

HWA FONG RUBBER IND. CO., LTD.

ANNUAL REPORT 2024

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1 . Company Spokesperson :

Name : Wu Pin-Yi

Title : Deputy General Manager

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2 . Company Acting Spokesperson :

Name : Lin Wen-Cheng

Title : CLO

Phone : (04) 8520121~6

E-mail Address : vincent@duro.com.tw

3 . Head Office

Address : No.300, Sec. 2, Chung-Shan Rd., Ta-Tsun Township, Changhua County

Phone : (04)8520121~6

Ta-Tsun Factory

Address : No.300, Sec. 2, Chung-Shan Rd., Ta-Tsun Township, Changhua County

Phone : (04)8520121~6

Hua-Tan Factory

Address : No. 20, Sec. 1, Zhongshan Rd., Hua-Tan Township, Changhua County

Phone : (04)7863632 、 7867081

4 . Agency for Transfer of Stock :

Name : CAPITAL SECURITIES CORP. Stock Affairs Agency Department

Address : B2, No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei 106420, Taiwan

Phone : (02)2702-3999

Website : www.capital.com.tw/agency/tc/

5 . Certified Accountant for the Most Recent Financial Report :

Name of the Office : PricewaterhouseCoopers Taiwan

Name of the Accountant : Wu Song yuan ,Xu Jian ye Accountants

Address : 12F., No. 402, Shizheng Rd., Xitun Dist., Taichung 40757, Taiwan

Phone : (04)2704-9168

Website : www.pwc.tw

6 . The name of the trading place where the overseas securities are listed for trading and the method for querying the information of the overseas securities: None

7 . Company Website : www.duro.com.tw 、 www.durotire.com

I. Report to Shareholders

1. Operation Overview for the year ended Dec.31,2024

Looking back on 2024, The U.S. Federal Reserve's initiation of interest rate cuts has triggered a wave of monetary easing by central banks worldwide. At the same time, mainland China has intensified its policy support for the real estate sector to stimulate economic momentum. Meanwhile, escalating geopolitical risks—including the intensification of the Russia-Ukraine war, ongoing conflicts in the Middle East, and rising tensions across the Taiwan Strait—have become critical issues with global ramifications. In a year marked by turbulence and transformation, these unpredictable macroenvironmental factors have posed significant challenges to corporate operations and core competitiveness.

2024 Operating Results

2024 consolidated net operating revenue of the Company was NT\$ 4,940,875 thousand, compared with the consolidated net operating revenue of the year 2023 of NT\$ 4,674,300 thousand, increased by NT\$ 266,575 thousand; the consolidated net profit after tax was NT\$ 616,177 thousand, and compared with the consolidated net profit after tax of the year 2023 of NT\$ 531,253 thousand, increased by 15.99%.

In 2024, the Company recorded net revenue of NT\$1,978,535 thousand, representing a decrease of approximately 5.63% compared to the 2023 net revenue of NT\$2,096,650 thousand. Operating costs declined by approximately 4.06% year over year, while gross profit decreased by NT\$53,587 thousand, or approximately 8.65%. Operating income amounted to NT\$297,315 thousand, a decrease of NT\$52,209 thousand or approximately 14.94% compared to the previous year. However, non-operating income increased significantly by 53.15% compared to the prior year. In summary, although net revenue declined compared to the previous year, through proactive cost control, enhanced production efficiency, prudent financial management, and the concerted efforts of all employees, the Company achieved a net income after tax of NT\$449,980 thousand for the year, representing an increase of NT\$27,638 thousand or approximately 6.54% over the prior year.

2024 Production and Sales Situation & Operation Statement of the Company are as follows:

(1) Production and Sales Situation :

Unit : Thousand

Year Item	2024 Production volume	2024 Sales Volume	2023 Sales Volume	Sales Volume Increase (Decrease)	%
Bicycle Tires	621	640	680	-40	-5.88%
Agricultural/ industrial tire	1,103	1,160	1,225	-65	-5.31%
Motorcycle Tires	2,372	2,387	2,350	37	1.57%
Truck/Auto Tires	6	8	44	-36	-81.82%
Radial Tires	22	21	26	-5	-19.23%
Other Rubber Products	0	0	317	-317	-100.00%

(2) Operation Statement:

Unit : Thousands of NTD

Year Financial Indicator	2024 Amount	2023 Amount	Increase (Decrease) amount	%
Operating revenue	1,978,535	2,096,650	(118,115)	-5.63%
Operating costs	1,414,836	1,474,645	(59,809)	-4.06%
Operating margin - net income	566,060	619,647	(53,587)	-8.65%
Operating expenses	268,745	270,123	(1,378)	-0.51%
Operating net profit	297,315	349,524	(52,209)	-14.94%
Non-operating income and expenses	267,260	174,506	92,754	53.15%
Net income (loss) before tax	564,575	524,030	40,545	7.74%
Net income (loss)	449,980	422,342	27,638	6.54%

(3) Analysis of financial income, expenditure and profitability:

1. Financial income and expenditure: The Company's cash balance at the beginning of the year is NTD 2,496,578 thousand, the net cash inflow from operating activities for the whole year is NTD 502,252 thousand, the net cash outflow from investment activities is NTD 70,027 thousand, the net cash outflow from financing activities is NTD 442,029 thousand, the impact of exchange rate changes on cash and cash equivalents inflow was NTD 178,871 thousand, the current period cash and cash equivalents increased by NTD 169,067 thousand, and the cash balance at the end of the period was NTD 2,665,645 thousand.

2. Profitability Analysis

Items	Year ended Dec.31,2024	Year ended Dec.31,2023
Return on assets (%)	7.96	7.16
Return on equity (%)	11.98	10.83
Ratio of pre-tax net profit to paid-in capital (%)	26.72	28.05
Net profit rate (%)	12.47	11.37
Earnings per share (NTD)	1.61	1.51

(4) Research & Development

The Company's research and development policies include:

- (1) Collaborate with international material manufacturers to develop new materials.
- (2) Develop innovative products as the core of our R&D strategy.
- (3) Continue to research towards the development goals of energy-saving, low rolling resistance, and lightweight.
- (4) Develop new products in line with the purchase of new equipment.
- (5) Develop products with a highly competitive edge.
- (6) Development of eco-friendly materials of low-carbon footprint.

Our R&D work focuses on both the development of new products and the optimization of existing ones, striving to create the maximum benefit in the most economical way. We use

environmentally-friendly raw materials and optimize energy and material usage, as well as recycle materials to minimize environmental impact. Due to our high regard for green and sustainable development, we will continue to develop towards environmentally-friendly and sustainable directions, contributing to the protection of Earth's resources.

In terms of product development, we lay out high-performance rubber materials, bio-rubber materials, and other materials. Our R&D team continuously innovates and researches new products that meet international regulations, and accelerates the development speed to timely introduce niche new products that meet market demand and have competitiveness' expenditures and achievements in the last two years.

1. R&D expenditures and achievements in the last two years:

Unit : Thousands of NTD

Year ended	R&D expenditure	Percentage of Net Revenue	Outcome
Dec.31, 2024	21,264	1.07%	New Product: 1. Development of low rolling resistance and high wet grip tires suitable for electric vehicles. 2. Development of energy-saving and durable tires. 3. Development of carbon-reduced and eco-friendly tire rubber formulas. 4. Development of racing motorcycle tires. 5. Development of bicycle tires with Nano SIO₂ formulas. Improvement of material cost: 1. Development of recycled, and eco-friendly materials and rubber formulas. 2. Development of new raw materials for reducing manufacturing processes and material losses. 3. Development of new silica-based materials for low rolling resistance and high wet grip. 4. Simplification of raw materials specifications for reduction of material losses. Process Improvement: 1. Improve manufacturing precision in every process and minimize material waste in all stages. 2. Increase equipment utilization rate and reduce finished product cost. 3. Maximize the utilization of newly developed specifications, processes materials, and production lines to reduce changeover costs and material losses. 4. Promote equipment function to reduce the use of labors. 5. Improve performance of process consumables, and reduce material losses.
Dec.31, 2023	23,485	1.12%	New Product: 1. Development of low rolling resistance and high wet grip tires suitable for electric vehicles. 2. Continuous development of environmentally friendly, energy-saving, and durable tires. 3. Development of lightweight and energy-saving tires. 4. Development of all-terrain ADV motorcycle tires with full functionality.

			Improvement of material cost: 1. Development of recycled and eco-friendly rubber material formulas. 2. Continuous development of new raw materials to replace existing ones. 3. Development of new silica-based materials for low rolling resistance and high wet grip. Process Improvement: 1. Improve manufacturing precision in every process and minimize material waste in all stages. 2. Increase equipment utilization rate and reduce finished product cost. 3. Maximize the utilization of newly developed specifications, processes, materials, and production lines to reduce changeover costs and material losses. 4. Promote equipment function to reduce the use of labors.
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2. R&D Plan for the year 2025

New Product:

1. Continue to conduct research and development towards the performance with low-rolling resistance and high traction on wetland in keeping with demands of the energy-saving cars (including EV), and to strive for decreasing the sense of gap while driving on sunny or rainy days for the purpose of gaining balance in performance.
2. Develop economical, eco-friendly, and wear-resistant tires with low fuel consumption in response to consumption deflation.
3. Value sustainable development of earth resources, and develop lightweight and energy-saving tires.
4. Develop the tires for cars like large UTV with multi-functional aide.

Improvement of material cost:

1. Development of sustainable materials.
2. Strive for development of new materials to meet the new regulatory requirements of specific market in 2025.
3. Enhance fundamental research and test of innovative rubber materials.

Process Improvement:

1. Improve manufacturing precision in every process and minimize material waste in all stages.
2. Increase equipment utilization rate and reduce finished product cost.
3. Maximize the utilization of newly developed specifications, processes, materials, and production lines to reduce changeover costs and material losses.
4. Improve the functions of equipment for labor-saving development, shared consumables, and simplification of production processes and work process in order to reduce consumption of materials and energy when wires are replaced.

2. Summary of the Business Operation Plan for 2025

(1) Business Operation Policy

1. Achieve the group's profit target.
2. Adjust the product Portfolio to increase gross profit.
3. Integrate overseas resources and share mutual benefit.
4. Growing Sales on each factory.
5. Improve per capita productivity and reduce scrap.
6. Group procurement integration, reduce costs.

(2) Expected Sales Volume and its Basis

Unit : Thousands of Tires		
Main products	Estimated sales	Goal setting instructions
Bicycle tires	17,925	Based on the evaluation of The Company's internal operation meeting
Motorcycle tires	12,870	
Agro-industrial tires	2,726	
Truck tires	20	
Radial tires	30	
Total	33,571	

(3) Important production and marketing policies

According to the "Customer Value Proposition" and "Product Quality Code", The Company's important production and sales policies at this stage are as follows:

1. In response to market changes, adjust production directions, actively improve manufacturing schedules and operation environments, and increase production efficiency.
2. Develop niche-type products with differentiation and high-added value, plan, research and develop tires for electric vehicles in order to catch up with market trends, and exploit market demands.
3. Grasp trends of raw materials prices, continue to develop qualified and good raw materials suppliers, reduce purchasing cost.
4. Based on price competition situations and international raw materials prices, flexibly adjust selling prices, and try to achieve the win-win results between customers' satisfaction and maximization of the company's profit.
5. Continue to improve production technology, reduce losses, actively make efforts in research, development and innovation, and put emphasis on saving energy in order to correspond to market trends.
6. Face challenges of the operation environment in the tire industry, meet customers' needs to continue to enhance the company's governance capability, and strengthen coordination between production and sale with a view to improving customers' service and the company's competitiveness.
7. In response to drastic changes in the market, continue to exploit new markets, and increase the market share.
8. Actively seek external cooperation and investment opportunities in order to expand the Group's operation territory and scale.

(4) Influence of competition in the external environment and the legal environment:

1. Having suffered from trade sanctions of the US Anti-Dumping and Countervailing Duties Policy since 2021, the Company's OEM factories in Southeast Asia produced tires of sedans and light trucks for supply and sale in the United States. Accordingly, the said two products continued to supply and consolidate the US market. Starting from 2024, ATV/UTV market in the US becomes weak. It remains to be seen whether election of US President Trump will affect increase of new tariffs on the China-produced products imported to the US.
2. The market of bicycle tires has gradually recovered, getting rid of high stock of channels. Development of new products has returned to a normal progress for further expansion and promotion in the market, and we stay optimistic about subsequent market growth.
3. Many countries in Central and South America have one by one imitated the relevant quality regulations, as required by the developing countries, so the sale cost in the said region will increase. However, the introduction of new regulations will still experience a period of transition and run-in. In order to respond to the subsequent market demands, we will check the conditions

of existing products, and plan whether adjustments shall be made or a whole series of products which comply with the regulations shall be developed.

4. Under the influence of inflation of global prices, the consumption behaviors in the terminal market were relatively prudent, leading to increase of sensitivity on product cost performance. However, in order to cope with changes of the terminal market, importers adjusted the brand mix or requested the existing brands on agency for price reduction, one after the another, in order to maintain competitiveness. Hence the price competition in the whole tire market will be extraordinarily drastic.

(5) The overall environment impact to business operation:

Looking ahead to 2025, the re-election of Donald Trump and the anticipated return of his “America First” trade policies are expected to exert a profound impact on global supply chain restructuring and market dynamics. Although global inflation is easing and the world economy has not entered a recession, most countries have already entered an interest rate-cutting cycle. Nonetheless, downside risks are rising significantly, and there is a possibility of facing a prolonged period of low growth and high debt. In addition, persistent geopolitical tensions are further intensifying global economic and political uncertainty and instability. With the combined effects of high costs, rising debt levels, and intensifying protectionism, the global economy continues to face adjustment pressures amid a turbulent and unpredictable environment.

Since the Red Sea crisis at the end of 2023 forced shipping routes to be diverted, markets in the Middle East and Europe have gradually adjusted to and adapted to the resulting longer shipping times. The overall European market is showing signs of stagnation, prompting many enterprises to downsize in response. Extended replacement cycles in the market have introduced further uncertainties. Nevertheless, the Company’s existing sales strategies for the European market remain unchanged, with a continued focus on enhancing the cost-performance ratio of products and services, expanding sales channels and development for high-margin products, and strengthening the promotion of electric vehicle-related products.

In the U.S. market, in response to rising demand for ATV/UTV tires, the Company has reallocated and increased production capacity to meet customer needs. Internally, the Company is actively pursuing operational improvements, minimizing waste, and preventing unnecessary cost increases. In addition, the Company is committed to developing new tread patterns and tire specifications (such as golf cart tires) in an effort to further enhance overall competitiveness.

In the face of various international political and economic situations and rising costs, the Company has continued to invest in equipment and talent, while seeking to expand its global market beyond its existing one. We aim to sustain our international competitiveness by increasing our capacity utilization rate, developing high-value-added tires, and continuing to invest in research and development. We are determined to overcome the overall economic difficulties in 2025 and deliver returns to our shareholders, thereby fulfilling their support and expectations.

II : Corporate Governance Report

1. Information on Directors, Supervisors, General Managers, Deputy General Managers, Associates, Supervisors of Various Departments and Branches

(1) Directors and Supervisors

1. Information of Directors and Supervisors

Apr.15,2025

Job title (Note 1)	Nationality or place of registration	Name	Gender	Elect (in) Date	term of office	Date of first appointment (Note 2)	Holding shares at the time of appointment		Number of shares currently held		Spouse and minor children numbers of field shares		Holding shares in the name of another person		Major experience (Education) (Note 3)	Currently in positions in this company and other companies	With supervisors, directors, or managers who is spouse or close relatives within second degree of kinship			Remarks (Note 4)
							Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)			Job title	Name	relationship	
Chairman	Republic of China	Representative of Feng Tsuan Co., Ltd.: Shen Kuo-Jung	-	Jun.14,2022	3 years	May 14,2014	8,884,210	3.18	8,884,210	3.18	-	-	-	-	-	-	-	-	-	-
			Male 71-80	Jun.14,2022	3 years	May 14,2014	670,392	0.24	670,392	0.24	-	-	-	-	MBA from Pacific Western University, USA, MBA, University of Sydney, Australia, Honorary Doctorate from IAU University, Honorary Doctorate of Management, Chaoyang University of Science and Technology	Chairman of Hota Industrial Co., Ltd., Chairman of Mediera Corporation, Director of KAO FONG Machinery Co., Ltd. Director of KAO FONG Machinery Industry (Hua'an) Company, Chairman of H&D Venture Capital Investment Corporation, Chairman of BMB Venture Capital Investment Corporation, Director of Howin Precision Co., Ltd., Chairman of Opthealth Medical Supplies Co.,LTD., Director of Lien Wei Biotechnology Co., Ltd.	-	-	-	-
Vice Chairman	Republic of China	Representative of Feng Tsuan Co., Ltd.: Chiu Shih-Chien	-	Jun.14,2022	3 years	May 14,2014	8,884,210	3.18	8,884,210	3.18	-	-	-	-	-	-	-	-	-	-
			Male 51-60	Jun.14,2022	3 years	Dec.22,2017 (Jan.19,2018 to Apr.26,2018 (suspend)	-	-	-	-	-	-	-	-	Master of Statistics, National Cheng Kung University	Vice Chairman of Mediera Corporation., Director of Dyaco International Inc. Consultant of Jian Sin Industrial Co., Ltd. Director of Opthealth Medical Supplies Co.,LTD. Director of Lien Wei Biotechnology Co., Ltd.	-	-	-	-
Director	Republic of China	Representative of Feng Tsuan Co., Ltd.: Lin Wen-Cheng	-	Jun.14,2022	3 years	May 14,2014	8,884,210	3.18	8,884,210	3.18	-	-	-	-	-	-	-	-	-	-
			Male 61-70	Jun.14,2022	3 years	Apr.27,2018	-	-	-	-	-	-	-	-	Private Soochow University Law Department Judge of Taichung District Court, Taiwan Prosecutor of the Procuratorate of Fujian Kinmen District Court Lawyer	Chief Legal Officer of Hwa Fong Rubber Industry Co., Ltd.	-	-	-	-

Job title (Note 1)	Nationality or place of registration	Name	Gender	Elect (in) Date	term of office	Date of first appointment (Note 2)	Holding shares at the time of appointment		Number of shares currently held		Spouse and minor children numbers of held shares		Holding shares in the name of another person		Major experience (Education) (Note 3)	Currently in positions in this company and other companies	With supervisors, directors, or managers who is spouse or close relatives within second degree of kinship			Remarks (Note 4)
							Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)			Job title	name	relationship	
Director	Republic of China	Representative of Feng Tsuan Co., Ltd.: Wu Pin-Yi	-	Jun.14,2022	3 years	May 14,2014	8,884,210	3.18	8,884,210	3.18	-	-	-	-	-	-	-	-	-	-
			Female 31-40	Jun.14,2022	3 years	Dec.22,2017	-	-	-	-	-	-	-	-	Department of Law, National Chung Hsing University	Deputy General Manager of Hwa Fong Rubber Industry Co., Ltd. Director of Hwa Fong Rubber (Thailand) Public Co., Ltd. Director of Jian Sin Industrial Co., Ltd. Director of Mediera Corporation, Director of Juili Enterprise Co., Ltd Supervisor of Lien Wei Biotechnology Co., Ltd.	-	-	-	-
Director	Republic of China	Representative of Feng Tsuan Co., Ltd.: Liao Chen Hsuan-Yu	-	Jun.14,2022	3 years	May 14,2014	8,884,210	3.18	8,884,210	3.18	-	-	-	-	-	-	-	-	-	-
			Male 41-50	Jun.14,2022	3 years	Jan.4,2018 (Jun.17,2016 - Jan.3,2018 suspend)	121,876	0.04	121,876	0.04	-	-	-	-	Master of Information Management, National Taiwan University Bachelor of Economics, University of British Columbia	Director of VeeTIME Corp. Chairman of Tokugawa International Development Co., Ltd. Chairman of Alibaba International Ltd Company	-	-	-	-
Director	Japan	Representative of Sumitomo Rubber Industries Co., Ltd.: Sakashita Shingo	-	Jun.14,2022	3 years	Jun.21,2019	28,428,574	10.18	28,428,574	10.18	-	-	-	-	-	-	-	-	-	-
			Male 51-60	Jun.14,2022	3 years	Jan.1,2020	-	-	-	-	-	-	-	-	B.A. in International Relations, Ritsumeikan University Master of Business Administration, UNIVERSITY OF WESTMINSTER	Executive Officer General Manager (Department Head), Global Business Development & Governance Department, Sumitomo Rubber Industries, Ltd.	-	-	-	-
Director	Republic of China	Representative of Sheng Ta Investment Co., Ltd.: Yan Ming-Shan	-	Jun.14,2022	3 years	Sep.14,2011	507,764	0.18	762,764	0.27	-	-	-	-	-	-	-	-	-	-
			Male 81-90	Jun.14,2022	3 years	May 2,2018	4,290,985	1.54	4,290,985	1.54	2,389,871	0.86	-	-	EMBA, National Changhua University of Education	Director of Hwa Fong Rubber Industry Co., Ltd. Director of Hwa Fong Rubber (Thailand) Public Co., Ltd.	-	-	-	-
Director	Republic of China	Representative of Feng Investment Development Co., Ltd.: Yan Ruei-Sian	-	Jun.14,2022	3 years	Jun.16,2009 (Sep.14,2011 - Jun.16,2016 suspend)	3,460,024	1.24	4,121,151	1.48	-	-	-	-	-	-	-	-	-	-
			Male 51-60	Jun.14,2022	3 years	Aug.12,2014 (May.27,2015 - Jun.16,2016 suspend、Mar.26,2018 - Apr.3,2018 suspend)	1,576,571	0.56	2,901,571	1.04	-	-	-	-	Department of Business Administration, Da-Yeh University National Changhua University of Education General Manager of XIANG-RUI CONSTRUCTION CO., LTD General Manager of XU-FU CORPORATE COMMUNITIES CO., LTD	General Manager of SHING TAI HARDWARE CO., LTD Director of ZU LON INDUSTRIAL CO., LTD General Manager of MI-JI CONSTRUCTION CO., LTD General Manager of XIANG-RUI CONSTRUCTION CO., LTD General Manager of XU-FU CORPORATE COMMUNITIES CO., LTD	-	-	-	-

Job title (Note 1)	Nationality or place of registration	Name	Gender	Elect (in) Date	term of office	Date of first appointment (Note 2)	Holding shares at the time of appointment		Number of shares currently held		Spouse and minor children numbers of held shares		Holding shares in the name of another person		Major experience (Education) (Note 3)	Currently in positions in this company and other companies	With supervisors, directors, or managers who is spouse or close relatives within second degree of kinship			Remarks (Note 4)
							Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)	Number of shares	Share holding ratio(%)			Job title	Name	Relationship	
Independent director	Republic of China	Tsai Hong-Wen	Male 51-60	Jun.14,2022	3 years	Jun.17,2016	-	-	-	-	-	-	-	-	PhD, Department of Chemical Engineering, National Taiwan University Master of Law, Interdisciplinary Integration, National Chengchi University	Associate Professor, Patent Institute, National Taiwan University of Science and Technology	-	-	-	
Independent director	Republic of China	Yang Wen-Goang	Male 51-60	Jun.14,2022	3 years	Jun.21,2019	-	-	-	-	-	-	-	-	PhD, National Yunlin University of Science and Technology/Business Management Department Vice President, Chaoyang University of Technology	Director of Taiwan Full Long Enterprise Co., Ltd. Director of Sinon Corporation Vice President, Chaoyang University of Technology	-	-	-	
Independent director	Republic of China	Huang Chu-Chia	Male 51-60	Jun.14,2022	3 years	Jun.21,2019	10,000	0.04	10,000	0.04	-	-	-	-	Takming University of Science and Technology BaYang CPA Firm Accountant Director of the Chinese Association of Auditing Finance and Taxation Professionals	BaYang CPA Firm Accountant Director of Juli Enterprise Co., Ltd. Independent Director of Samebest Co., LTD.	-	-	-	

Note 1: Legal person shareholders should list the names of legal person shareholders and their representatives separately (if they are representatives of legal person shareholders, the names of legal person shareholders should be indicated), and the following table 1 should be filled in.

Note 2: Fill in the time when the person first served as a director or supervisor of the Company. If there is matter regarding suspension, it should be noted.

Note 3: If the person has working experience in the auditing certified public accountant firm or an affiliated company during the above mentioned period, the title and the position should be stated.

Note 4: If the chairman of the Company and the general manager or the person with equivalent positions (the top manager) are the same person, each other's spouse or relatives, the information regarding the reason, rationality, necessity and corresponding measures should be stated. (such as increasing the number of independent directors, and there should be more than half of the directors not serving as employees or managers, etc.)

2. Table 1: Major shareholders of legal person shareholders

Apr. 15, 2025

Legal person shareholder name	The main shareholder of the legal person shareholder	
Feng Tsuan Co., Ltd.	1. He Tsuan Co., Ltd. 97.83%	
	2. Su Ming-Fen 2.17%	
Sheng Ta Investment Co., Ltd.	1. Yan Xie Xin-Mei 70%	
	2. Yan Jun-Ling 10%	
	3. Yan Sheng-Feng 10%	
	4. Yan Da-Jun 10%	
Sumitomo Rubber Industries Co., Ltd.	1. Sumitomo Electric Industries, Ltd.	28.85%
	2. The Master Trust Bank of Japan	10.87%
	3. Northern trust CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	5.23%
	4. Custody Bank of Japan, Ltd.(Trust account)	4.68%
	5. Northern trust CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	2.64%
	6. NORTHERN TRUST CO.(AVFC) SUB A/C NON TREATY	2.13%
	7. Sumitomo Mitsui Banking Corporation	1.39%
	8. NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1.35%
	9. SMBC Nikko Securities Inc.	1.24%
	10. State Street Bank and Trust Company 505001	1.18%
Teng Feng Investment Development Co., Ltd.	1. Yan Ruei-Sian 41.67%	
	2. Yan Jun-Kai 41.67%	
	3. Yan Lin Xiu-Xia 16.66%	

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

Note 2: Fill in the name of the main shareholder of the legal person shareholder (its shareholding ratio accounts for the top ten) and its shareholding ratio.

Note 3: If a legal person shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed, which are the name of the investor or donor and the ratio of capital contribution or donation.

3. Table 2: Table 1 Main shareholders s whose main shareholders are legal persons

Apr. 15, 2025

The name of the legal person shareholder	The main shareholder of the legal person shareholder	
He Tsuan Co., Ltd.	1. Jiann Fong Capital Co., Ltd.	70.00%
	2. Qian Tsuan Co., Ltd.	30.00%
Sumitomo Electric Industries, Ltd.	1.The Master Trust Bank Japan, Ltd.(Trust Account)	16.62%
	2. Custody Bank of Japan, Ltd.(Trust Account)	9.44%
	3. Nippon Life Insurance Company	3.17%
	4. BBH/BBH + CO SUMITOMO MITSUI TRUST BANK, LIMITED (LONDON BRANCH) FOR SIMPLEX VALUE CREATION FUND JPY A CLT A/C	2.39%
	5. SUMITOMO LIFE INSURANCE COMPANY	1.99%
	6. The Master Trust Bank of Japan, Ltd. (Trust Account J)	1.61%
	7. STATE STREET BANK AND TRUST COMPANY 505001	1.56%
	8. STATE STREET BANK WEST CLIENT - TREATY 505234	1.56%
	9. Kochi Shinkin Bank	1.45%
	10.CEP LUX - ORBIS SICAV	1.44%
Sumitomo Mitsui Banking Corporation	1. The Master Trust Bank Japan, Ltd.(Trust Account)	16.63%
	2. Custody Bank of Japan, Ltd. (Trust Account)	6.17%
	3. JPMorgan Securities Japan Co., Ltd.	1.92%
	4. STATE STREET BANK WEST CLIENT - TREATY 505234	1.85%
	5. NATSCUMCO	1.64%
	6. SSBTC CLIENT OMNIBUS ACCOUNT	1.61%
	7. Barclays Securities Japan Limited	1.38%
	8. JP MORGAN CHASE BANK 385781	1.30%
	9. STATE STREET BANK AND TRUST COMPANY 505001	1.10%
	10.Goldman Sachs Securities Co., Ltd. BNYM	1.04%
SMBC Nikko Securities Inc.	Sumitomo Mitsui Financial Group	100%

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

Note 2: Fill in the name of the main shareholder of the legal person shareholder (its shareholding ratio accounts for the top ten) and its shareholding ratio.

Note 3: If a legal person shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed, which are the name of the investor or donor and the ratio of capital contribution or donation.

4. Information on Directors and Supervisors

Qualifications Name	Professional qualifications and experience (Note1)	Condition for interdependency (Note2)	Number of independent directors concurrently serving as other public offering companies
Feng Tsuan Co., Ltd. Representative Director: Shen Kuo-Jung	- With work experience required for business, legal, financial, accounting or corporate business ° - Currently work as chairman of the Company, chairman of Hota Industrial MFG Co., LTD, chairman of Mediera Corporation and director of Kao Fong Machinery Co., Ltd - No matters related to Article 30 of the Company Act.	(Not applicable)	None
Feng Tsuan Co., Ltd. Representative Director: Chiu Shih-Chien	- With work experience required for business, legal, financial, accounting or corporate business ° - Currently work as vice chairman of the Company, vice chairman of Mediera Corporation, Director of Dyaco International Inc. and consultant of Jian Sin Industrial Co., Ltd. - No matters related to Article 30 of the Company Act.	(Not applicable)	None
Feng Tsuan Co., Ltd. Representative Director: Lin Wen-Cheng	- With work experience required for business, legal, financial, accounting or corporate business ° - Professional and technical personnel with judges, prosecutors, lawyers, accountants or other professional and technical personnel who have qualified the national examinations and certificates required for The Company's business. - Currently work as director of the Company - No matters related to Article 30 of the Company Act.	(Not applicable)	None
Feng Tsuan Co., Ltd. Representative Director: Liao Chen Hsuan -Yu	- With work experience required for business, legal, financial, accounting or corporate business ° - Currently work as director of the Company and director of Vee Time Corp. - No matters related to Article 30 of the Company Act.	(Not applicable)	None
Feng Tsuan Co., Ltd. Representative Director: Wu Pin-Yi	- With work experience required for business, legal, financial, accounting or corporate business ° - Professional and technical personnel with judges, prosecutors, lawyers, accountants or other professional and technical personnel who have qualified the national examinations and certificates required for The Company's business. - Currently work as director & deputy General Manager of the Company, director of Mediera Corporation, director of Jian Sin Industrial Co., Ltd. and director of Jui Li Enterprise Co., Ltd. - No matters related to Article 30 of the Company Act.	(Not applicable)	None
Sumitomo Rubber Industries Co., Ltd. Representative Director: Sakashita Shingo	- With work experience required for business, legal, financial, accounting or corporate business ° - Currently work as director of the Company ° - No matters related to Article 30 of the Company Act.	(Not applicable)	None
Sheng Ta Investment Co., Ltd. Representative Director: Yan Ming-Shan	- With work experience required for business, legal, financial, accounting or corporate business ° - Currently work as director of the Company and director of Hwa Fong Rubber (Thailand) Public Co., Ltd. - No matters related to Article 30 of the Company Act.	(Not applicable)	None

Qualifications Name	Professional qualifications and experience (Note1)	Condition for independency (Note2)	Number of independent directors concurrently serving as other public offering companies
Teng Feng Investment Development Co., Ltd. Representative Director: Yan Ruei-Sian	• With work experience required for business, legal, financial, accounting or corporate business . • Currently work as director of the Company . • No matters related to Article 30 of the Company Act.	(Not applicable)	None
Independent Director: Tsai Hong-Wen	• With work experience required for business, legal, financial, accounting or corporate business . • With experience of Lecturer or above in public and private colleges and universities with relevant departments of business, legal affairs, finance, accounting or corporate business. • Currently work as independent director of the Company and Associate Professor, Institute of Patents, National Taiwan University of Science and Technology. • No matters related to Article 30 of the Company	• I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies. • I, spouse, relatives within the second degree (or in the name of others) do not hold shares of the Company. • Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company • The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.	None

Qualifications Name	Professional qualifications and experience (Note1)	Condition for independency (Note2)	Number of independent directors concurrently serving as other public offering companies
Independent Director: Yang Wen-Goang	• With work experience required for business, legal, financial, accounting or corporate business . • With experience of Lecturer or above in public and private colleges and universities with relevant departments of business, legal affairs, finance, accounting or corporate business. • Currently work as independent director of the Company and vice president of Chaoyang University of Science and Technology. • No matters related to Article 30 of the Company Act.	• I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies. • I, spouse, relatives within the second degree (or in the name of others) do not hold shares of the Company. • Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company • The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.	None

Qualifications Name	Professional qualifications and experience (Note1)	Condition for independency (Note2)	Number of independent directors concurrently serving as other public offering companies
Independent Director: Huang Chu-Chia	• With work experience required for business, legal, financial, accounting or corporate business . • Professional and technical personnel with judges, prosecutors, lawyers, accountants or other professional and technical personnel who have qualified the national examinations and certificates required for The Company's business. • Currently work as independent director of the Company, director of Juili Enterprise Co., Ltd. and independent director of Samebest Co., LTD. • No matters related to Article 30 of the Company Act.	• I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies. • I own 100,000 shares which accounts for 0.04% of total stocks. My spouse, relatives within the second degree (or in the name of others) do not hold shares of the Company. • Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company • The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.	1

5. The diversity and independency of Board of Directors :

(1) He diversity of Board of Directors :

The composition of the board of directors of the Company should consider diversity. Apart from directors who also serve as managers of the Company should not exceed one-third of the number of directors, an appropriate diversity policy should be formulated according to its own operation, operation type and development demands. It should include but not be limited to the following two major aspects of the standard:

1. Basic conditions and values: gender, age, nationality and culture, etc. Among them, the ratio of female directors shall reach one-third of the board seats.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.

The members of the board of directors shall generally be equipped with the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following abilities:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Operation and management ability.
4. Risk handling capability.
5. Industrial knowledge.
6. the international market view.
7. Leadership.
8. decision-making ability.

3. The policy of diversity and independency of Board of Directors is executed as below:

Name	Job title	Gender	Age	Independent director tenure			part-time employee	Operation and management	leadership & decision-making	industrial knowledge	financial accounting	law	international market view	Risk management
				Less than 3 years	3 to 9 years	Above 9 years								
Shen Kuo-Jung	Chairman	Male	71~80				✓	✓	✓	✓			✓	✓
Chiu Shih-Chien	Vice Chairman	Male	51~60				✓	✓	✓	✓			✓	✓
Lin Wen-Cheng	Director	Male	61~70					✓	✓			✓	✓	✓
Wu Pin-Yi	Director	Female	31~40				✓	✓	✓	✓		✓	✓	✓
Liao Chen Hsuan - Yu	Director	Male	41~50					✓	✓				✓	✓
Sakashita Shingo	Director	Male	51~60					✓	✓	✓			✓	✓
Yan Ming-Shan	Director	Male	81~90					✓	✓	✓			✓	✓
Yan Ruei-Sian	Director	Male	51~60					✓	✓	✓			✓	✓
Tsai Hong-Wen	Independent Director	Male	51~60		✓				✓	✓			✓	✓
Yang Wen-Goang	Independent Director	Male	51~60		✓			✓	✓	✓			✓	✓
Huang Chu-Chia	Independent Director	Male	51~60		✓				✓	✓	✓		✓	✓

4. There are totally 11 directors in the Company's board of director, among whom one is female. The Company puts high emphasis on gender equality of composition of the board of directors' members, and we aim to increase the number of female directors up to one third or more. In the future, we will plan to increase the number of female directors in order to carry out the diversification policy of the board of directors' members.

(2)The independency of Board of directors :

The selection procedures of all directors of the Company is open and fair, and complies with The Company's articles of association, director election regulations, code of practice on corporate governance, and the Securities and Exchange Act. There are 11 members of the board of directors of the Company, with 8 directors (73%) and 3 independent directors (27%). There are no directors listed in Article 26-3, Item 3 and Item 4 of the Securities and Exchange Act. affair and relationship.

Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and also state if they have matters related to Article 30 of the Company Law.

Note 2: Independent directors should state accordance of independency: I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies;I, spouse, relatives within the second degree (or in the name of others) do not hold shares of the Company. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company. The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.

(2) Information on the general manager, deputy general managers, associate managers, heads of departments and branches:

Apr.15,2025

Job title (Note 1)	Nationality	Name	gender	Election date	Shares held		Spouse and minor children shares held		Holding shares in the name of another person		Major experience (education) (Note 2)	Currently concurrently holding positions in other companies	with spouse or executives within the second degree of kinship			Remarks (Note 3)
					Number of shares	Share holdi ng ratio	Number of shares	Share holdi ng ratio	Numbe r of shares	Share holdi ng ratio			job title	name	Relatio nship	
General manager	Republic of China	Wang Jiaw-Chyi	Male	Aug.13, 2018	-	-	-	-	-	-	The City University of New York	-	-	-	-	
Deputy General Manager	Republic of China	Jiang Ting-Ji	Male	Jun.15,2 018	-	-	-	-	-	-	War College NDU.ROC.	-	-	-	-	
Deputy General Manager	Republic of China	Wu Pin-Yi	Female	Jun.15,2 018	-	-	-	-	-	-	Department of Law National Chung Hsing University	Director of Hwa Fong Rubber (Thailand) Public Co., Ltd. Director of Jian Sin Industrial Co., Ltd. Director of Mediera Corporation Director of Jui Li Enterprise Co., Ltd. Supervisor of Lien Wei Biotechnology Co., Ltd.	-	-	-	

Note 1: It should include the general manager, deputy general managers, associates, heads of departments and branches, and all positions equivalent to general manager, deputy general managers or associates, regardless of job title.

Note 2: The experience related to the current position, if the person has worked in the auditing certification accounting firm or its affiliated company during the period, the title and the position should also be stated.

Note 3: When the general manager or a person with equivalent positions (the top manager) and the chairman of the board are the same person, each other's spouse or relatives of the first degree of kinship, the reason, rationality, necessity and corresponding measures (such as for increasing the number of independent directors, and there should be more than half of the directors not concurrently serving as employees or managers.) should be disclosed.

(3) If the chairman of the board and the general manager or the person with equivalent positions (the top manager) are the same person, each other's spouse or relatives of first degree of kinship, the reasons, rationality, necessity and corresponding measures shall be explained: No such matter.

2. Remuneration paid to Directors, Supervisors, General Managers and Deputy General Managers in the most recent year

(1) Remuneration paid to directors (including independent directors), supervisors, general managers and deputy general managers in the most recent year:

1. Remuneration of general directors and independent directors:

Job title		Name	Directors' remuneration						Related remuneration received by Part-time employees						A, B, C, D, E, F, and G as a percentage of the total net profit after tax (Note 10)		Receiving remuneration from a subsidiary company or parent company (Note 11)						
			Remuneration (A) (Note 2)		Retirement pension (B)		Director's remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)		The proportion of the four items A, B, C and D in the net profit after tax (Note 11)		Salaries, bonuses and special expenses, etc. (E) (Note 5)					Retirement pension (F)		Employee compensation (G) (Note 6)			
			In this Company	All companies in the financial report (Note 7)	In this Company	All companies in the financial report (Note 7)	In this Company	All companies in the financial report (Note 7)	In this Company	All companies in the financial report (Note 7)	In this Company	All companies in the financial report (Note 7)	In this Company	All companies in the financial report (Note 7)				In this Company	All companies in the financial report (Note 7)	Cash amount	Stock amount	In this Company	All companies in the financial report (Note 7)
Chairman		Feng Tsuan Co., Ltd. Representative Director: Shen Kuo-Jung	9,856	10,365	-	-	-	-	40	134	2.20	2.33	-	-	-	2,546	-	2.77	2.90	Nre			
Vice chairman		Feng Tsuan Co., Ltd. Representative Director: Chiu Shih-Chien	9,429	9,712	-	-	-	-	40	158	2.10	2.19	-	-	-	2,531	-	2.67	2.76	Nre			
director		Feng Tsuan Co., Ltd. Representative Director: Lin Wen-Cheng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nre			
director		Feng Tsuan Co., Ltd. Representative Director: Wu Pin-Yi	-	283	-	-	-	-	40	158	0.01	0.10	3,147	3,147	108	873	-	0.94	1.02	Nre			
director		Feng Tsuan Co., Ltd. Representative Director: Liao Chen Hsuan-Yu	-	-	-	-	-	-	40	40	0.01	0.01	-	-	-	-	-	0.01	0.01	Nre			
director		Sheng Ta Investment Co., Ltd. Representative Director: Yan Ming-Shan	-	283	-	-	-	-	1,000	1,165	0.22	0.32	-	-	-	-	-	0.22	0.32	Nre			
director		Teng Feng Investment Development Co., Ltd. Representative Director: Yan Ruei-Shan	-	-	-	-	-	-	1,000	1,000	0.22	0.22	-	-	-	-	-	0.22	0.22	Nre			
director		Sumitomo Rubber Industries Co., Ltd. Director representative : Sakashita Shingo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nre			
Independent Director		Tsai Hong-Wen	530	530	-	-	-	-	40	40	0.13	0.13	-	-	-	-	-	0.13	0.13	Nre			
Independent Director		Yang Wen-Goang	500	500	-	-	-	-	40	40	0.12	0.12	-	-	-	-	-	0.12	0.12	Nre			
Independent Director		Huang Chu-Chia	530	530	-	-	-	-	40	40	0.13	0.13	-	-	-	-	-	0.13	0.13	Nre			
director		Feng Tsuan Co., Ltd	-	-	-	-	5,881	5,881	-	-	1.31	1.31	-	-	-	-	-	1.31	1.31	Nre			
director		Sheng Ta Investment Co., Ltd.	-	-	-	-	980	980	-	-	0.22	0.22	-	-	-	-	-	0.22	0.22	Nre			
director		Teng Feng Investment	-	-	-	-	980	980	-	-	0.22	0.22	-	-	-	-	-	0.22	0.22	Nre			
director		Sumitomo Rubber Industries Co., Ltd.	-	-	-	-	980	980	-	-	0.22	0.22	-	-	-	-	-	0.22	0.22	Nre			
1. Please state the policy, system, standard and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors: The remuneration of the independent directors of the Company is determined in accordance with their participation in The Company's operations and their contribution to The Company's operations and the usual level of the industry. The monthly fixed remuneration and the transportation allowance for attending meetings are paid to them. No other remuneration is paid, and they are not allowed to participate in the distribution of the remuneration of the directors of the Company. 2. Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: no such matter.																							

1. Please state the policy, system, standard and structure of the remuneration payment for independent directors, and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors:

The remuneration of the independent directors of the Company is determined in accordance with their participation in The Company's operations and their contribution to The Company's operations and the usual level of the industry. The monthly fixed remuneration and the transportation allowance for attending meetings are paid to them. No other remuneration is paid, and they are not allowed to participate in the distribution of the remuneration of the directors of the Company.

2. Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: no such matter.

Remuneration Scale

Class interval of remuneration to each director of the Company	Director's name			
	The total amount of the first four remunerations (A+B+C+D)		The total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	In this Company (Note 8)	All companies in the financial report (Note 9) H	In this Company (Note 8)	All companies in the financial report (Note 9) I
Less than NTD 1 Million	Lin Wen-Cheng, Liao Chen Hsuan-Yu, Wu Pin-Yi, Tsai Hong-Wen, Yang Wen-Goang, Huang Chu-Chia, Sheng Ta Investment Co., Ltd., Teng Feng Investment Development Co., Ltd., Sumitomo Rubber Industries Co., Ltd., Sakashita Shingo	Lin Wen-Cheng, Liao Chen Hsuan-Yu, Wu Pin-Yi, Tsai Hong-Wen, Yang Wen-Goang, Huang Chu-Chia, Sheng Ta Investment Co., Ltd., Teng Feng Investment Development Co., Ltd., Sumitomo Rubber Industries Co., Ltd., Sakashita Shingo	Lin Wen-Cheng, Liao Chen Hsuan-Yu, Tsai Hong-Wen, Yang Wen-Goang, Huang Chu-Chia, Sheng Ta Investment Co., Ltd., Teng Feng Investment Development Co., Ltd., Sumitomo Rubber Industries Co., Ltd., Sakashita Shingo	Lin Wen-Cheng, Liao Chen Hsuan-Yu, Tsai Hong-Wen, Yang Wen-Goang, Huang Chu-Chia, Sheng Ta Investment Co., Ltd., Teng Feng Investment Development Co., Ltd., Sumitomo Rubber Industries Co., Ltd., Sakashita Shingo
NTD 1 Million (inclusive) ~ NTD 2 Million (not included)	Yan Ming-Shan, Yan Ruei-Sian	Yan Ming-Shan, Yan Ruei-Sian	Yan Ming-Shan, Yan Ruei-Sian	Yan Ming-Shan, Yan Ruei-Sian
NTD 2 Million (inclusive) ~ NTD 3.5 Million (not included)				
NTD 3.5 Million (inclusive) ~ NTD 5 Million (not included)			Wu Pin-Yi	Wu Pin-Yi
NTD 5 Million (inclusive) ~ NTD 10 Million (not included)	Shen Kuo-Jung, Chiu Shih-Chien, Feng Tsuan Co., Ltd.	Chiu Shih-Chien, Feng Tsuan Co., Ltd.	Chiu Shih-Chien, Feng Tsuan Co., Ltd.	Chiu Shih-Chien, Feng Tsuan Co., Ltd.
NTD 10 Million (inclusive) ~ NTD 15 Million (not included)		Shen Kuo-Jung	Shen Kuo-Jung	Shen Kuo-Jung
NTD 15 Million (inclusive) ~ NTD 30 Million (not included)				
NTD 30 Million (inclusive) ~ NTD 50 Million (not included)				
NTD 50 Million (inclusive) ~ NTD 100 Million (not included)				
More than NTD 100 Million				
Total	15	15	15	15

Note 1: The names of directors should be listed separately (if corporate shareholders, the names of legal person shareholders and their representatives should separately be listed from), and the general directors and independent directors should be listed separately to disclose the payment amounts in a summary manner. If the director concurrently serves as the general manager or deputy general manager, he should fill in this form and the following table (3-1) or the following table (3-2-1), (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, post bonus, severance payment, other bonuses, other incentives, etc.).

Note 3: It is the amount of directors' remuneration approved by the board of directors in the most recent year.

Note 4: Refers to the director's relevant business execution expenses in the most recent year (including traffic allowance, special expenses, other allowances, dormitories, company vehicles, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration.

Note 5: Refers to the salary received by directors concurrently serving other positions (including concurrent general manager, deputy general manager, other managers and employees) in the most recent year, including salary, post bonus, severance payment, various bonuses, incentives, carriage fees, special expenses, allowances, dormitories, car distribution, etc. are provided. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-Based Payment", including obtaining employee stock options, restricting employee rights for new shares, and participating in cash capital increase subscription for shares, should also be included in the remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for directors concurrently serving other positions (including concurrently serving as general manager, deputy general manager, other managers and employees) in the most recent year, and the amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate the amount, the proposed amount distributed for this year shall be calculated based on the actual amount distributed last year, and the attached table 1-3 shall be filled in.

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

Note 8: The Company pays the total amount of remuneration to each director, and reveals the name of the director in the attribution level.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including this company) in the consolidated report should be disclosed, and the names of the directors should be disclosed in the attribution level.

Note 10: Net profit after tax refers to the net profit after tax in the most recent year; if the International Financial Reporting Standard has been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 11: a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company (if none, please fill in none).
b. If the directors of the Company receive relevant remuneration from the out-of-subsidary reinvestment business or the parent company, the remuneration received by The Company's directors from the out-of-subsidary reinvestment business or the parent company shall be incorporated into column J of the Remuneration Scale table, and change the column name to "parent company and all reinvested businesses".

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or managers of non-subsidiary investment enterprises or parent company remuneration.

* The content of the remuneration disclosed in this table is different from the concept of "income" of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

2. Remuneration of the general manager and deputy general managers

Dec.31,2024 Unit : Thousands of NTD

job title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special expenses, and so on (C) (Note 3)		Employee compensation amount (D) (Note 4)				The proportion of the four items A, B, C and D in the net profit after tax (%) (Note 8)		Remuneration received from a subsidiary company or parent company (Note 9)
		In The Company	All the companies in the financial report (Note 5)	In The Company	All the companies in the financial report (Note 5)	In The Company	All the companies in the financial report (Note 5)	The Company		The Company	All the companies in the financial report (Note 5)			
								Cash amount	Stock amount			Cash amount	Stock amount	
General manager	Wang Jiaw-Chyi	3,583	3,583	108	108	2,296	2,296	1,935	-	1,935	-	1.76	1.76	None
Deputy General manager	Wu Pin-Yi	1,887	1,887	108	108	1,260	1,260	873	-	873	-	0.92	0.92	None
Deputy General manager	Jiang Ting-Ji	1,330	1,330	81	81	433	433	172	-	172	-	0.45	0.45	None

* Regardless of job title, all positions equivalent to general manager or deputy general manager (e.g. : president, chief executive officer, director...and so on) should be disclosed.

Remuneration Scale

Scale of remuneration paid to each general manager and deputy general manager of the Company	Names of general manager and deputy general managers	
	The Company (Note 6)	All the companies in the financial report (Note 7) E
Less than NTD 1 Million		
NTD 1 Million (inclusive) ~ NTD 2 Million (not included)		
NTD 2 Million (inclusive) ~ NTD 3.5 Million (not included)	Jiang Ting-Ji	Jiang Ting-Ji
NTD 3.5 Million (inclusive) ~ NTD 5 Million (not included)	Wu Pin-Yi	Wu Pin-Yi
NTD 5 Million (inclusive) ~ NTD 10 Million (not included)	Wang Jiaw-Chyi	Wang Jiaw-Chyi
NTD 10 Million (inclusive) ~ NTD 15 Million (not included)		
NTD 15 Million (inclusive) ~ NTD 30 Million (not included)		
NTD 30 Million (inclusive) ~ NTD 50 Million (not included)		
NTD 50 Million (inclusive) ~ NTD 100 Million (not included)		
More than NTD 100 Million		
Total	3	3

Note 1: The names of the general manager and deputy general managers should be listed separately, and the payment amounts should be disclosed in a summary.

If the director is also the general manager or deputy general manager, please fill in this form and the above form (1-1), or (1-2-1) and (1-2-2).

Note 2: It is to fill in the most recent annual salaries, job bonuses, and severance pay.

of general manager and deputy general manager.

Note 3: The amount of various bonuses, incentives, carriage fees, special expenses, allowances, dormitories, company vehicles\, and other remunerations provided by the general manager and deputy general managers in the most recent year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price, rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver is not included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share Based Payment", including obtaining employee stock options, restricting employee rights for new shares, and participating in cash capital increase subscription for shares, should also be included in the remuneration.

Note 4: Fill in the amount of employee remuneration (including stocks and cash) approved and distributed by the board of directors to the general manager and deputy general managers in the most recent year. If it cannot be estimated, the proposed amount distributed for this year will be calculated based on the actual amount distributed last year. Fill out Attachment 1-3. Net profit after tax refers to the net profit after tax in the most recent year; if the International Financial Reporting Standards have been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the general manager and deputy general managers of the Company in the consolidated report should be disclosed.

Note 6: The total amount of remuneration paid to each general manager and deputy general manager by this company, and the names of the general manager and deputy general managers in the Remuneration Scale.

Note 7: The total amount of remuneration paid to each general manager and deputy general manager of the Company by all companies (including this company) in the consolidated report shall be disclosed, and the names of the general manager and deputy general managers shall be disclosed in the Remuneration Scale

Note 8: Net profit after tax refers to the net profit after tax in the most recent year; if the International Financial Reporting Standard has been adopted, net profit after tax refers to the net profit after tax of the individual or Individual Financial Report in the most recent year.

Note 9: a. This column should clearly indicate the amount of remuneration received by the general manager and deputy general managers of the Company from the reinvested business outside of its subsidiaries or the parent company (if none, fill in none).

b. If the general manager and deputy general managers of the Company receive relevant remuneration from the the reinvested business outside of its subsidiaries or the parent company, remuneration of the general manager and deputy general managers of the Company received from the subsidiary company or the parent company Should be incorporated into column E of the remuneration scale, and change the name of the column to "parent company and all reinvested businesses".

c. Remuneration refers to the reward, remuneration (including the remuneration of employees, directors and supervisors) and business execution expenses received by the general manager and deputy general managers of the Company as directors, supervisors or managers of reinvested businesses outside of subsidiaries and other related remuneration.

* The content of the remuneration disclosed in this table is different from the concept of "income" of the income tax law, so the purpose of this table is for information disclosure and is not used for taxation.

3. The remuneration of the top five executives with the highest remuneration in listed companies (individual disclosure of names and remuneration methods): (Note 1))

Dec.31,2024										Unit : Thousands of NTD				
job title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonus and Special expenses, etc. (C) (Note 3)		Employee remuneration amount (D) (Note 4)				The proportion of the four items A, B, C and D in the net profit after tax (%) (Note 6)		remuneration received from the reinvested business or parent company other than the subsidiary (Note 7)
		In The Company	All the compani es in the financial report (Note 5)	In The Company	All the compani es in the financial report (Note 5)	In The Company	All the companies in the financial report (Note 5)		In The Company	All the companies in the financial report (Note 5)				
							Cash amount	Stock amount			Cash amount	Stock amount		
Chairman	Shen Kuo-Jung	9,857	10,365	-	-	40	134	2,546	-	2,546	-	2.77	2.90	None
Vice Chairman	Chiu Shih-Chien	9,429	9,712	-	-	40	158	2,531	-	2,531	-	2.67	2.76	None
General manager	Wang Jiaw-Chyi	3,583	3,583	108	108	2,296	2,296	1,935	-	1,935	-	1.76	1.76	None
Deputy General Manager	Wu Pin-Yi	1,887	1,887	108	108	1,260	1,260	873	-	873	-	0.92	0.92	None
Deputy General Manager	Jiang Ting-Ji	1,330	1,330	81	81	433	433	172	-	172	-	0.45	0.45	None

Note 1: The 'top five' remuneration, see Note 1 the so-called (the top five highest remuneration of executives), means The Company's manager in charge, related to the manager of that standard. According to former Treasury Securities and Futures Committee's regulations of Mar.27, 2003, Taiwan-Financial-Securities-III No. 0920001301 with the definition of "managers". As for the calculation and the principle of determining "the top five with the highest remuneration", it is based on the sum of the salaries, retirement pensions, bonuses and special expenses received by the Company managers from all companies in the consolidated financial report, as well as the total amount of employee remuneration (that is, A+B+C+D (the total amount of four items)), and the five highest remunerations will be recognized after sorting. If the director was concurrently serving the above-mentioned positions, the name of whom should be filled in this table and the above table (1-1).

Note 2: The salary, duty allowance and severance pay of the top five executives with the highest remuneration in the most recent year are to be listed.

Note 3: The amount of bonuses, incentives, traffic allowance, special expenses, other allowances, dormitories, car allocation, and other remunerations of the five highest paid supervisors in the most recent year are to be filled in. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 "Share based payment", including obtaining employee stock subscription authorization certificates, restricting employees' rights of new shares, and participating in cash capital increase shares subscription, shall be included in the remuneration.

Note 4: The amount of remuneration (including stocks and cash) for the top five top executives approved by the board of directors in the most recent year are to be filled in. If the amount can not be accurately estimated, the proposed amount distributed for this year will be calculated based on the actual amount distributed last year, and Attachment 1-3 should be also be filled in.

Note 5: The total amount of remuneration paid to the top five top executives of the Company for all companies (including the Company) in the consolidated report should be disclosed.

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

Note 7: a. This column should clearly indicate the amount of The Company's top five remuneration received by executives who received related remuneration from the non-subsidiary reinvested business or the parent company (if none, fill in "none").

b. Remuneration refers to the reward and remuneration (including remuneration for employees, directors and supervisors) received by The Company's top five executives with the highest remuneration as directors, supervisors or managers of subsidiaries or parent companies. And related remuneration such as business execution costs.

4. The name of the manager who allocates employee remuneration and the distribution:

Dec.31,2024 Unit: Thousands of NTD

	Job title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Proportion of total amount to net profit after tax (%)
M a n a g e r	General manager	Wang Jiaw-Chyi	-	3,488	3,488	0.78
	Deputy General Manager	Jiang Ting-Ji				
	Deputy General Manager	Wu Pin-Yi				
	Division Director	Chiang Jung-Tsung				
	Division Director	Zhang Jia-yuan				
	Division Director	Shi Qing-Chang				
	Deputy Division Director	Ku Te-Cheng				
	Financial manager	Lee Yuan-Chi				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary.

Note 2: Fill in the amount of employee remuneration (including stocks and cash) approved by the board of directors that are distributed to managers in the most recent year, if it cannot be estimated

The proposed amount distributed for this year is calculated based on the proportion of the actual amount last year. Net profit after tax refers to the net profit after tax in the most recent year;

For those who have adopted the International Financial Reporting Standards, the net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 3: The scope of application of managers is as follows:

- (1) General manager and equivalent
- (2) Deputy general manager and equivalent
- (3) Associate and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Others who have the right to manage affairs and sign for the Company

Note 4: If the directors, general managers and deputy general managers receive employee remuneration (including stocks and cash), in addition to filling in Attached Table 1-2, this form should also be filled out.

(2) Analysis of the total remuneration paid to the directors, supervisors, general managers and deputy general managers of the Company in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the net profit after tax of the individual or individual financial reports and explanation of the remuneration policy, The relationship between standards and combinations, procedures for setting remuneration, and business performance and future risks:

1. Analysis of the proportion of the total remuneration paid to the directors, supervisors, general managers and deputy general managers of the Company as a percentage of the after-tax net profit of individual or individual financial reports:

Unit: Thousands of NTD

Year Ended	This company		All the companies in the consolidated financial report	
	The total remuneration paid to the directors, supervisors, general managers and deputy general managers of the Company	Percentage of after-tax net profit of individual or individual financial report	The total remuneration paid to the directors, supervisors, general managers and deputy general managers of the Company	Percentage of after-tax net profit of individual or individual financial report
Year ended Dec.31,2023	35,154	8.32%	36,887	8.73%
Year ended Dec.31,2024	41,161	9.15%	43,013	9.56%

2. Remuneration policies, standards and combinations, procedures for determining remuneration, and their relationship with business performance and future risks:

- (1) The traffic allowance of the directors and supervisors shall be paid according to the number of meetings attended, and the remuneration of the directors and supervisors shall be distributed according to the rate stipulated in The Company's articles of association.
- (2) The remuneration paid to the general manager and deputy general managers is divided into salary, bonus and employee remuneration. Salary and bonus are handled in accordance with The Company's Salary Payment Regulations.

3. Corporate Governance Operation

1. Information on the operation of the board of directors

(1) The board of directors has met 4 times in the most recent year (A), and the attendance of directors and supervisors is as follows:

Job title	Name (Note 1)	Actual number of attendance (B)	Number of delegates attended	Actual attendance rate (%) [B/A] (Note)	Remarks
Chairman	Feng Tsuan Co., Ltd. Representative of the Chairman: Shen Kuo-Jung	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Vice Chairman	Feng Tsuan Co., Ltd. Deputy Director Representative: Chiu Shih-Chien	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Director	Feng Tsuan Co., Ltd. Representative Director: Lin Wen-Cheng	1	3	25%	Reelected at Jun. 14, 2022 shareholders meeting
Director	Feng Tsuan Co., Ltd. Representative Director: Wu Pin-Yi	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Director	Feng Tsuan Co., Ltd. Representative Director: Liao Chen Hsuan-Yu	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Director	Sumitomo Rubber Industries Co., Ltd. Representative Director: Shingo Sakashita	3	1	75%	Reelected at Jun. 14, 2022 shareholders meeting
Director	Sheng Ta Investment Co., Ltd. Representative Director: Yan Ming-Shan	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Director	Teng Feng Investment Development Co., Ltd. Representative Director: Yan Ruei-Sian	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Independent director	Tsai Hong-Wen	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Independent director	Yang Wen-Goang	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting
Independent director	Huang Chu-Chia	4	0	100%	Reelected at Jun. 14, 2022 shareholders meeting

Other matters to be recorded:

- I. If the operation of the board of directors is in any of the following circumstances, the date, period, proposal content, all independent directors' opinions and The Company's handling of independent directors' opinions shall be stated:
 - (I). Items listed in Article 14-3 of the Securities Exchange Act: The company has established an audit committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Act.
 - (II). In addition to the previous matters, if there were other decisions of board meeting that have been opposed or reserved by independent directors and have records or written statements: None.
- II. If there exists any of the director's withdrawal on the proposal out of interest the name of the director, the content of the proposal, the reason for the avoidance of interests and the voting results shall be stated.: None
- III. The objective to strengthening the functions of the board of directors in the current year and the most recent year (such as setting up an audit committee, engaging in information transparency, etc.) and evaluation of the implementation:
 - (1) The Company has established independent directors, audit committees and remuneration committees in accordance with regulations.
 - (2) Information is disclosed, online reporting exists and corporate governance information is disclosed.

Note 1: If the directors and supervisors are legal persons, the names of the legal person shareholders and their representatives shall be disclosed.

Note 2: (1) If a director or supervisor has resigned before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is based on the number of meetings of the board of directors during the term of office and the actual attendance.

(2) Before the end of the year, if any director or supervisor is re-elected or changed, both the new and old directors and supervisors should be listed, and the remarks column should indicate whether the director or supervisor is the old, new or re-elected and the re-election date. The actual attendance rate (%) is calculated based on the number of meetings of the board of directors and the actual number of attendances during the term of office.

(2) The implementation of the board of director's evaluation:

The evaluation results of the board of directors in 2024 were all excellent, and were submitted to the board of directors of the Company on March 12, 2025 as a reference for continuously strengthening the functions of the board of directors.

Evaluation cycle		At least once a year
Evaluation Duration		Jan.1 To Dec.31,2024
Evaluation scope		The scope of The Company's board of directors evaluation includes the performance evaluation of the overall board of directors, individual directors and functional committees.
Evaluation method		Internal self-evaluation of the board of directors, self-evaluation of directors, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.
Evaluation content	Measurement items for board performance evaluation	1. The degree of participation in The Company's operations. 2. Improve the quality of board decision-making. 3. The composition and structure of the board of directors. 4. The selection and continuing education of directors. 5. Internal control.
	Self-evaluation of the performance evaluation of directors	1. Master The Company's goals and tasks. 2. Awareness of directors' responsibilities. 3. The degree of participation in The Company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control.
	Functional committee performance evaluation measurement items	1. The degree of participation in The Company's operations. 2. Recognition of functional committee responsibilities. 3. Improve the decision-making quality of functional committees. 4. The composition of the functional committee and the selection of its members. 5. Internal control.

Note 1: This is for filling in the conducting cycle of evaluation for the board of directors, e.g. : once a year.

Note 2: This is for filling in the coverage period of the board of directors evaluation, e.g. : to evaluate the performance of the board of directors from Jan.1 to Dec.31,2019.

Note 3: The scope of evaluation includes the performance evaluation of the board of directors, individual directors and functional committees.

Note 4: Evaluation methods include internal self-evaluation of the board of directors, self-evaluation of directors, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

Note 5: The evaluation content shall include at least the following items according to the evaluation scope:

- (1) The performance evaluation of the board of directors: including at least the degree of participation in The Company's operations, the quality of the board's decision-making, the composition and structure of the board of directors, and the director's selection and continuing education, internal control, etc.
- (2) Performance evaluation of individual director members: at least including the command of The Company's goals and tasks, the awareness of directors' responsibilities, and their participation in The Company's operations. Degree, internal relationship management and communication, director's professional and continuing education, internal control, etc.
- (3) Functional committee performance evaluation: the degree of participation in The Company's operations, the recognition of the responsibilities of the functional committee, the decision-making quality of the functional committee, the composition of the functional committee and the selection of members, internal control, etc.

2. The operation of the audit committee:

(a) There are 3 members of the audit committee of the Company.

(b) The term of office of the current members is: Jun.14,2022 to Jun.13,2025

(c) The audit committee met 4 times in the most recent year (A). The attendance of independent directors is as follows:

Job title	Name	Actual attendance (B)	Number of delegated attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Independent director (convener)	Yang Wen-Goang	4	0	100%	Jun. 14, 2022 inaugurated
Independent director	Tsai Hong-Wen	4	0	100%	Jun. 14, 2022 inaugurated
Independent director	Huang Chu-Chia	4	0	100%	Jun. 14, 2022 inaugurated

Other matters to be recorded:

1. In case of any of the following circumstances, the date and duration of the audit committee, the content of the proposals, the result of the resolutions of the audit committee and the handling and decision of the opinions of the audit committee by the Company shall be stated.

(1) The matters listed in article 14-5 of the Securities and Exchange Act

Date of Audit committee	Content of proposal	The handling of audit committee	The Company's handling of the opinions of the Audit Committee
March .13, 2024 (8th meeting, 2nd Session)	(1) The Company's 2023 annual business report, individual financial report and consolidated financial report. (2) The Company's proposal for the distribution of earnings in the second half of 2023. (3) The Company's 2023 annual director's remuneration and staff remuneration distribution Plan. (4) The Company's 2023 internal control statement and the effectiveness of the internal control system. (5) Proposal of appointment of the company's chief accounting officer and the chief corporate governance officer.	All members present agreed to pass.	Approved by all the directors present on the date of March 13, 2024.
May 8, 2024 (9th meeting, 2nd Session)	(1) The Company's consolidated financial report for the first quarter of 2024.	All members present agreed to pass.	Approved by all the directors present on the date of May 8, 2024.
August 12, 2024 (10th meeting, 2nd Session)	(1) The Company's consolidated financial report for the second quarter of 2024. (2) The Company's proposal for the first distribution of earnings in 20234.	All members present agreed to pass.	Approved by all the directors present on the date of August 12, 2024.
November 11, 2024 (11th meeting, 2nd Session)	(1) The Company's consolidated financial report for the third quarter of 2024. (2) Proposal to amend the Company's internal control system.	All members present agreed to pass.	Approved by all the directors present on the date of November 11, 2024.

(2) Except for the above mentioned matters, other matters that has not been approved by the audit committee, but has been approved by more than two-thirds of all the directors: None.

2. For the implementation of the withdrawal of the independent directors on the proposal of interest, the name of the independent director, the content of the proposal, the reason for the withdrawal of the independent director for the interest and the voting situation should be stated: None

3.The communication between the independent director and the internal audit head and the accountant (including the major issues, methods and results of the communication regarding The Company’s financial and business operation status).

Independent director can review the Company business, financial situation and consult, track the execution of internal control and internal audit at any time, and may request the board of directors or managers to report, and at any time by phone, E-mail, fax or in person to come to the Company, advice and communicate with the director of internal audit and certification accountants; The audit director of the Company regularly reports to the independent directors, and regularly submits audit reports to the board of directors, so that the unit in charge of corporate governance can fully understand the risk assessment and control status of the Company.

Note:

- (1) If any independent director resigns before the end of the year, the resignation date shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of audit committee meetings and actual attendance during his/her term of office.
- (2) Before the end of the year, if any independent director is re-elected, both the new and the old independent directors shall be filled in, and the former, new or re-elected independent director and the date of re-election shall be indicated in the remarks column. Actual attendance rate (%) is calculated on the basis of the number of meetings of the audit committee during his/her tenure and his/her actual attendance.

3. The operation of corporate governance and the difference from the Corporate Governance Best Practice Principles for listed companies and the reasons

Evaluation items	Practical Operation		Situation and reasons for differences from the Corporate Governance Best Practice Principles for listed companies
	YES	NO	
1. Has the Company formulated and disclosed its corporate governance best practice in accordance with the Corporate Governance Best Practice Principles for Listed Companies?	V		The Company has been set up its corporate governance best-practice principles, relevant information is available on the Company website (https://www.duro.com.tw/tw/investor/corporate-governance/).
2. Company's Equity Structure and Shareholders' Equity (1) Does the Company have internal procedures in place to deal with shareholder-related suggestions, doubts, disputes and litigation and follow the procedures? (2) Does the Company keep a list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders? (3) Has the Company established and implemented the risk control and firewall mechanism with related enterprises? (4) Does the Company have in place internal regulations to prohibit its insiders from trading securities using information undisclosed in the market?	V V V V		(1) As for the proposals of the shareholders' meeting, the participating shareholders have the appropriate time to speak and discuss. The Company will accept and improve the feasible proposals, but the controversial proposals will be decided by voting in accordance with the rules of procedure. At present, all the proposals are in good operation. (2) The Company may keep a list of the major shareholders of the Company and their ultimate controllers, and disclose in accordance with the law. (3) The assets and financial accounting of the affiliated enterprises are operated independently. The Company shall regularly monitor the subsidiaries and affiliated enterprises in accordance with the subsidiary supervision system, so as to avoid the risks caused by the defects of the affiliated enterprises. (4) The Company has set up internal regulations for prohibiting its insiders from trading securities using information undisclosed in the market.
3. Composition and duties of the board of directors (1) Whether the board of directors propose diversity in its membership (2) In addition to the remuneration committee and audit committee, does the Company voluntarily set up other kinds of functional committees? (3) Has the Company formulated performance evaluation system and evaluation methods of the board of directors, conducted performance evaluation annually and regularly, and reported the results of performance evaluation to the board of directors for reference in the salary and remuneration of individual directors and nomination for renewal of board members? (4) Does the Company regularly evaluate the independence of the certification accountant?	V V V	V	(1) The directors of the Company have expertise in different fields, which will be helpful to the development and operation of the Company. (2) The Company has no other functional committees except the Remuneration Committee and Audit Committee set up in accordance with the law. (3) The Company has set up the performance evaluation system and evaluation methods of the Board of Directors, and regularly evaluates and reports to the Board of Directors in accordance with the provisions. Relevant information is available on the Company website (https://www.duro.com.tw/investor/corporate-governance/). (4) The Company regularly inspects the competence of the certification accountant and evaluates the independence of the certification accountant.
			Additional functional committees shall be established as necessary, on the basis of the future operation status and the scale of the Company.

Evaluation items	Practical Operation		Situation and reasons for differences from the Corporate Governance Best Practice Principles for listed companies
	YES	NO	
4. Whether the listed company assign the appropriate number of personnel, and specify the head of corporate governance who is responsible for corporate governance related business (including but not limited to providing the required information for directors and supervisors, in assisting them to follow the law, to carry out business which is related to the meeting of the board of directors and shareholders, and record the proceedings the meetings board of directors and the shareholders...etc.);?	V		—
5. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a special stakeholder section on the Company website, and properly respond to important CSR issues of concern to stakeholders?	V		—
6. Does the Company appoint a professional stock affair agency to handle its Board of Shareholders?	V		—
7. Information Disclosure (1) Whether the Company has set up a website to disclose information on its financial business and corporate governance? (2) Whether the Company has adopted other ways of information disclosure (such as setting up an English website, designating special personnel to be responsible for the collection and disclosure of company information, implementing the spokesman system, showing the Company website during the legal person meeting, etc.)? (3) Does the Company announce and report its annual financial report within two months after the end of the fiscal year, announce and report the financial report of the first, second and third quarters and the business operation of each month in advance of the period in accordance with the provisions?	V V	V	—

Evaluation items	Practical Operation		Situation and reasons for differences from the Corporate Governance Best Practice Principles for listed companies
	YES	NO	
8, Does the Company have provided other ways for understanding The Company's business operation and corporate governance (including but not limited to, employees' rights and interests, concern for employees, relations between the Company and its investors and suppliers, the rights of interested parties, information regarding the advanced studies for directors and supervisors, risk management policy and the execution standard of risk measure, the execution of customer policy, liability insurance the Company has provided for its directors and supervisors...etc.)?	V		(1) The board of directors of the Company holds at least two meetings every quarter, and the attendance of directors and supervisors is good (high attendance to attendance ratio). The Company's internal control system, risk management and management regulations are approved by the board of directors. (2) The directors and supervisors of the Company will participate in advanced studies from times, depending on the operational needs of the Company. (3) The Company has purchased liability insurance for its directors and supervisors.
9. Please state the improvement outcome for the latest annual corporate governance evaluation results released by the corporate governance center of the Taiwan Stock Exchange, and prioritize those issues which have not yet been improved and provides measures for improvement.(no need to list if the Company is not included in the evaluation): The Company will improve and optimize the corporate governance policy according to the improvement items proposed in the results of the corporate governance evaluation.			—

4. If the Company has a remuneration committee, it shall disclose its composition, responsibilities and operation:

(1) The members of the Remuneration Committee

Title (Note1)	Qualification Name	Professional qualifications and experience,(Note 1)	Condition for independency,(Note 2)	The number of companies that are also served by the members of the remuneration committee of other public offering companies
Independent Director (Convener)	Huang Chu-Chia	- With work experience required for business, legal, financial, accounting or corporate business ° - Professional and technical personnel with judges, prosecutors, lawyers, accountants or other professional and technical personnel who have qualified the national examinations and certificates required for The Company's business. - Currently work as independent director of the Company, director of Juili enterprise Co., Ltd. and Independent Director of Samebest Co., LTD. - No matters related to Article 30 of the Company Law	- I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies. - I own 100,000 shares which accounts for 0.04% of total stocks. My spouse and relatives within the second degree (or in the name of others) do not hold shares of the Company. - Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company. - The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.	1
Independent Director	Tsai Hung-Wen	- With work experience required for business, legal, financial, accounting or corporate business ° - With experience of Lecturer or above in public and private colleges and universities with relevant departments of business, legal affairs, finance, accounting or corporate business. - Currently work as independent director of the Company and Associate Professor, Institute of Patents, National Taiwan University of Science and Technology. - No matters related to Article 30 of the Company Law	- I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies. - I, spouse, relatives within the second degree (or in the name of others) do not hold shares of the Company. - Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company - The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.	0
Independent Director	Yang Wen-Goang	- With work experience required for business, legal, financial, accounting or corporate business ° - With experience of Lecturer or above in public and private colleges and universities with relevant departments of business, legal affairs, finance, accounting or corporate business. - Currently work as independent director of the Company and vice president of Chaoyang University of Science and Technology.. - No matters related to Article 30 of the Company Law	- I, my spouse, relatives within the second degree do not serve as directors, supervisors or employees of the Company or its affiliated companies. - I, spouse, relatives within the second degree (or in the name of others) do not hold shares of the Company. - Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company - The Company or its affiliates have not provided business, legal, financial, accounting and other services for the Company or its affiliates in the past 2 years and have not received any compensation.	0

Note 1: Please state as director, independent director or other.

Note 2: If a member has met the following criteria in the two years prior to and during his/her tenure, please mark "v" in the box below each criteria.

- (1) A person who is not employed by the Company or its affiliated enterprise.
- (2) Directors or supervisors who are not directors or supervisors of the Company or its affiliated enterprises (except for those who are independent directors of the Company and its parent company, subsidiaries or subsidiaries of the same parent company established in accordance with this Act or the laws of the respective countries).
- (3) Natural person shareholders who hold more than 1% of the total issued shares of the Company or hold the top 10 highest shares in the name of others other than themselves, their spouse, minor children or others.
- (4) Not the manager listed in (1) or The spouse, the relative within second degree of kinship or lineal relative by blood within the third degree of kinship of the person listed in (2) or (3).
- (5) Not directly holding more than 5% of the total shares issued, holding the top five highest, or is the director of legal person shareholders, supervisor or a person hired by the Company who appoints representative as the directors or supervisors in accordance with item 1 or 2 of article 27 of the Corporate Law (Except if the independent directors serving concurrently in the Company and its parent company, subsidiary or subsidiaries of the same parent company in accordance with this law or the law of the country).
- (6) Not a director, supervisor or a employee of other companies who holds more than half of the directors' seats or voting shares in this company (Except if as the independent directors serving concurrently in the Company and its parent company, subsidiary or subsidiaries of the same parent company in accordance with this law or the law of the country).
- (7) Not as the director, supervisor or a employee of other companies or organizations, concurrently serving as or as the spouse of directors, general manager or equivalent position (Except if as the independent directors serving concurrently in the Company and its parent company, subsidiary or subsidiaries of

the same parent company in accordance with this law or the law of the country).

- (8) Not as a director, supervisor, manager or shareholder holding more than 5% of the total issued shares of other companies which engages in financial and business dealing with the Company (except if of a specific company or institution holding more than 20% but not more than 50% of the total issued shares of the Company or except as the independent directors serving concurrently in the Company and its parent company, subsidiary or subsidiaries of the same parent company in accordance with this law or the law of the country).
- (9) Not as professionals, proprietors, partners, directors, supervisors, managers and spouses of individual proprietors, partnerships, companies or organizations who provide audit services for the Company or affiliated enterprises or provide business, legal, finance, accounting or other related services for which the aggregate amount of compensation in the last two years is not more than NT \$500,000. (Members of the Remuneration Committee, Public Takeovers Review Committee, or Mergers and Acquisitions Special Committee exercising authority in accordance with the Securities and Exchange Act or the Mergers and Acquisitions Act shall not be subject to this provision.)
- (10) Not concerning any of the provisions of section 30 of the Corporate law.

(2) Duty

- (1) To establish and regularly review policies, systems, standards and structures for performance evaluation and compensation of directors, supervisors and managers.
- (2) Evaluate and set the remuneration of directors, supervisors and managers on a regular basis.

(3) The operation of the Remuneration Committee:

- (1) The Company have 3 members of the Remuneration Committee.
- (2) The term of office of the current member is from June 14, 2022 to June 13, 2025.
- (3) The Remuneration Committee has met 2 times in the last year (A) , the attendance was as follows:

Title	Name	Actual(B)	Number of Delegated Attendance	Actual Attendance Rate (%) (B/A) (Note)	Note
Convener	Huang Chu-Chia	2	0	100%	June.14, 2022 Reelected
Member	Yang Wen-Goang	2	0	100%	June.14, 2022 Reelected
Member	Tsai Hung-Wen	2	0	100%	June.14, 2022 Reelected

Other Matters to be recorded:

1. If the board does not accept or fix the suggestion of remuneration committee, it should state the date of the meeting of board of directors, duration, proposal content, the handling of the board of directors and its decision toward the suggestion of the remuneration committee (such the remuneration consented by the board of directors is superior to that suggested by the remuneration committee, then the reason for the difference should be stated) : No such case.
2. The date, duration, content of the proposal, the opinions of all members and shall be stated in the record or written statement if there is any objection or reservation made by the members of the remuneration committee: No such case.

Note :

- (1) Actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during his/her tenure and his/her actual attendance.
- (2) Before the end of the year, if there is a reelection of the remuneration committee, the new, former and the re-elected member of the remuneration committee members shall be specified in the remarks column as the former, new or re-elected member and the date of re-election. Actual attendance rate (%) is based on the number of meetings of the Remuneration Committee and the number of actual attendance.

5. Implementation Status of Promotion of Sustainable Development and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons, and Implementation Status of Climate-Related Information :

(1) Implementation Status of Promotion of Sustainable Development and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation items	Operation		Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
1.Does the Company set up a governance structure for sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle the senior management, and the board of directors reports the supervision condition?		V	1.The Company completed establishment of the “ESG Sustainability Team” in 2023, in charge of promoting the sustainable development decision-making; the general manager played a leading role in team establishment and function division. 2.Department managers serve as executive team members, responsible for coordinating and planning the company's overall corporate social responsibility policies, strategies, themes, goals, and the compilation and publication of the annual sustainability report. 3.After completing and disclosing the compilation and publication of the previous year's sustainability report each year, the company will report the results and implementation effectiveness to its board of directors. 4.The company plans to hold an annual meeting every year, convened by the General Manager to explain the implementation status of promoting corporate social responsibility and stakeholder consultation and communication, as well as the measures taken by relevant leading departments of each team.
2.Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of operation management, and formulate relevant risk management policies or strategies?		V	—

Evaluation items	Operation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Explanation	
3. Environmental Issues (1) Does the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		The Company has established the environmental management manual and environmental management system.	—
(2) Whether the Company is committed to improving the utilization of resources and using recycled materials with low impact on the environment?	V		The Company is committed to reducing water resource consumption by setting up a cooling water recovery system to recycle the non-contact cooling water in for cooling and then reuse, and committed to evaluate and improve the water consumption in the process; Set up waste water treatment personnel to reduce the discharge of water pollution.	—
(3) Does the Company assess the current and future potential risks and opportunities in the regard of climate change and take measures to address climate-related issues?	V		The Company has set up an "energy conservation promotion committee" to continuously promote energy conservation measures and tree-planting.	—
(4) Has the Company recorded its greenhouse gas emissions, water consumption and total waste weight for the past two years, and formulated policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste management?	V		The Company has been keeping record and control of its water consumption, and implement energy conservation policies.	—
4. Social Issues (1) Does the Company establish management policies and procedures in accordance with relevant laws and regulations and International Bill of Human Rights conventions?	V		The Company allocates pension funds in accordance with the provisions of the labor law and regulations, and sets up the Labor Retirement Reserve Supervision Committee to ensure the rights and interests of employees. The Company also has set up the staff welfare committee, which is established to handle all welfare matters through the operation of the staff welfare committee elected by the staff; The Company also holds regular labor coordination meetings to safeguard the rights and interests of employees.	—
(2) Does the Company establish and implement reasonable employee welfare policies (including	V		The Company has set up reasonable salary and leave system in accordance with the labor law according to the position of employees,	—

Evaluation items	Operation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Explanation	
remuneration, leave and other benefits) and properly reflect business performance or results in employee remuneration?			and stipulate that the Company will give the employee performance bonus when the target of The Company's business operation is achieved.	
(3) Does the Company provide a safe and healthy working environment and provide regular safety and health education to employees?	V		The Company places great importance on the safety and health of the employees, regularly conducts operational environmental hazard control assessment in accordance with the laws, conducts safety and health education for the employees, conducts fire drills, and provides appropriate and sufficient tools of protection to the employees; we also obtain verification of the ISO 45001 occupational safety and health management system, valid till October 18, 2025. In 2024, the employee's occupational disaster cases totaled 10 (including 1 traffic cases), accounting for 1.99% of the total employee number. We investigated the reasons for happenings, proposed improvement countermeasures to be submitted for approval, reviewed, and tracked the cases. Improvement on all the occupational disaster cases had been completed, and there were no fire accidents in the said year.	—
(4) Does the Company have an effective career development training program for employees?	V		The Company provides effective career development training programs for employees.	—
(5) Does the Company comply with relevant regulations and international standards, as well as consumer protection policies and complaint procedures regarding customer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company's products and services are marketed and marked in accordance with relevant regulations and international standards.	—
(6) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental issues, occupational safety and health or labor rights, and the situation of its implementation?	V		All suppliers of the Company shall comply with the honesty policy of the Company. If there is any violation and significant impact on the environment and society, the contract may be terminated or rescinded at any time.	—

Evaluation items	Operation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Explanation	
5.Does the Company refer to the internationally accepted reporting standards or guidelines to formulate reports that disclose non-financial information of the Company, such as sustainability reports? Has the previous disclosure report obtained the assurance or assurance opinion of the third-party verification unit?		V	Currently, the Company had prepared the sustainability report, for which we are planning to obtain the third party's assurance or assurance opinions.	—
6.If a company has its own sustainable development code in accordance with the "Code of Practice for Sustainable Development of Listed OTC Companies", please state the differences between its operation and the established code: The Company has established a sustainable development code, and actively promotes and implements relevant policies and guidelines such as sustainable development.				

7. Other important information for understanding the operation of corporate social responsibility:

1. The environmental protection

(1) Greenhouse gas emission and reduction

The Company values the responsibility of the enterprise to the ecological environment with all efforts made to continuously improve the process, in order to gradually achieve emission reduction and energy consumption for the prevention and control of pollution (emission reduction) and conservation of natural resources (resource recycling). The Company's management is aware of the importance of the control of energy consumption of the process products, and actively greens the land in the plant and plants trees to compensate and its CO2 emissions.

(2) Air pollution prevention and control

In the prevention and control of air pollution, in addition to the construction of complete prevention and control equipment, the relevant air pollution prevention and control are strictly controlled in accordance with the regulations, and meet the emission standard of the regulations.

(3) Water pollution control
A. The Company has set up a cooling water recovery system for recycling and cooling the non-contact cooling water in the process, and actively evaluate and reduce the water consumption in the process.

B. Special personnel is responsible for wastewater treatment to reduce the discharge of water pollution.

(4) Waste management and resource recycling

Set up waste management and personnel for planning, prioritizing waste reduction and resource reuse ,and to reduce the impact on the environment.

2. Community involvement

Over the years, the Company has been committed to local cultural activities and deeply involve in the local community by sponsoring the local community development, community primary and secondary education, activities for the elderly and charity:

- (1) Donate guiding tools for transportation safety to all primary and middle school of the Dacun Township. (2) Sponsoring festivals and events (3)Sponsoring Community associations and school celebrations and other activities. (4) Sponsoring local firefighting units for their equipments. In a word, getting well along with local community in a mutually beneficial manner.

3. Safety and health

(1) Safety and health management

The Company has set up the safety and health office to plan and implement the safety and health and environmental protection policies of the whole plant, and regularly convene the safety and health committee to report the issues for improvement.

(2) General safety management, training and audit

The Company implements safety and health management operations such as: Process safety and health management, firefighting training and fire drill, machinery and equipment inspection, work safety license enforcement of rules and rules for the management of the contractor and subcontractor, information regarding the harm in the operation environment, TPM system inspection, rewards and punishments system over zero incidents, safety and health inspection . In terms of education and training, annual education and training plans are formulated every year to carry out relevant safety and health education and training and emergency drills for on-the-job employees as required by laws and regulations, and to carry out on-the-job training for special workers to ensure that employees comply with the requirements of the new laws and regulations.

(3) Promotion of the health of employees

Employees are The Company's biggest asset, as a result, protection of the personal safety of employees at work, in addition to provide sufficient personal protective equipment in accordance with difference of their position, For the health of employees, health examination are implemented on all employees according to the law (For the personnel of the special operations, the Company implements special health check, to be fully aware of employee's health condition.)

4. Social Repesonibility :

The Company places great importance on the social welfare, social services, consumer rights and interests, in addition to providing the villages and towns nearby with job opportunities, hiring the disabled persons, the Company also has been long providing high quality products to ensure customer service customers, providing its staff with a environment of growth and to promote shareholders rights to share at the same time.

(2) Implementation Status of Climate-related Information

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's ESG Sustainability Team has been completely organized, and the general manager played a leading role in its operation, annually conducted the risk analysis and decision-making on significant issues, based on the GRI standards, undertook assessment and identification in terms of all collected internal and external information, and included the conclusions into the bases of the company's sustainable management policies. In addition, the implementation status of the ESG-related issues was reported, along with the operation report, to the Board of Directors' meeting for control and review.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Short-term risks: The domestically-levied carbon fee/carbon tax, appreciation of electricity charges, and foreign collection of carbon tax resulted in rise of raw materials cost. The unpredictable natural disasters and changeable extreme climate lead to possible losses of stop production. Short-term opportunities: Develop or expand low-carbon and low-pollution material, use raw materials which comply with the international environmental protection regulation, and promote the business's positive image. Medium-term risks: Collection of foreign carbon tax, and use of green electricity for the manufacturing industry accounting for 15% power consumption in 2030.

Item	Implementation Status
	Long-term risks: The customers' behavior changes and the stricter environmental protection regulations in the sale market.
3. Describe the financial impact of extreme weather events and transformative actions.	Storm or flood events, caused by the extreme weather might result in damage of the company's equipment, or even as worse as stop production, increase of operational cost; or such issues as collection of the carbon fee (tax), etc. will all further affect the company's financial profit.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The ESG Sustainability Team will set the scenario, propose climate-related issues for discussion, then summon related units to identify and evaluate the impact extent and financial impact, made by the climate risks and opportunities, conduct substantial risk analysis and response countermeasures on significant issues, and include the conclusions into the bases of the company's sustainable operation policies.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Currently, the scenario analysis of climate change has not been adopted.
1. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 6.	Currently, the scenario analysis of climate change has not been adopted.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, the scenario analysis of climate change has not been adopted.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset	Establishment of the climate-related targets is still under evaluation and planning.

Item	Implementation Status												
should be specified.													
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Currently, the Company is conducting the greenhouse gas inventory, strategies and targets, control mechanism, internal verification, and external verification planning. The expected schedules and plans are as follows: <table border="1"> <thead> <tr> <th>Work Items</th><th>Estimated Time of Completion</th></tr> </thead> <tbody> <tr> <td>Complete the parent company's greenhouse gas inventory</td><td>December, 2026</td></tr> <tr> <td>Complete the subsidiaries' greenhouse gas inventory</td><td>December, 2027</td></tr> <tr> <td>Establish the verification planning of the parent company and the subsidiaries</td><td>June, 2027</td></tr> <tr> <td>Complete the parent company's external verification</td><td>December, 2028</td></tr> <tr> <td>Complete the subsidiaries' external verification</td><td>December, 2029</td></tr> </tbody> </table>	Work Items	Estimated Time of Completion	Complete the parent company's greenhouse gas inventory	December, 2026	Complete the subsidiaries' greenhouse gas inventory	December, 2027	Establish the verification planning of the parent company and the subsidiaries	June, 2027	Complete the parent company's external verification	December, 2028	Complete the subsidiaries' external verification	December, 2029
Work Items	Estimated Time of Completion												
Complete the parent company's greenhouse gas inventory	December, 2026												
Complete the subsidiaries' greenhouse gas inventory	December, 2027												
Establish the verification planning of the parent company and the subsidiaries	June, 2027												
Complete the parent company's external verification	December, 2028												
Complete the subsidiaries' external verification	December, 2029												

6. The status of performing honest operation and its difference from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons: :

Evaluation items	Operation			The difference from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons: :
	Yes	No	Explanation	
1. Formulate the policy and scheme of ethical operation (1) Has the Company formulated a policy of ethical operation approved by the board of directors, and clearly stated the policy and practice of ethical operation in the rules and regulations in external documents, with the board of directors and senior management committing to actively implement the policy? (2) Has the Company established a risk assessment mechanism for dishonest conduct, regularly analyzed and evaluated the activities within the scope of business with a higher risk of dishonest conduct, on the basis of which, formulated a plan to prevent dishonest conduct, which shall at least cover the preventive measures for the conduct in paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for Listed Companies? (3) Does the Company have a set of procedures, guidelines, and disciplinary and complaint systems in the Dishonesty Prevention Plan, and is it implemented and regularly reviewed?	V		(1) The Company has set up its Ethical Corporate Management Best Practice Principles. The Company has always operated in accordance with the law and the principle of integrity, and adhered to the business philosophy of sustainable operation and customer first. (2) The Company has a "work rule" which regulates the ethical and ethical principles to be observed by its staff, and which clearly and specifically prohibits dishonest conduct and the receiving improper benefits. (3) The Company has "work rules", and it conducts regular training for new employees, and delivers information of business ethics at the Company monthly meeting from time to time.	It will be handled according to actual needs and in accordance with relevant laws and regulations as appropriate.

Evaluation items	Operation			The difference from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons: ;
	Yes	No	Explanation	
2. Implementation of ethical business operation (1) Has the Company assessed the integrity record of parties it deals with and has included in the contracts with its dealing parties principles on integrity conduct? (2) Does the Company set up a special unit under the board of directors to promote ethical operation, and regularly (at least once a year) report to the board of directors with its policy of ethical operation and the plan to prevent dishonest behavior and supervise the implementation of it? (3) Has the Company formulated a policy to prevent the conflict of interests, and provided appropriate channels for feedbacks, and implemented it? (4) Has the Company established an effective accounting system and internal control system for the implementation of ethical operation, and the internal audit unit set up relevant audit plans based on the assessment results of the risks of dishonest conduct, and check the compliance of the plan to prevent dishonest conduct, or entrust an accountant to carry out the audit? (5) Does the Company regularly conduct internal and external training on ethical management?	V	V	(1) The Company has a "Credit Management Policy" to prevent dishonest transactions. (2) The Company authorizes the Chairman of the Board to appoint an audit office member or personnel from relevant units to form a special unit to supervise and implement the operation procedure according to the business and management needs. (3) The Company has set open communication channels in the Company, encourage employees to participate in company affairs, and respond to the supervisors at all levels. (4) The Company has established an effective accounting system and internal control system, and has internal auditors regularly check compliance with the above-mentioned systems, and prepare audit reports to be submitted to the Board of Directors. (5) The Company has set up the Ethical Corporate Management Best Practice Principles. The Company attaches great importance to ethical operation. In order to implement the basic principles of ethical management, all employees are required to comply with the relevant government laws and regulations and codes of ethical conduct when carrying out the business of the Company.	—

Evaluation items	Operation			The difference from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons: ;
	Yes	No	Explanation	
3. The operation of The Company's reporting system (1) Has the Company established a specific reporting and reward system, established a convenient reporting channel, and designated an appropriate person in charge of handling the report? (2) Has the Company set the standard operating procedures for the investigation of reporting, the follow-up measures to be taken after the investigation is completed and the relevant confidentiality mechanism? (3) Has the Company taken measures to protect the informant from improper treatment toward a person due to his/her reporting?	V	V	Maintain open communication channels within the Company, encourage employees to participate in company affairs, and respond to all levels of supervisors.	—
4. Enforcing information disclosure (1) Has the Company disclosed on its website and on Market Observation Post System the content and effectiveness of its ethical practices?	V		The Company's website presents information about its integrity practice.	—
5. If the Company has its own code of ethical conduct in accordance with Ethical Corporate Management Best Practice Principles for Listed Companies, please state the differences between its operation and the code: The Company has set up the Ethical Corporate Management Best Practice Principles. In the future, we will revise the relevant measures in accordance with the current situation and cooperation laws and regulations, and strengthen the implementation of the concept of ethical operation.				
6. Other important information that will be of help to understand The Company's ethical operation (such as The Company's review and revision of its ethical operation code) : The code of conduct for corporate integrity established by the Company will be amended in accordance with the current situation, laws and regulations, and implement measures such as enhancing the transparency of information and strengthening the functions of the board of directors will be taken to continue the operation of corporate governance.				

7. Other information that is important enough to further the understanding of the operation of corporate governance may be disclosed here: none.

8. The implementation of internal control system

(1) Statement of internal control system

Hwa Fong Rubber Ind. Co., Ltd.
Statement of internal control system

Date : March, 12 2025

As for the year ended on Dec 31, 2024 based on the results of our self-assessment of our internal control system, we hereby declare as follows:

1. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has established such a system. The objective of such a system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and asset safety, etc.), reliability, timeliness, transparency of reporting, and compliance with relevant regulations.
2. Internal control system has its Inherent limitations, no matter how comprehensive and perfect the design, effective internal control system can only guarantee the achievement of the above-mentioned three objectives; Moreover, due to the change of the environment, the effectiveness of the internal control system may change. However, The Company's internal control system has a self-monitoring mechanism, and the Company will take corrective action if any deficiencies of the system are identified.
3. The Company judges whether the design and implementation of the internal control system is effective or not according to the items on the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "The Regulations"). The items of the internal control system adopted in the "The Regulations" is a process of management control. The internal control system is thus divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision. (Each component includes a number of items. For the detailed information, consult "The Regulations")
4. The Company has used the above internal control system items in evaluating the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the above-mentioned evaluation, the Company considers that the internal control system (including supervision and management of subsidiaries) of the Company established in Note 2 as of December 31, 2024 Including understanding the effectiveness of operations and the extent of efficiency objectives achieved, reporting is reliable, timely, transparent and in accordance with relevant regulations and relevant laws and regulations in compliance with the relevant internal control system design and the implementation is also effective, which can reasonably ensure that the above objectives are achieved.
6. This Statement will be the main content of The Company's annual report and the disclosed statement and will be made public. Any false or concealment of the above information will be subject to the legal liability of articles 20, 32, 171 and 174 of the Securities and Exchange law.
7. This statement has been approved by the board of directors of the Company on March 12, 2025 and the 11 directors present unanimously agree on the contents of this statement and the Company hereby so declare.

Hwa Fong Rubber Ind. Co., Ltd

Chairman of the Board :

The General Manager :

Note 1: If there are major deficiencies in the design and implementation of the internal control system of a public offering company during the year, an explanatory paragraph shall be added after item 4 of the statement of the internal control system to list and explain the major deficiencies found through self-assessment, as well as the improvement plans and measures for improvement taken by the Company before the date of balance sheet.

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

(2) If an accountant is commissioned to review the internal control system, the audit report of the accountant shall be disclosed: Not applicable.

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

(1) Important resolutions of the shareholders' meeting:

Date	Resolutions Item	Resolution result	Status of implementation
June 19, 2024	Acknowledgement items: 1.Acknowledgement of the 2023 operating report and financial statements.	Resolution passed as proposed	Executed per resolution
	Discussion items: 1.Approve the amendment of the “Rules of Procedure for Shareholders Meetings.”.	Resolution passed as proposed	Executed per resolution

(2) Important resolutions of the board of directors:

Item	Date	Major Resolutions	Resolution Results and Implementation Status
Board Meetings	March 13, 2024	1.Approval of the annual business report, individual financial statements, and consolidated financial statements of the Company for the year 2023. 2.Approval of the second half year profit distribution plan for the year 2023 of the Company. 3. Approval of the director and employee remuneration distribution plan for the year 2023 of the Company. 4. Revision of the “Rules of Procedure for Shareholders Meetings.” of the Company. 5. Revision of the “Rules of Procedure for Board of Director Meetings” of the Company. 6. Revision of the “Audit Committee Charter” of the Company. 7. Application for financing credit line from financial institutions by the Company. 8. Approval of the 2023 internal control statement and effectiveness of the internal control system of the Company. 9. Proposal of appointment of the company’s chief accounting officer and the chief corporate governance officer. 10. Approval of the annual performance bonus for the executives of the Company for the year 2023. 11. Discuss the proposal of the monthly remuneration of the Company’s newly-appointed managers. 12. Proposal for the convening of the 2024 Annual General Meeting of the Company.	The entire proposal has been approved by resolution and has been fully executed.
Board Meetings	May 8, 2024	1. Approval of the Q1 consolidated financial statements of the Company for the year 2024. 2. Proposal of establishment of the joint-venture subsidiary company of subsidiary Hwa Fong Rubber (Suzhou) Co., Ltd. 3. Application for financing credit line from financial institutions by the Company.	The entire proposal has been approved by resolution and has been fully executed.
Board Meetings	August 12, 2024	1. Approval of the Q2 consolidated financial statements of the Company for the year 2024. 2. Dividend distribution for the first half of the year 2024 of the Company. 3. Application for financing credit line from financial institutions by the Company.	The entire proposal has been approved by resolution and has been fully executed.
Board Meetings	November 11, 2024	1. Approval of the Q3 consolidated financial statements of the Company for the year 2024. 2. Regular assessment of the independence of the Company's auditor. 3. Proposal to amend the Company’s internal control system. 4. Approval of the 2024 internal audit plan of the Company. 5. Proposal for the operating budget of the Company for the year 2025. 6. Application for financing credit line from financial institutions by the Company. 7. Amendment of the Company’s “Corporate Governance Best Practice Principles”. 8.Review and approval of the monthly salary and remuneration of the Company's managers.	The entire proposal has been approved by resolution and has been fully executed.

Item	Date	Major Resolutions	Resolution Results and Implementation Status
Board Meetings	March 12, 2025	1. Approval of the annual business report, individual financial statements, and consolidated financial statements of the Company for the year 2024. 2. Approval of the second half year profit distribution plan for the year 2024 of the Company. 3. Approval of the director and employee remuneration distribution plan for the year 2024 of the Company. 4. Proposal of increase of shareholding of subsidiary Hwa Fong Rubber (Thailand) Public Co., Ltd. 5. Approval of the 2024 internal control statement and effectiveness of the internal control system of the Company. 6. Proposal to amend the Company's internal control system. 7. Approval of the annual performance bonus for the executives of the Company for the year 2024. 8. Application for financing credit line from financial institutions by the Company. 9. Proposal of appointment of the company's Supervisor of Information Security. 10. Amending the Articles of Association. 11. Re-election of the 27th Board of Directors and Independent Directors of the Company. 12. Nomination of candidates for the 27th session of directors and independent directors of the Company. 13. Proposed removal of non-competence restrictions on newly appointed directors and their representatives. 14. To plan the holding of The Company's 2022 annual general meeting of shareholders and the comprehensive re-election of The Company's directors (including independent directors).	Agendas 6 to 12 have been implemented. Agendas 2 and 3 are currently in progress. Agendas 1、4、5 will be separately reported to and recognized and discussed at the 2024 shareholders' meeting.

10. In the most recent year and up to the publication date of the annual report, where the directors or supervisors have different opinions on the important resolutions passed by the board of directors and have recorded or made a written statement, the main content is: No such case.

4. Information on Public Expenses of Accountants

(1) Information of public expense

Unit of Amount: thousands of \$NTD

Office name	Certified public accountants The name	Inspection period	The audit fee	Non-audit fee	Combined	Note
PWC Taiwan	Wu Song-Yuan /Xu Jian-Ye	Financial Statements for the First Quarter to the end of year 2024	3,350	1,219 ^{Note 1}	4,569	—

*Note1: Non-audit public expenses service content: mainly include the public expenses of financial statements, income tax settlement and declaration of profit-making enterprises, and the public expenses of checking visas, the public expenses of concurrent business operators, the public expenses of checking visa reports, the public expenses of transfer pricing reports, and the miscellaneous expenses during the verification period.

Note: If the company changes accountants or accounting firms this year, please list the audit period separately, explain the reason for the change in the remarks column, and disclose the audit and non-audit public fees paid in sequence. Non-audit public fees and should be annotated to explain its service content.

- (1) If a change of accounting firm is made and the amount of audit fees paid in the year of the change is less than that in the year before the change, the amount of audit fees and the reason before and after the change shall be disclosed: No such case.
- (2) If the audit fee has been reduced by more than 10 percent compared with the previous year, the amount, proportion and reason of the reduction of the audit fee shall be disclosed: No such case.

5. Information on Change of Accountant: None.

6. The chairman of the board of directors, general manager, or manager in charge of financial or accounting affairs of the Company, who has worked in the firm of the certification accountant or its affiliated enterprises within the last one year: No such case.

7. Changes in equity transfer and equity pledge of directors, supervisors, managers and shareholders holding more than 10% of their shares in the most recent year and up to the date of publication of the annual report

(1) Changes in Shareholding

The title	The name	Year 2024 (Note1)		The year up to the date of publication	
		Holding shares Increased (decreased) number	The pledged shares Increased (decreased) number	Hold a number of shares Increase (decrease) the number	The pledged shares Increase (decrease) the number
Chairman of the board of directors Vice chairman of the board of directors Director	Feng Tsuan Co., Ltd	-		-	
	Representative of the chairman: Shen Kuo-Jung	-	-	-	-
	Deputy Chairman Representative: Chiu Shih-Chien	-	-	-	-
	Representative of the director: Lin Wen-Cheng	-	-	-	-
	Representative of the director: Wu Pin-Yi	-	-	-	-
	Director representative: Liao Chen Hsuan-Yu	-		-	-
Director	Sumitomo Rubber Industries Co. Ltd	-	-	-	-
	Representative of the director: Shingo Sakashita	-	-	-	-
Director	Sheng Ta Investment Co., Ltd	50,000	-	193,000	-
	Representative of the director: Yan Ming-Shan	-		-	-
Director	Teng Feng Investment and Development Co. Ltd	-	-	-	-
	Representative of the director: Yan Ruei-Sian	500,000	-	-	-
Independent director	Tsai Hong-Wen	-	-	-	-
Independent director	Yang Wen-Goang	-	-	-	-
Independent director	Huang Chu-Chia	-	-	-	-
Major shareholder	Sumitomo Rubber Industries Co. Ltd	-	-	-	-
The general manager	Wang Jiaw-Chyi.	-	-	-	-
Deputy general manager	Wu Pin-Yi	-	-	-	-
Deputy general manager	Jiang Ting-Ji	-	-	-	-

(2) The case where the parties concerning equity transfer or stock pledge are related :No such case.

8.Information on the relationship among the top ten shareholders in terms of shareholding ratio

Apr. 15, 2025

Name (Note 1)	Holding shares		Held shares of spouse and minor children		Holding shares in the name of others		The names or names of the top ten shareholders who are related to each other in accordance with the International Accounting Standards no. 6, or who are spouse or relatives within the second degree of kinship.(Note 3)			note
	Number of shares	holding ratio	Number of shares	holding ratio	Number of shares	Shareholding ratio	The name of the (or name)	Relationship		
Sumitomo Rubber Industries Co. Ltd Representative: Satoru Yamamoto	28,428,574	10.18%	-	-	-	-	-	-	-	
Yu Guo Enterprise Co., Ltd Representative: Zhang Shu-Man	11,149,268	3.99%								
Mediera Corporation. Representative: Shen Kuo-Jung	9,454,628	3.38%								
Feng Zuan Co., Ltd Representative: Shen Kuo-Jung	8,884,210	3.18%	-	-	-	-	-	-	-	
Capital Securities Corporation. Trustee of Capital Securities (Hong Kong) Co., Ltd. Client Qun yi Securities Custody Co., Ltd. Investment Account	8,797,113	3.15%	-	-	-	-	-	-	-	
Jian Sin Industrial Co., Ltd. Representative: Wu Ming-Tsan	8,654,000	3.10%								
Guo Zhi-Fen	7,694,925	2.75%	271,431	0.10%	-	-	-	-	-	
Yan Sheng-Feng	5,998,166	2.15%	-	-	-	-	-	-	-	
Yan Da-Jun	5,988,575	2.14%	-	-	-	-	-	-	-	
Chien-Zhan Co., Ltd. Representative: Shen, Chien-Yu	5,885,651	2.11%	-	-	-	-	-	-	-	

Note 1: all the top ten shareholders shall be listed, and the names of the legal person shareholders and the names of the representatives shall be listed respectively if they belong to the legal person shareholders.

Note 2: the calculation of shareholding ratio refers to the calculation of shareholding ratio in the name of oneself, spouse, minor child or in the name of another person.

Note 3: For the shareholders listed above, including legal persons and natural persons, their relationship with each other shall be disclosed.

9. The number of shares held by the Company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the Company in the same reinvested business, and the combined shareholding ratio calculated:

Reinvested business	Investment of the Company	Investment from Directly controlled business	Investment in total
	Holding ratio	Holding ratio	
Hwa Fong Rubber (China) Co., Ltd.	19.85	80.15	100%
Hwa Fong Rubber (Suzhou) Co.,Ltd.	7.31	92.69	100%

III. Fundraising Status

1. Capital and Share Formation

I. Capital Stock

(1) Source of Capital Stock

Unit: NT \$; stocks

Year month	Offering price	Checked and ratified capital		Paid-up capital		Note		
		Number of shares	The amount of	Number of shares	The amount of	Sources of Capital	Using property other than cash to offset share proceeds	other
May 1959	100	10000	1000000	10000	1000000	By Hwa Fong rubber factory's reorganization established	-	
Feb. 1968	100	50000	5000000	50000	5000000	Seasoned offering equity of 4,000,000	-	
September, 1970	100	80000	8000000	80000	8000000	Seasoned offering equity of 3,000,000	-	
November, 1972	100	130000	13000000	130000	13000000	Seasoned offering equity of 5,000,000	-	
November, 1973	100	200000	20000000	200000	20000000	Seasoned offering equity of 7,000,000	-	
October, 1974	100	400000	40000000	400000	40000000	Seasoned offering equity of 20,000,000	-	
August, 1976	100	650000	65000000	650000	65000000	Capital reserve 18,436,000 Cumulative surplus is 6,564,000	-	
Jan, 1978	100	800000	80000000	800000	80000000	Seasoned offering equity of 15,000,000	-	
April, 1979	100	960000	96000000	960000	96000000	Seasoned offering equity of 16 million	-	
November 1981	100	1960000	196000000	1960000	196000000	Accumulated surplus of 50,000,000 Capital reserve 50,000,000	-	
July 1983	10	19992000	199920000	19992000	199920000	Cumulative surplus of 3,920,000	-	
May, 1989	10	50000000	500000000	50000000	500000000	Cumulative surplus 300,080,000	-	Note: (1)
August, 1991	10	65000000	650000000	65000000	650000000	Accumulated surplus 150,000,000	-	Note (2)
August, 1992	10	72800000	728000000	72800000	728000000	Cumulative surplus of 78,000,000	-	Note (3)
Feb, 1994	10	109000000	1090000000	85176000	851760000	Cumulative surplus: 123,760,000	-	Note (4)
April, 1995	10	109000000	1090000000	95823000	958,230,000	Cumulative surplus: 106,470,000	-	Note (5)
August, 1995	10	109000000	1090000000	105405300	1054053000	Cumulative surplus 95,823,000	-	Note (6)
August, 1996	10	118053936	1180539360	118053936	1180539360	Cumulative surplus 126,486,360	-	Note (7)
March, 1997	15	138053936	1380539360	138053936	1380539360	Seasoned offering equity is 200,000,000	-	Note (8)
August, 1997	10	190000000	1900000000	In 151859329,	1518593290	Cumulative surplus 82,832,360 Capital reserves 55,221,570	-	Note (9)
August, 1998	10	190000000	1900000000	170082448	1700824480	Cumulative surplus 182,231,190	-	Note (10)
Sep, 1999	10	245000000	2450000000	204098938	2040989380	Cumulative surplus: 272,131,900 Capital reserves 68,033,000	-	Note (11)
August, 2000	10	245000000	2450000000	228590811	2285908110	Cumulative surplus 183,689,050 Capital reserve 61,229,680	-	Note (12)
August 2001	10	245000000	2450000000	237734443	2377344430	Cumulative surplus 22,859,080 Capital reserves 68,577,240	-	Note (13)

Year month	Offering price	Checked and ratified capital		Paid-up capital		Note		
		Number of shares	The amount of	Number of shares	The amount of	Sources of Capital	Using property other than cash to offset share proceeds	other
August 2002	10	245000000	2450000000	241300459	2413004590	Cumulative surplus 35,660,160	-	Note (14)
August 2003	10	350000000	3500000000	259397993	2593979930	Cumulative surplus 180,975,340	-	Note (15)
Sep 2003	12.1	350000000	3500000000	259910389	2599103890	Convertible corporate bonds for new shares 5,123,960	-	Note (16)
December 2003	12.1	350000000	3500000000	265397945	2653979450	Convertible corporate bonds for new shares 54,875,560	-	Note (17)
March 2004	12.1	350000000	3500000000	276232527	2762325270	Convertible corporate bonds for new shares 108,345,820	-	Note (18)
June 2004	12.1	350000000	3500000000	280455656	2804556560	Convertible corporate bonds to issue new shares 42,231,290	-	Note (19)
August 2004	12.1	350000000	3500000000	280604416	2806044160	Convertible corporate bonds for new shares 1,487,600	-	Note (20)
August 2004	10	350000000	3500000000	299713068	2997130680	Cumulative surplus 191,086,520	-	Note (20)
September 2004	10.2	350000000	3500000000	314134632	3141346320	Convertible corporate bonds for new shares 144,215,640	-	Note (21)
December 2004	10.2	350000000	3500000000	314448356	3144483560	Convertible corporate bonds for new shares 3,137,240	-	Note (22)
August 2005	10	450000000	4500000000	319165081	3191650810	Capital reserves 477,167,250	-	Note (23)
August 2008	10	450000000	4500000000	322356731	3223567310	Cumulative surplus 31,916,500	-	Note (24)
December 2012	5	450000000	4500000000	342356731	3423567310	Seasoned equity offering (private placement)	-	Note (25)
April 2013	5.2	450000000	4500000000	392356731	3923567310	Seasoned equity offering (private placement)	-	Note (26)
October 2013	-	450000000	4500000000	306801484	3068014840	Capital Reduction	-	Note (27)
October 2013	14.35	450000000	4500000000	336801484	3368014840	Seasoned equity offering (private placement)	-	Note (28)
March 2015	-	450000000	4500000000	325832484	3258324840	Capital reduction of Treasury Stock Retired	-	Note (29)
Sep 2016	-	450000000	4500000000	332349134	3323491340	Cumulative surplus 65,166,500	-	Note (30)
Jan, 2021		450000000	4500000000	279349134	2793491340	Capital Reduction	-	Note (31)

Note (1) on May 05, 1989 Taiwan Finance (1) No. 00988 was approved and approved for public issuance.

Note (2) Approval No. 02035 of Taiwan Finance (1) on July 27, 1991.

Note (3) Taiwan Caizhen (1) No. 01735 was approved on July 22, 1992.

Note (4) Approved by TaiCaiCen (I) No. 49512 on January 14, 1994.

Note (5) Approval No. 54065 of Taiwan Finance (1) on January 11, 1995.

Note (6) Approval No. 38013 of Taiwan Finance (1) on June 28, 1995.

Note (7) Approval No. 40318 of Taiwan Finance (1) on June 28, 1996.

Note (8) Approval No. 75972 of Taiwan Finance (1) on January 8, 1997.

Note (9) Approval No. 52428 of Taiwan Finance (1) on July 02, 1998.

Note (10) Approval No. 58722 of Taiwan Finance (I) dated July 09, 1998.

Note (11) Approved by Taiwan Finance (I) No. 64907 on July 15, 1999.

Note (12) Approved by Taiwan Finance (I) No. 59168 on July 11, 2000.

Note (13) Approval No. 144198 of Taiwan Finance (1) on July 11, 2001.

Note (14) Approval No. 0910138404 of Taiwan Finance (1) on July 11, 2002.

Note (15) Approved by Authorized Commercial No. 09201268430 on 10 September 2003.

Note (16) Approved by Authorized Commercial No. 09201317360 on November 18, 2003.

Note (17) Approved by Authorized Commercial No. 09301010010 on January 19, 2004.

Note (18) Approved by Authorized Commercial No. 09301067680 on 22 April 2004.

Note (19) Approved by Authorized Commercial No. 09301131200 on July 21, 2004.

Note (20) Approved by Authorized Commercial No. 09301182370 on 29 September 2004.

Note (21) Approved by Authorized Commercial No. 09301197080 on 15 October 2004.

Note (22) Approved by Authorized Commercial No. 09401016200 on 28 January 2005.

Note (23) Approved by Authorized Commercial No. 09401181850 on 16 September 2005.

Note (24) Approved by Authorized Commercial No. 09701234400 on 16 September 2008.

Note (25) Approved by Authorized Commercial No. 10201000170 on January 3, 2013.

Note (26) Approved by Authorized Commercial 10201077730 on May 3, 2013.

Note (27) Approved by Authorized Commercial No. 10201231500 on November 13, 2013.
 Note (28) Approved by Authorized Commercial No. 10201231500 on November 13, 2013.
 Note (29) Approved by Authorized Commercial No. 10401066990 on 13 April, 2015.
 Note (30) Approved by Authorized Commercial No. 10501229120 on 29 September 2016.
 Note (31) Approved by Authorized Commercial No. 11001020810 on February 26, 2021.

(2) Types of Shares

Unit: Share

Stock Types	Checked and ratified equity			note
	Listed outstanding shares	Unissued shares	Total (shares)	
Common stock	279,349,134	720,650,866	1,000,000,000	Listed company stock

(3) Information related to the General Declaration System: Not applicable

II. List of Major Shareholders

Hwa Fong Rubber Ind. Co., Ltd. the top 10 highest stock-holding shareholders

April 15, 2025

Major Shareholder Name	shares	Number of shares held	Holding ratio
Sumitomo Rubber Industries Co. Ltd		28,428,574	10.18%
Yu Guo Enterprise Co., Ltd		11,149,268	3.99%
Mediera Corporation.		9,454,628	3.38%
Feng Zuan Co., Ltd		8,884,210	3.18%
Capital Securities Corporation. Trustee of Capital Securities (Hong Kong) Co., Ltd. Client Qun yi Securities Custody Co., Ltd. Investment Account		8,797,113	3.15%
Jian Sin Industrial Co., Ltd.		8,654,000	3.10%
Guo Zhi-Fen		7,694,825	2.75%
Yan Sheng-Feng		5,998,166	2.15%
Yan Da-Jun		5,988,575	2.14%
Chien-Zhan Co., Ltd.		5,885,651	2.11%
Total number of shares:279,349,134		100,935,010	36.13%

III. The Company's dividend policies and implementation

a. Article 21-1 of the Articles of Association of the Company stipulates:

The Company's earnings distribution or loss recovery was conducted in the end of each half of fiscal year. The Company's earnings distribution proposal or loss appropriation proposal of the first half of the fiscal year, shall be submitted with the operation report and financial statements to the audit committee, and reported to the board of directors for approval after audited. Due to the variation of the industrial environment where the Company lies in, the enterprise is in the phase of steady growth, and considered The Company's future fund needs and long-term financial plan, if there are earnings, tax contribution and loss recovery shall be made first, and then appropriated 10% as legal reserve, however, except when legal reserve achieved The Company's paid-in capital; besides, as The Company's operational needs and the regulations, designated special reserve, if there were earnings, consolidated beginning of period undistributed earnings, 20-90% of earnings can be appropriated by the resolution of the board of directors as earnings distribution of the current year. The cash dividends inside shall not be lower than 10% of total number of earnings distribution. When earnings mentioned in the preceding paragraph were distributed as dividends or designated legal reserve or capital reserve, all or a part may be paid in cash, and it shall be conducted after approved by the special resolution of the board of directors, and reported to a shareholders' meeting, when the distribution was made in the form of issuing new shares, shall be reported to a shareholders'

meeting, and conducted after approved. The above dividend policy was approved by the shareholders' meeting on July 22, 2021.

b. Dividend distribution situation was determined by the Board of Directors:

The Company's semi-annual earnings distribution proposal for the 2024 was determined by the Board of Directors as follows:

	<u>2024 2nd half</u>	<u>2024 1st half</u>
Determined date of BOD	3/12/2025	8/12/2024
Statutory surplus reserve	\$ 19,391	\$ 25,544
Cash dividend	\$ 223,479	\$ 195,544
Dividend per share (NTD)	\$ 0.8	\$ 0.7

IV. The impact of the proposed issuance of bonus shares at the shareholders' meeting on The Company's operating performance and earnings per share:

The company has not processed any bonus shares distribution, so it is not applicable.

V. Remuneration of employees, directors and supervisors

1. Percentage or scope of remuneration for employees, directors and supervisors as set out in the Articles of Association:

Article 21 of the Articles of Association stipulates:

The Company shall allocate no less than 2% of the remuneration of its employees and no more than 5% of the remuneration of its directors and supervisors based on the current year's profit situation. However, if the Company still has accumulated loss, it shall make up for it.

Employees may be remunerated in stock or cash, and the recipients of stock or cash may include the employees of the affiliated company who meet certain conditions.

The profit situation of the current year as mentioned in paragraph 1 refers to the pre-tax profit of the current year before deducting the remuneration paid to employees and directors and supervisors.

The remuneration of employees and the allocation of remuneration to directors and supervisors shall be decided by the board of directors with the attendance of more than two-thirds of the directors and the consent of more than half of the directors present and shall be reported to the shareholders' meeting.

2. Rewards approved by the Board of Directors:

(1) Date of board resolution: March 12, 2025

(2) Types and amount of payment

A. Remuneration of NTD\$14,702,000 for employees and NTD\$8,822,000 for directors.

B. There is no difference between the above resolutions and the amount of costs recognized in the year 2024.

3. Distribution of remuneration to employees and remuneration to directors and supervisors in 2023.

A. Remuneration of NTD\$13,647,000 for employees and NTD\$8,188,000 for directors.

B. There is no difference between the above resolutions and the amount of costs recognized in the year 2023.

VI. The Company buys back The Company's shares: No such case.

2. Handling of Corporate Bonds

- (1) Handling of corporate bonds: None.
- (2) Information on conversion of corporate bonds: None.
- (3) Exchange of corporate bonds: None.
- (4) General reporting methods for raising and issuing ordinary corporate bonds: None.
- (5) Corporate bonds with warrants: None.

3. Handling of Special Shares, Overseas Depositary Receipts, Employee Share Option Certificates and the Acquisition or Assignment of New Shares of Other Company: None.

4. The Implementation on Fund Utilization: None.

IV. Operation Overview

1. Business Operation Content

(1) Business scope

1. Business Contents: The main business of our company is the production and sale of various types of bicycle tires, motorcycle tires, bias and radial tires, agricultural and industrial tires, sand tires, bus and truck tires, and other rubber products.
2. The Company's current commodities and services and their proportion

Unit: Thousands Of NTD\$

Product project	Year 2024	
	Operating income	Operating Ratio (%)
Bicycle	953,707	19.30%
The locomotive	2,694,757	54.54%
Agricultural and industrial	1,120,923	22.69%
Truck	44,483	0.90%
Radiation layer tire	49,925	1.01%
other	77,080	1.56%
A combined	4,940,875	100%

(1)The Company's current products and services: the company sells mainly cover tires, accounting for about 99% of its revenue, of which motorcycle tires and bicycle tires are the bulk of its sales, accounting for about 73.84% of its revenue. Radial tire products are sold by proportion of 1.01%. Since 2021, the United States has imposed double anti-dumping measures on tire products, such as passenger car tires, SUV tires, and light truck tires, which has continued to affect the sales of radial tires. The company has attempted to adjust its product mix to maintain its revenue stream despite the declining business proportion. The Company has made use of the overseas OEM mode to produce such products in specifications for the passenger car and sport utility vehicle tires for sale in the US market, of which revenue began to be injected effective 2023. In addition, the Company will strengthen Powersports application products, and further increase profits and brand reputation.

(2) In response to the needs of human progress and social advancement, the company has a diversified and complete range of rubber tire products, including various functional bicycle tires, high-speed motorcycle tires, passenger car tires, and truck tires. Recently, the company has launched various innovative products, such as E-BIKE electric-assisted bicycle tires, foldable bicycle tires, tubeless bicycle tires, motorcycle hot melt tires, beach tires, and small racing tires, to maximize the company's profits.

(3) Main production sites:

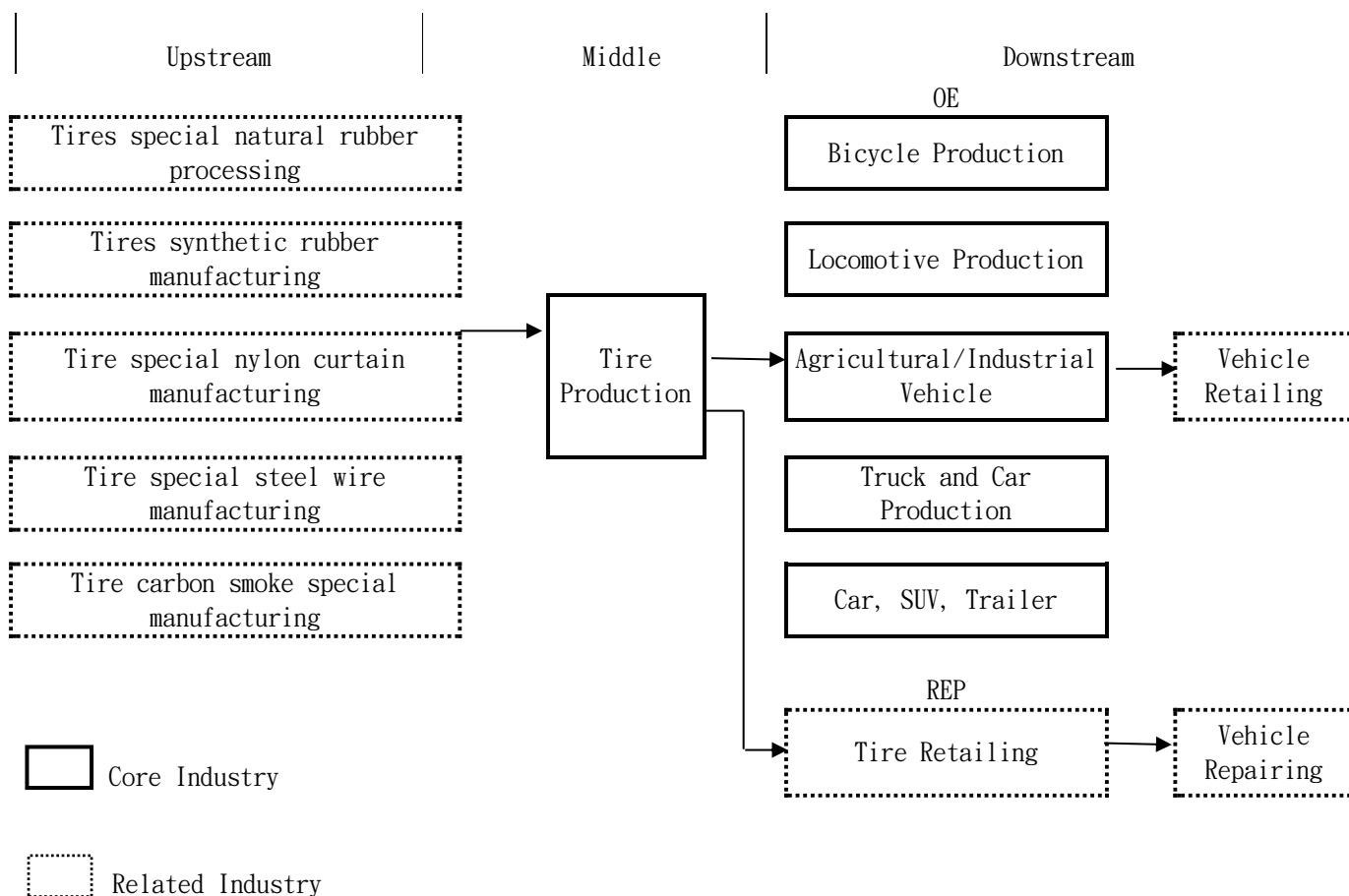
Factory	Set up Date	Products
Taiwan factory	In 1945,	Dacun factory: locomotive tire, radiating layer tire, bicycle tire, agricultural and industrial tire, truck tire. Huatan factory: glue (semi - finished products).
Hwa Fong (Thailand) Factory	In 1987,	Locomotive inner and cover tire, bicycle inner and cover tire, agricultural industry inner and cover tire.
Hwa Fong (China) Factory	In 1993,	Locomotive inner and cover tire, bicycle inner and cover tire, agricultural and industrial cover tire, truck and bus inner tire
Hwa Fong (Suzhou) Factory	In 2003,	Radiated layer tire

(2) Industry overview

1. Industry Overview and Development

In 2024, the sales amount of global tire manufacturers was US\$279.8 billion, representing a total produce of 2.5 billion cover tires for various vehicles and mobility devices. Stability of market demand and supply is restored due to the pandemic. However, the global tire manufacturing cost was still ceaselessly confronted with challenges. In addition to rising cost of partial raw materials, the relevant packaged cost also relatively increased in response to future green energy and carbon reduction, and being one of supply chains of green products. Looking forward to 2025, demands in OE and RE market will be kept stably in the same level or even in slight growth.

2. Connectivity of upstream, middle and downstream industries



3. Product development trends and competition

Rubber tires can be divided into bicycle tires, motorcycle tires, agricultural and industrial vehicle tires, car tires, and radial layer tires. Among them, the world's largest producers of bicycle tires, electric-assisted bicycle tires, folding bikes, and motorcycle tires are China, followed by Asian countries such as India, Japan, Taiwan, and Thailand.

- (1) Since the post-pandemic, the bicycle demands have been reshuffled; the mid-and-low-level commuter-used bicycles with the supposed biggest demands were reduced; in addition, the terminal stock in the market is still in a high level, so that the digestion time is prolonged to as many as 24 months, and the momentum of overall bicycle market further declines. However, since the end of 2024, market recovery has been getting more and more obvious. It is expected that the market will return to the supposed supply level.
- (2) The global motorcycle industry also successively warms up after the pandemic with the overall sales volume gradually returned to the previous level. Above all, the replenishing force in the RE market so obvious as to facilitate a short-term increase of the overall sales volume. However, in response to the green energy development, the global electric

motorcycles still enjoy a growth by 20% or more, accounting for about 10% of the entire motorcycle market.

- (3) The production value of ATV tires (radiated layer) rebounded, benefited from emergence of the car market in the emerging countries such as Vietnam, India, etc. However, from 2020 to 2022, none of the car markets in all countries can escape from the pandemic impact, except that in Taiwan, which bucked the trend. In 2024, the car sales volume in Taiwan was 457,830, accounting for a decline of 4% compared with 476,987 in 2023. Since Taiwan joined the WTO, along with influence of the China-US trade war, the competition of the export-oriented tire market in Taiwan has been even fierce. Furthermore, under the influence of relevant weakness as a result of the US anti-dumping and countervailing duties, the domestic tire manufacturers are required to develop more high value-added products in order to exploit the market space; in terms of prices, the prices of tire-related raw materials kept rising under the pressure of freight cost.

(3) Technology and research and development overview

With the formation of international division of labor in rubber industry, Taiwan's rubber industry has experienced a wave of high value and is transforming into a high value-added industry. Raw material manufacturers should cooperate with downstream rubber manufacturers to develop new products and applications in order to maintain the international competitiveness of Taiwan's rubber industry.

(4) Short, Medium and Long term Development Plan

Short-term plans

- (1) Strengthen operation management and cost control, improve the production efficiency of each plant, so as to achieve the profit target of the Group.
- (2) To ensure that the manufacturing capacity, product development, product quality, delivery service and cost competitiveness can all meet customer needs, so as to reduce customer complaints.
- (3) Improve the technical level of automatic production, strengthen the integration of production processes, improve the working environment, so as to improve the product quality yield rate and reduce the loss of resources.
- (4) Developing products that meet market demand, such as Mud Terrain SUV tires and E-bike tires
- (5) Continuously develop products that meet the fuel efficiency improvement standards.
- (6) Strengthen talent cultivation and reserve to prevent talent fault and maintain enterprise competitiveness.
- (7) Cooperate with international resources and strengthen technology development.
- (8) Reduce the cost of capital acquisition.

Medium - and long-term plan: actively expand production capacity, seek cooperative partners and expand overseas investment to expand the operation territory, increase profits, and establish an international business model of the group.

1. Marketing strategy

- (1) Strategic alliance with foreign well-known brand manufacturers, customer relationship management in the form of customer-made factories, and profit creation by increasing turnover with high growth rate and share.
- (2) maintain brand awareness: tire users have high requirements for tire safety and high dependence on the brand, so maintaining brand awareness and consumer stickiness is the biggest goal of the industry.
- (3) Distribution and construction of marketing channels: The Company plans to combine the relevant industries, service mutual strategic alliance distribution of marketing channels, to enhance new performance.

- (4) E-commerce platform: give full play to the maximum benefits of international e-commerce marketing channels, so as to expand and increase the breadth and depth of export territory and achieve high for the Group.

2. Management strategy

- (1) Establish a transnational operation and management system to establish the basis for the internationalization of the Group's operation.
- (2) Conclude strategic alliances with parties to expand The Company's operating territory and scale.

3. Financial strategy

Cultivate and recruit transnational financial management talents.

4. Production strategy

- (1) Actively recruit talents to strengthen product research and development and design capabilities, with more advanced production technology, design a wider and differentiated rubber products, so that the enterprise can be sustainable operation.

2. Overview of market, production and marketing

(1) Market analysis

1. Sales regions of major products

Unit: Thousands of \$NTD

Year/Region	The year in 2024		The year in 2023	
	The sales amount	Percentage (%)	The sales amount	Percentage (%)
Taiwan	701,842	14.20%	685,005	14.65%
Chinese mainland	109,903	2.22%	91,601	1.96%
The United States	656,218	13.28%	717,911	15.36%
Thailand	930,813	18.84%	778,592	16.66%
Other Regions	2,542,099	51.45%	2,401,191	51.37%
Combined	4,940,875	100.00%	4,674,300	100.00%

2. Market share

The main products of the Company are of five categories: locomotive tires, radiated tire, bicycle tires, agricultural and industrial tires and truck tires. The turnover of the Company ranks 4th in Taiwan market.

3. The future supply and demand of the market and its growth:

- (1) Locomotive tires: Asia Pacific is the world's largest locomotive sales region, accounting for about 42% of the global market, while Africa is the world's smallest sales region. In response to the changes in the post-epidemic era, the Company will shift its main operation to the two-wheel segment, which accounts for the largest demand. In recent years, due to the impact of the boom of the car factory and the increase of the raising utilization rate of the mass transportation system, it is estimated that the domestic demand for locomotives will decrease slightly. In addition, the repair market is also due to the government subsidies for the replacement of old locomotives policy in recent years, resulting in a decline in the demand of after-sale service for tires. Overall, the demand will moderate; On the supply end, due to the large demand for new cars, high requirements for quality and new development technology, there are limited manufacturers capable of supply. In the future, the Company will develop large-size tires to improve revenue growth.
- (2) Agricultural and industrial tyres: due to the small proportion of domestic sales, it is estimated that the supply and demand in the domestic market will be flat. In the exporting aspect, as competitors have spared no effort to tap the same higher price product markets, to create new markets new demand. Compared to foreign competitors, our products are of relatively low cost, will be more easily accepted by the market, on the whole there are room for growth.
- (3) Bicycle tires: in the domestic market supply and demand, due to the rise of environmental protection, lightweight and comfortable consciousness, the use of bicycles and emphasize green electric bicycle contemporary transportation tools, so that the market demand continues to grow, only the low-end market was hurt by the popularity of U-Bike and hurt. In 2025, the focus of The Company's domestic sales will be to strengthen the cooperation with its own brand manufacturers, and strive for electric bikes orders, so as to enhance the future market competitiveness, and the revenue is expected to show a gradual growth. Export aspect, continue to actively cooperate with world famous brand OEM, Give full play to our skilled production technology and attract OEM opportunities from other brands to increase sales.

4. Competitive Niches:

- (1) Deep cultivation of technical quality:

The Company has 78 years of professional experience in tires, has been under the technical guidance of Sumitomo of Japan for 40 years, coupled with business, OEM cooperation, continuous innovation and development of high value added products, the production process from bicycle tires, motorcycle tires, to radiation layer car tires and large MT cross-country tires field.

(2) Solid customer base:

The Company's product design is jointly developed with customers (including Japanese, Taiwan, American and European), the scope of cooperation includes drawing design, in-factory testing, real vehicle testing, etc., so we have established a rich and good relationship with customers.

(3) Product quality is excellent, well received by customers:

For 78 years, the Company has been engaged in the production and sales of rubber and tire products with practical innovation and good faith management. The Company adheres to the Hwa Fong spirit of continuous reform, strengthened execution, pursuit of benefits and steady management. Actively invest in research and development, constantly bring forth the new, develop high-performance products to market; Therefore, for decades, The Company's products of good quality, with its own best-selling brand "Duro", "Quick" in countries in the world, won the praise of customers at home and abroad.

5. Assessment of favorable and unfavorable factors for future development and countermeasures:

(1) Favorable factors:

1)The Company has invested in the purchase of the most modern polymer chemical analysis equipment in China, and cooperated with the institute of industrial research and development to complete the 3D computer design technology, in order to enhance the research and development capacity and product diversification, which is conducive to the development of new products of the Company, and will bring a lot of market expansion opportunities for the future.

2)Cooperate with international famous brands such as WTB, Decathlon, Yamaha, Honda, Kawasaki, Suzuki, SYM, KYMCO and so on to develop new products of high added-value tires, so as to seize market opportunities, replenish product lines and provide revenue.

3)The Company's product range covers all kinds of tires, a wide product line, less susceptible to the impact of a single industry trend.

4) In the era of global inflation, consumers are more careful in choosing tire products, and DURO, a high-quality mid-range brand, is closer to the needs of the market users.

(2) Disadvantageous factors and countermeasures:

1)The operation of rubber products relies heavily on labor. There is basically insufficient labor at the base level and high mobility of personnel. The production capacity is not fully utilized, and the manufacturing cost is relatively unfavorable.

2)The global tire market concentration is not high, the product price is determined by the market, Europe, the United States, Japan's three tire market in the saturation of demand, the target transfer to developing countries and emerging markets, will set off the wave of market redistribution.

3)The tire industry has technical and capital thresholds and benefits from the development trend of "The big ones get bigger".

(3) Countermeasures:

1)To enhance brand awareness and build the image of the Company, and to enhance customer confidence in the brand with quality.

2)With the help of sophisticated high-tech instruments, it is applied to find raw material substitution, process improvement and operating environment improvement, so as to improve product yield and per capita capacity, and effectively reduce production costs.

3)From the beginning of the product development stage, strict quality control is adopted, and strict quality control measures are implemented at each stage of the production process to reduce customer complaints and improve the competitiveness of The Company's products.

4)Low-cost tire imports use low-cost raw materials.

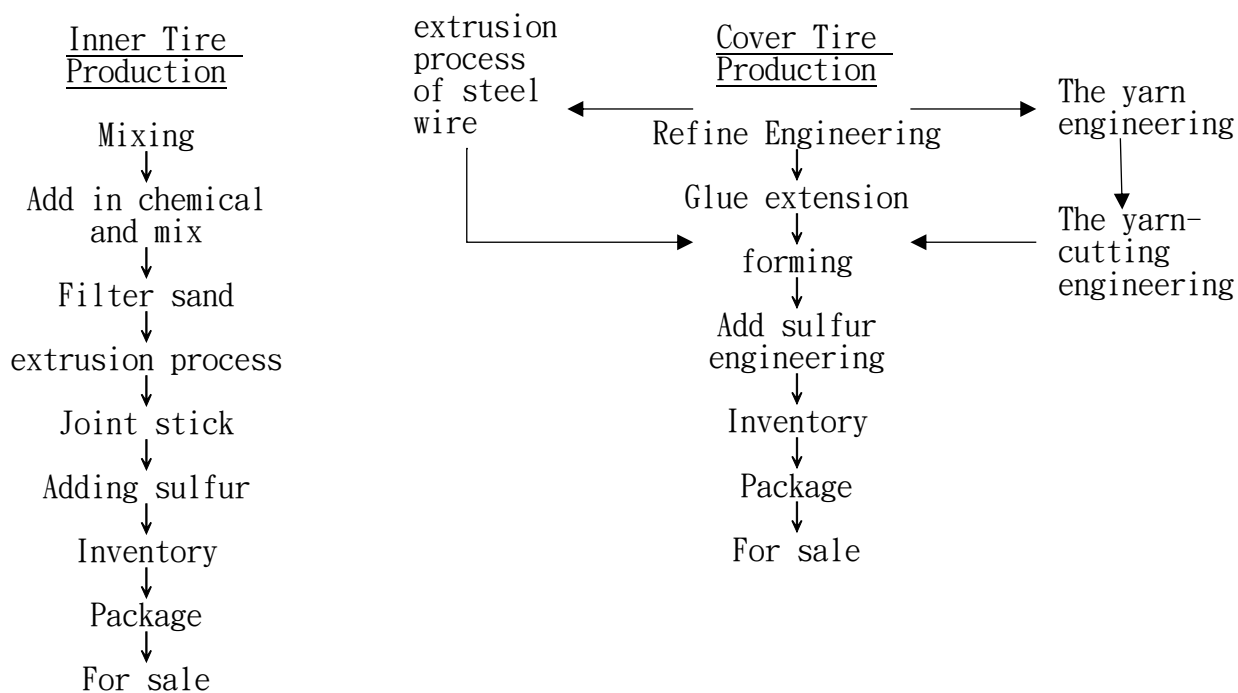
5)Actively seek cooperation and investment partners to expand the scale and operation territory, and improve their own technology to actively carry out research and development, combined with the industry, government and science and technology development policies and experience, to cultivate research and development and management talents.

(2) The important uses and production process of the main products

1. Significant uses of major products

Product category	Usage
Radial layer tire	Cars, SUVs, trailers
Truck tires	Light trucks and large trucks
The locomotive tire	Light locomotives, heavy locomotives, scooters, racing locomotives
Agricultural and industrial tires	Lawn mowers, stackers, trolleys, farm machines, vans, ATV, trailers, golf carts, mini racers
Bicycle tire	Mountaineering bikes, off-road bikes, street bikes, racing bikes, electric bikes

2. Production process of main products



(3) The supply of major raw materials

The main raw materials used for rubber tires include natural rubber, synthetic rubber, nylon curtain yarn, steel wire, soot, etc.

Natural rubber - The main production concentrated in Southeast Asia: Malaysia, Thailand, the Philippines, Indonesia and other places, the rubber production status is not stable for recent two years, so the price fluctuated sharply.

Synthetic rubber - Mainly supplied by TSRC Co., Ltd.; Sources of imports are also in steady supply.

Nylon curtain yarn - Mainly supplied by domestic Formosa Taffeta Co., Ltd. Sources of imports are also in steady supply.

Steel wire - Imported steel wire, stable supply source.

Soot - From the domestic supply of rubber, import sources are also of stable supply.

(4) List of main customers for import and sales:

1. Information of more than 10% suppliers in the last two years: None

The Company's main raw materials of 80% are on natural rubber, synthetic rubber, carbon smoke and nylon cord yarn, without needs for diversified demands. Mastery over market demand is high, for rubber suppliers, Formosa Taffeta, Linyuan Advanced, CSRC are of high profile and reputable manufacturers, the Company and maintain with the Company a good business relationship over the years.

Unit: Thousands of NTD\$

	In 2023				In 2024				Year 2025 up to previous quarter (Note 2)			
Item	The name of the	The amount of	Ratio of annual net purchases [%]	The relationship with the issuer	The name of the	The amount of	Ratio of annual net purchases [%]	The relationship with the issuer	The name of the	The amount of	Ratio of net purchases of current year to previous quarter [%]	The relationship with the issuer
1	There is no	-	-	-	There is no	-	-	-	There is no	-	-	-
	Net purchase	788,591	100		Net purchase	895,086	100		Net purchase	39,338	25	

Note 1: the name of a supplier that more than 10% of the total purchase amount and proportion in the last two years should be listed, but suppliers that cannot disclose its name or the transaction as an individual and not a related person due to contractual agreement, can be codenamed.

Note 2: A company that is listed or whose shares have been traded at the business premises of a securities firm as of the date of the publication of the annual report shall also disclose the financial information that has been audited or reviewed by an accountant in the most recent period.

2. Data of customers whose sale volume accounts for more than 10% in the last two years: None

The Company mainly sells rubber tires, which are sold to Europe, North America, Central and South America, Asia, the Middle East and other parts of the world. Our tires are of good quality and we have maintained friendly relations with our customers for years. Our main customers are HWA Fong Rubber (USA), SUMITOMO, Taiwan Yamaha, KYMCO, SYM and Aeon, etc., all of which are our long-term cooperation customers. Overall, due to the stability of our customers and our good command of market demand, there was no significant abnormality in our sales in the last two years.

Unit: Thousands of NTD\$

	In 2023				In 2024				Year 2025 up to previous quarter (Note 2)			
Item	The name of the	The amount of	Ratio of annual net sales [%]	The relationship with the issuer	The name of the	The amount of	Ratio of annual net sales [%]	The relationship with the issuer	The name of the	The amount of	Ratio of net sales of current year to previous quarter [%]	The relationship with the issuer
1	There is no	-	-	-	There is no	-	-	-	There is no	-	-	-
	Net sales	4,674,300	100		Net sales	4,940,875	100		Net sales	1,220,045	100	

Note 1: customer names and sales amount and proportion that more than 10% of total sales in the last two years should be listed, but can be codenamed if the customer name or transaction object is an individual and is not a related person or not to be disclosed due to contractual agreement.

Note 2: a company that is listed or whose shares have been traded at the business premises of a securities firm as of the date of the publication of the annual report shall also disclose the financial information that has been audited or reviewed by an accountant in the most recent period.

3.Data of employees in the most recent two years and as of the publication date of the annual report

April 30th, 2025

The annual		The year 2023	The year 2024	As of publication date
The number Of employees	staff	474	522	519
	Indirect labor	115	149	137
	Direct labor	1,547	1,719	1,742
	Commibined	2,136	2,390	2,398
The average age		42.80	36.15	40.20
Average years of service		11.54	7.48	7.80
Record of formal schooling ratio	Doctorate	0.05%	0.04%	0.04%
	Master	0.80%	0.71%	0.71%
	College and University	14.04%	18.28%	17.18
	High School	36.84%	44.39%	45.66%
	Other	48.27%	36.57%	36.41%

4. Environmental expenditure information

- (1) The environmental protection work of the Company is subordinate to the administration department, and a dedicated person is responsible for this business.
The Company's environmental protection personnel include air pollution prevention and control personnel, wastewater treatment personnel and waste disposal technical personnel according to the regulations.
- (2) The license of operation permit for sources of pollution:
No. N2567-01, No. N1075-11, No. N1528-08, No. N1527-07, No. N1628-09 issued by the government.
Waste water discharge permit: No. 04757-01, No. 06078-00.
- (3) Losses caused by environmental pollution in the most recent two years and up to the publication date of the annual report: None
- (4) Compensation for environmental pollution in the most recent two years and up to the publication date of the annual report: None
- (5) Future countermeasures and possible expenditures: None

5. Labor relations

- (1) The Company's employee welfare measures, retirement system and its implementation, and the situation of the agreement between labor and labor:

a. Employee welfare measures:

The Company has a staff and workers' welfare committee, which has been registered and approved by Changhua county government Zhangfu Min She Zi (彰府民社字) No.65 60.4.13. Since the establishment of the committee, its business has been carried out in accordance with the provisions of the articles of association, and its outstanding performance has been rewarded with a certificate of award (no. 302538) issued by the minister of the Ministry of Interior in Taiwan in 1985. In 1996, it was awarded as an institution with excellent working conditions by the Council of Labor, Executive Yuan. In 1996, it was awarded the Golden Exhibition Award by the Council of Labor, Executive Yuan. The benefits are summarized as follows:

- | | |
|------------------------------------|---|
| (1) Year-end bonus. | (2) Scholarship for employees and their children. |
| (3) Free distribution of uniforms. | (4) Funeral subsidies and mutual aid. |
| (5) Festival condolence. | (6) Organize birthday parties every month. |
| (7) Staff health inspection. | (8) Group insurance. |

b. Retirement system:

The Company has set up its retirement provision since the implementation of the Labor law and in accordance with the paragraph 3 of article 56 set up labor pension reserve fund supervision committee, monthly salary is 2% of total reserves. Starting from October 1993, retirement contribution was changed to 4%, and was approved by the Changhua county government Chang Fu Lao Dong zi no. 176561 and in August no.026748. Since February 1999, the pension contributions became 6%, and on January 12, 2001, approved by Chang Fu Lao Dong zi no.014088 by the government , since then contributions ratio became 8%,Approved by Chang Fu Lao Dong zi No. 1080063192 on February 26, 2019, the pension rate has been revised to 2%. The retirement system is as follows:

(1) Voluntary Retirement:

- ①Those who have worked for more than 15 years and are over 55 years old.
- ②Have worked for more than 25 years.
- ③Those who have worked for more than 10 years and reach the age of 60.

(2) Compulsory retirement:

- ①65 or above (except for those who have been asked to stay by the Company).
- ②Incapacitated or physically disabled to work.

The above pensions are paid in accordance with the Factory Act and the Labour Standards Act.

The Labor pensions ordinance, which came into force on 1 July 1994, is a definitional contribution system. Employees can choose to continue to apply to the relevant pension provisions of the Labor standards act, or to apply to the pension system of the ordinance and retain the years of service before the ordinance. In accordance with the provisions of this ordinance, the monthly contribution rate of the Company to the labor pension shall not be less than 6 percent of the worker's monthly salary.

c. Labor Relations:

The Company has a number of foreign workers administrator, responsible for care of the lives of migrant workers, and through it the bridge on both sides, at ordinary times attaches great importance to the communication with the staff of the Company. In addition to through normal administrative channels, employees can use proposal improvement for providing suggestion, methods such as provide reference for policy makers, communication channel open, so the Company enjoys a very harmonious labor relations.

d. Measures to protect the working environment and the personal safety of employees:

The Company in accordance with the provisions of the labor safety and health law and relevant method to set up the labor safety and health management or business director, labor safety and health related issues, through regular maintenance and overhaul to ensure the equipment safety in order to ensure the safety of the employees, to improve safety and health management efficiency and the Company in line with international standards of ISO

- 45001 occupational health and safety management system, with systematic management and continuous improvement the Company is able to create a high quality safety and health environment, in order to prevent industrial accidents.

- (2) For the most recent two years and up to the date of the annual report, the losses suffered by the Company due to labor disputes, and the estimated amount and countermeasures that may occur now and in the future disclosed by the Company: None.

6. Cyber Security Management

(1) Information Security Policy and Management Project

1. Information Security Policy

In order to effectively carry out various information management systems, and ensure confidentiality, integrity, and availability of information assets, the Company establishes the information security policy, including the following four aspects:

- a. System regulation: In accordance with information security needs, the Company enacts and implements the “Information Management Procedure”, designed for regulating security management behaviors of all employees against information assets when they execute their business. The said procedure will cover all kinds of information security operating guidelines, and will be adjusted and optimized in due course subject to internal environment changes, risk assessment results, and external regulatory requirements for the purpose of ensuring effectiveness and adaptability of information security management.
- b. Risk assessment: In order to identify information security risks that the Company will face, we establish corresponding response strategies in accordance with possibility and extent of impact, and conduct, on a regular basis, information risk assessment each year.
- c. Educational training of information awareness: The Company endeavors to enhance information security awareness of all employees with a view to reducing potential risks, brought by human factors on information security; we carry out regular educational training on information security, content of which covers key topics such as prevention of social engineering, identification of fraud, password management principles, etc. for the purpose of increasing employee’s sensitivity of information security threats, and prevention ability.
- d. Buildup of information security protection system: In order to effectively cope with each information security threat and attack, the Company has built up, and continued to strengthen multi-level information security protection systems, covering network protection, data protection, application security, terminal defense, and other levels.

2. Information Security Risk Management Framework

- a. The main sector in charge of the Company's information security is the information section, in which there are the chief information officer and the professional information personnel, responsible for establishing internal information security policies, planning & executing matters related to information security, and promoting & implementing information security policies.
- b. The Company receives regular internal and external audits every year; if any deficiency is found during the process of audit, we will immediately set up the improvement plan, conduct tracking to ensure that the problems have been improved with effect, and further reduce internal information security risks.

3. Concrete management methods and input resources

Item	Concrete Management Method
Access Control	The principle of least privilege is imposed on each information system to ensure employees can only visit information and systems, as required by their work.
Firewall Protection	Adopt the next-generation firewall, accompanied with anti-virus, web filtering, IPS, spam filtering, SSL inspection, DNS filtering, and other functions to reinforce the company's network security.
Anti-virus Mechanism	Each personal computer is equipped with anti-virus software with setup of automatic update virus definition files in order to ensure instant prevention of latest malware, and reduce risks of systems to be infected by virus.
Email Security Management	In addition to spam filtering by firewall, the Company's email server is endowed with anti-virus and sandbox to filter suspicious emails with multi-layer protection.
Wireless Network Management	Based on type of users, wireless network can be classified into two domains of internal employees and external visitors. Wireless network only for visitors just provides basic net surfing functions with the isolation mechanism, so the internal systems or equipment of the company cannot be accessed for ensuring business information security.
Remote Connection Access	Build the encrypted SSL VPN mechanism to provide employees who need to go out on business trip or telecommute with safe connection channels, and enable them to safely access the company's internal specific systems and resources in off-sites for the sake of confidentiality and integrity of information during transmission.
System Backup Mechanism	Conduct daily and monthly complete backup, and regular difference backup strategy in terms of critical information systems and database in order to ensure information traceability and quick restoration ability when disasters occur, and strengthen ongoing protection of operation.

Disaster Recovery Report	In terms of regular backup of material systems, implement one system restoration drill each year in order to verify effectiveness of the backup mechanism; summarize concrete implementation results once completion of drills, and submit effect reports for review and continuous improvement.
Terminal Protection Software	Computers are installed with terminal protection software; monitoring, and restriction of behaviors are carried out to ensure equipment safety.
Information Security Publicity and Training	Conduct, on an irregular basis, topic publicity of information security, strengthen employees' basic information security protection ideas and awareness, and foster their correct information use behaviors and risk identification capability.

4. Reporting Procedure of Information Security Incident



(2) Specify the loss the company suffers from the significant cyber security incidents, the possible impact and the response measures in the recent year and as of the date of publication of the annual report: None.

7. Important Contracts

Nature of the contract	The parties concerned	Date of commencement and termination of contract	The main content	restrictions
Joint Credit Agreement	Taiwan Land Bank and other 9 banks	2023.12 ~ 2028.12 (5-year period)	NTD \$ 2.0 billion	No

V. Analysis of Financial Status, Financial Performance and Risk Management

1. Comparative Analysis of Financial Status

Unit: NT \$thousands

Items \ Year	2023	2024	differences	
			Amount	%
Current assets	4,367,859	4,771,415	403,556	9.24%
Real estate, plant and equipment	2,708,959	2,827,352	118,393	4.37%
Intangible assets	1,631	1,475	(156)	(9.56%)
Other assets	864,797	664,777	(200,020)	(23.13%)
The total assets of	7,943,246	8,265,019	321,773	4.05%
Current liabilities	1,577,893	1,632,255	54,362	3.45%
Non-current liabilities	1,334,414	1,380,934	46,520	3.49%
The total amount of liabilities	2,912,307	3,013,189	100,882	3.46%
Equity that is attributable to the owner of the parent company	3,449,531	3,492,180	42,649	1.24%
equity	2,793,492	2,793,492	0	0.00%
Capital reserves	37,174	37,174	0	0.00%
Retained earnings	589,073	619,397	30,324	5.15%
Other equity	29,792	42,117	12,325	41.37%
Storage stock	-	-	-	-
Uncontrolled equity	1,581,408	1,759,650	178,242	11.27%
Total equity	5,030,939	5,251,830	220,891	4.39%
This is to explain the main reasons for the increase or decrease of 20% in all subjects as follows: 1. Other assets: mainly because of stock price fall of privately-placed Jian Sin Industrial Co., Ltd. 2. Other equity: Mainly because of the US\$ exchange rate rise, leading to exchange gains.				

2. The Comparative Analysis of Financial Performance

Unit: NTD \$thousands of

Items \ Year	2023	2024	differences	
Operating income	4,674,300	4,940,875	266,575	6%
Operating margin	1,025,817	1,161,811	135,994	13%
Operating profit and loss	455,121	681,959	226,838	50%
Non-operating income (expenses)	328,532	64,592	(263,940)	(80%)
Pre-tax net profit	783,653	746,551	(37,102)	(5%)
Net profit of continuing business units for the current period	531,253	616,177	84,924	16%
Loss of the closed business unit	-	-	-	-
Current net profit (loss)	531,253	616,177	84,924	16%
The net profit that belongs to the owner of the parent company	422,342	449,980	27,638	7%
Net profit that is attributable to non-controlled Equity	108,911	166,197	57,286	53%
This is to explain the main reasons for the increase or decrease of 20% in all subjects as follows: 1. Operating profit and loss: Mainly because our revenue was better than that in 2023, along with proper control of operating expenses. 2. Non-operating income and pre-tax net profit: Mainly because of disposal of land of the Suzhou factory in 2023. 3. Net profit that is attributable to non-controlled equity: Mainly because the net profit of the Thailand factory was higher than that in the last year.				

3. Review and analysis of cash flow

(1) Liquidity analysis for the last two years

Item \ Year	2023	2024	Difference%
Cash flow ratio (%)	33.64	30.77	(8.53%)
Flow fair ratio (%)	121.84	106.97	(12.20%)
Cash reinvestment ratio (%)	1.86	(0.83)	(144.62%)
The main reasons for the increase or decrease of the changes in each subject are as follows: 1. Cash reinvestment ratio: Mainly because the operating income was higher than that in the last year, and hence the amount of distributed cash dividend was higher than that in the last year.			

(2) Analysis of cash flow in the coming year

Unit: thousand NTD

Beginning cash balance (1)	Expected net cash flow from operating activities for the full year (2)	Expected cash outflow for the full year (3)	Estimated cash remaining (insufficient) amount (1)+(2)-(3)	Remedies for insufficient cash	
				Investment plan	financial plan
2,665,645	712,096	558,095	2,819,646	—	—
1. Estimated changes in cash flow in the next year: Operating activities: Mainly estimated that the Company's revenue will increase and its profit will be stable. Investment activities: The Company's machinery and equipment are replaced with new ones and the production capacity is expanded. Financing activities: Mainly for issuing cash dividends and repaying bank borrowings. 2. Remedial measures and liquidity analysis for projected cash shortfalls: Not applicable.					

4. Impact on financial operations due to major capital expenditures : None.

5. The investment transfer policy of the latest year, the main reasons for the profit or loss, the improvement plan and the investment plan for the next year.

(1) Latest year's investment policy:

The Company follows the “Guidelines for Governing the Acquisition and Disposal of Assets by Publicly Issued Companies” established by the competent authority, which sets out the “Regulations Governing the Acquisition and Disposal of Assets” as the basis for the Company to engage in investment or significant capital outlays, in order to grasp the relevant business and financial conditions.

(2) Main reasons for profit or loss in the latest year's investment and improvement plan:

The Company's income from investment, accounted for using the equity method in 2024, was NT\$178,607 thousand.

(3) Investment plan for the next year:

The Company will carefully evaluate investment plans from a long-term strategic perspective to respond to future market demand and strengthen the Company's competitiveness.

6. Risk Management and Assessment for the most recent year and up to the publication date of the Annual Report

(1) Impact of interest rate, exchange rate fluctuation and inflation on profit and loss of the Company and countermeasures in the future:

1. Interest rates:

The Company engages in short-term and long-term borrowings, which are of floating-rate liabilities. Therefore, changes in market interest rates will cause changes in the effective interest rates of short-term and long-term borrowings, which will cause fluctuations in its future cash flows. The Company evaluates that the operating environment in which the interest rate is stable in recent years should not lead to significant risk of interest rate. If interest rates increase or decrease by 0.125% basis points, with all other variables being held equal, net profit before tax for the years 2024 and 2023 will decrease or increase by \$1,763 thousand and \$1,926 thousand respectively.

2. The exchange rate:

The Company conducts transactions denominated in foreign currencies, mainly in US dollars and Euros. The Company's exchange rate risks mainly arise from cash and approximately cash, accounts receivable and other receivables, borrowings, accounts payable and other payables denominated in the functional currencies of the Group, resulting in foreign currency conversion gains and losses when converted. On December 31, 2024 and December 31, 2023, net profit before tax will increase or decrease by \$6,295 and \$5,495,

respectively, if the New Taiwan dollar depreciates or appreciates by 1% against the United States dollar and the euro, given all other factors being held equal.

3. Inflation:

As we observed the recent global economic situation, the US Government passed the Tax Cuts Act, and adopted the infrastructure expansion measures, etc., followed by the central bank's policy to start interest cut. Due to the foregoing factors, it is expected that economy of the US and European countries will gradually grow; in spite of doubts, inflation is still controllable, along with adjustment of the interest policy. In terms of the main raw materials of the rubber tire industry such as raw rubber and synthetic rubber, their prices slightly fluctuate under the influence of short-term stock adjustment. However, affected by the supply volume and the global economic situation, the prices can will fluctuate within a certain degree in the future. The Company will anytime have a grasp of low raw materials sources and purchasing timing, continue to develop new products and niche products, and keep improving efficiency and cost.

- (2) Policies for engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement guarantees, and derivative commodity trading, the main causes of profits or losses, and future countermeasures. In order to manage financial risks, the Company has developed internal management methods and operating procedures, including "Endorsement Guarantee Operating Procedures", "Capital Lending and Operating Procedures of Others", "acquisition or disposal of assets processing procedures", the Company is prohibited to engage in high-risk and highly leveraged investment, The fund lending and endorsement guaranty is limited to the subsidiaries. Derivative trading is primarily a hedging activity to avoid fluctuations in the exchange rate of net assets denominated in foreign currencies. In addition to complying with the provisions of laws and regulations, the future measures should be taken in accordance with the assessment and selection of good financial products by the designated units.
- (3) Future R&D plans and estimated R&D costs: details of future major R&D plans are shown on page 4.
It is estimated that it will invest 19,114 thousand in research and development in 2025. It is responsible that its research and development units will carry out all the plans according to the schedule under sufficient funds and human resources for research and development.
- (4) Impact of major policy and legal changes at home and abroad on the financial business of the Company and corresponding measures: None.
- (5) Impact of technological change on financial business of the Company and corresponding measures: Not applicable.
- (6) Impact of corporate image change on corporate crisis management and countermeasures: The Company adheres to the business principles of professionalism and integrity, fulfils social responsibilities, attaches great importance to corporate image and risk control, and there are no foreseeable crises at present.
- (7) Expected benefits, possible risks and countermeasures of the acquisition: None.
- (8) Expected benefits and possible risks of plant expansion: Increase turnover and increase operating profit.
- (9) Risks with concentrated purchasing or selling and corresponding measures:
The production of tire main raw materials 80% concentrated in natural rubber, synthetic rubber, carbon smoke and curtain yarn, without diversified sources of purchase, good command over market demand, its suppliers such as Formosa Taffeta Co., Ltd., TSRC, Linyuan Advanced, which are highly well known, of good reputation of the big

manufacturers the Company over the years to maintain a good supply relationship with, so there is no risk.

Besides, recently the US government launches economic and trade policies such as tariffs, etc., so high uncertainty exists under the influence of price and cost risks in part of import and export regions.

Notwithstanding the Company owns a big clientele, and our delivery warehouse in the US subsidiary will assist in sales in the North American region, so it is not obvious that we involve concentrated trading with single customer or single selling region. Accordingly, and no risk of abnormal concentration of selling customers exists. As such, it is still controllable.

(10) The impact, risk and countermeasures on the Company caused by the mass transfer or replacement of equity rights of directors, supervisors or shareholders holding more than ten percent of the shares: None.

(11) Impact, risks and countermeasures of the change of management right on the Company: None.

(12) litigation and non-litigation

1. Lawsuits, non-litigation or administrative disputes that have been decided or are currently pending in the Company during the most recent two years and as at the date of the Annual Report and whose outcome is likely to have a material effect on shareholders' equity or securities prices: No Lawsuits, non-litigation or administrative disputes that have significant impact.
2. Directors, supervisors, general managers, substantive responsible persons, major shareholders holding more than 10% of the shares, in the last two years and as of the date of the publication of the annual report, the occurrence of the circumstances stipulated in Article 157 of the Securities and Exchange Law and the current situation of the Company: None.

(13) Other major risks and countermeasures: None.

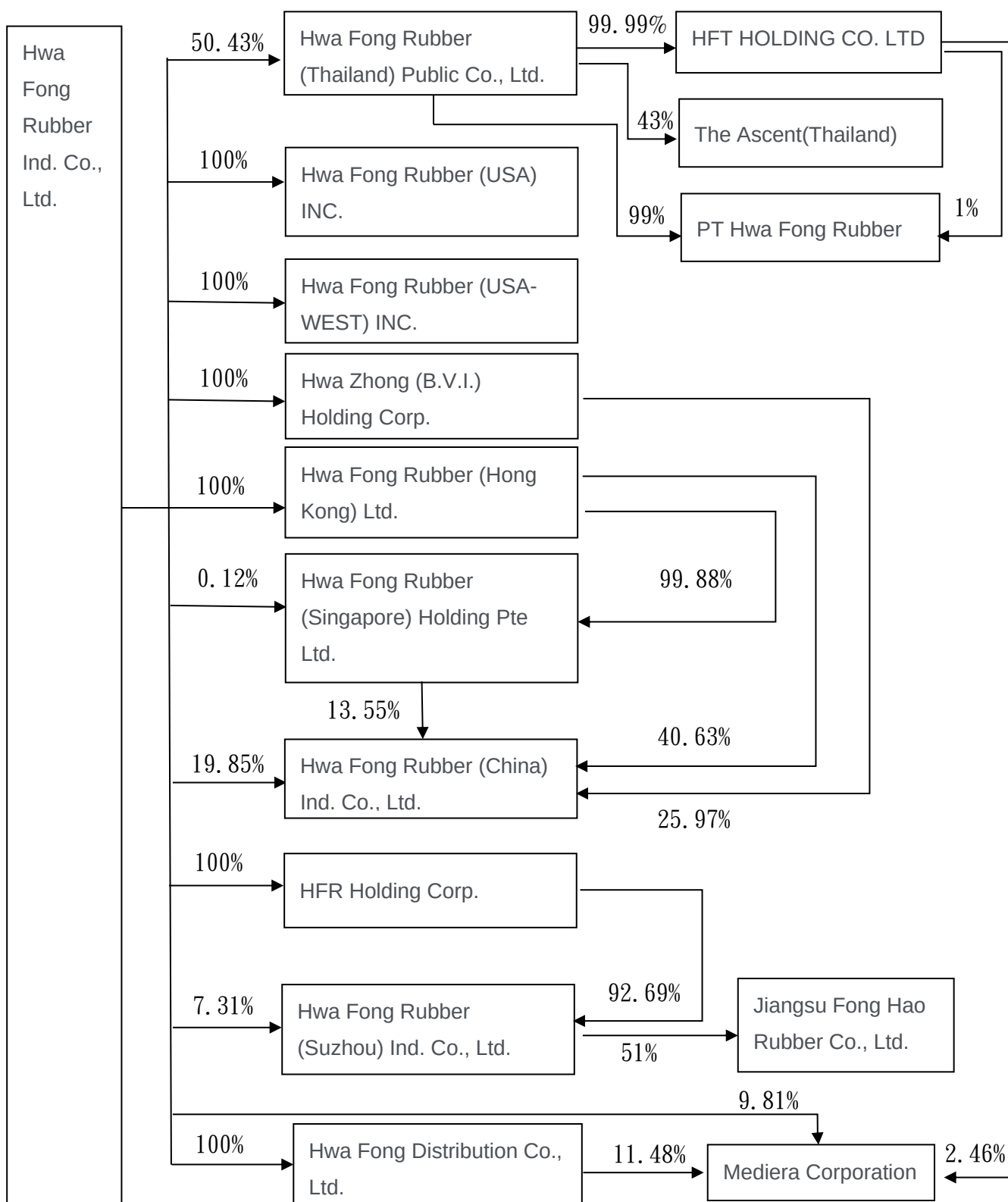
7. Other Important Matters: None.

VI. Special Records

1. Information of Related Enterprises

(1) Business report of combined affiliated enterprises

a. Enterprise organization chart



b. Basic information of related enterprises

December 31, 2024

Company name	The set up time	address	Paid-up capital	Main business or Production project
Hwa Fong Rubber (Thailand) Public Co., Ltd.	1991.02.19	317 SOI 6C MOO4 BANGPOO ESTATE SAMUTPRAKARN 10280 THAILAND	THB 658,434,300	Rubber products processing and trading
Hwa Fong Rubber (USA) INC.	1992.02.25	14290 LOCH RIDGE BLVD, COVINGTON, GEORGIA 30014 U.S.A	USD 12,500,000	The sale and sale of all kinds of tire products
Hwa Fong Rubber (Hong Kong) Ltd.	1992.04.18	UNIT 1805-6 18/F GREENFIELD TOWER CONCORDIA PLALA 1 SCIENCE MUSEUM RD TST KL	USD 7,030,000	Trade, manufacturing and investment
Hwa Fong Rubber (Singapore) Holding Pte Ltd.	1996.12.18	190 MIDDLE ROAD #17-05 FORTUNE CENTRE SINGAPORE 188979	SGD 9,722,230	Investment, trade, manufacturing, sales and management planning, technology and other services
Hwa Fong Rubber (China) Co., Ltd.	1993.04.28	1 Xingye Road, Yanjiang Industrial Zone, Changshu Economic Development Zone, Jiangsu Province, China	USD 53,900,000	Manufacturing, processing and trading of all kinds of tire products
Hwa Fong Rubber (Suzhou) Co., Ltd	2003.04.07	1 Xingye Road, Yanjiang Industrial Zone, Changshu Economic Development Zone, Jiangsu Province, China	USD 72,460,000	Production of various radial tires, sales of their products
HFR Holding Corp.	1998.10.13	OMC CHAMBERS,P.O. BOX3152, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	USD 70,000,000	Investment, trade, manufacturing, sales and management planning, technology and other services
Hwa Zhong (B.V.I.) Holding Corp.	2004.04.08	OMC CHAMBERS,P.O. BOX3152, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	USD 14,000,000	Investment, trade, manufacturing, sales and management planning, technology and other services
Hwa Fong Distribution Co., Ltd.	2009.08.10	No. 300, Section 2, Zhongshan Road, Dacun Village, Changhua County	NTD 269,191,410	Wholesale and retail trade, international trade, real estate sales leasing, Class B drugs medicine, no store retail trade, investment, management, landscape, interior design industry, biological technology services, market research and public opinion survey, valuation or auction of monetary claims of financial institutions, repair of electrical appliances and electronic products
HWA FONG Rubber (USA-WEST) INC.	2020.02.20	15348 VALLEY BLVD. CITY OF INDUSTRY, CA 91746	USD 1,000,000	The sale of all kinds of tire products
Jiangsu Fong Hao Rubber Co., Ltd.	2024.07.08	No. 1-36, East Gate, Xuyu Community, Qixiong Street, Shuyang County, Suqian City, Jiangsu Province	RMB 30,000,000	Trading of various tire products and rubber products

c. The same shareholder information of persons presumed to have control and affiliation: No presumed control and affiliation.

d. Industries covered by the business of the overall relationship enterprise:

- (1) Rubber, plastic products manufacturing and processing and domestic and foreign sales.
- (2) Import and export business related to the above items.
- (3) Investment, trade, manufacturing, sales and management, planning, technology and other services.
- (4) Operation of the related business mentioned above.

d-1.The division of labor between the affiliated enterprises, if the businesses are related to each other:

- (1) Hwa Fong Rubber Industries Co., Ltd. manufactures finished tires and sells to Hwa Fong Rubber (USA) Inc.
- (2) Hwa Fong Rubber (China) Co., Ltd. products are sold to Hwa Fong rubber (USA) Inc. through Hwa Fong Rubber (Hong Kong) Ltd.
- (3) Hwa Fong Rubber (Thailand) Public Co., Ltd. manufactures finished tires and sells to Hwa Fong Rubber (USA) Inc.
- (4) Hwa Fong Rubber (Suzhou) Co., Ltd. manufactures finished tires and sells to Hwa Fong Rubber (USA) Inc. through Hwa Fong Rubber (Hong Kong) Ltd.

e. Information of directors, supervisors and general managers of related enterprises

December 31, 2024

An enterprise name	Title (Note 1)	Name or Representative	Holding shares (Note 2.3)	
			equity	stake
Hwa Fong Rubber (Thailand) Public Co., Ltd.	Director	Shen Kuo-Jung, Chiu Shih-Chien, Wu Pin-Yi, Yan Ming-Shan, Yan Ruei-Sian, Yan Zhi-Zhe, Zhuang Jing-Yao, Lin, Wen-Cheng, Lin Cheng-Yung, Hsiao Chin-Long, Wen Syuan, Mr.Monsiam Sinworapun	332,000,000	50.42%
	President	Shen Kuo-Jung		
Hwa Fong Rubber (USA) Inc.	Director	Shen Kuo-Jung Chiu Shih-Chien Yan Ming-Shan Wu Pin-Yi	500	100%
	President	Lin Wen-Cheng Shen Kuo-Jung		
Hwa Fong Rubber (Hong Kong) Ltd.	Director	Wu Pin-Yi Lin Wen-Cheng Lee Yuan-Chi	1,000,000	100%
Hwa Fong Rubber (Singapore) Holding Pte Ltd.	Director	Shen Kuo-Jung Lee Yuan-Chi Wu Pin-Yi	9,722,230	100%
Hwa Fong Rubber (China) Co., Ltd.	Chairman/General Manager	Lee Qi-Ping	— — — —	100%
	Director	Jiang Yan-Yang		
	Director	Wu Pin-Yi		
	The Supervisors	Xiao Jin-Long		
Hwa Fong Rubber (Suzhou) Co., Ltd.	Chairman/General Manager	Lee Qi-Ping	— — — —	100%
	Director	Jiang Yan-Yang		
	Director	Wu Pin-Yi		
	The Supervisors	Xiao Jin-Long		
HFR Holding Corp.	Director	Shen Kuo-Jung Lee Yuan-Chi Wu Pin-Yi	35,000	100%
Hwa Zhong (B.V.I.) Holding Corp.	Director	Shen Kuo-Jung Lee Yuan-Chi Wu Pin-Yi	32,000	100%
Hwa Fong Distribution Co., Ltd.	Chairman	Shen Kuo-Jung	26,919,141	100%
	Director	Chiu Shih-Chien		
	Director	Wu Pin-Yi		
	The Supervisors	Lee Yuan-Chi		
Hwa Fong Rubber (USA-WEST) INC.	Director	Shen Kuo-Jung	1,000,000	100%
	President	Shen Kuo-Jung		
Jiangsu Fong Hao Rubber Co., Ltd.	Chairman	Lee Qi-Ping	1,530,000	51%
	Director	Jiang Yan-Yang		
	Director	Chen Gang		
	General Manager	Chen Gang		

Note 1: If the affiliated enterprise is a foreign company, the corresponding positions are listed.

Note 2: If the invested company is a joint stock limited company, fill in the shareholding ratio, if not then the amount of capital contribution and the proportion of capital contribution shall be filled in and indicated.

Note 3: if the director or supervisor is a legal person, the relevant information of the representative disclosed shall be added.

f. Operation Overview of the Affiliated Enterprises

Unit: NT \$thousands of

An enterprise name	Capital	Total cost of the asset	The total amount of liabilities	Net worth	Operating income	Business operation interests	Current profit and loss (after tax)	Earnings per share (after tax)	The current profits and losses note
Hwa Fong Rubber (Thailand) Public Co., Ltd.	618,471	4,181,476	763,760	3,417,716	2,710,500	331,748	334,587	0.54	The denomination is 1 baht per share
Hwa Fong Rubber (USA) IC.	5,160	1,056,274	84,382	971,893	634,266	949	17,221	-	-
Hwa Fong Rubber (Hong Kong) Ltd.	224,519	74,911	739,088	-664,177	803	4,925	-2,197	-	-
Hwa Fong Rubber (Singapore) Holding Pte Ltd.	203,771	-	0	-106,691	-	-	0	-	-
Hwa Fong Rubber (China) Co., Ltd	1,621,790	10,855	798,426	-787,571	56,322	3,881	-11,302	-	-
Hwa Fong Rubber (Suzhou) Co., Ltd	2,221,624	756,676	215,278	541,398	37,114	-17,841	-14,276	-	-
HFR Holding Corp.	2,239,289	787,481	0	787,481	-	0	6,047	-	-
Hwa Zhong (B.V.I.) Holding Corp.	434,837	-	0	-204,532	-	-	0	-	-
Hwa Fong Distribution Co., Ltd.	269,191	205,756	9,537	196,220	-	7,470	14,156	-	-
Hwa Fong Rubber (USA-WEST) INC.	30,150	26,770	0	26,770	0	-445	-2,576	-	-
Jiangsu Fong Hao Rubber Co., Ltd.	133,559	140,382	6,429	133,953	18,850	-57	392	-	-

Note 1: The assets and liabilities account are based on the year-end exchange rate (USD/TWD 32.735; RMB/TWD 4.453; THB /TWD 0.9423)
The profit and loss accounts are based on the average exchange rate (USD/TWD 32.0555; RMB/TWD 4.4295; THB /TWD 0.8962)

Note 2: Capital is calculated at the exchange rate at the time of investment.

(2) Consolidated Financial Statements of Affiliated Enterprises: Please refer to this annual report for details.

(3) Relationship report: None.

- 2. Private placement of securities for the most recent year and as of the publication date of the annual report:** None.
- 3. Other necessary supplementary information:** None.
- 4. For the most recent year and as of the date of publication of the annual report, if the occurrence of section 36, paragraph 3 & paragraph 2 of the Securities and Exchange Act Matters determined to have a major impact on shareholders' equity or securities prices:** None.



Hwa Fong Rubber Industry Co. Ltd

Chairman Shen Kuo-Jung





HWA FONG RUBBER



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