

Keding Enterprises Co., Ltd.

Statement of Internal Control System

Date: March 11, 2025

The Company states the following for its 2024 internal control system based on the results of self-evaluation:

- I The Company is fully aware that the establishment, implementation, and maintenance of its internal control system is the responsibility of the Board of Directors and managers, and the Company has established such an internal control system in this regard. The purpose of such an internal control system is to provide reasonable assurance that the following three objectives will be met: 1) effectiveness and efficiency of operations (including profitability, performance, and asset security safeguards); 2) reliability, timeliness, transparency, and compliance of reporting; and 3) compliance with regulations, laws, and by-laws.
- II An internal control system has inherent constraints; however perfectly designed, an effective internal control system can only provide reasonable assurance that the three objectives stated above will be met. Furthermore, the effectiveness of an internal control system might be impacted by changes to the environment or circumstances. Nevertheless, the Company's internal control system does incorporate a self-supervision mechanism that will enable the Company to take swift action to rectify a deficiency as soon as it is identified.
- III The Company judges the effectiveness of the design and implementation of its internal control system by the judgment criteria set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The judgment criteria set forth in the Regulations can be categorized by control procedure into the following five components: 1) Control environment; 2) Risk assessment; 3) Control activities; 4) Information and communication; and 5) Monitoring activities. Each component further comprises several items. For the aforesaid items, please refer to the Regulations
- IV The Company has adopted the above mentioned criteria to assess the effectiveness of the design and implementation of its internal control system.
- V Based on the aforementioned assessment, the Company concludes that the design and implementation of the Company's internal control system (including management and supervision of subsidiaries) as at December 31, 2024 can reasonably assure the achievement of the aforementioned goals, namely the effectiveness and efficiency of operations, the reliability, timeliness, transparency, and compliance of reporting, and the compliance with regulations, laws, and by-laws.
- VI This Statement shall constitute a major component of the Company's annual report and prospectus, and shall be disclosed. Any misrepresentation or concealment in this Statement shall be subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII This Statement was passed unanimously by all four directors and all four independent directors of the Company present at the board of directors meeting dated March 11, 2025.

Keding Enterprises Co., Ltd

Chairman: Tsao, Hsien-Chang