

## **Operation and the summary of the annual work of the Audit Committee in 2024:**

**1. The current (20th) Board of Directors has established an Audit Committee composed entirely of its three independent directors.**

**2. Summary of annual work:**

- Reviewing the Financial Statement**

The Board of Directors has submitted the 2024 Business Report, the proposal for earnings distribution, and the consolidated and individual financial statements—including quarterly reviews and annual audits—audited and attested by CPAs Mr. Wang Wu-Chang and Ms. Chiu Kuei-Ling of Crowe (TW) CPAs. The Audit Committee has completed its review of the above documents and found no material discrepancies.

- Assessment of the Effectiveness of the Internal Control System**

The Audit Committee has assessed the effectiveness of the Company's internal control system (including finance, operations, risk management, information security, and legal compliance controls). The Committee has also reviewed periodic reports submitted by the Internal Audit Department and the attesting CPAs, and no deficiencies have been identified.

- Amendments to part of the Articles of the Company's "Internal Control System" and "Internal Audit Implementation Guidelines"**

Certain articles were amended in response to practical operational needs. The revised articles were approved by the Audit Committee on November 12, 2024, and subsequently submitted to the Board of Directors for resolution in accordance with the regulations.

- Establishment of the Company's "Sustainable Development Committee" and Appointment of Its Members**

In accordance with the organization's charter for the Sustainable Development Committee, the Committee was established. The proposal was approved by the Audit Committee on November 12, 2024, and subsequently submitted to the Board of Directors for resolution in accordance with the regulations.

- Appointment of the Chief Sustainability Officer**

To further promote the Company's commitment to sustainable development and enhance long-term corporate sustainability value, a Chief Sustainability Officer position was established in accordance with the organization's charter of the Sustainable Development Committee. The proposal was approved by the Audit Committee on November 12,

2024 and subsequently submitted to the Board of Directors for resolution in accordance with the regulations.

- **Annual Evaluation of the Independence and Suitability of the Attesting CPAs**

The annual assessment is conducted based on the “CPA Independence Declaration” and the “Audit Quality Indicators (AQI)” report provided by the attesting CPAs. The evaluation results are then submitted to the Board of Directors for review. The most recent evaluation was approved by the Audit Committee on November 12, 2024, and subsequently submitted to the Board for resolution in accordance with the regulations.

- **Ad Hoc Evaluation of the Independence and Suitability of the Attesting CPAs**

In coordination with internal personnel rotation requirements of Crowe (TW) CPAs, an ad hoc evaluation was conducted starting from the audit of the Company’s Q1 2025 financial statements. The evaluation was based on the “CPA Independence Declaration” and the “Audit Quality Indicators (AQI)” report provided by the attesting CPAs. The results of the evaluation were submitted to the Board of Directors and, after being reviewed and approved by the Audit Committee on March 12, 2025, they were submitted to the Board for resolution in accordance with the regulations.

**(2) Operation Status of the Audit Committee in 2024 and up to the Date of the Annual Report Publication:**

**In 2024 and up to the date of publication of this annual report, the Company convened a total of five Audit Committee meetings. The material resolutions made during these meetings are summarized as follows:**

- ① **The 5<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee: (March 12, 2024)**
  - **Submitted and approved: Key business, financial issues and internal audit report.**
  - **Submitted and approved: Evaluation Results of the 2023 Self-Assessment of the Board Members, the Board of Directors, the Audit Committee, and the Remuneration Committee**
  - **Approved by resolution: The proposal for the company's 2023 business report and financial statements (including consolidated financial statements) has been prepared.**

- **Approved by resolution:** The proposal for the earnings distribution of the second half of 2023.
- **Approved by resolution:** The proposal for the statement on self-evaluation of the internal control system in 2023.
- **Approved by resolution:** Amendment to part of the Articles of the Company's "Organization Charter of the Audit Committee".

**Dealing with the opinion from the Audit Committee:**

**The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.**

② **The 6<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee: (May 13, 2024)**

- **Submitted and approved:** Key business, financial issues and internal audit report.
- **Submitted and approved:** Report on corporate governance-related laws and regulations
- **Approved by resolution:** The proposal for the company's 2024 Q1 consolidated financial statements has been prepared.
- **Approved by resolution:** Amendment to the Company's "Operational Guidelines for Financial and Business Transactions among Affiliates".
- **Approved by resolution:** Amendment to the Company's "Procedures for the Prevention of Insider Trading".
- **Approved by resolution:** Amendment to the Company's "Corporate Governance Best Practice Principles".
- **Approved by resolution:** Amendment to the Company's "Organizational Charter for the Sustainable Development Committee."

**Dealing with the opinion from the Audit Committee:**

**The members of this case have no opinions and after the**

**approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.**

**③ The 7<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee: (August 12, 2024)**

- **Submitted and approved: Key business, financial issues and internal audit report**
- **Submitted and approved: Summary Report on information security and stakeholder engagement by category.**
- **Submitted and approved: Greenhouse gas inventory disclosure and implementation status.**
- **Approved by resolution: The proposal for the company's 2024 Q1 consolidated financial statements and the business report for the first half of 2024 have been prepared.**
- **Approved by resolution: The proposal for the earnings distribution of the first half of 2024.**
- **Approved by resolution: Implementation status of the Sustainability Report (including CPA Assurance Report).**
- **Approved by resolution: Investment proposal by subsidiary Da Yue Co. Ltd. to increase investment in Tahsin Fumei.**
- **Approved by resolution: Capital Increase Plan for Subsidiary Da Yue Co. Ltd.**

**Dealing with the opinion from the Audit Committee:**

**The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.**

**④ The 8<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee: (November 12, 2024)**

- **Submitted and approved: Key business, financial issues**

**and internal audit report**

- **Submitted and approved: Summary Report on information security, integrity, and stakeholder engagement by category.**
- **Submitted and approved: Implementation Status of Sustainability Initiatives**
- **Approved by resolution: The proposal for the company's 2024 Q3 consolidated financial statement has been prepared.**
- **Approved by resolution: The proposal for the company's 2025 "Business Plan".**
- **Approved by resolution: The proposal for the Company's 2025 Internal Audit Plan.**
- **Approved by resolution: Approval of personnel changes related to derivatives trading authorization.**
- **Approved by resolution: Amendments to Certain Articles of the Company's "Internal Control System" and "Internal Audit Implementation Guidelines."**
- **Approved by resolution: Report on the periodic evaluation of the independence and suitability of the attesting CPAs.**
- **Approved by resolution: Proposal on the establishment of the "Sustainable Development Committee" and the appointment of its Members.**
- **Approved by resolution: Proposal on the appointment of the Company's Chief Sustainability Officer.**
- **Approved by resolution: Termination of Operations of the U.S. Subsidiary Tahsin USA**

**Dealing with the opinion from the Audit Committee:**

**The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.**

⑤ The 9<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee: (March 12, 2025)

- Submitted and approved: Key business, financial issues and internal audit report
- Submitted and approved: Summary Report on information security, integrity, and stakeholder engagement by category.
- Submitted and approved: Report on the implementation of sustainable development and greenhouse gas inventory.
- Submitted and approved: Report on corporate governance-related laws and regulations.
- Submitted and approved: Evaluation Results of the 2024 Self-Assessment of the Board Members, the Board of Directors, the Audit Committee, and the Remuneration Committee
- Approved by resolution: The proposal for the company's 2024 business report and financial statements (including consolidated financial statements) has been prepared.
- Approved by resolution: The proposal for the earnings distribution of the second half of 2024.
- Approved by resolution: 2024 Internal Control System Self-Assessment Declaration.
- Approved by resolution: Report on the evaluation of the independence and suitability of the attesting CPAs.
- Approved by resolution: Replacement of the attesting CPAs.
- Approved by resolution: The proposal for personnel changes related to derivatives trading authorization.
- Approved by resolution: Amendments to part of the Articles of the Company's "Endorsement and Guarantee Operating Procedures."

**Dealing with the opinion from the Audit Committee:**

**The members of this case have no opinions and after the approval of this committee, they are submitted to the board of directors of the company for approval in accordance with the law.**