

Tahsin Industrial Corporation
Statement of Internal Control System

Date March 12, 2024

Based on the self-assessment findings, the company states the following with regard to its internal control system during the period from January 1 to December 31, 2023:

- I. The company's Board of Directors and management team understand their responsibilities of developing, implementing, and maintaining the company's internal control system, and such a system has been established. The purpose of establishing the internal control system is to reasonably ensure the achievement of the following aims: (a) The effectiveness and efficiency of business operation (including the aims of profit, achievement, and protection of asset security); (b) The reliability of financial reports; and (c) The compliance of the relevant laws/regulations.**
- II. The internal control system has inherent constraints, and no matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned three objectives. Moreover, the effectiveness of the internal control system may be altered as the environment changes and under different situations. Since the company's internal control system is provided with a self-monitoring mechanism, the company will take corrective actions once defects are identified.**
- III. The company assesses the effectiveness of the internal control system's design and practices through the effectiveness of internal control system, as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as "these Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring Activities. Each factor also includes several items. Please refer to "The Regulations" for the aforementioned categories.**
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria of the internal control system.**
- V. The examination result indicated that the company's internal control system (including subsidiary supervision and management) dated December 31, 2023, has effectively assured that the following objectives have been reasonably achieved during the assessing period: (a) The degree that effectiveness and efficiency of business operation; (b) The reliability of financial reports; (c) The compliance of the relevant laws/regulations.**

- VI. This Statement will become an integral part of the Annual Report and the Prospectus of the Company, and will be made public. If any of the contents disclosed above is found to be falsehood, concealment, or other illegality will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.**
- VII. The company hereby declares that this statement had been approved by the Board of Directors on March 12, 2024. Among the 9 attending Directors (including proxy), no one raised any objection to the contents of this statement.**

**Tahsin Industrial Corporation
Chairman: WU, ZI-CONG
President: CHEN, YI-CHIEN**