

Operations of the Audit Committee in 2025

Term of the current committee members: from May 26, 2023 to May 25, 2026.

A total of 10 meetings of the Audit Committee were held in 2025. The attendance of independent directors is as follows:

Title	Name	Number of attendance in person (B)	Attendance by proxy	Number of attendance in person (A)	Attendance Rate (%) [B/A]	Note
Independent Director	David Ching	10	0	10	100%	None
Independent Director	Wei-Kan Chen	10	0	10	100%	None
Independent Director	Mao-Jung Wang	10	0	10	100%	None

Annual key functions

The Audit Committee comprises of three Independent Directors. The Audit Committee aims to assist the Board of Directors to monitor the quality and integrity of the Company in the execution of accounting, auditing, financial reporting procedures, and financial controls.

The Audit Committee convened 10 meetings in 2025. Items reviewed primarily included:

1. To review business report and financial statements
2. Audit of earnings distribution plan
3. Evaluation of the effectiveness of the internal control system
4. Change of Certified Public Accountants and Evaluation of Their Independence and Competence
5. Appointment and Removal of Financial and Accounting Officers
6. Material Asset Transactions

■ **Review of financial reports, business reports and audit of earnings distribution plan**

The Audit Committee hereby presents the Company's 2024 Business Report, financial statements and proposal for earnings distribution, among which the financial statements have been audited by Deloitte & Touche, by whom an audit report has been issued accordingly. The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee.

■ **Evaluation of the effectiveness of the internal control system**

The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies". The Regulations are made to examine the following five factors during the management and control process: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) supervision. Each key component includes several items.

The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

Based on the results of the determination in the preceding paragraph, the Audit Committee is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable standards, laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.

■ **Change of Certified Public Accountants and Evaluation of Their Independence and Competence**

The most recent evaluation was adopted by the resolution of the 12th meeting of the 3rd Audit Committee on March 11, 2025, and was subsequently submitted to and approved by the 14th meeting of the 24th Board of Directors on the same date.

The audit and certification of the Company's financial statements were previously conducted by Certified Public Accountants Li-Huang Li and Po-Jen Weng of Deloitte & Touche, Taiwan. Due to the implementation of the accounting firm's internal CPA rotation mechanism, effective from the first quarter of 2025, the signing Certified Public Accountants have been changed to Nai-Hua Kuo and Po-Jen Weng.

Based on the Audit Quality Indicators Report provided by Deloitte Taiwan, the written representations issued by Certified Public Accountants Nai-Hua Kuo and Po-Jen Weng in accordance with the "Code of Professional Ethics Bulletin No. 10 – Independence in Assurance and Review Engagements" issued by the Chinese National Federation of

Certified Public Accountants, and the Company's evaluation of the independence and competence of the signing CPAs for the 2025 annual financial statements, the Company has verified that the appointed signing CPAs and their accounting firm have no conflicts of interest or related-party relationships with the Company.

Furthermore, based on the 2023 Audit Quality Indicators Report (AQI Report) (covering the period from June 1, 2023 to May 31, 2024), it is confirmed that the CPAs and the accounting firm demonstrate quality control support capabilities superior to the industry average, a high level of client familiarity, and a lower number of deficiencies identified in external inspections compared to industry peers. The adoption of a cloud-based audit platform enables the global implementation of consistent and standardized audit methodologies to ensure audit quality and to more efficiently conduct multinational or group audits. In addition, the application of digital technologies reduces administrative workload, allowing audit efforts to focus more effectively on the verification of specific risks and anomalies.

■ **Amendments to Internal Control System**

At the 12th meeting of the 3rd Audit Committee held on March 11, 2025, the Audit Committee approved the amendments to the Company's Procedures for the Lending of Funds to Others.

At the 20th meeting of the 3rd Audit Committee held on December 18, 2025, the Audit Committee approved the proposed amendments to (i) certain provisions of the salary and payroll cycle under the Company's internal control system, and (ii) the salary calculation and payment procedures under the Company's Internal Audit Implementation Rules.

■ **Appointment and Removal of Financial and Accounting Officers**

At the 12th meeting of the 3rd Audit Committee held on March 11, 2025, the Audit Committee approved the appointment of Mr. Pin-Tsung Yang, Manager of the Accounting Division of the Finance Department, as the Company's Chief Accounting Officer.

At the 16th meeting of the 3rd Audit Committee held on June 25, 2025, the Audit Committee approved the appointment of Ms. Hsin-I Shen as Vice President of the Finance Department, effective July 1, 2025.

■ **Material Asset Transactions**

At the 12th meeting of the 3rd Audit Committee held on March 11, 2025, the Audit Committee approved the proposal for the subsidiary Shinkong Asset Management Co., Ltd. to either independently sell or entrust a professional advisory firm to conduct a tender for the sale of the Youyi Building, including the building and the land thereunder.

At the 18th meeting of the 3rd Audit Committee held on November 5, 2025, the Audit Committee approved the subsidiary Shinkong Asset Management Co., Ltd.'s sale of

the Youyi Building, including the building and the land thereunder, to a related party, The Shin Kong Medical Foundation.

Audit Committee Meeting Information

The Company's Audit Committee has held meetings and conducted reviews and evaluations of the Company's matters during the past year as follows:

Date	Meeting	Agenda Items	Resolution	Disposition of the Committee's Recommendations
2025/02/27	the 11th meeting of the 3rd audit committee	1. Approval of the subsidiary PT Shinkong Textile Indonesia's acquisition of an external access road	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
		2. Review of the cash capital increase of the subsidiary PT Shinkong Textile Indonesia	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/03/11	the 12th meeting of the 3rd audit committee	1. Review of the Company's 2024 Business Report and Financial Statements	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
		2. Review of the Company's 2024 Profit Distribution	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved

	<p>3. Review of the Company's change of certified public accountants and evaluation of the independence and competency of the signing CPAs</p> <p>4. Review of non-assurance services expected to be provided by Deloitte Taiwan for 2025</p> <p>5. Review of the Company's 2024 Internal Control Statement</p> <p>6. Review of personnel changes regarding the Chief Accounting Officer</p> <p>7. Review of amendments to the Company's Operating Procedures of Fund Lending</p> <p>8. Approval of the subsidiary Shinkong Asset Management Co., Ltd.'s sale of the Youyi Building,</p>	<p>During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p> <p>During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p> <p>During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p> <p>During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p> <p>During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p>	<p>Submitted to the Board of Directors for review and subsequently approved</p> <p>Submitted to the Board of Directors for review and subsequently approved</p> <p>Submitted to the Board of Directors for review and subsequently approved</p> <p>Submitted to the Board of Directors for review and subsequently approved</p>
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2025/04/08	the 13th meeting of the 3rd audit committee	Review of the Company's participation in the cash capital increase of Shinshin Capital Co., Ltd.	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/04/17	the 14th meeting of the 3rd audit committee	Review of adjustments to the amount of the Company's participation in the cash capital increase of Shinshin Capital Co., Ltd.	After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/05/13	the 15th meeting of the 3rd audit committee	1. Review of the Company's consolidated financial report for Q1 2025	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
		2. Review of letters of support to the banks financing Shinshin Capital Co., Ltd., based on shareholding proportion	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/06/25	the 16th meeting of the 3rd audit committee	Review of the appointment of the Finance Department Head	After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted, approving the appointment of Ms. Shen, Hsin-I as Vice President of the Finance Department, effective July 1, 2025.	Submitted to the Board of Directors for review and subsequently approved

2025/08/13	the 17th meeting of the 3rd audit committee	Review of the Company's consolidated financial report for Q2 2025	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/11/05	the 18th meeting of the 3rd audit committee	Approval of the subsidiary Shinkong Asset Management Co., Ltd.'s sale of the land and buildings at No. 190-1, Subsection 4, Yangming Section, Shilin District (Youyi Building) to a related party, the Shin Kong Medical Foundation	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/11/13	the 19th meeting of the 3rd audit committee	Review of the Company's consolidated financial report for Q3 2025	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
2025/12/18	the 20th meeting of the 3rd audit committee	1. Review of the Company's guarantee to Sun-der Motors Co., Ltd. within a limit of NT\$50 million	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
		2. Review of the Company's 2026 Annual Audit Plan	During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.	Submitted to the Board of Directors for review and subsequently approved
		3. Review of amendments to certain provisions of the salary and payroll cycle under the Company's	During the discussion and voting on this matter, non-committee attendees were requested to leave the	Submitted to the Board of Directors for review and subsequently approved

		<p>internal control system</p>	<p>meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p>	
		<p>4. Review of amendments to the salary calculation and payment procedures under the Company's Internal Audit Implementation Rules</p>	<p>During the discussion and voting on this matter, non-committee attendees were requested to leave the meeting. After the Chairman confirmed with all attending committee members that there were no objections, the proposal was approved as submitted.</p>	<p>Submitted to the Board of Directors for review and subsequently approved</p>