recruited a wide range of talents to achieve the diversity in the Board. The composition of the Board included the chemical and marketing professionals who are related to the Company' s business. The Company selects its directors on the merit basis and without any discrimination. The Company emphasizes gender equality in the composition of the Board of Directors and plans to achieve the goal of female directors accounting for at least one-third of all directors by 2027.</p> <p>The Board of Directors of the Company was re-elected in 2024. Originally, there</p>	No material difference.

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
(II) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?	✓		was one female director, but after the re-election, there are now three female directors, accounting for approximately 27% of the board seats. Currently, female directors still do not reach one-third of the board seats, mainly due to the limited availability of qualified female candidates. However, in 2024, the board added two new female directors and plan to continue actively seeking female directors with the goal of achieving at least one-third female directors by 2027. The Company's Board of Directors approved to set up the Sustainable Development Committee on January 21, 2022. On May 31, 2024, after The Board of Directors of the Company was re-elected, Director Yang, Chia-Ling, Chang, Hong-Der and Lin, Tsung-Chi were elected as members of the second Sustainable Development Committee on June 28, 2024. Yang Chia-Ling was appointed as the chairperson of the committee.	
(III) Does the Company establish a standard to measure the performance of the Board of Directors, and implement it annually? And have the results of performance assessments been submitted to the Board of Directors and used as a reference for the remuneration and continued nomination of individual directors?	✓		On May 11, 2015, the Company established the "Self-Evaluation or Peer Evaluation of the Board of Directors," and conducted annual performance evaluation to implement corporate governance and enhance the functions of the Board of Directors; the performance evaluation of functional committees was added on November 11, 2020. The original regulation was amended and was changed to the "Self-Evaluation or Peer Evaluation of the Board of Directors and Functional Committees" was established with the Board of Directors' approval and had been published on the Company's website. The performance evaluation for 2024 was completed by the end of December of that year. The evaluation period is for the whole year of 2024. The scope of the evaluation includes the performance evaluation of the Board of Directors as a whole, individual Board members and functional committees; the evaluation method is self-evaluation of the performance of the Board of Directors, self-evaluation of the performance of the individual Board members, self-evaluation of the performance of the Audit Committee, and self-evaluation of the performance of the Remuneration	

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		<p>Committee. The results of the 2024 performance evaluation were submitted to the Remuneration Committee and the Board of Directors on January 31, 2025 as reference in determining compensation for individual directors, their nomination and their additional office term.</p> <p>The results of the performance evaluation of the Board & Functional Committees, please refer to pages 25 to 26 of this annual report.</p> <p>The appointment of the Company's independent auditor is approved by the Audit Committee and then proposed to the Board of Directors for resolution. The Company has established "the method for evaluating the independence of the certified public accountants" in 2015. The Company regularly reviews the independence of the certified public accountant (CPA) and discusses it at the Audit Committee and the Board of Directors each year to ensure that the CPAs have no other financial interest or business relationship with the Company other than compensation for audit and taxation cases, and to review whether the CPAs are directors or managers of the Company or have familial relationships with the Company. Please refer to the information on accountant's independence assessment on page 43 of this annual report.</p> <p>In order to improve the quality of financial statement audits, the Board of Directors approved the amendment to the "Corporate Governance Best-Practice Principles" on January 17, 2023 by adding the audit quality indicators (AQIs), used to evaluate the suitability of auditors. On March 10, 2023, the Board of Directors approved to change the original "Regulations for Evaluation of CPA Independence" to the "Regulations for Evaluation of Independence and Suitability of CPAs". With reference to the Audit Quality Indicators (AQI), the five major components of the CPA professionalism, quality control, independence, supervision, and innovativeness are included in the evaluation of the CPAs. For the evaluation of the independence and suitability of the CPAs,</p>	

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			<p>please refer to pages 43 to 44 of this annual report.</p> <p>The appointment of the Company's Independent Auditors s meet the requirements of independence and suitability, and the evaluation results were discussed by the Audit Committee and reported to the Board of Directors on January 22, 2025. The Conformation of Independence for Accountants and Audit Team and the Accountants' Independence and Suitability Evaluation Report are published on the Company's website.</p>	

<p>IV. Does the TWSE/TPEX listed company set up an adequate number of corporate governance personnel with appropriate qualifications and appoint a corporate governance manager responsible for corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders' meetings according to laws, and producing minutes of board meetings and shareholders' meetings)?</p>	✓	<p>The Company's Board of Directors resolved on 6 May 2021 to set up a corporate governance manager and a corporate governance staff. On August 8, 2023, the Board of Directors approved the appointment of Mr. Shen, Jui-Hsiung as corporate governance officer. Mr. Shen, Jui-Hsiung resigned in March 2025. On March 11, 2025, the Board of Directors approved the appointment of Miss Yang, Ya-Ting as the corporate governance officer, effective from April 1, 2025, to handle matters related to corporate governance in accordance with Article 21 of the "Operation Directions for Compliance with the Establishment of Board of Directors and the Board's Exercise of Powers". The corporate governance officer is responsible for dealing with matters relating to board meetings and shareholders' meetings, producing minutes of board meetings and shareholders' meetings, furnishing information required for business execution by directors, assisting in onboarding and continuing education of directors, and legal compliance in accordance with the law.</p> <p>The implementation status for the year 2024 and 2025 are as follows:</p> <ol style="list-style-type: none"> 1. Deal with matters relating to the board meetings and shareholders' meetings in compliance with the law. 2. Arrange continuing education courses for directors. 3. Furnish information required for business execution by directors. 4. Review the amendments to the rules and regulations relating to corporate governance. 5. Handle matters related to director changes. 6. Handle the business of nominating directors for the board of directors. 7. Review the qualifications and legitimacy of independent directors. <p>The matters relating to the registration and changes to the registration of the Company are performed by the Finance Department of the Company.</p> <p>Please refer to pages 44 to 46 of this Annual Report for information on the continuing education of the corporate governance officer.</p>	No material difference.
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<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company not only establishes a spokesperson system, but also provides a communication channel for employees, suppliers, customers and other stakeholders to ensure that communication is smooth and that the spokesperson has full control over these communications. The Company has also set up a “Sustainable Development” section and an “Investor Relations” section on the Company’s website to disclose the implementation of the Company's sustainable development, communication with stakeholders and issues of concern. In addition, the company has set up a “Contact Us” section on the Company’s website for contact information. Please refer to the Company’s website (https://www.esg.kenda.com.tw/en).	No material difference.
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Transfer Agency of the Company: The Transfer Agency Department of CTBC Bank Co., Ltd. was appointed by the Company to conduct the Annual Shareholders’ Meeting.	No material difference.
VII. Information Disclosure				
(I) Does the Company establish a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company's website has set up a “Corporate Governance” section and a “Financial Information” section to disclose the financial information and corporate governance information in compliance with the law. Please refer to the Company’s website (https://www.esg.kenda.com.tw/en)	No material difference.
(II) Does the Company have other information disclosure channels (e.g. maintaining an English website, designating staff to handle information collection and disclosure, creating a spokesman system, webcasting investors conferences, etc.)?	✓		The Company has a spokesperson responsible for collecting and disclosing the Company’s information and immediately uploading the information to the Company’s website for public access, and the Company has set up a spokesperson and implemented a spokesperson system in accordance with the regulations. Relevant information is available on the “Investor Relationship” section of the Company’s website for investors’ reference.	
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first,		✓	The Company’s financial statements and monthly operating results are publicly announced within the prescribed timeframe.	

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?				
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>1. Employee rights: The Company is committed to protecting the rights of our employees with integrity and in compliance with the Labor Standards Act. The Union has been set up to ensure employees' rights and benefits, in addition to basic benefits such as labor insurance, national health insurance and pension fund allocation, the Company also provides regular health checks and group insurance for our employees.</p> <p>2. Employee care: The Company considers employees as assets of the Company and cares for them based on the Labor Standards Act. The Company has established a labor union to hold regular labor-management meetings to communicate with the employees, and has set up an Employee Welfare Committee to allocate funds on a monthly basis and organize regular employee welfare activities. There are 3 on-site visits per month by occupational medicine doctors.</p> <p>In 2024, the Company invited the doctor from the department of laboratory medicine of China Medical University Hospital to give a health lecture on the meaning of the results of medical examination. The doctors from Tungs' Taichung Metroharbor Hospital gave health lectures on treatment and prevention of ergonomic hazards and heat hazard. A lecture on understanding dementia was conducted in collaboration with Changhua Christian Hospital and A Skin-Graft With Love Foundation. Additionally, factory doctors arranged for injured employees' evaluation for return to work, workplace hazard assessments for pregnant employees and conducting maternity protection programs.</p> <p>3. Investor relations: The Company provide investors, analysts and domestic</p>	No material difference.

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			<p>and international investors with the best possible service by making the information available through the Market Observation Post System, the Spokesperson System and the Investor Relations section on the Company's website, so that investors can fully understand the Company's operating results and performance and the direction of its long-term business strategy in real time.</p> <p>4. Supplier relations: The Company promote "green procurement" to strengthen the positive impact on society and the environment from our suppliers. The Company maintains good partnerships with our suppliers based on the principle of equality and reciprocity. The Company has established a stable supply chain and conduct audits from time to time to ensure the quality of products supplied.</p> <p>5. Stakeholders' rights: Stakeholders may communicate and make suggestions to the Company in order to protect their legitimate rights and interests. The Company has also established rules governing the activities that employees may engage in with the stakeholders of the Company.</p> <p>6. Continuing education of directors, financial officers, corporate governance managers, and internal auditors: The continuing education hours of the Company's directors, financial officers and internal auditors are all in compliance with the requirements for continuing education (please refer to pages 44 to 46 of the 2024 Annual Report).</p> <p>7. The implementation of risk management policies and risk evaluation measures: The Company's risk management matters are supervised by the audit committee, and the corporate governance group is responsible for formulating risk management policies, ensuring the implementation of risk management policies approved by The Board of Directors, and reporting to the Audit Committee and the Board of Directors on November 11, 2024 on</p>	

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
			<p>the implementation of risk management operations. Please refer to pages 118 to 120 of this annual report for relevant risk issues of concern, the response measures and action plans.</p> <p>8. The implementation of customer relations policies: The Company maintains a steady and good relationship with all the customers to create win-win relationships.</p> <p>9. The implementation of purchasing insurance for directors: The Company has purchased liability insurance for the directors, the coverage of which is up to June 2025, and has reported to the Board of Directors.</p>	
<p>IX. Please explain the improvements which have been made in accordance with the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and the priority enhancement measures. (This information is not required for companies not listed in the assessment.)</p> <p>(1) The 2024 Sustainability Report will conduct Standards on Assurance Engagements (ISAE 3410)</p> <p>(2) The English version of the Quarterly Financial Report is available on the Company's website (https://www.esg.kenda.com.tw/en)</p> <p>(3) The external performance assessment of the Board of Directors is expected to be implemented in 2025.</p> <p>X. The succession plans of the Board of Directors and key management personnel of the Company are as follows:</p> <p>(I) Succession Plan for Board Members</p> <p>In accordance with the Articles of Incorporation, the Company shall have seven to eleven directors, of whom at least three shall be independent directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The Company shall adopt the nomination system to elect the board member in accordance with Article 192 of the Company Act. The members of the Board of Directors should have working experience in business, law, finance, accounting, or corporate operation that meets the criteria of independence and materially contributes to the implementation of the Company's business strategies for sustainable development, including corporate governance, environmental protection, and social responsibility. In order to strengthen the effectiveness in exercising the directors' duties, the Company arranges annual continuing education courses for the directors to enhance their professional knowledge in accordance with the regulations. Please refer to pages 44 to 46 of this Annual Report for information on the continuing education status for each director, supervisor, CFO, and internal auditors.</p> <p>The Company has conducted succession planning for directors in the following:</p> <ol style="list-style-type: none"> 1. Recommendation from current directors. 2. Recommendation from shareholders. 				

<u>Assessed</u> Items	Implementation Status (<u>Note 1</u>)			Non-implementation and its reasons
	<u>Yes</u>	<u>No</u>	<u>Summary and Explanation</u>	
3. The results of the Board of Directors’ performance evaluation shall be used as a basis for nominating directors for reappointment.				
(II) Succession Plan for Key Executives				
The Company has progressively implemented succession plans for key executives, including cross-field experience for senior executives and the implementation of job substitution system. Each executive officer has an acting officer. The Company offers internal and external training programs from time to time to train key executives and their acting officers. The training program covers not only professional training, but also the judgment, management and problem-solving skills to improve the quality of management decisions. In order to clarify the corporate vision and determine the core competencies, in addition to selecting succession candidates, the Company will also start building a talent pool and formulate an effective and complete training plan, and to prepare for the high-quality manpower needed for the long-term development of the Company.				

2025 Evaluation Form on the Independence and Suitability of Certified Public Accountant

Evaluation of appointed firm and accountants: Deloitte & Touche Taiwan/ Wang, Yi-Wen, Tseng, Done-Yuin

Schedule 1: Evaluation Form on the Independence of Certified Public Accountant

Assessed Items (Independence)		Result	Independence
1.	Not an employee of the Company or any of its affiliates.	Yes	Yes
2.	Not a director or supervisor of the Company or its affiliates (except for the case where the independent directors of the Company or its parent or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares).	Yes	Yes
3.	Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.	Yes	Yes
4.	Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 3 paragraphs.	Yes	Yes
5.	Not a director, supervisor or employee of a corporate shareholder who directly holds more than five percent or more of the total number of issued shares of the Company, or a director, supervisor or employee of the top five corporate shareholders of the Company	Yes	Yes
6.	Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company.	Yes	Yes
7.	Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company	Yes	Yes
8.	Not been a person of any conditions defined in Article 30 of the Company Act.	Yes	Yes
9.	Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	Yes	Yes
10.	Whether the "Confirmation of independence" issued by the appointed CPA and audit team is available.	Yes	Yes

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

Assessed Items (Suitability)		Result	Independence
Professionalism	Whether the audit experience of the accountants and auditors is sufficient to perform audits compared with the industry average.	Yes	Yes
	Whether the educational training received by accountants and auditors is sufficient compared to the industry average, so that they can continuously acquire professional knowledge and skills.	Yes	Yes
	Whether the turnover rate of the firm maintains sufficient senior human resources compared to the industry average.	Yes	Yes
	Whether there are sufficient professional staff (other than auditors) of the audit firm to support the audit team compared to the industry average.	Yes	Yes

Assessed Items (Suitability)		Result	Independence
Quality control	Whether the workload of the accountants is not excessive compared to the industry average.	Yes	Yes
	Whether the contribution of the audit team members at each audit stage is appropriate compared to the industry average.	Yes	Yes
	EQCR (Engagement Quality Control Review) - Whether the number of audit hours performed by the accountants is sufficient compared to the industry average.	Yes	Yes
	Whether the audit team has sufficient quality control manpower to support the audit team compared to the industry average.	Yes	Yes
Independence	Whether the percentage of non-audit service fees provided by the firm does not affect the independence of the firm.	Yes	Yes
	Whether the cumulative number of years of audit services provided by the firm does not affect the independence of the firm.	Yes	Yes
Supervision	Whether the quality control of the firm and the implementation of the case audited are in compliance with the relevant laws and regulations	Yes	Yes
Innovation capability	Whether the CPA firm is committed to improving the audit quality, including the adoption or planning of plans or investments in improving the audit quality.	Yes	Yes

Schedule 3: The progress of continuing education of directors, supervisors, financial supervisors, corporate governance officer, and internal auditors in 2024.

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Chairman	Yang, Chi-Jen	2024.09.30	Taiwan Stock Exchange Corporation	Strengthening Taiwan's Capital Market Summit	3
Chairman	Yang, Chi-Jen	2024.06.16	Taiwan Investor Relations Institute	Hostile Takeover - Focus on Ownership Assurance	3
Vice Chairman	Chang, Hong-Der	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	6
Director	Yang, Ying-Ming	2024.07.21	Taiwan Investor Relations Institute	Functions and Prospects of the TCX & How the Board of Directors Oversees the Establishment and Improvement of Risk Management Mechanisms of Companies	3
Director	Yang, Ying-Ming	2024.06.16	Taiwan Investor Relations Institute	Hostile Takeover - Focus on Ownership Assurance	3
Director	Chen, Chao-Jung	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	3
Director	Chen, Chao-Jung	2024.04.12	UBS Group AG Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Management Workshop	3

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Director	Lin, Chien-Liang	2024.07.21	Taiwan Investor Relations Institute	Functions and Prospects of the TCX & How the Board of Directors Oversees the Establishment and Improvement of Risk Management Mechanisms of Companies	3
Director	Lin, Chien-Liang	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	6
Director	Lin, Chien-Liang	2024.04.12	UBS Group AG Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Management Workshop	3
Director	Yang, Chia-Ling	2024.06.03	Taiwan Stock Exchange Corporation	“Institutional Investor Perspectives Forum” Seminar	3
Director	Yang, Chia-Ling	2024.03.22	BCSD Taiwan	“Building a New Carbon Era with Sustainable Knowledge” Seminar	6
Director	Lin, Tsung-Chi	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	6
Director	Yang, Ying-Yuan	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	6
Independent Director	Cho, Shih-Chao	2024.07.18	Securities & Futures Institute	Opportunities and Challenges of Taiwan's Industrial Transformation under Geopolitics - PMI/NMI Exclusive Analysis	3
Independent Director	Cho, Shih-Chao	2024.06.03	Taiwan Stock Exchange Corporation	“Institutional Investor Perspectives Forum” Promotion Meeting	3
Independent Director	Weng, Wen-Chi	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	3
Independent Director	Weng, Wen-Chi	2024.04.11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy and Risk Management	3
Independent Director	Yieh, Kaili	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	3
Independent Director	Yieh, Kaili	2024.05.28 2024.05.29	Securities & Futures Institute	12HR Practical Workshop for Junior Directors and Supervisors (including Independent Directors) and Heads of Corporate Governance	12
Financial Officer	Liu, Kuei-Chun	2024.06.27 2024.06.28	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuers, Securities Dealers and Stock Exchanges (Finance, Accounting, Professional Ethics and Liability)	12
Corporate Governance Officer	Shen, Jui-Hsiung	2024.10.04	Taiwan Stock Exchange Corporation	2024 Prevention of Insider Trading Advocacy Activity	3
Corporate Governance Officer	Shen, Jui-Hsiung	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance And Climate Change Summit	6
Corporate Governance Officer	Shen, Jui-Hsiung	2024.04.12	UBS Group AG Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Management Workshop	3

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Auditing Supervisor	Hsieh, Yu-Huang	2024.12.12	Accounting Research and Development Foundation	“Explanation of the Policy on Disclosure of Sustainable Information and Key Points of Internal Control Auditing	6
Auditing Supervisor	Hsieh, Yu-Huang	2024.03.12	Accounting Research and Development Foundation	Risk-Based Internal Audit Methods and Practices	6
Internal Auditor	Chen, Yu-Jui	2024.12.10	Accounting Research and Development Foundation	Practical Study on Auditing of “Information Security Protection” and “Cloud Security	6
Internal Auditor	Chen, Yu-Jui	2024.06.13	Accounting Research and Development Foundation	Key Considerations and Impacts of IFRS S1 and S2 on Internal Control and Internal Audit	6

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

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

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

2. Information on the members of the Remuneration Committee:

Requirements Status (Note 1)	Name	Professional Qualifications and Experiences (Note 2)	Independence Analysis (Note 3)	Number of other public companies in which the individual is concurrently serving as a member of remuneration committee
Independent Director (Convener)	Cho, Shih- Chao	Please refer to pages 11 to 15 of the 2024 Annual Report for <u>Information on Directors and Independent Directors (2)</u>	Eligible for independence.	1
Independent Director	Weng, Wen- Chi	Please refer to pages 11 to 15 of the 2024 Annual Report for <u>Information on Directors and Independent Directors (2)</u>	Eligible for independence.	1
Independent Director	Yieh, Kaili	Please refer to pages 11 to 15 of the 2024 Annual Report for <u>Information on Directors and Independent Directors (2)</u>	Eligible for independence.	0

- (1) Members of the Remuneration Committee all have qualified working experience in business, legal, finance, accounting or business related to the Company.
- (2) Members of the Remuneration Committee, together with the person's spouse and second degree of kinship, are not directors, supervisor or employees of the Company and the affiliates of the Company.
- (3) Members of the Remuneration Committee are not directors, supervisor or employees of the associates of the Company.
- (4) Members of the Remuneration Committee did not provide business, legal, finance and accounting services to the Company and its affiliates to earn remunerations in the past two years.

Note 1: Please specify the relevant years of work experience, professional qualifications, and status of independence of each member of the Remuneration Committee in the table. In case the person is an independent director, "please refer to pages XXX for profile on the directors" may be denoted, and please fill in either independent director or others in the ID column (please mark "convener" if the person is convener of the committee).

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

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

3. Information on the meeting status of the Remuneration Committee

- (1) There are three members in the Remuneration Committee of the Company.
- (2) The term of office: From June 28, 2024 to May 30, 2027.
- (3) Attendance: During the period from January 1, to March 31, 2025, the Remuneration

Committee met twice and all members were present at the meetings in person. The Remuneration Committee met three times in 2024, with an average attendance rate of 100%, and the attendance of members was as follows:

There were three meetings held for the Remuneration Committee in 2024, with the following attendance:

Position	Name	Attendance in Person	Attendance by proxy	Attendance Rate in Person (%)	Remarks
Convener	Hsieh, Chun-Mou	2	0	100%	Left office on May 31, 2024
Independent Director	Su, Ching-Yang	2	0	100%	Left office on May 31, 2024
Committee member	Liu, Shih-Tsung	2	0	100%	Left office on May 31, 2024
New Convener	Cho, Shih-Chao	1	0	100%	New elected on June 28, 2024
Independent Director	Weng, Wen-Chi	1	0	100%	New elected on June 28, 2024
Independent Director	Yieh, Kaili	1	0	100%	New elected on June 28, 2024

Note 1: The actual attendance rate in person (%) is calculated based on the number of the Remuneration Committee meetings held during the member's term and their actual attendance count.

Note 2: The Company held a board re-election at the shareholders' meeting on May 31, 2024. The Board of Directors reappointed members of the Remuneration Committee on June 28, 2024.

Other matters that require reporting:

1. If the Board of Directors does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date and period, the content of the resolution, the result of the resolution and the Company's handling of the recommendation of the Remuneration Committee (if the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.
2. Matters resolved by the Remuneration Committee in 2024, where the members expressed objections or reservations on the committee's resolutions, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

Meeting dates of the Remuneration Committee	Resolutions	Result of the resolutions	The Company's handling of the recommendation of the Remuneration Committee
2024.01.31 The 5th session The 8th meeting	1. Report on matters resolved by the last Remuneration Committee meeting. 2. The results of the performance evaluation of the Board & Functional Committees. 3. Discussion on the payment of the year-end bonus for the managerial officers and executive directors. 4. Discussion on salary adjustments of the managerial officers and executive directors.	RESOLVED by all directors present.	On January 31, 2024, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the meeting approved the resolution.

Meeting dates of the Remuneration Committee	Resolutions	Result of the resolutions	The Company's handling of the recommendation of the Remuneration Committee
2024.03.11 The 5th session The 9th meeting	<ol style="list-style-type: none"> 1. Report on matters resolved by the last Remuneration Committee meeting. 2. Discuss the distribution of the remuneration to employees and directors of the Company for the year 2023. 3. The proposal of the individual directors' remuneration. 4. The distribution of remuneration to the managerial officers and executive directors. 5. Discussion on appointment and Salary Discussion of Group Vice President of the Company. 	RESOLVED by all directors present.	On March 11, 2024, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the meeting approved the resolution.
2024.08.08 The 6th session The 1st meeting	<ol style="list-style-type: none"> 1. Report on matters resolved by the last Remuneration Committee meeting. 2. Discussion on the remuneration of Independent Directors of the 21st Board of Directors of the Company. 3. Discussion on the salary adjustment for the Acting General Manager of the Company Group. 4. Discussion on the salary adjustment for the assistant manager of Taiwan plant. 5. Discussion on the revision of the Company's "Regulations Governing Directors' Remuneration" 	RESOLVED by all directors present.	On August 8, 2024, the Directors in relation to the motion recused themselves from the resolution and the other Directors present at the meeting approved the resolution.

3. Matters resolved by the Remuneration Committee in 2025, where the members expressed objections or reservations on the committee's resolutions, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinions should be specified: None.

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

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

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		<p>1. On January 21, 2022, the Board of Directors approved the establishment of the “ESG Committee”, and appointed three directors as members of this Committee.</p> <p>The Committee has set up several functional teams, including the Corporate Governance Team, the Environmental Safety and Health Team, and the Employee Relations and Social Engagement Team. These teams lead the Company in the implementation of environmental protection and energy conservation (E), social responsibility and care (S), and corporate governance and risk control (G), extending the strategy of sustainable development throughout the group and across the industry and supply chains. In addition to creating profits and enhancing international competitiveness, the Company also complies with government regulations to bear the liability for environmental protection, mitigating the environmental risks arising from climate change and related social responsibilities to promote sustainability. The results are presented in a data-driven manner in the sustainability report, allowing stakeholders, including employees, investors, suppliers, government, and the general public, to better understand of the performance of the Company's sustainable management.</p> <p>2. The Committee holds regular meetings and reports to the Board of Directors at least once a year on the performance results and the work plan for the next year and reviews the annual sustainability report. A total of 5 meetings were held in 2024, and the agenda included (1) review of the performance of sustainable development indicators (2) supervision of the implementation of sustainability-related issues (3) revision of sustainable management goals and policies. The Company’s 2023 Sustainability Report was approved by the Board of Directors on August 8, 2024; 2024 Sustainability Report will be submitted to the Board of Directors for approval by the end of August 2025.</p> <p>3. The ESG Committee proposes the Company's sustainable development strategy, and the board of directors regularly reviews the progress of the strategy and provides recommendations to the committee for adjustments in a timely manner.</p>	No material difference.
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk	✓		<p>1. Boundary of risk assessment is mainly based on the region where the Company and its subsidiaries are located.</p> <p>2. The Company’s “Corporate Governance Risk Management Policy And Operating Procedures” adopted by the Board of Directors on November 9, 2022 stipulate the</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
management policy or strategy in accordance with the materiality principle? (Note 2)			<p>following: In order to effectively identify and control risk events that affect the Company's objectives and sustainable operations, the Company's Risk Management Team conducts risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and establishes relevant management policies and management indexes based on the assessed risk results, which are carried out by the relevant management units and the highest authority.</p> <p>3. On November 8, 2023, the Board of Directors amended the "Corporate Governance Risk Management Policy and Operating Procedures", and the Company's risk management organizational structure includes the Audit Committee and the Corporate Governance Team.</p> <p>4. The risks arising from the above procedures are summarized as follows:</p> <p>(1) Personnel safety, health and environmental risks.</p> <p>(2) Climate change risk.</p> <p>(3) Raw material risk</p> <p>(4) Rising cost of raw materials.</p> <p>(5) Market risk</p> <p>(6) Changes in Customer Behavior</p> <p>(7) Continuous economic downturns</p> <p>(8) Employee Risks</p> <p>(9) Financial risk</p> <p>5. For risk management concerns, response measures and action plans, please refer to the pages 118 to 120 of the Company's 2024 Annual Report.</p>	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on the industry characteristics?	✓		<p>1. In order to achieve the goal of sustainability, the Company has established the "Environmental Safety and Health Policy" to continuously improve environmental safety and health performance, with "Zero Disaster, Zero Pollution" as the ultimate goal for environmental protection and safety and health efforts. The Company has set annual targets for its environmental health and safety management system, and is committed to continuously improving environmental protection and health and safety management to reduce environmental impacts and improve environmental health and safety in the Company.</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>2. The Company has ISO 14001:2015, ISO 45001:2018, CNS 45001:2018, and ISO 50001:2018.</p> <p>(1) The validity period of ISO 14001:2015 is from 2023.11.01 to 2026.01.16.</p> <p>(2) The validity period of ISO 45001:2018 is from 2023.11.02 to 2026.11.01.</p> <p>(3) The validity period of CNS 45001:2018 is from 2023.11.02 to 2026.11.01.</p> <p>(4) The validity period of ISO 50001:2018 is from 2023.12.05 to 2026.12.04.</p>	
(II) Is the Company committed to improving the resources utilization and the use of renewable materials that have low impact on the environment?	✓		<p>The Company actively uses eco-friendly packaging materials, sets up recycling facilities, uses energy-saving lighting equipment, installs energy-saving equipment with scheduled power disconnection, uses water-saving facilities in toilets to reduce the impact on the environment in order to achieve the sustainability.</p> <p>In addition, the Company has disclosed environmental protection strategies, such as energy conservation and greenhouse gas reduction, on its website and periodically published the tracking results.</p> <p>The Company has been certified to ISO 50001:2018 management system and is committed to continue to improve energy efficiency.</p> <p>The Company also actively introduces recycled materials, such as recycled rubber and recycled carbon black.</p>	No material difference.
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take action on climate-related issues?	✓		Please refer to climate-related information on the pages 61 to 65 of the 2024 Annual Report.	No material difference.
(IV) Does the Company collect data for greenhouse gas emissions, water usage, and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction, and other waste management policies?	✓		<p>1. For annual carbon dioxide emissions, total water consumption, and general waste generation for the last two years: Please refer to sections “3.2 Energy and Greenhouse Gas Emissions Management,” “3.3 Water Resources Management,” and “3.4 Waste Management” of the 2024 Sustainability Report.</p> <p>2. For the Company's greenhouse gas reduction targets and policies, please refer to the climate-related information on the page 68 of the 2024 Annual Report.</p> <p>3. For the Company's policy on water consumption reduction and other waste management, please refer to sections “3.3 Water Resources Management” and “3.4 Waste Management” of the 2024 Sustainability Report</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
IV. Social Issues (I) Does the Company formulate appropriate policies and procedures in compliance with relevant regulations and the International Bill of Human Rights?	✓		<p>The Company is committed to protecting employees' human rights, and recognizes and supports internationally recognized human rights standards such as “United Nations Global Compact”, “United Nations Universal Declaration of Human Rights”, and “ILO Declaration on Fundamental Principles and Rights at Work”. The Company takes practical action to demonstrate its responsibility to respect and protect human rights, abide by the local labor and gender equality applicable laws and regulations, and put an end to any violations of human rights. For related human rights policies, please refer to the pages 107 to 109 of the 2024 Annual Report.</p> <p>The Company is committed in protecting the employees’ rights and complying with the Labor Standards Act and other government’s human rights policy by the “Regulations for the Probation and Appointment of New Employees.” The Company not only implements the policy, but also sets up a variety of communication channels and management mechanisms to ensure that all employees are well protected so that the Company can create a respectful, caring and human rights-protective working environment.</p> <p>The Company has set up a smooth communication mechanism to assist employees in resolving issues related to personal rights or unfair treatment at work. The Company is committed to ensure that employees’ opinions are addressed immediately, so that the communications throughout the workplace are hassle-free. If an employee is harassed in the workplace causing his/her personality, personal freedom, dignity, or work to be invaded or interfered with, he/she may file a complaint with the employer, supervisor, or HR unit. To ensure the mental and physical health of employees and compliance with the Labor Standards Act, the Company does not employ child labor and persons over the age of 16 and under the age of 18 in dangerous or hazardous work.</p>	No material difference.
(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		<p>The Company believe that employees are the most valuable asset for the Company and the Company is committed to share the profits with all the employees; the Company is also dedicated to provide a perfect working environment and system by setting rules for calculating the salary, special leave, regulations on employees’ leave of absence, and regulations on employees’ retirement management. Please refer to the pages 103 to 107 of the 2024 Annual Report for other related benefits. The monthly performance bonuses are paid based on the performance achievement rate as evaluated.</p> <p>Article 27-1 of the Company’s Articles of Incorporation stipulates that employees’ remuneration shall be distributed at a rate of not less than 0.5% of the Company’s earnings</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>for the year. The Board of Directors' Meeting on March 11, 2025 approved the employees' remuneration in the amount of NT\$11,128,418 for 2024.</p> <p>The Company provides monthly employee performance bonuses based on the overall operating performance (e.g. pre-tax net profit growth rate, profitability growth rate, and group overconsumption rate), and also provides reasonable compensation based on individual performance and contribution to the Company's overall performance (e.g. frequency of disability injuries, daily closing speed, trial production and development, overhead expense ratio, yield rate, and reduction in waste rate).</p>	
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		<p>Pre-employment training is arranged for new employees, including trainings on equipment operation and work environment safety. The Company also provides health lectures on topics such as understanding the results of health check, dementia, and the treatment and prevention of ergonomic hazards and heat hazard to raise employees' awareness of physical and mental health. Additionally, the Company also organizes professional certification training for staff working on specific tasks.</p> <p>The Company is ISO 45001:2018 certified and follows the ISO 45001 occupational safety and health management system to promote the on-site implementation of occupational safety and health management, This includes conducting regular inspections on workplaces, implementing contract management, introducing a false alarm reporting system, conducting activities for safety, managing toxic chemical substances, and holding regular training on safety and health. It is the Company's responsibility to provide a working environment that satisfies the legal and client requirements through continuous improvement based on the PDCA management cycle for employees and their families.</p> <p>The Company regularly holds seminars on employee safety and conducts safety inspections for the working environment, prepares a manual on safety and hygiene practices. The safety and health work rules have been prepared for all employees, and management staff have been required to attend work safety related courses; the Company has also allocated funds to improve the safety and environmental facilities in the factory</p> <p>The safety and health education includes:</p> <ol style="list-style-type: none"> 1. In compliance with the occupational safety and health education and training requirements: <ol style="list-style-type: none"> (1) For new employees: three hour courses. (2) For the supervisors: two hour courses per year. (3) On-site special operators: 3-hour course every 3 years on safety, hygiene, health and 	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons												
	Yes	No	Summary and Explanation (Note 2)													
			<p>fire education.</p> <p>(4) For on-site staff:</p> <p>a. Before the new employee starts work on the first day, he/she will be given a one-hour course on equipment safety, hazard identification and safety awareness according to the job description.</p> <p>b. The employees will be given one hour seminar on equipment safety, hazard identification and safety awareness every year according to the job description.</p> <p>(5) Occupational Safety and Health Staff: They must attend 12 hours of occupational safety and health courses organized by external institutes every 2 years.</p> <p>(6) According to the Fire Services Act, the General Affairs Section shall invite firefighters to conduct factory-wide fire drills for all employees in the Company for four hours every six months.</p> <p>The total number of training hours for occupational safety and health, environmental protection, and fire education in 2024 is 17,987 hours with 10,854 participants.</p> <p>2. 2024 Employee Occupational Injuries Statistics:</p> <table><tr><th>Item</th><th>Yuanlin Factory</th><th>Yunlin Factory</th></tr><tr><td>Number Of Occupational Injuries</td><td>7</td><td>9</td></tr><tr><td>Disabling Injury Frequency Rate (FR)</td><td>3.39</td><td>4.80</td></tr><tr><td>Disabling Injury Severity Rate (SR)</td><td>104</td><td>77</td></tr></table> <p>3. Improvements for occupational accidents:</p> <p>(1) Check the machine and equipment clamp and roll spots throughout the plant, and examine whether the safety protection is sound, and ask each unit to improve the part that is not done.</p> <p>(2) Modify and add machine and equipment, change the operation process, implement hazard identification and risk assessment in advance, and request the relevant units to improve in order to reduce the chance of occupational accidents.</p> <p>4. There are no fire incidents and zero casualties in 2024, so the fatality-injury ratio is 0. Fire prevention and emergency response fire drills are held by the regional fire</p>	Item	Yuanlin Factory	Yunlin Factory	Number Of Occupational Injuries	7	9	Disabling Injury Frequency Rate (FR)	3.39	4.80	Disabling Injury Severity Rate (SR)	104	77	
Item	Yuanlin Factory	Yunlin Factory														
Number Of Occupational Injuries	7	9														
Disabling Injury Frequency Rate (FR)	3.39	4.80														
Disabling Injury Severity Rate (SR)	104	77														

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			departments every year. Fire prevention administrators and security personnel are assigned to supervise and manage fire prevention operations.	
(IV) Has the Company established effective career development training plans?	✓		<p>The training program includes pre-employment training for new employees, on-the-job orientation training for new employees, and training for new technical personnel; training for current employees and supervisors by level (common category and core competencies), training for management competencies, training for departmental projects (common category) and professional competencies, succession training programs for senior executives, and self-directed training programs. The Company have offered a wide range of training opportunities and related incentives and subsidies to encourage employees to actively learn in order to improve the competitiveness within the organization. In 2024, the total expenditure for education and training is NT\$10,821,680, and the total training hours are 57,223, with an average of 31.8 hours per employee, therefore, improving the overall quality of all employees is one of the important tasks for the Company.</p> <p>The employee training roadmap(system chart):</p> <p>The Company regularly organizes new employee orientations, general (core competencies) training, management competency training, project(competency) training, self-training, etc. every year to provide a variety of training courses that are linked to job promotion and serve as criteria for evaluating promotion standards. Please refer to page 60 of the 2024 Annual Report for the employee training roadmap.</p>	No material difference.
(V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling, etc., and has the Company set polices and consumer appeal procedures to protect consumers' and clients' rights?	✓		<p>1. The Company adheres to the quality policy philosophy for "doing it right and good the first time and delivering competitive products and services to customers in a timely and correct manner" and develops new products in accordance with the IATF 16949 quality management system. The Company tests and audits each stage of product planning, product design, test run, trial production and formal production based on the IATF 16949 quality management system to ensure the products meet the target set by the product planning and to ensure the quality and safety of the products. In 2023, there were no cases of violations of laws and regulations in the products and services provided by the Company. The product design has taken into consideration of the laws and regulations of product safety in various countries, and the product must pass the high-speed/durability test, destructive test, bead lip force test, hydraulic burst test and other performance requirements. If the product is exported to the territories of EU, it shall also satisfy the requirements under the E-Mark R117 on rolling resistance coefficient, traction and sliding noises. Upon completion of mass production, the products are evaluated through the internal random check conducted regularly to ensure compliance of product quality</p>	No material difference.

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>design goals. In accordance with IATF 16949 and ISO 9001 internal management review procedures, the Company conducts the PDCA effectiveness evaluation on the violations of product safety/laws and regulations sanctioned by local governments every year. No violations of local product safety standards/regulations in 2023 aligns with the Company's target goals.</p> <p>Regarding customer privacy, the Company strengthens the security management of various information to ensure the confidentiality, integrity and availability of information to meet business operation needs. In accordance with Corporate Personal Data Management regulations, the Company has established a personal data monitoring checklist and conducts inventories in the following four major areas to effectively implement the regulations and maintain customer privacy.</p> <ol style="list-style-type: none"> (1) Each unit shall establish the inventory list for control. (2) Feedback on additional personal data. (3) Orientation training. (4) Feedback on disclosure of personal data. <p>2. The Company set up a “Sustainable Development” (stakeholder information) section on our website (https://www.esg.kenda.com.tw/en), and have established rules for managing customer complaints and after-sales service. The Quality Assurance Department is assigned to handle the consumer protection and the customer complaints, and to conduct the customer satisfaction survey and set up a free customer service telephone number: 0800-048-888.</p>	
(VI) Does the company establish a supplier chain management policy that requires suppliers to follow and implement related issues on environmental protection, occupational safety and health, or labor rights?	✓		<p>The Company has established rules for the evaluation of suppliers. In addition to the quality, delivery, supply status, operational performance, and service capability, the evaluations of environmental protection, labor practices, human rights, anti-corruption, and other aspects are also considered. New suppliers must provide a “Supplier Basic Information Questionnaire” with a “Declaration of Confirmation of Environmentally Hazardous Substances and Conflict Minerals”, a “Supplier Sustainable Development Statement”, and samples (including SDS Safety Data Sheet) for investigation and evaluation. The aforementioned documents include basic supplier information, contact person, factory information, certified system, product certification, declaration of environmentally hazardous substances and non-use of conflict minerals, and sustainability practices (legal compliance, labor rights, environmental protection and code of ethics, etc.). Meanwhile, the suppliers shall have at least ISO 9001 quality certification or IATF 16949 quality system certifications. Only after the responsible</p>	No material difference.

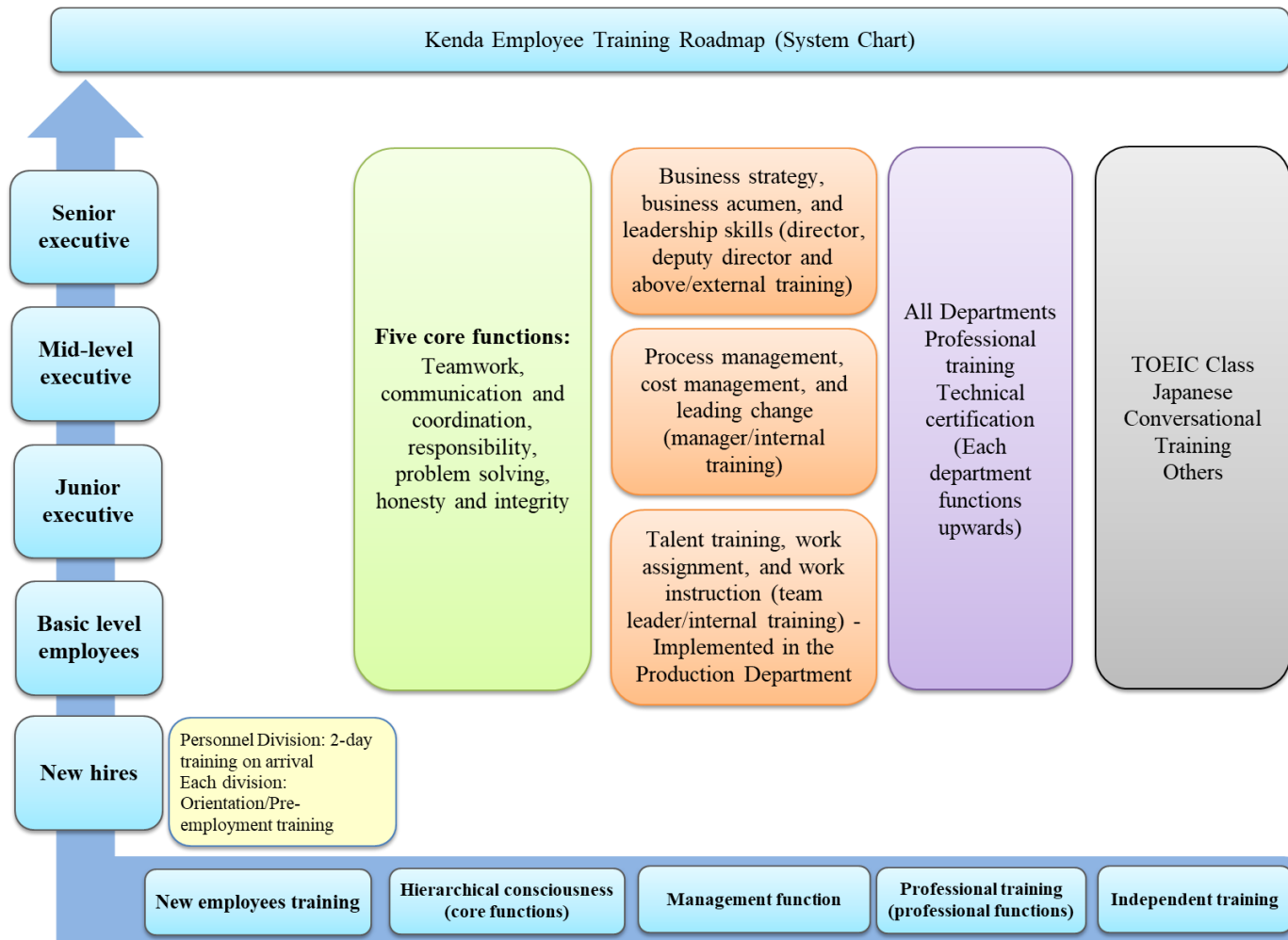
Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
			<p>department conducts an investigation and evaluates the materials as satisfactory can the supplier be listed as a qualified supplier for the Company.</p> <p>Since 2016, the Company has been conducting CSR evaluation and communication with suppliers and carrying out CSR surveys for all suppliers. The number of domestic and foreign suppliers with whom the Company has stable and long-term cooperation reached 1,265 by 2024. All of the 55 new suppliers added in 2024 have signed and returned the sustainability survey and declaration forms. If any of the above suppliers do not meet the qualification standards, they are required to make improvements within a certain period of time; otherwise, they will not be listed as qualified suppliers for the Company.</p>	
V. Does the Company comply with international standards or guidelines for preparing corporate social responsibility or non-financial related reports? Have the previous released reports been verified by third-party certification entity with assurance or opinion statements?	✓		<p>The Company follows the GRI Universal Standards 2021, the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and “Rules Governing the Preparation and Filing of sustainability reports by TWSE Listed Companies” to prepare the sustainability report. The report also corresponds to the United Nations Sustainable Development Goals (SDGs). The Company will obtain assurance from a third-party verification unit for its 2024 sustainability report.</p>	No material difference.
<p>VI. If the Company has established its corporate social responsibility code of practice according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the operational status and differences: The Company established “Sustainable Development Best Practice Principles” according to “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” in order to strengthen the Company’s focus on sustainable development and to align with the international trend of sustainable development. In order to strengthen the implementation of sustainable development, the Company regularly reviews the implementation status of the Principles and makes improvements accordingly.</p>				
<p>VII. Other important information to facilitate better understanding of the Company’s implementation of corporate social responsibility:</p> <p>(I) Implementation status for sustainable development:</p> <ol style="list-style-type: none"> Established the Kenda Cultural and Educational Foundation: <ol style="list-style-type: none"> Encourage students to continue their studies by awarding them with the Kenda Outstanding Scholarship and Underprivileged Scholarship for Freshmen Students. Promote education, culture and arts activities: The Company regularly organizes annual summer camps for children, Newton Science Camp and concerts, and Golden Jade Lectures. Support for students who have suffered from family problems, donations to schools in rural areas, and bicycles for economically disadvantaged students. Seminars in environmental issues: The Foundation holds the Marine Environment Education Seminar, and the Sustainable Management of Enterprises Integrating Environmental Concerns Seminar. Social concerns: <ol style="list-style-type: none"> The Company donated residential fire alarms to the Fire Departments of Cihong Township and the West District of Yuanlin City. The Company maintains and cleans the roads around the community area. 				

Assessment Item	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation (Note 2)	
(3) The Company sponsored the Bicycle Festival organized by Giant Manufacturing Co. Ltd., The Road to Taiwan KOM, and 2025 TSR Championship etc. (4) The Company supports various sports events in Taiwan and has been sponsoring the Chinese Professional Baseball League (CPBL), a number of potential golfers for a long time, and Taiwanese tennis players with the gold medal in men’s doubles at the Asian Games. (II) For more information on the Company’s sustainable development implementation, please refer to the 2024 Sustainability Report. (https://www.esg.kenda.com.tw/en/%E6%B0%B8%E7%BA%8C%E5%A0%B1%E5%91%8A%E6%9B%B8)				

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

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

Employee Training Roadmap



Climate-related information

1 Climate-related information implementation

Item	Implementation status													
<p>1. Describe the Board’s and management’s supervision and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (for a short term, medium term and long term).</p> <p>3. Describe the effect posed by extreme weather and transformation action to the finance.</p> <p>4. Describe how the procedures for identification, evaluation and management of climate risks are integrated into the overall risk management system.</p> <p>5. If the scenario analysis is applied to assess resilience of climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impact it has used shall be explained.</p> <p>6. If the relevant transformation plan is in place in response to the climate-related risks, please describe the contents of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p> <p>7. If the internal carbon pricing is used as a planning</p>	<p>(For more information on climate change, please refer to 2024 Sustainability Report TCFD Topics)</p> <p>I. Governance</p> <p>The Board of Directors serves as the highest management unit to supervise the climate change management of the Company. The Audit Committee is responsible for identifying potential climate risks and taking corresponding measure. The Sustainable Development Committee gradually implements the measures of climate change management according to the “Sustainable Development Practice” approved by the Board of Directors. Regular meetings are held every quarter to review the performance of climate indicators, and the performance, impact assessment and sustainability goal achievement progress of climate change related issues are reported to the Board of Directors at least once a year.</p> <p>II. Strategy</p> <p>1. The Company pays close attention to the status of global climate actions, and incorporates the possible impacts of climate change into the risk management system according to the TCFD framework to continuously to identify climate risks and opportunities, and formulates relevant measures.</p> <p>2. Below is the list of risks and opportunities in 2024:</p> <p>◆ List of Risk</p> <table><tr><th>Risk category</th><th>Risk dimensions</th><th>Name of risk</th><th>Period of influence</th><th>Risk impacts</th></tr><tr><td rowspan="2">Transition on risks</td><td rowspan="2">Policies and regulations</td><td>Collection of carbon-related fees (carbon fee/carbon tax)</td><td>Short</td><td>Increase of operating costs</td></tr><tr><td>Requirements and supervision of existing products and</td><td>Medium</td><td>Failure to comply with relevant requirements and</td></tr></table>	Risk category	Risk dimensions	Name of risk	Period of influence	Risk impacts	Transition on risks	Policies and regulations	Collection of carbon-related fees (carbon fee/carbon tax)	Short	Increase of operating costs	Requirements and supervision of existing products and	Medium	Failure to comply with relevant requirements and
Risk category	Risk dimensions	Name of risk	Period of influence	Risk impacts										
Transition on risks	Policies and regulations	Collection of carbon-related fees (carbon fee/carbon tax)	Short	Increase of operating costs										
		Requirements and supervision of existing products and	Medium	Failure to comply with relevant requirements and										

<p>tool, please describe the pricing basis.</p> <p>8. If climate-related goals are set, the activities, GHG emission scopes, planned schedule and annual progress shall be explained. If carbon offsets or renewable energy certificates (RECs) are applied to achieve relevant goals, the source and quantity of credited carbon reduction or the number of renewable energy certificates (RECs) shall be explained.</p> <p>9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (fill in 1-1 and 1-2 separately)</p>			services		laws and regulations will affect production and sales
	Technology		Low-carbon alternatives to existing products and services	Short	Changes in market orientation. Decrease in revenue.
			Costs and expenses for transformation to low-carbon new technologies	Short	Increase in R&D expense and cost of R&D equipment
	Transition ation risks	Market	Changes in customer behavior	Medium	Changes in market orientation. Decrease in revenue.
			Uncertainty of market volatility	Short	Frequent adjustments to the response measures, leading to increased costs
			Rising raw material costs	Short	Extreme climate affects the supply of raw materials and increases operating costs
		Reputation	Stigmatization of high-carbon industries	Long	Damage to corporate reputation
	Physical risk	Extreme	Extreme climate	Medium	Affect production, resulting in increase in cost and decrease in revenue
		Long-term	Air pollution	Short	Health hazard

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

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

	<p>III. Risk management</p> <ol style="list-style-type: none"> 1. To carry out the Company's sustainable development, the “Corporate Governance Risk Management Policy and Operating Procedures Regulations” had been approved by the Board of Directors in 2022 as the supreme guiding principle for the Company's risk management. 2. The Corporate Governance Team under the Audit Committee regularly collects and identifies risk factors every year, screens out the scope of risk management, and monitors potential risks and proposes corresponding measures according to the latest internal audit requirements to strengthen risk management; and regularly reported to the Audit Committee for discussion and implementation after approval by the Board of Directors. 3. In 2024, the Corporate Governance Team referred to international trends, reports from important institutions, and standard issued by International Organization for Standardization (“ISO”) to screen out a pool of risks and opportunities based on industry characteristics. The pool of risks and opportunities would be further discussed and analyzed by the various departments of the Company, together with the management's opinions, a list of potential climate risks and opportunities was compiled by the Company. Based on the degree of impact, probability of occurrence, influence and period, a climate risk matrix is prepared, and relevant response strategies are formulated based on the matrix. The Company continuous monitors, manages, and regular reviews the implementation of the measures. <p>IV. Indicators and goals</p> <ol style="list-style-type: none"> 1. In response to the issue of climate adaptation, The Company has set a carbon reduction target of " reduce carbon by 3% per year and 25% by 2030." 2. There are four themes for the Company’s current climate risk management: green design, climate action, sustainable supply chain, and circular economy. Indicators are set for each theme, and management and performance tracking are conducted based on annual goals. 3. For the performance of each indicator and greenhouse gas inventory, please refer to “3.2 Energy and Greenhouse Gas Emissions Management” of the 2024 Sustainability Report.
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1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

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

The Company's 2023 regional greenhouse gas emissions (tons CO₂e) and intensity (tons CO₂e/NTD million) are shown below. Reporting boundary includes companies included in the consolidated financial statements. The following content is calculated based on ISO 14064-1:2018 Category 1 (direct emissions, i.e. direct emissions from emission sources owned or controlled by the Company) and Category 2 (indirect energy emissions, i.e. indirect greenhouse gas emissions resulting from imported electricity, heat or steam) standards. Please refer to "3.2 Energy and Greenhouse Gas Emissions Management " of the 2024 Sustainability Report for information on the 2024 greenhouse gas inventory.

	Category 1: Direct GHG emissions	Category 2: Indirect GHG emissions	Total emissions = Category 1+Category 2	GHG emission intensity
Region/Organization	Tons CO ₂ e	Tons CO ₂ e	Tons CO ₂ e	Total emissions (tonnes CO ₂ e)/Consolidated operating revenue (Million NTD)
Kenda Group	135,891.33	252,486.32	388,377.65	11.276

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

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

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

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

1-1-2 Greenhouse Gas Assurance Information

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

1. The Company's 2023 Category 1 and Category 2 greenhouse gas inventory data in Yunlin Factory have been verified by SGS in 2024 in accordance with the ISO14064-1:2018 standard. According to the "Greenhouse Gas Declaration" issued by SGS, the greenhouse gas inventory data of the Company in Taiwan in 2024 complied with the requirements of the above standards.
2. The Category 1 and Category 2 greenhouse gas inventory data of the Company's Kunshan Factory in 2023 have been verified by the China Quality Certification Centre (CQC) in 2024 in accordance with the ISO14064-1:2018 and ISO14064-3:2019 standards. According to the "Greenhouse Gas Verification Statement" issued by the CQC, the greenhouse gas inventory data of the Company's Kunshan Factory in 2024 complied with the relevant requirements of the above standards, and the verification statement issued by the CQC did not have material deviations and had a reasonable level of assurance.
3. The verification and assurance of the Company's 2024 greenhouse gas inventory data will be disclosed in the 2024 Sustainability Report.

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

If the Company cannot obtain complete assurance opinion up to the date of publication of the annual report, it should state that "The complete assurance information will be disclosed in the Sustainability Report." If the Company does not prepare a sustainability report, it should state that "Complete assurance information will be disclosed on the Market Observation Post System", and the complete assurance information is to be disclosed in the following year.

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

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

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

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

1. The greenhouse gas reduction baseline year of the Company in Taiwan and Kunshan Factory is 2022. For 2022 greenhouse gas emission data of ISO 14064-1:2018 Category 1 and Category 2 of the Company's Taiwan region and Kunshan Factory, please refer to 1-1-1 "Greenhouse Gas Inventory Information".
2. Except for Taiwan and Kunshan, the other subsidiaries of the Company set 2023 as the baseline year for greenhouse gas reduction. For 2023 ISO 14064-1:2018 Category 1 and Category 2 greenhouse gas emission data of subsidiaries except for Taiwan and Kunshan Factory, please refer to "1-1-1 Greenhouse Gas Inventory Information".
3. The Company has set a carbon reduction target of "reduce carbon by 3% per year and 25% by 2030". The Company's greenhouse gas reduction strategy and action plan focus on the usage of green energy, optimization of production technology, replacement of energy-saving equipment and equipment upgrading, etc., in order to improve production efficiency and reduce energy usage, and to reduce greenhouse gas emissions at the same time. At the product level, the Company actively modifies product formulas, uses more low-carbon and environmentally friendly raw materials, improves product performance, and reduces product carbon footprint. The Company has set various KPIs for carbon reduction goals, and regularly reviewed the progress of goal achievement. For more information, please refer to the 2024 Sustainability Report.

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

Note 2: The baseline year should be the year that the inventory is completed based on the boundaries of the consolidated financial statements.

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

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

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

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
<p>I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	<p>✓</p> <p>✓</p>		<p>In 2015, the Board of Directors of the Company approved the Ethical and Integrity Corporate Management Policies and Best Practice Principles, which clearly state that “the Company is committed to a clean, transparent and responsible business philosophy, formulates policy based on integrity and establishes good corporate governance and risk control mechanism to create a sustainable business environment”, and actively promotes the core values of corporate integrity and honesty to prevent corruption. These standards set out the prohibition and preventive measures against dishonest acts such as anti-bribery and corruption, confidentiality mechanism, anti-monopoly and unfair competition, anti-insider trading, monitoring and reporting which should be observed by members of the Company.</p> <p>In 2024, the Company conducted internal and external training related to ethical management (including ethical management regulations, internal control systems, accounting systems, tire quality regulations and policies, safety and health and management) for a total of 3,215 participants and 4,726.5 hours.</p> <p>For business activities with a higher risk of unethical conduct, the Company shall follow the accounting system and internal control system established by the Company. The Company does not allow external accounts or secret accounts and constantly reviews to ensure the appropriateness of the system design and the continuous effectiveness of its implementation. The Company’s Audit Office shall conduct audits on the compliance of the preceding system from time to time and shall prepare an audit report to the Board and may appoint an accountant to perform such audits and, if necessary, an independent auditor or professional to perform such audits.</p> <p>In order to improve the mechanism, we have set up a clear and effective reward and punishment system by integrating the ethical management policy with employee performance evaluation and human resources policy through education, training and evaluation. There is also a system for whistleblowing, punishment and grievance. New suppliers of the Company are required to sign a “ESG Statement for Suppliers” as a guarantee.</p>	No material difference.

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
(III) Special Assistance: Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		The Company has established a code of conduct for the relationship of interested parties and ethics guidelines, as well as a non-disclosure policy for its employees, which provides clear directions for directors, managerial personnel, employees and persons having substantial control over the Company. In addition, the management and operation of each business is governed by an internal control system that clearly reveals the disciplinary methods and provides appropriate remedies for grievances.	
II. Ethic Management Practice (I) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		The suppliers and customers of the Company have signed the Letter of Undertaking of Integrity in compliance with the “Act on Recusal of Public Servants Due to Conflicts of Interest” and the “Ethics Guidelines for Civil Servants.”	No material difference.
(II) Whether the Company has set up a unit which is dedicated to promoting the Company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	✓		<p>On January 21, 2022, the Board of Directors resolved to establish the “Sustainable Development Committee” with a “Corporate Governance Team”, which is responsible for formulating the Company's Ethical and Integrity Corporate Management Policies, ensuring the implementation of the Ethical and Integrity Corporate Management Policies approved by the board of directors, and reporting to the Board of Directors at least once a year on the implementation of the overall ethical and integrity corporate management.</p> <p>The implementation status for ethical management was reported to the Board of Directors on June 28, 2024.</p> <p>1. In order to implement the ethical management policy and prevent unethical conduct, the Company holds annual training courses on relevant laws and regulations. The courses cover ethical management, procedures for investigation and public handling of material information, prevention of insider trading, the Company Act, the Securities and Exchange Act, and other laws and regulations.</p>	

Assessed Items	Implementation Status (Note 1)			Non-implementation and its reasons
	Yes	No	Summary and Explanation	
			<p>2. On November 27, 2024, the Company's appointed lawyer was invited to explain to the officers and employees about the prevention of insider trading, and the materials were sent to all directors and announced on the Company's internal website for employees' reference.</p> <p>3. The Company has established a specific whistleblowing system and announced the internal independent whistleblowing mailbox and hotline on the "Contact Us" and the "Sustainability Report" sections of the Company's website. The Company has designated a responsible person or unit to handle reports that involve directors or senior executives. The report should be submitted to the independent directors or the Audit Committee, and the types of matters to be reported and the standard operating procedures for the investigation should be established. Investigation cases, investigation processes, results and related documents shall be recorded and maintained. The identity of the whistleblower and the contents of the whistleblowing report are kept confidential to protect the whistleblower from improper treatment due to his/her whistleblowing.</p>	
(III) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		The Company has a "Code of Ethical Conduct and Regulations on Conflict of Interest in Public Recusal" to prevent conflict of interest related business; the employee who has a conflict of interest in the business should inform the supervisor and recuse himself/herself; the Board members will not participate in the discussion and vote on the motion if a conflict of interest is involved.	
(IV) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		The Company has an effective accounting system and internal control system, which is audited by an audit unit under the Board of Directors and by professional independent auditors.	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		In 2024, the Company conducted internal and external training related to ethical management (including ethical management regulations, internal control systems, accounting systems, tire quality regulations and policies, safety and health and management) for a total of 3,215 participants and 4,726.5 hours.	

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

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

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

1. Statement on Internal Control.

Kenda Rubber Ind. Co., Ltd.

The statement of the Internal Control System of the Company.

Date: March 11, 2025

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2024:

- I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. The Company internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability of the financial reporting, and compliance with laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, the Company internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the "Regulations" identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. There are several items in each key component. Please refer to the "Regulations" for the preceding items.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability of the financial reporting, and compliance with laws and regulations.
- VI. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was passed by the Board of Directors in their meeting held on March 11, 2025, all the 11 directors present hereby affirm the content of this Statement.

Kenda Rubber Ind. Co., Ltd.

Chairman: Yang, Chi-Jen



President: Lin, Chien-Liang

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

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

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

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

1. The result and implementation status of the Annual Shareholders' Meeting: The Annual Shareholders' Meeting was convened on May 31, 2024.

Shareholders' Meeting was convened on May 31, 2024.			
Proposals	Resolutions and voting results		Implementation status
	Result of the votes	Percentage of the total votes represented by the attending shareholders at the time of voting	
1. Adoption of the 2023 Business Report and Financial Statements.	Approval votes: 756,777,270 (including 111,278,714 electronic votes)	97.89%	Publicly announced in accordance with the resolution.
	Disapproval votes: 248,222 (including 248,222 electronic votes)	0.03%	
	Invalid votes: 0 (including 0 electronic vote)	0.00%	
	Abstention votes/no votes: 16,014,797 (including 15,713,751 electronic votes)	2.07%	
	This proposal was adopted as proposed.		
2. Adoption of the 2023 Earnings Distribution.	Approval votes: 757,214,962 (including 111,716,406 electronic votes)	97.95%	The cash dividend paid at NT\$1.0 per share. The distribution record date is June 23, 2024, and the payment date is July 12, 2024.
	Disapproval votes: 259,222 (including 259,222 electronic votes)	0.03%	
	Invalid votes: 0 (including 0 electronic vote)	0.00%	
	Abstention votes/no votes: 15,566,105 (including 15,265,059 electronic votes)	2.01%	
	This proposal was adopted as proposed.		
3. Amendment to the “Rules of Procedures for Shareholders’ meetings”.	Approval votes: 756,487,842 (including 110,989,286 electronic votes)	97.85%	Publicly announced on the Company’s website.
	Disapproval votes: 208,521 (including 208,521 electronic votes)	0.02%	
	Invalid votes: 0 (including 0 electronic vote)	0.00%	
	Abstention votes/no votes: 16,343,926 (including 16,042,880 electronic votes)	2.11%	
	This proposal was approved as proposed.		

Proposals	Resolutions and voting results			Implementation status
	Result of the votes		Percentage of the total votes represented by the attending shareholders at the time of voting	
4. Election of the Directors (including Independent Directors).	1. List of Elected Directors			Publicly announced on the Company’s website and obtained approval for the changes from the Ministry of Economic Affairs on June 25, 2024.
	NO.	Name	Approval votes	
	1	Yang, Chi-Jen	750,248,997	
	2	Yang, Ying-Ming	745,880,407	
	3	Chang, Hon- Der	709,388,086	
	4	Chen, Chao-Jung	706,477,711	
	5	Yang, Ying-Yuan	703,579,262	
	6	Yang, Chia-Ling	700,521,659	
	7	Lin, Tsung-Chi	697,464,965	
	8	Lin, Chien-Liang	694,579,899	
	2. List of Elected Independent Directors			
	NO.	Name	Approval votes	
	1	Cho, Shih-Chao	660,415,650	
	2	Weng, Wen-Chi	656,961,628	
	3	Yieh, Kaili	656,838,914	
5.The Release of Non-competition Restrictions on Directors.	Approval votes: 730,543,157 (including 85,044,601 electronic votes)		94.50%	Publicly announced in accordance with the resolution.
	Disapproval votes: 25,917,295 (including 25,917,295 electronic votes)		3.35%	
	Invalid votes: 0 (including 0 electronic vote)		0.00%	
	Abstention votes/no votes: 16,579,837 (including 16,278,791 electronic votes)		2.14%	
	This proposal was approved as proposed.			

2. Major decisions of Board Meetings

Date	Major Proposals
2024.01.31	<ol style="list-style-type: none"> 1. The proposal of the year-end bonus for the managerial officers and executive directors. 2. The proposal of adjustment to salary for the managerial officers and executive directors. 3. The amendment to the Company's "Rules of Procedures for Shareholders' Meetings". 4. The amendment to the Company's "Procedures for Handling Material Inside Information." 5. The proposal of the endorsement and guarantee for the Company's subsidiaries. 6. The proposal of the Company's line of credit with banking transaction.
2024.03.11	<ol style="list-style-type: none"> 1. The proposal of the employees' and directors' remuneration for the year 2023. 2. The distribution of remuneration to individual directors of the Company. 3. The distribution of remuneration to the managerial officers and executive directors. 4. The appointment and discussion of salary for the Company's Vice President. 5. The adoption of the 2023 Business Report and Financial Statements. 6. The proposal of the 2023 earnings distribution. 7. The proposal to distribute the cash dividends to shareholders from the 2023 earnings of the Company. 8. The election of the Directors (including Independent Directors). 9. The proposal to convene the 2024 Annual Shareholders' Meeting of the Company. 10. The Company's shareholders proposed the motions for the 2024 Annual General Meeting of Shareholders and matters related to the nominations of candidates for directors and independent directors. 11. The Company's board of directors nominates candidates for the 21st term of directors (including independent directors) and reviews the qualification of the nominees. 12. The Release of Non-competition Restrictions on Directors. 13. The statement of the Company's Internal Control System. 14. The proposal of the Company's purchase of land and buildings from KENFONG INDUSTRIAL CO., LTD. 15. Evaluation of "Overdue Accounts Receivable and the amounts" of the Company. 16. The proposal of the Company's line of credit with banking transaction.
2024.05.09	<ol style="list-style-type: none"> 1. The proposal of the Company's financial statements for the first quarter of 2024. 2. Evaluation of the Company's "Overdue Accounts Receivable". 3. The amendment to the Company's "ESG Committee Charter". 4. The application for extending the endorsement and guarantee for the Company's associates. 5. The proposal of the endorsement and guarantee for the Company's subsidiaries. 6. The proposal of the Company's line of credit with banking transaction. 7. The proposal of the Company to purchase land and buildings from Kenfong Industrial Co., Ltd.
2024.05.31	<ol style="list-style-type: none"> 1. Election of the Chairman from within the board of directors. 2. Election of the Vice Chairman from within the board of directors.

Date	Major Proposals
2024.06.28	<ol style="list-style-type: none"> 1. The appointment of the Senior Director of the Taiwan Factory. 2. The appointment of the Acting President of the Company. 3. The proposal of the selection of members for the second ESG Committee of the Company. 4. The proposal of the appointment of members for the sixth Remuneration Committee of the Company. 5. The proposal of the Company to sign a contract with National Changhua University of Education. 6. The amendment to the Company's "Rules of Procedures for Board of Directors Meetings". 7. The amendment to the Company's "Audit Committee Charter".
2024.08.08	<ol style="list-style-type: none"> 1. The proposal of the Company's financial statements for the second quarter of 2024. 2. The proposal of the Company's 2023 Sustainability Report. 3. The proposal of the compensation of independent directors of the 21st Board of Directors of the Company. 4. The proposal of the salary adjustment of the Group's Acting President of the Company. 5. The proposal of the salary adjustment of the Senior Director of the Taiwan Factory. 6. The amendment to the Company's "Director Compensation Management Regulations". 7. The capital increase for subsidiary of the Company. 8. The amendment to the Company's internal control system manual and internal audit implementation rules manual. 9. Evaluation of the Company's "Overdue Accounts Receivable". 10. The proposal of the destruction of expired accounting books and vouchers of the Company. 11. The proposal of the endorsement and guarantee for the Company's subsidiaries. 12. The proposal of the loan amount application for the Company.
2024.11.11	<ol style="list-style-type: none"> 1. The formulation of the Company's audit plan for 2025. 2. The proposal of the Company's financial statements for the third quarter of 2024. 3. The capital increase for subsidiary of the Company. 4. Evaluation of the Company's "Overdue Accounts Receivable". 5. The proposal of the endorsement and guarantee for the Company's subsidiaries. 6. The proposal of the loan amount application for the Company.
2025.01.22	<ol style="list-style-type: none"> 1. The proposal of the year-end bonus for the managerial officers and executive directors. 2. The proposal of adjustment to salary for the managerial officers and executive directors. 3. The proposal of promotion for the managerial officers of the Company. 4. Evaluation of the Company's "Overdue Accounts Receivable". 5. Evaluation of the Independence and Suitability of Certified Public Accountant. 6. The proposal of the endorsement and guarantee for the Company's subsidiaries. 7. The proposal of the loan amount application for the Company. 8. The capital increase for subsidiary of the Company.

Date	Major Proposals
2025.03.11	<ol style="list-style-type: none"> 1. The proposal of the employees' and directors' remuneration for the year 2024. 2. The distribution of remuneration to individual directors of the Company. 3. The distribution of remuneration to the managerial officers and executive directors. 4. The proposal of definition of entry level employees of the Company. 5. The adoption of the 2024 Business Report and Financial Statements. 6. The proposal of the 2024 earnings distribution. 7. The proposal to distribute the cash dividends to shareholders from the 2024 earnings of the Company. 8. The proposal of change of Corporate Governance Officer of the Company. 9. The amendment to the Company's "Articles of Association". 10. The proposal to convene the 2025 Annual Shareholders' Meeting of the Company. 11. The Company's shareholders proposed the motions for the 2025 Annual General Meeting of Shareholders. 12. The statement of the Company's Internal Control System. 13. Evaluation of the Company's "Overdue Accounts Receivable". 14. The proposal of the loan amount application for the Company. 15. The proposal of organizational restructuring of European subsidiary of the Company.

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

IV. Information on CPA Fees:

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

Information on CPA fees

Unit: NT\$ thousand

Accounting firm	Name of CPA	Audit period	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte & Touche Taiwan	Wang, Yi-Wen, Tseng, Done-Yuin	2024	4,593	4,869	9,462	Application for enterprise to exempt its Business Profits from Tax under an Agreement for Avoidance of Double Taxation, Preparation of Transfer Pricing Report and related consulting fees.
Deloitte & Touche Taiwan	Wang, Yi-Wen, Tseng, Done-Yuin	2023	4,303	3,205	7,508	Application for enterprise to exempt its Business Profits from Tax under an Agreement for Avoidance of Double Taxation, Preparation of Transfer Pricing Report and related consulting fees.

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

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

- (II) When the Company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: Not applicable.
- (III) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 15% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

V. Information on Change in CPA: None.

VI. Where the Company's Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm: None.

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

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

Unit: shares

Position (Note 1)	Name	2024		As of March 31 of the current year	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Yang, Chi-Jen	(1,600,000)	0	(400,000)	0
Vice Chairman	Chang, Hong-Der	0	0	0	0
Director	Yang, Ying-Ming	(1,871,656)	0	0	0
Director	Chen, Chao-Jung (Successor)	0	0	0	0
Director and President	Lin, Chien-Liang (Successor) (Note 2)	0	0	0	0
Director	Yang, Chia-Ling	0	0	0	0
Director	Lin, Tsung-Chi (Successor)	0	0	0	0
Director	Yang, Ying-Yuan (Successor)	908,000	0	0	0
Independent Director	Cho, Shih-Chao	0	0	0	0
Independent Director	Weng, Wen-Chi (Successor)	0	0	0	0
Independent Director	Yieh, Kaili (Successor)	0	0	0	0
Director	Stretch Investment Co., Ltd. (Predecessor)	2,836,539	(2,400,000)	0	0
Director	Kenjou. Co., Ltd. (Predecessor)	0	0	0	0
Director	Yang, Shin-Nan (Predecessor)	0	0	0	0
Director	Lin, Tsung-Yi (Predecessor)	0	0	0	0
Independent Director	Hsieh, Chun-Mou (Predecessor)	0	0	0	0
Independent Director	Su, Ching-Yang (Predecessor)	0	0	0	0
Assistant Vice President	Chen, Chin-Fu	0	0	0	0
Assistant Vice President	Chang, Hui-Chu	0	0	0	0

Position (Note 1)	Name	2024		As of March 31 of the current year	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Assistant Vice President	Liu, Kuei-Chun	0	0	0	0
Assistant Vice President	Li, Tsung-Hsun	0	0	0	0
Assistant Vice President	Lin, Chin-Tze	0	0	0	0
Senior Manager	Wang, Ching-Yi (Note 3)	0	0	0	0
Corporate Governance Officer	Shen, Jui-Hsiung	0	0	0	0

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

Note 2: Mr. Lin, Chien-Liang was promoted to Vice President on April 1, 2024, and subsequently promoted to Acting President on July 1, 2024.

Note 3: Mr. Wang, Ching-Yi was promoted to Senior Manager on July 16, 2024.

Note 4: The Company held a board re-election at the shareholders' meeting on May 31, 2024. Names marked with ' Predecessor ' indicate directors from the previous term who will not be reappointed. Names marked with ' Successor ' indicate directors for the new term following the re-election.

(II) Information on the share transfer:

Name (Note 1)	Reason for transferring the share	Transaction Date	Trading Counterpart	Relationship between the trading counterpart and the Company, the directors, managers, and shareholders holding more than 10% of the shares	Shares	Transaction price
Yang, Chi-Jen	Gift	114.02.27	Yang, Sheng-Jie	Father and son	400,000	26.10
Yang, Chi-Jen	Gift	113.04.25	Yang, Sheng-Jie	Father and son	1,600,000	30.90
Yang, Ying Ming	Gift	113.03.07	Yang, Su-Ting	Father and daughter	946,206	29.00
Yang, Ying Ming	Gift	113.11.22	Yang, Su-Ting	Father and daughter	925,450	29.55
Yang, Ying-Yuan	Donee	113.11.29	Hsiao, Ru-Po	Mother and daughter	908,000	30.20

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

(III) Information on the share pledge:

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

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

Relationship information among the top ten shareholders

Unit: Shares; %

Name	Number of shares held in person		Number of shares held by spouse and children of minor age		Total number of shares held under other persons' names		The names and relationships of the top ten shareholders who are related parties or are related to each other as a spouse or second degree of kinship		Remarks
	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Name	Relation	
Yang, Chi-Jen	93,361,725	9.78	7,983,800	0.84	150,000	0.02	Yang, Ying-Ming Yang, Hsiu-Ya	2nd degree of kinship	
Yang, Ying-Ming	65,033,772	6.81	14,413,334	1.51	0	0	Yang, Chi-Jen Yang, Su-Ting Yang, Ya-Ting	2nd degree of kinship	
Yang, Jin-Yi	46,072,164	4.82	0	0	0	0	Yang, Shu-Yuan Yang, Ying-Yuan	2nd degree of kinship	

Name	Number of shares held in person		Number of shares held by spouse and children of minor age		Total number of shares held under other persons' names		The names and relationships of the top ten shareholders who are related parties or are related to each other as a spouse or second degree of kinship		Remarks
	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Shares	Percentage of Ownership	Name	Relation	
Yang, Chia-Ling	30,081,817	3.15	0	0	0	0	None	None	
Yang, Shu-Yuan	28,253,682	2.96	0	0	0	0	Yang, Jin-Yi Yang, Ying-Yuan	2nd degree of kinship	
Yang, Ying-Yuan	28,253,682	2.96	0	0	0	0	Yang, Jin-Yi Yang, Shu-Yuan	2nd degree of kinship	
Yang, Hsiu-Ya	27,737,654	2.90	0	0	0	0	Yang, Chi-Jen	2nd degree of kinship	
Yang, Su-Ting	27,176,624	2.85	0	0	0	0	Yang, Ying-Ming Yang, Ya-Ting	2nd degree of kinship	
Yang, Ya-Ting	26,884,060	2.82	0	0	0	0	Yang, Ying-Ming Yang, Su-Ting	2nd degree of kinship	
Stretch Investment Co., Ltd. Representative: Chiang, Tsai-Feng	20,332,526	2.13	0	0	0	0	None	None	

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

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

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

IX. Ownership of Shares in Affiliated Companies:

Unit: Thousand Shares; %

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

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

Three. Capitalization

I. Capitalization and Shares

(I) Source of share capital

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
1962.03	100	9,600	960,000	9,600	960,000	Founding share capital	None	None
1966.03	100	30,000	3,000,000	30,000	3,000,000	Issuance of common stock for cash 2,040,000	None	None
1967.03	100	48,000	4,800,000	48,000	4,800,000	Issuance of common stock for cash 1,800,000	None	None
1968.01	100	60,000	6,000,000	60,000	6,000,000	Issuance of common stock for cash 1,200,000	None	None
1970.04	100	80,000	8,000,000	80,000	8,000,000	Issuance of common stock for cash 2,000,000	None	None
1973.09	100	160,000	16,000,000	160,000	16,000,000	Issuance of common stock for cash 8,000,000	None	None
1974.12	100	240,000	24,000,000	240,000	24,000,000	Issuance of common stock for cash 8,000,000	None	None
1975.12	100	360,000	36,000,000	360,000	36,000,000	Issuance of common stock for cash 1,776,000 Issuance of shares for capitalization of capital surplus 10,224,000	None	None
1977.04	100	480,000	48,000,000	480,000	48,000,000	Issuance of common stock for cash 7,320,000 Issuance of shares for capitalization of earnings 4,680,000	None	None
1978.08	100	600,000	60,000,000	600,000	60,000,000	Issuance of common stock for cash 8,400,000 Issuance of shares for capitalization of earnings 3,600,000	None	None
1979.07	100	860,000	86,000,000	860,000	86,000,000	Issuance of common stock for cash 11,000,000 Issuance of shares for capitalization of earnings 15,000,000	None	None
1980.06	10	12,610,000	126,100,000	12,610,000	126,100,000	Issuance of common stock for cash 10,000,000 Issuance of shares for capitalization of earnings 30,100,000	None	None
1981.07	10	19,545,500	195,455,000	19,545,500	195,455,000	Issuance of shares for capitalization of earnings 69,355,000	None	None
1985.05	10	32,640,985	326,409,850	32,640,985	326,409,850	Issuance of shares for capitalization of earnings 130,954,850	None	Public issuance status in 1985 Official Letter Taiwan-Finance-Securities (I) No. 00682 on May 27, 1985
1986.08	10	43,086,100	430,861,000	43,086,100	430,861,000	Issuance of shares for capitalization of earnings 104,451,150	None	Official Letter Taiwan-Finance-Securities (I) No.00812 on August 6, 1986
1988.09	10	60,000,000	600,000,000	50,000,000	500,000,000	Issuance of shares for capitalization of earnings 69,139,000	None	Official Letter Taiwan-Finance-Securities (I) No. 09055 on September 16, 1988
1990.01	10	60,000,000	600,000,000	60,000,000	600,000,000	Issuance of shares for capitalization of earnings 100,000,000	None	Official Letter Taiwan-Finance-Securities (I) No. 02601 on December 29, 1989
1990.11	10	80,000,000	800,000,000	80,000,000	800,000,000	Issuance of common stock for cash 100,400,000 Issuance of shares for capitalization of earnings 99,600,000	None	Official Letter Taiwan-Finance-Securities (I) No. 35820 on October 17, 1990
1991.08	10	96,000,000	960,000,000	96,000,000	960,000,000	Issuance of shares for capitalization of earnings 96,000,000 Issuance of shares for capitalization of capital surplus 64,000,000	None	Official Letter Taiwan-Finance-Securities (I) No. 01562 on July 17, 1991
1992.08	10	120,000,000	1,200,000,000	113,280,000	1,132,800,000	Issuance of shares for capitalization of earnings 76,800,000 Issuance of shares for capitalization of capital surplus 96,000,000	None	Official Letter Taiwan-Finance-Securities (I) No. 01584 on July 13, 1992

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
1993.08	10	160,000,000	1,600,000,000	130,000,000	1,300,000,000	Issuance of shares for capitalization of earnings 92,538,000 Issuance of shares for capitalization of capital surplus 74,662,000	None	Official Letter Taiwan-Finance- Securities (I) No. 01700 on July 14, 1993
1995.07	10	162,500,000	1,625,000,000	162,500,000	1,625,000,000	Issuance of shares for capitalization of earnings 280,800,000 Issuance of shares for capitalization of capital surplus 44,200,000	None	Official Letter Taiwan-Finance- Securities (I) No. 37684 on June 27, 1995
1996.07	10	173,875,000	1,738,750,000	173,875,000	1,738,750,000	Issuance of shares for capitalization of earnings 81,250,000 Issuance of shares for capitalization of capital surplus 32,500,000	None	Official Letter Taiwan-Finance- Securities (I) No. 37640 on June 14, 1996
1997.07	10	198,217,500	1,982,175,000	198,217,500	1,982,175,000	Issuance of shares for capitalization of earnings 208,650,000 Issuance of shares for capitalization of capital surplus 34,775,000	None	Official Letter Taiwan-Finance- Securities (I) No. 48771 on June 24, 1997
1998.07	10	300,000,000	3,000,000,000	229,932,300	2,299,323,000	Issuance of shares for capitalization of earnings 279,486,675 Issuance of shares for capitalization of capital surplus 37,661,325	None	Official Letter Taiwan-Finance- Securities (I) No. 54403 on June 22, 1998
1999.07	10	300,000,000	3,000,000,000	271,320,114	2,713,201,140	Issuance of shares for capitalization of earnings 390,884,910 Issuance of shares for capitalization of capital surplus 22,993,230	None	Official Letter Taiwan-Finance- Securities (I) No. 58268 on June 25, 1999
2000.07	10	320,000,000	3,200,000,000	306,591,728	3,065,917,280	Issuance of shares for capitalization of earnings 339,150,140 Issuance of shares for capitalization of capital surplus 13,566,000	None	Official Letter Taiwan-Finance- Securities (I) No. 55494 on June 27, 2000
2001.07	10	320,388,400	3,203,884,000	320,388,400	3,203,884,000	Issuance of shares for capitalization of earnings 122,636,690 Issuance of shares for capitalization of capital surplus 15,330,030	None	Official Letter Taiwan-Finance- Securities (I) No. 140082 on June 26, 2001
2002.07	10	336,408,000	3,364,080,000	336,408,000	3,364,080,000	Issuance of shares for capitalization of earnings 160,196,000	None	Official Letter Taiwan-Finance- Securities No. 0910134107 on June 24, 2002
2003.07	10	430,000,000	4,300,000,000	360,000,000	3,600,000,000	Issuance of shares for capitalization of earnings 235,920,000	None	Official Letter Taiwan-Finance- Securities (I) No. 0920129322 on July 2, 2003
2004.07	10	430,000,000	4,300,000,000	396,000,000	3,960,000,000	Issuance of shares for capitalization of earnings 360,000,000	None	Official Letter Securities-Futures (I) No. 0930129968 on July 7, 2004
2005.07	10	450,000,000	4,500,000,000	435,600,000	4,356,000,000	Issuance of shares for capitalization of earnings 396,000,000	None	Official Letter FSC(1) No. 0940126863 on July 5, 2005
2006.06	10	480,000,000	4,800,000,000	459,558,000	4,595,580,000	Issuance of shares for capitalization of earnings 239,580,000	None	Official Letter FSC(1) No. 0950126935 on June 28, 2006
2007.07	10	500,000,000	5,000,000,000	489,500,000	4,895,000,000	Issuance of shares for capitalization of earnings 299,420,000	None	Official Letter FSC (1) No. 0960033561 on July 3, 2007
2008.06	10	530,000,000	5,300,000,000	526,250,000	5,262,500,000	Issuance of shares for capitalization of earnings 367,500,000	None	Official Letter FSC (1) No. 0970031758 on June 26, 2008
2009.07	10	560,000,000	5,600,000,000	552,600,000	5,526,000,000	Issuance of shares for capitalization of earnings 263,500,000	None	Official Letter FSC (1) No. 0980032824 on July 2, 2009
2010.07	10	630,000,000	6,300,000,000	620,600,000	6,206,000,000	Issuance of shares for capitalization of earnings 680,000,000	None	Official Letter FSC (1) No. 0990034001 on July 1, 2010
2011.07	10	700,000,000	7,000,000,000	688,900,000	6,889,000,000	Issuance of shares for capitalization of earnings 683,000,000	None	Official Letter FSC (1) No. 1000030584 on July 1, 2011

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Contribution to share capital with non-cash assets	Others
2012.07	10	740,000,000	7,400,000,000	733,680,000	7,336,800,000	Issuance of shares for capitalization of earnings 447,800,000	None	Official Letter FSC (1) No. 1010029032 on July 2, 2012
2013.07	10	770,000,000	7,700,000,000	763,030,000	7,630,300,000	Issuance of shares for capitalization of earnings 293,500,000	None	Official Letter FSC (1) No. 1020027562 on July 23, 2013
2014.07	10	820,000,000	8,200,000,000	816,450,000	8,164,500,000	Issuance of shares for capitalization of earnings 534,420,000	None	Official Letter FSC (1) No. 1030028779 on July 29, 2014
2015.07	10	860,000,000	8,600,000,000	857,280,000	8,572,800,000	Issuance of shares for capitalization of earnings 408,300,000	None	Official Letter FSC (1) No. 1040028293 on July 27, 2015
2016.09	10	880,000,000	8,800,000,000	874,430,000	8,744,300,000	Issuance of shares for capitalization of earnings 171,500,000	None	Official Letter MOEA- Authorization-Business No. 10501227020 on September 22, 2016
2020.09	10	910,000,000	9,100,000,000	909,410,000	9,094,100,000	Issuance of shares for capitalization of earnings 349,800,000	None	Official Letter MOEA- Authorization-Business No. 10901177170 on September 22, 2020
2023.08	10	1,100,000,000	11,000,000,000	954,890,000	9,548,900,000	Issuance of shares for capitalization of earnings 454,800,000	None	Official Letter MOEA- Authorization-Business No. 11230147200 on August 7, 2023.

March 31, 2025

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

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

Name of major shareholder	Shareholdings	Number of shares held	Shareholding
Yang, Chi-Jen		93,361,725	9.78
Yang, Ying-Ming		65,033,772	6.81
Yang, Jin-Yi		46,072,164	4.82
Yang, Chia-Ling		30,081,817	3.15
Yang, Shu-Yuan		28,253,682	2.96
Yang, Ying-Yuan		28,253,682	2.96
Yang, Hsiu-Ya		27,737,654	2.90
Yang, Su-Ting		27,176,624	2.85
Yang, Ya-Ting		26,884,060	2.82
Stretch Investment Co., Ltd.		20,332,526	2.13

(III) Dividend policy and implementation status

1. Dividend policy:

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

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

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

The Company shall distribute remuneration to its employees at a rate not exceeding 0.5% of the profit for the year.

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

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

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

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

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

3. Proposal to the 2025 general shareholders' meeting the distribution of dividends:

Kenda Rubber Ind. Co., Ltd.

Earnings Distribution Table for the Year 2024

Unit: NT\$

Unappropriated retained earnings at the beginning of the year	\$ 5,538,580,174
Net income of 2024	1,240,953,165
The remeasurement of defined benefit plans recognized in retained earnings	36,685,809
Net income of 2024 plus other profit and loss items adjusted to the current year's unappropriated earnings other than net income	1,277,638,974
Less: Legal reserve	(127,763,897)
Add: Reversal of special reserve	398,982,407
Distributable earnings	7,087,437,658
Distributable items:	1,050,379,000
Cash Dividends for shareholders (at 1.1 per share)	
Unappropriated retained earnings at the end of the year	\$ 6,037,058,658

Note: Special reserve is reversed in accordance to the Financial Supervisory Commission Letters No. 1010012865.

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

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

(V) Remuneration to employees and directors

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

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

The special resolution by the Board of Directors in 2025 decided to distribute the employees' and directors' remunerations for 2024:

The percentage of earnings to be distributed to employees is 0.85% or NT\$11.13 million in total; the percentage of earnings to be distributed to directors is 1.27% or NT\$16.70 million in total. All distributions are in cash.

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

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

There is no issuance of stock dividends to employees.

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

Item	The amount resolved by the Board of Directors	The actual distribution amount	Difference	Reason for the difference	Treatment
Remuneration to employees	9,261,536	9,261,536	0	Not applicable.	Not applicable.
Remuneration to directors and supervisors	10,894,521	10,894,521	0		

(VI) Share repurchases: None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Overseas Depositary Receipts: None.

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

VI. New Restricted Shares to Employees: None.

VII. Mergers & Acquisitions: None.

VIII. Implementation of Capital Utilization Plan: None.

Four. Operations

I. Content of Businesses

(I) Scope of businesses

1. Content of businesses

- (1) C804010 Tires Manufacturing
- (2) CD01050 Bicycles and Parts Manufacturing
- (3) C805070 Reinforced Plastic Products Manufacturing
- (4) CB01010 Mechanical Equipment Manufacturing
- (5) F401010 International Trade
- (6) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (7) F114040 Wholesale of Bicycle and Component Parts Thereof
- (8) F114050 Wholesale of Tires
- (9) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (10) F214040 Retail Sale of Bicycle and Component Parts Thereof
- (11) F214050 Retail Sale of Tires
- (12) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Percentage of sales

Content of businesses	%
(1) Manufacturing, processing, wholesale and retail of a variety of rubber and plastic products	84.63
(2) Import-export business of various products	15.37

3. The Company's current product portfolios: Inner tubes and cover tires of bicycles, motorbikes, industrial vehicles and light trucks; radial tires.
4. New products under development: airless tires; all steel STR trailer tires; tires for electric vehicles.

(II) Industry

1. Current status and development

(1) Sales overview

Since 2024, people in Europe and the United States have been extending the lifespan of their cars by replacing parts, which has helped stabilize the demand for tires in the aftermarket (AM). However, the oversupply in the Chinese car market has put competitive pressure on tire manufacturers in Taiwan, resulting in slightly weaker sales performance. Nevertheless, the continuous increase in global electric vehicle

sales has benefited the tire manufacturers in Taiwan by boosting exports of high-priced products, raising gross margin, and leading to relatively optimistic operational performance. Therefore, it is estimated that the overall economic outlook for tire industry in Taiwan will improve throughout 2024.

(2) Export overview

In terms of exports in tire industry, the willingness to replenish inventory for high-priced PCR tires and motorcycle tires has increased. However, the sales performance of mid-range PCR tires has significantly slowed due to competition of economy PCR tires. At the same time, the global bicycle market is still in the inventory reduction phase, and overseas distributors are cautious about purchasing bicycle tires. As a result, the export value of tire industry from January to October 2024 has slightly declined by 2.75% compared to the same period in 2023.

(3) Raw materials prices trend

The supply of natural rubber and synthetic rubber has been affected by climate factors and decrease in raw material production, leading to shortages. As a result, the prices of natural rubber and synthetic rubber have significantly increased from January to November 2024. However, due to stable downstream demand for tires, manufacturers in tire industry have been able to raise tire prices, passing on the increased costs of raw materials. This has actually benefited the profit performance in 2024.

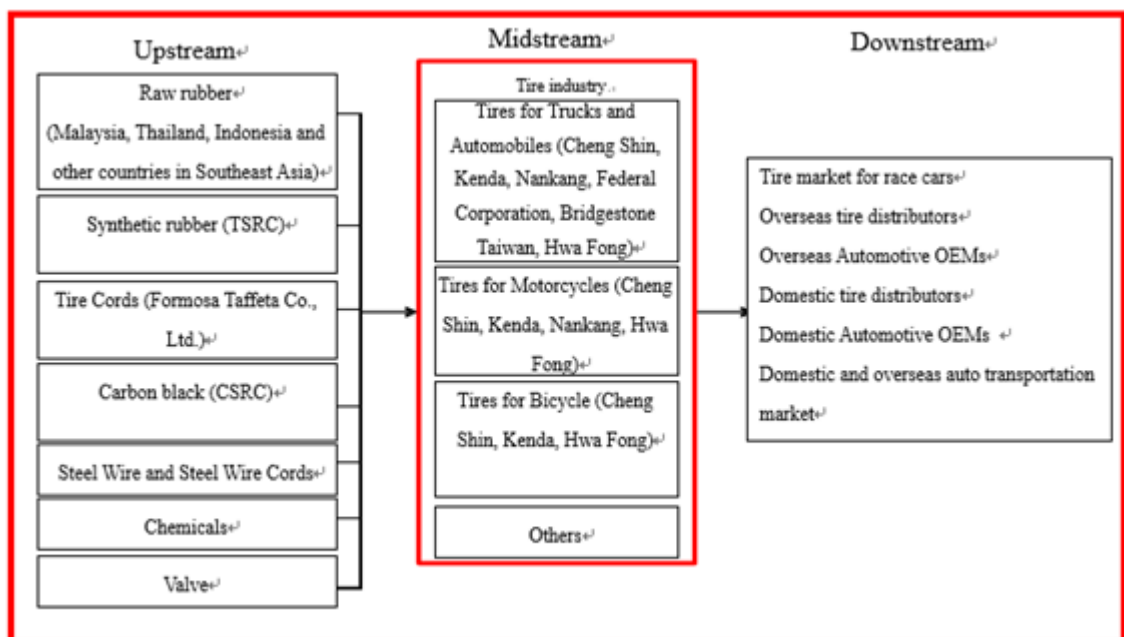
(4) Tariffs in the second Trump administration

The Trump administration announced the imposition of the 'Reciprocal Tariffs' on all countries on April 3, 2025 and it was officially implemented starting April 9, 2025. The countries where the Company's factories are located have been subjected to these tariffs, including Vietnam at 46%, China at 145%, Taiwan at 32%, and Indonesia at 32%. Additionally, the Trump administration also announced the imposition of 25% tariff on all automobiles and automotive parts (including tires) exported to the U.S. officially starting May 3, 2025. The Company has conducted an internal impact assessment in response to these changes and has flexibly adjusted supply in coordination with clients. The Company will continue to monitor any further changes. As of the publication date of this report, the 'Reciprocal Tariffs' has been announced to be postponed for 90 days. The Company will closely monitor all announcements and relevant regulatory changes issued by the U.S. and maintain smooth communication with clients to cope with any changes.

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

The upstream raw materials of the tire manufacturing industry are natural rubber, synthetic rubber, carbon black, tire wire and chemicals, which are capital-intensive, while the tire manufacturing industry in the mid-stream is technology-intensive. The downstream is a variety of vehicle industry, such as automobile, motorcycle, and bicycle manufacturing,

automobile and motorcycle repair businesses, or dealers. See the figure below for the industrial chain in the tire manufacturing industry.



Note: Midstream is part of the scope of our industry

Source: Taiwan Industry Economics Services

3. Product development trends and competition:

(1) Impacts from the economy

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

(2) Raw material prices

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

(3) Enhancement of environmental protection awareness

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

(4) Accession to the World Trade Organization

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

(5) Effects of exchange rate fluctuations

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

(III) Technology and R&D status

1. For the whole year of 2024 and the period from January 1, 2025 to February 28, 2025, the Company spent a total of NT\$1,721.897 millions in R&D expenses.

2. Technologies or products successfully developed in 2024 and for the period from January 1, 2025 to February 28, 2025:

- (1) Research on the introduction of sustainable materials.
- (2) Development of low-carbon/ sustainable rubber compounds.
- (3) Development of linear acceleration tread rubber.
- (4) Development of superior butyl tube rubber compounds.
- (5) Development of non-polluting bicycle tread rubber.
- (6) Development of tread rubber for Formula Drift racing.
- (7) Development of K6010B tires for the Taiwan OE market.
- (8) Development of new tread pattern K6038(F) for 12-inch motorcycle tires in the Taiwan AM market.
- (9) Development of KR100A tires for commercial vehicles in the Taiwan OE market.
- (10) Development of high-performance SUV electric vehicle tires K616EV.
- (11) Development of testing methods for heat resistance of tire fabric cord.
- (12) Development of testing methods for mold contamination in curing process.
- (13) Development of testing methods for cobalt content in tire bead wire.
- (14) Development of testing methods for the breaking strength of puncture-resistant ply for bicycle tires.
- (15) Development of testing methods for the properties of cement.
- (16) Establishment of indoor testing methods for tread block peeling.
- (17) Development of road bike tires HOOKLESS.
- (18) Development of rapid air-tightness inspection equipment for TLR bicycle tires.

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

1. Long-term plan

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

2. Short-term plan

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

II. Market, Production, and Sales Overview

(I) Market analysis

1. Overseas markets:

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

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

(2) Market shares:

According to the 2024 Global Tire Company Rankings, the Company were the top 28th tire company based on 2023 sales.

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

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

(3.2) The Company will continue to expand our production capacity in each factory, including car tires, bicycle tires, motorcycle tires, and industrial tires to meet the market demand and carefully cope with the various trade policies proposed by the US administration that may cause market volatility.

(4) The U.S. imposed anti-dumping and countervailing duty on car and light truck tires exported from Taiwan, Korea, and Thailand. The anti-dumping duty for our Vietnam factory is 0, and the countervailing duty rate is 6.46%.

(5) Competitive niches:

(5.1) Wheel fitment in Europe and the U.S. is an additional distribution channel and source of profits.

- (5.2) The gradual reduction of tariffs and the increase of motorcycle sales in the Southeast Asian market have greatly benefited the Company's business expansion in Southeast Asia for factories in Vietnam and Indonesia.
- (5.3) In addition to stepping up sports marketing around the world, the Company are also significantly increasing advertising spending on billboards, in-store promotions, product presentations, digital marketing, and social media. The Company are also actively participating in tradeshow. Bicycle tradeshow around the world, such as EUROBIKE and TAIPEI CYCLE; auto tradeshow such as SEMA Show, MIMS Automechanika Moscow, TIRE COLOGNE and Bologna Motor Show; motorcycle tradeshow such as AIMExpo, EICMA. KENDA booths and services are present at all these tradeshow, so that the KENDA brand image continues to increase exposure.
- (5.4) The Company continues with the advertisements on trolleys at Kunming Changshui International Airport and signboards along Shanghai-Nanjing Highway in China.
- (5.5) Expansion of online marketing to quickly boost the brand exposure and shorten the distance with customers.
- (6) Positive and negative factors for development, and responding strategies:
- (6.1) Positive factors:
- (a) The automotive market still has a promising future. The supply and demand is still huge, and new energy vehicles are emerging with the sales volume continuing to rise, which has become a focal point for automotive sales. In 2025, the Company's electric vehicle tires have been developed and launched into market.
 - (b) The sales of 4X4 and SUV models are increasing rapidly. Our product lines are maturing day by day (such as KR608, KR628, KR601, KR629, KR605, etc.), and the market's recognition of product quality continues to improve, helping helps to increase sales and prices.
 - (c) In Taiwan, the aggressive promotions by two major motorcycle manufacturers in 2023 led to a significant increase in registrations, reaching 0.871 million units. This early consumption in 2023 resulted in a decline to 0.753 million units in 2024. It is estimated that in 2025, the number of registrations will remain stable or slightly decrease compared to 2024.
 - (d) The U.S. imposed anti-dumping and countervailing duty on car and light truck tires exported from Taiwan, Korea, and Thailand. The anti-dumping duty for our Vietnam factory is 0, and the countervailing duty rate is 6.46%. The Company still maintains a certain level of competitiveness for products exported from Vietnam to the U.S.
 - (e) After years of efforts, Kenda North American Technical Center (KATC), the

Company's R&D center in the U.S., has developed multiple competitive PCR (passenger car radial) tires and LTR (land transport rules) tires and gradually gained traction among U.S. consumers and market shares in North America. Through KATC's continued R&D, marketing and advertising efforts, better sales and services, Kenda expects to soon achieve its 5% market share target in North America for PCR (passenger car radial) tires and LTR (land transport rules) tires.

- (f) Mexico and Vietnam have signed CPTPP tariff preference and the current tariff rate of 6% will be gradually reduced to 0%. The Company's Vietnam factory will start exporting to the Mexican market this year.
- (g) The KENDA Europe Technical Centre (KETC) has developed new products that meet stringent European standards. This year, the Company is launching new all-season tires, all-season electric vehicle tires, and 4x4 AT tires specifically designed for Europe. With a more comprehensive product line, the Company's performance is expected to continue growing.

(6.2) Negative factors and responding strategies:

- (a) Chinese tire manufacturers are rapidly expanding capacities for passenger car tires, and they sell to Central and South America and the Middle East at low prices. But, the US has taken Section 301 actions against China. This will lead to intensified competition in the low-and-mid-end segments. Therefore, Kenda will develop high value added products and differentiations, particularly in the SUV, 4x4, and UHP (ultra high performance) tire markets.
- (b) After the significant increase in demand in 2021 and 2022 due to the impact of COVID-19, the demand for bicycles has significantly slowed down in 2023. As of the end of 2024, the inventory level of bicycles in the market was still at a high stage. It will take time to gradually return to the pre-pandemic levels.
- (c) Following the administrative review in 2023, the U.S. significantly reduced the anti-dumping tax rate on Thailand for passenger car tires and light truck tires. Many tire manufacturers exporting from Thailand to the U.S. are reducing their prices and it has already created significant pressure for those exporting from other countries to the U.S. The Company will continue to introduce high value-added products and adjust product and price structure appropriately to maintain market sales advantages.
- (d) Chinese brands are accelerating their expansion to Mexico, Vietnam, Cambodia, India, Egypt, Morocco, and Serbia to set up factories, diversify production bases, and establish a global layout.
- (e) The Trump administration announced the imposition of the 'Reciprocal Tariffs' on all countries on April 3, 2025 and it was officially implemented starting April 9, 2025. The countries where the Company's factories are located have

been subjected to these tariffs, including Vietnam at 46%, China at 145%, Taiwan at 32%, and Indonesia at 32%. Additionally, the Trump administration also announced the imposition of 25% tariff on all automobiles and automotive parts (including tires) exported to the U.S. officially starting May 3, 2025. The Company has conducted an internal impact assessment in response to these changes and has flexibly adjusted supply in coordination with clients. The Company will continue to monitor any further changes.

As of the publication date of this report, the 'Reciprocal Tariffs' has been announced to be postponed for 90 days. The Company will closely monitor all announcements and relevant regulatory changes issued by the U.S. and maintain smooth communication with clients to cope with any changes.

2. Domestic market:

(1) Establishment of distribution channels:

With different distributors for motorcycle tires, bicycle tires and passenger car tires, the Company has established a strong distribution network all over Taiwan. Our sales continue growing because we are close to customers and our quality is well recognized.

(2) New product R&D, innovation and launch of high-performance products:

The Company has developed innovative and high-performance bicycle tires, motorcycle tires, ATV (all-terrain vehicle) and passenger car tires. The introduction of slick tires for racing cars and low rolling resistant tires for electric vehicles continues to enhance **KENDA** as a professional brand. We meet customers' needs in both OEMs and aftermarkets.

(3) Establishment of own brand:

We have been engaged in sports marketing and investing in multimedia advertisements around the world, so that **KENDA** is a widely-known global brand.

(4) Development of sports marketing:

By participating in public interest campaigns, fulfilling social responsibility and sponsoring national teams, professional baseball teams, cycling teams, and golfing competitions, we seek to enhance our brand exposure.

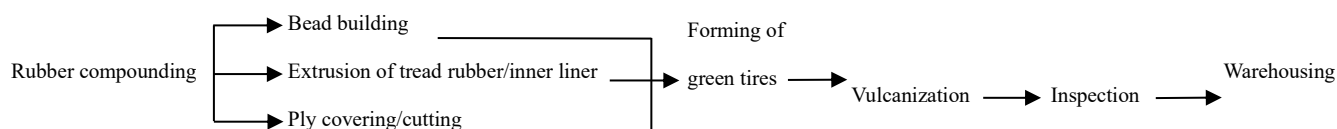
(II) Main utilization and production/manufacturing process of key products

1. Main utilization of key products:

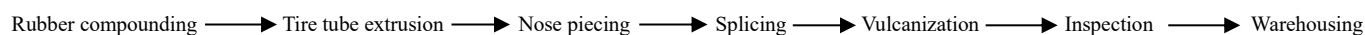
Category	Bicycle Tires	Motorcycle Tires	Industrial Tires	Passenger Car Tires and Truck Tires
Applicable vehicle	Mountain bike	Racing vehicles	Agriculture use	Large trucks
	Cyclocross bikes	Mountain bikes, cyclocross bikes	Forklift tires	Light trucks
	Racing cars, recreational vehicles	Street bikes	Tires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

2. Production/manufacturing process of key products:

(1) Manufacturing flows for cover tires:



(2) Manufacturing flows for inner tube:



(III) Supply of major materials

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

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

1. Supplies accounting for at least 10% of purchases

Unit: NT\$ thousand

	2024				2023			
Item	Name	Amount	As % of total purchases for the year	Relation with the issuer	Name	Amount	As % of total purchases for the year	Relation with the issuer
1	None	-	-	-	None	-	-	-
	Net purchases	13,494,593	100		Net purchases	11,268,850	100	

2. Customers accounting for at least 10% of sales

Unit: NT\$ thousand

	2024				2023			
Item	Name	Amount	As % of total sales for the year	Relation with the issuer	Name	Amount	As % of total sales for the year	Relation with the issuer
1	None	-	-	-	None	-	-	-
	Net sales	34,202,669	100		Net sale	34,443,676	100	

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

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

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

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

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

III. Employees

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

Year		2023	2024	As of February 28, 2025
No. of employees	Office workers	3,512	3,414	3,391
	Operators	7,072	7,253	7,036
	Total	10,584	10,667	10,427
Average age		37.68	39.81	38.07
Average tenure		8.09	9.71	8.27
Distribution of education backgrounds	Doctoral Degree	1	1	1
	Master's Degree	90	95	93
	Colleges and Universities	2,436	2,496	2,229
	Senior High School	2,970	2,993	3,186
	Below Senior High School	5,087	5,082	4,918

IV. Environmental Protection Expenses

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

- (1) The compensation received by the Company due to environmental pollution in the most recent fiscal year and up to the annual report publication date: None.
- (2) Items of violations of environmental protection laws and regulations due to environmental pollution in the most recent fiscal year and up to the annual report publication date:

Date	Case number	Violation of legal terms	Violation of regulations	Corrective Action	Penalty
February 27, 2025	20-114-020037	Article 34, Paragraph 4 of the Air Pollution Control Act	Failure to comply with Article 9, Paragraph 1 of the "Regulations for the Establishment and Management of Air Pollution Control Units or Personnel," which requires written notification within 15 days after the resignation of the responsible personnel for record-keeping purposes.	Incorporate the regulations regarding changes and adjustments of air pollution control personnel into the internal management rules.	NT\$200,000

March 3, 2025	40-114-030007	1. Article 31, Paragraph 1, Subparagraph 2 of the Waste Disposal Act 2. Article 36, Paragraph 1 of the Waste Disposal Act	1. From June 2022 to October 2024, the reported volume exceeded the Waste Disposal Plan by more than 10%, but no application for changes to the business waste disposal plan was processed. 2. Hazardous business waste has been stored for over one year without being reported and disposed of according to regulations.	The report is edited using Excel. If the entered quantity exceeds the limit, the field will display a reminder and will be confirmed and signed by the relevant responsible personnel.	NT\$120,000
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V. Labor Relations

(I) Current and important labor agreements and implementation status

1. Employees' benefits: To boost employees' morale and work efficiency, enhance employee engagement, and establish a stable work environment, the Company established Kenda Employee Benefit Committee in March 1966 to drive many benefit measures and harmonize labor relations. Below is a description of employee benefits:
 - (1) To nurture talents in line with corporate development strategies, we organize multiple training and education curricula and provide a variety of professional competence training each year.
 - (2) The Company conducts annual health check-ups for employees and cooperates with the Ministry of Health and Welfare's "Healthy Taiwan - Chronic Disease Prevention: Healthy Lifestyle Formation, Obesity Prevention, and Three Highs Prevention 888 Plan." The Company regularly follows up with employees who have abnormalities in hyperlipidemia, hypertension and hyperglycemia to monitor improvement. The HR department actively arranges consultations with the factory doctor for employees with abnormal values and posts cardiovascular disease prevention posters on the bulletin board. The abnormal rates of hyperlipidemia, hypertension and hyperglycemia among employees in 2024 and 2023 are as follows, with significant improvement in blood sugar abnormalities, showing a progress rate of 47.31%.

Examination items	Abnormality rate in 2023	Abnormality rate in 2024
Systolic Blood Pressure	12.96%	13.54%
Diastolic Blood Pressure	20.05%	20.65%
Cholesterol	43.35%	42.34%

Triglycerides	23.86%	22.43%
Blood Sugar	16.38%	8.63%

- (3) Establishment of employee leisure clubs such as in bowling, tennis, table tennis, wellbeing, mountain climbing, and cycling.
- (4) Bonuses for Labor Day, Dragon Boat Festival, Middle Autumn Festival, and year-end banquet each year.
- (5) Organized employee travels each year.
- (6) Scholarships for employees and their children, and subsidies for childcare, weddings, funerals, and hospital stays.
- (7) Canteens to provide free meals to employees.
- (8) To reduce employees' commuting burdens and take care of their family, the Company started the flexible working system in January 2019. This is to respect the employees' need to balance between work and family, cultivate a pleasant work environment, boost moral and administrative efficiency.
- (9) Unpaid parental leaves: The Company offers unpaid parental leaves according to laws. The numbers of applicants for unpaid parental leaves in 2024 and 2023 are as follows:

No. of applicants for unpaid parental leaves	Male	Female	Total
Actual number of applicants for unpaid parental leaves in 2024	7	10	17
No. of employees expected to return from unpaid parental leaves in 2024 (A)	8	12	20
No. of employees expected and having returned from unpaid leaves in 2024 (B)	5	9	14
Return rate (B/A)	63%	75%	70%
No. of applicants for unpaid parental leaves in 2023 and with a tenure of at least one year (C)	13	9	22
No. of applicants for unpaid parental leaves in 2023 and having returned subsequently (D)	13	12	25
Retention ratio (C/D)	100%	75%	88%

- (10) Comprehensive employee insurance coverage: In addition to labor insurance and national health insurance, we started in 2020 to provide group insurance for all employees with comprehensive medical covers such as hospital stays, cancers, critical illnesses, and occupational accidents.

2. Continued education: To encourage employees' continued training and enhance employee competencies for the benefit of corporate operation capability, and to ensure the Company's investment in training and education, full-time employees who have been in continuous service for one year may apply for participation in training programs.
3. Training: To promote internal training and education activities, enhance the training quality, and effectively boost the competence of employees, the Company has established Training & Education Committee. Training & Education Committee consists of Chairperson and a number of members. All members hold managerial roles of assistant vice presidents or above or supervisors in factory affairs. To ensure effective discrimination of each job function that may affect product quality and clarify the purposes and directions of training activities, committee members should convene meetings at the end of each year to formulate training policies and review annual training plans submitted by different departments. Quarterly meetings should be organized to examine the implementation effectiveness of the previous quarter, so that there is basis for the Company's overall training and education.

The Company's training and education system can be divided into (I) by nature: pre-employment and on-the-job training and education; (II) by venue: onsite and offsite. On-the-job training and education includes orientation for new hires, training & education for different levels and specializations. This comprehensive training and education system aims to enhance the professional knowledge and skills of employees and boost the quality of human resources for the organization by the completion of different training programs. Pre-employment training and education contains: the Company introduction, organization, business philosophy, quality policy, environment, safety and health policy, human resource management charter, work rules, employee benefits, social groups, industrial safety and health, and introduction to the factory environment. Orientation for new hires focuses on: the introduction of business units, daily management rules, document management rules, periodical work lists, management styles, and basic skills for the job descriptions. Training and education for different levels are the curricula required for different positions. These include: quality control methods (fundamentals and practicals), knowledge about tires and product safety, IT system operation, word processing, briefing techniques, cost management, human resource management, BSC management, 3T basics and practical foundation, management information utilization, marketing overview, planning and implementation of the internal control system, understanding of financial reporting, strategic planning and goal setting, and succession planning lectures covering topics such as strategy, leadership, change and risk, etc.

Training and education for different specializations are the training of specialized functions

or about government regulations for sales personnel. The curricula include incoming materials inspections, manufacturing process inspections, product appearance inspections, product function inspections, instruments and equipment calibration, measurement system & analysis, audits on internal quality, environment, safety and health, product design and product testing. Special programs are organized for meeting annual targets. For instance, these include: exhibition marketing practices, Gen AI x Power BI visualization applications, 360 degree effective communication and coordination, and customer development management conducted by sales department, AEO Certification Course conducted by general affairs division, communication skills in the workplace and workplace bullying prevention conducted by human resource department, and the training programs conducted by production department for team leaders including safety, production efficiency, environmental protection, quality, human resources, and leadership. The Company's training and education expenses totaled NT\$10.82 million in 2024, with a total training hours of 57,223 and averaging 31.8 hours per person. In sum, the enhancement of human capital is one of the important tasks for the Company.

4. Retirement system:

The Company makes pension contributions according to the Labor Standards Act and the Labor Pension Act. The contributions under the new and old systems are 6% and 15%, respectively. Pensions are paid monthly to personal accounts and in lump sums from the dedicated account with Bank of Taiwan.

- (1) Pension contributions according to laws range between 2% to 15% under the old pension system. To protect employees' lives after retirement, the Company contributes at the highest ratio of 15% each month to the account with Bank of Taiwan. The contribution up to December 31, 2024 totaled NT\$507.66 million.
- (2) Contributions under the new pension system is at 6% monthly to personal wage accounts of employees.

Retirement by employees is divided into voluntary retirement and mandatory retirement:

- A. Employees may retire voluntarily in any of the following circumstances:
 - a. In service for 15 years or longer and aged 55 years old.
 - b. In service for 25 years or longer.
 - c. In service for 10 years or longer and aged 60 years old.
- B. The Company may for mandatory retirement in any of the following circumstances:
 - a. Aged 65 years old.
 - b. Incapable of the job due to insanity or physical disability.
 - c. The definitions of insanity or physical disability are based on the disabilities

from the first grade to the six grade for labor insurance.

- C. Retirement may be approved by the Company after a continued service and at the age of 70 or higher.

Criteria for pension distributions (for those opt for the old system):

- A. One full year in service is entitled to a two-month pension credit. However, the service over 15 years is granted one pension credit for each year beyond 15 years. The number of pension credits is capped at 45. A service period of less than six months is counted as half a year, a service period of more than six months as one year. The service before the promulgation of the Labor Standards Act is calculated according to Article 9 of the Regulations Governing the Retirement of Factory Workers of Taiwan Province.
- B. If a worker is forced into mandatory retirement according to the second paragraph of Article 54-1 of the Labor Standards Act due to insanity or physical disability caused by performing job duties, an extra 20% is granted on top of the aforesaid pension credit scheme. The basis for the pension credit in the first paragraph is based on the average monthly wage at the time of approved retirement.

Criteria for pension distributions (for those opt for the new system):

Those who joined before July 1, 2005 may opt for the new system or the old system or choose not to select either initially. Those who opt for the old system or choose not to select initially may decide to change once before June 30, 2010. Failure to submit a request for change is deemed to have opted for the old system (for the calculation of service and pensions). Those who opt for the new system may not change. However, those who joined on or after July 1, 2005 are placed under the new system. As required, the Company contributes each month to the personal accounts of employees under the new system. Employees may also contribute 1%~6% of wages to their personal accounts.

5. Human right protection policy:

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

- (1) Diversity and inclusion, ensuring equal employment opportunity, equality, anti-discrimination and anti-harassment
 - A. Embed respect for economic, social, cultural, civil, and political rights, as well as the right to development, in the way company's operate.
 - B. Shall not discriminate on the basis of race, nationality, religion, gender, age, social class, physical disability, family and marital status, union member, political affiliation, employment, compensation, promotion, training, retirement, termination of employment, etc. There is differential treatment.

- C. Non-interference in employee beliefs, political inclinations, marriages and rights to follow various customs.
 - D. Protect labor rights of vulnerable groups or marginalized groups such as indigenous peoples, women, migrant workers, contracted labor and persons with disabilities.
 - E. Eliminate unlawful discrimination and ensure equality in the workplace.
 - F. A workplace free from harassment and discrimination should be provided. Relevant disciplinary policies and procedures must be clearly defined and communicated to employees. Avoid harsh or inhumane treatment of employees, including but not limited to violence, sexual violence, sexual harassment, sexual assault, corporal punishment, psychological or physical pressure, bullying, public humiliation, or verbal abuse, and do not threaten to engage in any such behavior. Strictly prohibit any form of harassment, including but not limited to verbal harassment, psychological harassment, and sexual harassment.
- (2) Forbid forced labor and prohibit of using child labour
- A. Implement freedom of employment. No force, coercion, detention, or other illegal means, compel a worker to perform work.
 - B. Employee wages are not withheld as liquidated damages or compensation costs, and employees retain the right to terminate the contract in accordance with the Labor Standards Act.
 - C. Applicants are required to provide age proof documents, and those who are over the age of 15 but under the age of 16 will not be hired.
- (3) Set up a complaint channel to promote harmony between labor and management
- A. In order to protect the rights of employees, we provide diverse open dialogue channels available, including ways to report anonymously, to help employees resolve issues related to their personal rights or unfair treatment at work, and to ensure that employees' opinions are immediately dealt with, so that making communication without barriers in the entire workplace.
 - B. Create an environment that is willing to communicate and establish an open management model.
- (4) Safe and Healthy Workplace
- A. Provide a safe and healthy working environment and establish preventive measures to prevent employees from accidents or affecting their health at work.
 - B. Support and assist employees to maintain physical and mental health and work-life balance, and provide a zero-harassment working environment.
- (5) Regularly review and evaluate human rights-related systems and practices.
- (6) Compensation and welfare and working hours

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

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

6. Protective measures for employees' safety and work environment and implementation status

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

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

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

VI. Information Security Management

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

1. Establish information security risk management framework:

The Company established the "Network Management Section" in 2019 and reorganized it into an "Information Security Management Group" in July 2022 to coordinate information security and protection-related policy formulation, implementation, risk management and compliance verification. The Company has a dedicated supervisor and team members to oversee the implementation of company-wide information security operations and the effectiveness of the information security risk management mechanism, and to report regularly to the Board of Directors on the information security management operations related to the overall information security management organization.

2. Information Security Policies:

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

3. Concrete management programs:

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

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

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

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

4. Resources for information security management

- (1) Regular renewal and update of antivirus software: Expenditure in 2024 is approximately NT\$0.74 million.
- (2) Signing important information/network hardware maintenance contracts: Expenditure in 2024 is approximately NT\$1.74 million.
- (3) Purchase of new firewall for the R&D department: Expenditure is approximately NT\$1.58 million.
- (4) Implementation of “Information Security Education and Training” for all employees: Training hours in 2024 are 2,072 hours.
- (5) Computer replacement and updates: Expenditure in 2024 is approximately NT\$3.75 million.

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

1. Losses suffered from significant information security incidents:

No significant information security incidents in 2024.

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

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

VII. Important Contracts: None.

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

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

Comparison and Analysis of Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	25,231,143	23,953,768	1,277,375	5.33
Financial assets at fair value	375,773	413,017	-37,244	-9.02
Property, plant and equipment	16,289,339	15,639,713	649,626	4.15
Intangible asset	68,445	54,644	13,801	25.26
Other assets	5,216,461	4,078,102	1,551,376	42.33
Total assets	47,181,161	43,726,227	3,454,934	7.90
Current liabilities	11,078,017	10,185,663	892,354	8.76
Non-current liabilities	15,019,581	13,967,143	1,052,438	7.54
Total liabilities	26,097,598	24,152,806	1,944,792	8.05
Equity attributable to shareholders of the company	21,083,563	19,573,421	1,510,142	7.72
Share capital	9,548,900	9,548,900	0	0.00
Capital surplus	41	41	0	0.00
Retained earnings	11,440,797	11,118,048	322,749	2.90
Other equities	93,825	(1,093,568)	1,187,393	-108.58
Total Equity	21,083,563	19,573,421	1,510,142	7.72
Analysis on +/- change by at least 20%:				
1. Increase in intangible asset: mainly due to the purchase of computer software.				
2. Increase in other assets: mainly due to increase in other non-current assets.				
3. Increase in other equities: mainly due to increase in exchange differences on translation of foreign financial statements- parent company .				

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

(I) Comparison and Analysis of Operating Performance

Comparison and Analysis of Operating Performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Change	
			Amount	%
Net revenue	34,202,669	34,443,676	-241,007	-0.70
Cost of revenue	26,662,976	27,771,016	-1,108,040	-3.99
Gross profit	7,539,693	6,672,660	867,033	12.99
Operating expenses	5,985,796	5,377,682	608,114	11.31
Other operating income and expenses	(83,933)	0	-83,933	
Income from operations	1,469,964	1,294,978	174,986	13.51
Non-operating income and expenses	180,461	10,211	170,250	1,667.32
Income before income tax from continuing operations	1,650,425	1,305,189	345,236	26.45
Income tax expense	409,472	424,207	-14,735	-3.47
Net income from continuing operations	1,240,953	880,982	359,971	40.86
Gain (loss) from discontinued operations	0	0	0	0.00
Net income	1,240,953	880,982	359,971	40.86
Other comprehensive gain (loss), net of income tax	1,224,079	(235,221)	1,459,300	-620.40
Total comprehensive income	2,465,032	645,761	1,819,271	281.73
Net income attributable to Shareholders of the parent company	1,240,953	880,982	359,971	40.86
Analysis on +/- change				
1. Decrease in non-operating income and expenses: mainly due to decrease in financial costs.				
2. Increase in income before income tax from continuing operations : mainly due to increase in non-operating income and expenses.				
3. Increase in net income from continuing operations: mainly due to increase in non-operating income and expenses.				
4. Increase in net income: mainly due to increase in non-operating income and expenses.				
5. Increase in other comprehensive gain (loss), net of income tax: mainly due to increase in exchange differences on translation of foreign financial statements.				
6. Increase in total comprehensive income: mainly due to increase in net income and exchange differences on translation of foreign financial statements.				
7. Increase in net income attributable to shareholders of the parent company: mainly due to increase in non-operating income and expenses.				

- (II) Change in gross profits: Gross profit increased compared to last year, mainly due to a reduction in raw material costs, which led to a decrease in cost of revenue.

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

- (I) Liquidity analysis for the most recent two years

Unit: NT\$ thousand

Item \ Year	2024	2023	Change (%)
Cash flow ratio	21.91%	55.17%	-60.28
Cash flow adequacy ratio	78.55%	75.02%	4.71
Cash re-investment ratio	2.74%	10.50%	-73.92
Analysis on +/- change:			
1. Decrease in cash flow ratio: due to significant decrease in net cash flow from operating activities and increase in current liabilities.			
2. Decrease in cash re-investment ratio: due to decrease in net cash flow from operating activities and increase in property, plant and equipment.			

- (II) Cash flow liquidity for the next year

Unit: NT\$ thousand

Cash balance at the beginning of the period	Expected net cash flows from operating activities for the year	Expected cash outflows for the year	Expected cash surplus (gap)	Measures to make up the cash gap	
				Investment plan	Financing plan
8,017,817	2,566,972	2,216,866	8,367,923	—	—

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

(I) Utilization and funding sources of major capital expenditures

Unit: NT\$ thousand

Project	Actual or expected funding sources	Actual or expected completion dates	Total amount required	Actual or expected capital utilization	
				2024 (actual)	2025 (expected)
Equipment addition and replacement	Internal capital and bank loans	2024	1,634,456	1,634,456	-
Equipment addition and replacement	Internal capital and bank loans	2025	2,523,953	-	2,523,953

(II) Expected possible benefits:

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

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

Investment policies in the most recent years:

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

Investment plans for the coming year:

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

VI. Risks:

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

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

As a principle, the Company seeks to hedge currency risks and does not speculate. Finance personnel keeps a close eye on movements of the currency market and change of financial information, in order to stay on top of exchange rate directions. Meanwhile, the relation

with banks is strengthened and advice from foreign exchange banks is taken into account to ensure reasonable currency hedging activities.

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

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

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

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

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

The R&D expenses expected in 2025 will account for approximately 2% of that year's revenue. The main projects are as follows.

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

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

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

1. If the computer system that is important for corporate functions such as manufacturing, operation and finance is attacked and paralyzed, the important data of the company may be lost and the production line may be shut down.
 2. Response measures include regularly backing up important data and files, signing maintenance contracts for the Company's important hardware, and regularly implementing data recovery exercises every year.
- (VI) Impact of corporate image changes on the Company's crisis management and responding measures: None.
- (VII) Expected benefits and potential risks of M&As ongoing, and responding measures: None.
- (VIII) Expected benefits and potential risks of facility expansions, and responding measures: Increase of sales and operating profits.
- (IX) Risks associated with purchase or sales concentration and responding measures: None.
- (X) Impact and risk of significant transfers or change of stakes by directors, supervisors or major shareholders with at least 10% holdings, and responding measures: None.
- (XI) Impact and risk of change of control, and responding measures: None.
- (XII) Litigation or non-litigation events: It is necessary to describe major litigations, non-litigations or administrative litigations with confirmed judgments or still ongoing involved by the Company or any of its directors, supervisors, General Manager, de facto responsible persons, major shareholders with at least 10% stakes or any of the subordinated companies. If the outcome may have material influence on shareholders' equity or securities prices, it is necessary to disclose the matters in contention, underlying amounts, start dates of the litigations, main parties involved and progress as of the print date of the annual report:
- The Company previously had an exclusive distribution agreement with Gabjohn in Nigeria. Due to the sales condition, the trading companies commissioned by the Company switched to other distributors in Nigeria to sell our products. Gabjohn filed a lawsuit against the Company regarding the breach of the exclusive distribution contract and demands a compensation of about NT\$90 million (or NGN 500 million). For the local liaison with regard to this litigation, the Company entered a litigation contract with Chu Mao Intellectual Property Limited for Nigeria so that Chu Mao Intellectual Property Limited

can handle the litigation via AdenijiKazeem & Co., a local intellectual property law firm in Nigeria. According to the regular updates from Chu Mao Intellectual Property Limited on the litigation, the case is still with the high court. As of the publication date for 2024 financial report, it has not been possible to reasonably estimate the possible outcome of the dispute regarding distribution rights.

(XIII) Other important risks and responding measures:

The Company's risk management matters are supervised by the audit committee, and the corporate governance group is responsible for formulating risk management policies, ensuring the implementation of risk management policies approved by the board of directors, and reporting the overall risk management implementation status to the board of directors at least once a year. In 2024, the report is presented to the board on November 11.

Risk items	Response measures for 2024
Personnel safety, health and environmental risks	<ol style="list-style-type: none"> 1. Strengthen the establishment of safety facilities in factories to ensure the safety of employees. 2. Strengthen the review of construction operation documents to ensure that the operation is in line with the SOP. 3. Establish and maintain fire safety equipment, formulate fire disaster prevention/protection plans, and implement education and training programs. 4. Prepare the map of dangerous goods and hazardous chemicals. 5. Formulate plans for ergonomic hazard prevention, disease prevention due to abnormal workloads, maternal health protection plans, and work place misconduct prevention plans. 6. Ensure missions of air, water, and waste to comply with regulatory requirements.
Actions in response to climate change risks	<ol style="list-style-type: none"> 1. Establish various energy usage monitoring systems and energy-saving equipment (such as solar energy, etc.). 2. Increase the procurement of low-carbon and environmentally-friendly raw materials. 3. Actively promote various greenhouse gas reduction projects and manage various carbon emission data in factories. 4. Promote the low-carbon transformation of the industry, accelerate the process improvement and equipment upgrade, develop forward-looking industrial technologies, and move toward low-carbon and high-value development. 5. Strengthen the recycling and reusing of regional energy resources and waste, and establish an industrial chain and foster cooperative symbiotic mechanism. 6. Assess the extreme weather risks faced by each factory, formulate relevant preventive measures, and develop disaster response plans.

Raw material risks	<ol style="list-style-type: none"> 1. The supply process capacity targets are set and the progress is tracked to ensure that there are no delivery delays or quality problems for raw materials.
Rising raw material costs	<ol style="list-style-type: none"> 1. Develop new product formulations to increase the flexibility of raw material allocation and reduce the proportion of specific raw materials used. 2. Make good use of the bargaining power of procurement management, actively develop suppliers with competitiveness in various regions, strengthen the business communication with suppliers, and strengthen the adaptability of procurement personnel. 3. Make good use of combination of long-term contracts and spot purchases, and place monthly/quarterly orders to avoid cost fluctuations and supply chain risks. 4. Strengthen the ability to collect and analyze commodity market information, control the inventory and consumption of materials within the group, and purchase appropriate raw materials in a timely manner.
Market risk	<ol style="list-style-type: none"> 1. Strengthen product development capabilities, including talents and setting up technology centers. 2. Incorporate customer complaint handling measures into standardization and regularly audit on the achievement of annual goals. 3. Actively promote the establishment of automation equipment to enhance product quality to meet customer and market needs. 4. Strengthen product delivery in line with the JIT production model (minimum production batch), and establish the safety stock levels for necessary products to ensure that customer delivery won't be delayed.
Changing customer behavior	<ol style="list-style-type: none"> 1. Enhance product development capabilities to accelerate the launch of a full range of new products that meet the market demands. 2. Actively develop low-carbon green products and lightweight electric vehicle tire products. 3. Ensure that product delivery meets customer needs without delay. 4. Enhance the automation level of production lines and the quality. 5. Develop new markets and enhance brand image. 6. Accelerate the phase-out of uncompetitive product.
Prolonged economic downturn	<ol style="list-style-type: none"> 1. Actively monitor market changes and factory capacity, in order to adjust the sales strategy in a timely manner, and considerate it as a necessary evaluation item in the capacity expansion plan. 2. Increase customer base and product diversification. 3. Strengthen the diversification of manufacturing bases and the flexibility in production allocation. 4. Actively plan for the Company to have sufficient funding sources to cope with the funding crunch caused by the temporary economic downturn.

Employee risk	<ol style="list-style-type: none"> 1. Review and improve salary structures to enhance the attractiveness for personnel recruitment and retention. 2. Conduct regular assessments of personnel competencies and performance. 3. Based on order volume, departments should propose inter-departmental manpower reallocations or increases. 4. Increase the level of automation of equipment
Financial risk	<ol style="list-style-type: none"> 1. Control the existing long-term and short-term loan positions, and reduce costs by taking advantage of the difference in interest rates among banks in a timely manner. 2. Continue to monitor the interest rate and adjust the positions of borrowed funds and self-own funds.

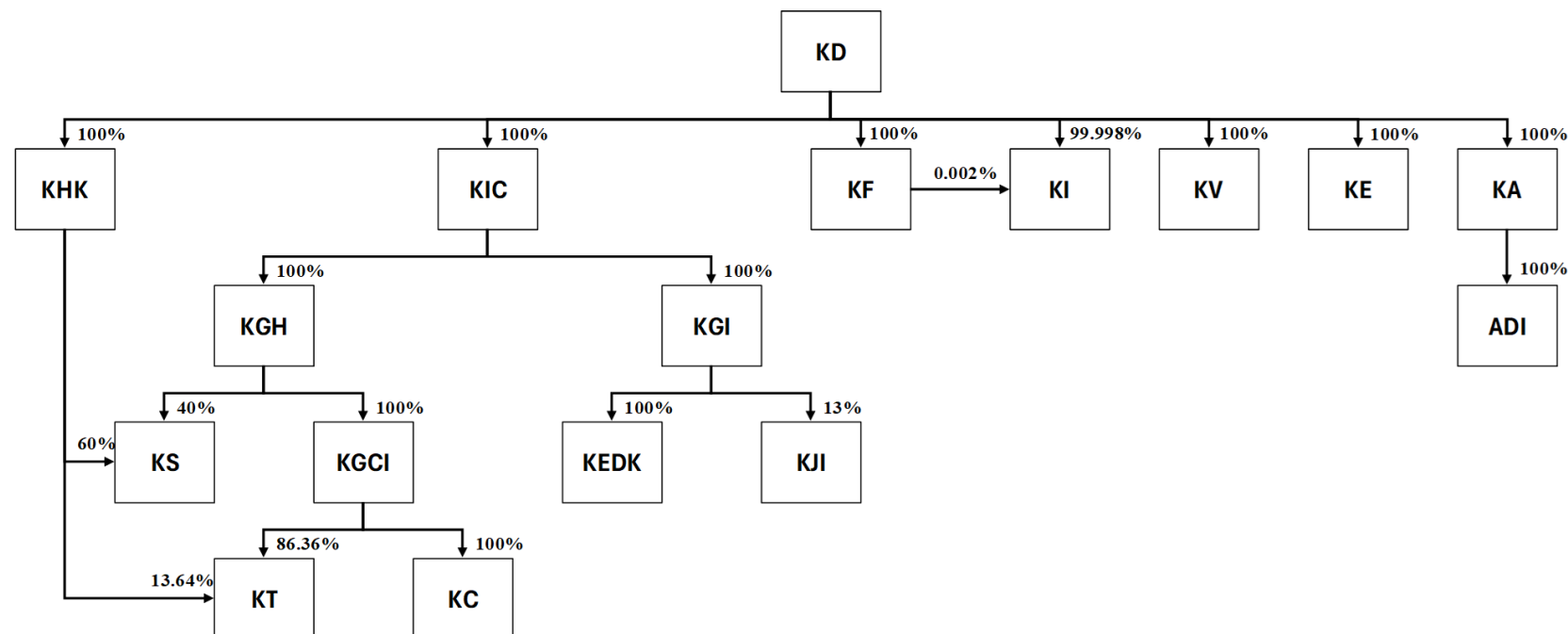
VII. Other Important Matters: None.

Six. Special Notes & Supplementary Information

I. Data on Affiliated Companies

(I) Organization of affiliated companies

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



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

Note B: Codes explained:

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

2. Basic data of affiliated companies

Unit: thousand

Company name	Establishment date	Address	Paid-in Capital	Main businesses or production activities
AMERICAN KENDA RUBBER IND. CO., LTD.	1991.02.11	7095 Americana Parkway Reynoldsburg, OHIO 43068 USA	USD 9,000	Investment and trading
AMERICANA DEVELOPMENT, INC.	1998.11.09	7095 Americana Parkway Reynoldsburg, OHIO 43068 USA	USD 20,000	Production of wheel rims and tires Assembly and distribution of wheel rims
KENDA RUBBER (VIETNAM) CO., LTD.	1997.04.03	Cho Chieu Street, Ho Nai 3 Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam Industrial Zone	USD 67,680	Production and sale of a variety of tires
PT. KENDA RUBBER INDONESIA	2014.12.10	Jl. Raya Cikande Rangkasbitung KM.5, Desa kareo, Kec. Jawilan Serang 42177 Banten	USD 53,000	Production and sale of a variety of tires
KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	2013.04.19	Greimelstraße 28 83236 Übersee Germany	EUR 5,608 Note 1	Marketing and planning
KENFONG INDUSTRIAL CO., LTD.	2013.11.22	No. 2, Section 1, Chungshan Road, Yuanlin City, Changhua County	NTD 199,000	Selling of a variety of tires
KENDA INTERNATIONAL CORPORATION	1999.03.30	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD 81,753	Investment consultancy and trading
KENDA GLOBAL INVESTMENT CORPORATION	2003.12.11	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	USD 14,026.4 Note 2	Investment consultancy and trading
KENDA GLOBAL HOLDING CO., LTD.	1997.01.03	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	USD 112,050	Investment consultancy and trading
KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	2014.04.16	No. 2, Kun Jia Road, Development Zone, Kunsan City, Jiangsu Province	USD 161,000	Investment and trading
KENDA RUBBER (CHINA) CO., LTD.	1994.03.25	No. 2, Kun Jia Road, Development Zone, Kunsan City, Jiangsu Province	USD 70,000	Production and sale of a variety of tires
KENDA RUBBER (SHENZHEN) CO., LTD.	1990.09.07	Gongye West Road, Dalang Sub-District, Baoan District, Shenzhen City	USD 25,000	Production and sale of a variety of tires
KENDA RUBBER (HONG KONG) CO., LTD.	1991.05.07	No. 51-63, Container Port Road, Kwai Chung, New Territories, Hong Kong Room 613, 6/F, Kwai Shun Industrial Centre	HKD 100 USD 30,600	Investment and trading
KENDA RUBBER (TIANJIN) LIMITED	2007.12.06	South District, Jinghai Economic Development Zone, Jinghai District, Tianjin No. 6/8, Taian Dao	USD 220,000	Production and sale of a variety of tires
KENDA EUROPE A/S	2017.10.02	Sintrupvej 71B, st.tv., 8220 Brabrand	DKK 10,320	Production of wheel rims and tires Assembly and distribution of wheel rims

Note 1: On November 06, 2024, KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH's capital was increased by the cash capital increase of EUR\$5,203 thousand.

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

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

Company name	Title	Name or representative	Shareholding	
			No. of shares (capital contribution)	Shares Ratio (contribution as % of capital)
AMERICAN KENDA RUBBER IND. CO., LTD.	Director	Yang, Chi-Jen Yang Shih,Ching-Huey	Kenda holds 500 shares	100%
AMERICANA DEVELOPMENT, INC.	Director	Yang, Chi-Jen Yang Shih,Ching-Huey	American Kenda Rubber holds 1,500 shares	100%
KENDA RUBBER (VIETNAM) CO., LTD.	Director President	Yang, Ying-Ming; Yang, Chi- Jen; Chang, Hong-Der; Chen, ChaoJung; Huang Feng-Chou Huang Feng-Chou	(Kenda contributed US\$67,680,000 in capitalization)	(100%)
PT. KENDA RUBBER INDONESIA	Director	Yang, Chi- Jen; Yang, Ying-Ming; Chen, Chao-Jung; Tseng, Shen - Tung; Chang, Hong-Der Tseng, Sheng-Tun	(Kenda contributed US\$52,999,000 in capitalization)	(99.998%)
	Supervisor President		(Kenfong contributed US\$1,000 in capitalization)	(0.002%)
KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	Director	Yang, Chi-Jen	(Kenda contributed €5,608,000 in capitalization)	(100%)
KENFONG INDUSTRIAL CO., LTD.	Director	Yang, Ying-Ming; Yang, Chi- Jen; Chen, Chao-Jung Chang, Hong-Der	Kenda holds 19,900,000 shares	100%
	Supervisor			
KENDA INTERNATIONAL CORPORATION	Director	Yang, Ying Ming Yang, Chi Jen	(Kenda contributed US\$ 81,753,000 in capitalization)	(100%)
KENDA GLOBAL INVESTMENT CORPORATION	Director	Yang, Ying-Ming Chen, Chao-Jung	(KENDA INTERNATIONAL CORPORATION contributed US\$1,703,000 in capitalization)	(100%)
KENDA GLOBAL HOLDING CO., LTD.	Director	Yang, Ying-Ming Yang, Chi-Jen	(KENDA INTERNATIONAL CORPORATION contributed US\$112,050,000 in capitalization)	(100%)
KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	Director	Yang, Ying-Ming; Yang, Chi- Jen; Chen, Chao-Jung Chang, Hong-Der Lin, Chien-Liang	(KENDA GLOBAL HOLDING CO., LTD. contributed US\$161,000,000 in capitalization)	(100%)
	Supervisor President			
KENDA RUBBER (CHINA) CO., LTD.	Director	Yang, Ying-Ming; Yang, Chi- Jen; Chang, Hong-Der Chen, Chao-Jung Lin, Chien-Liang	(KENDA GLOBAL HOLDING (CHINA) CO., LTD. contributed US\$ 70,000,000 in capitalization)	(100%)
	Supervisor President			
KENDA RUBBER (SHENZHEN) CO., LTD.	Director	Yang, Ying-Ming Yang, Chi-Jen Chen, Chao-Jung Yang, Jui-Wen	(KENDA GLOBAL HOLDING CO., LTD. contributed US\$1,000,000 in capitalization)	(40%)
	President		(KENDA RUBBER (HK) CO., LTD. contributed US\$1,500,000 in capitalization)	(60%)
KENDA RUBBER (HONG KONG) CO., LTD.	Director	Yang, Ying-Ming	(Kenda contributed US\$ 30,600,000 in capitalization; Kenda contributed HK\$100,000 in capitalization)	(100%)
KENDA RUBBER (TIANJIN) LIMITED	Director	Yang, Ying-Ming Yang, Chi-Jen Chen, Chao-Jung Chang, Hong-Der Lai, Hsi-Jung	(KENDA GLOBAL HOLDING (CHINA) CO., LTD. contributed US\$190,000,000 in capitalization)	(86.36 %)
	Supervisor President		(KENDA RUBBER (HK) CO., LTD. contributed US\$30,000,000 in capitalization)	(13.64 %)
KENDA EUROPE A/S	Director	Yang, Ying-Ming Yang, Chi-Jen Jeffrey Pizzola	(KENDA GLOBAL INVESTMENT CORPORATION contributed € 6,935,916 in capitalization)	(100%)

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

Unit: NT\$ thousand

Company name	Capitalization	Total assets	Total liabilities	Net	Operating income	Operating profit	Profit or loss (net of tax)	Earnings per share (NT\$) (net of tax)
KENDA RUBBER (SHENZHEN) CO., LTD.	714,415	2,399,079	1,358,381	1,040,698	1,693,729	(152,484)	(195,436)	(7.82)
AMERICAN KENDA RUBBER IND. CO., LTD.	268,598	8,683,891	4,986,791	3,697,100	13,616,362	882,429	635,541	70.62
KENDA RUBBER (HONG KONG) CO., LTD.	907,219	1,100,313	76	1,100,237	0	(277)	(141,110)	(4.61)
KENDA RUBBER (CHINA) CO., LTD.	2,252,262	8,672,994	1,292,580	7,380,414	7,507,443	23,754	262,198	3.75
KENDA GLOBAL HOLDING CO., LTD.	3,578,118	11,105,892	565	11,105,327	0	(2,287)	51,087	0.46
KENDA RUBBER (VIETNAM) CO., LTD.	2,121,380	12,042,783	1,549,878	10,492,905	7,535,742	766,713	677,267	9.96
KENDA INTERNATIONAL CORPORATION	2,454,785	11,390,617	0	11,390,617	0	(267)	(131,004)	(1.60)
KENDA GLOBAL INVESTMENT CORPORATION	389,079	270,857	0	270,857	0	(378)	(182,446)	(13.01)
KENDA RUBBER (TIANJIN) LIMITED	6,870,512	4,954,504	1,698,517	3,255,987	3,916,809	(181,514)	(193,832)	(0.88)
KENDA RUBBER INDUSTRIAL CO. EUROPE GmbH	192,979	220,686	4,397	216,289	157,629	1,040	722	0.13
KENFONG INDUSTRIAL CO., LTD.	199,000	431,667	144,602	287,065	946,413	60,023	51,513	0.26
KENDA GLOBAL (CHINA) INVESTMENT CO., LTD	5,057,582	10,683,073	987	10,682,086	0	(555)	129,240	0.80
PT. KENDA RUBBER INDONESIA	1,660,346	2,021,827	1,422,514	599,313	1,127,089	(96,837)	(175,968)	(3.32)
STARCO EUROPE A/S	49,563	2,942,763	2,734,860	207,903	3,430,464	(110,136)	(189,443)	(116.24)

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

(II) Consolidated financial statements of affiliated companies:

For the Company in 2024 (from January 1, 2024 to December 31, 2024), the entities to be included in the consolidated financial statements of affiliated companies according to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are identical with the entities to be included in the parent's consolidated financial statements under the International Financial Reporting Standards (IFRS) 10. As the consolidated financial statements of affiliated companies are disclosed in the parent's consolidated financial statements, the consolidated financial statements of affiliated companies are not separately prepared. (As above the statement for consolidated financials of affiliated companies)

(III) Relation reports: None.

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

III. Other Required Supplementary Information:

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

KENDA RUBBER IND. CO., LTD.

CHAIRMAN

YANG, CHI-JEN



Designed for Your Journey



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