

Annual work summary and operation of the Audit Committee for 2023:

- 1. The elected 20th Board of Directors establishes an audit committee being composed of all three independent director.**

- 2. Annual work summary:**

- Review of financial statements**

The 2022 Business Report and Profit Distribution Proposal prepared by the Company's Board of Directors, along with the quarterly review, annual review and the consolidated and individual financial statements audited by Crowe Horwath (TW) CPAs' Wang, Wu-Chang and Chiu, Kuei-Ling have been submitted to the Audit Committee for review and approval without finding any nonconformity.

- Assessment of the effectiveness of the internal control system**

The Audit Committee evaluates the effectiveness of the company's internal control system (including finance, operations, risk management, information security, compliance with laws and regulations), and reviews the company's audit department and the periodic reports of visa accountants.

- Establishment of the Chief Information Security Officer**

In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, establishment of the Chief Information Security Officer was approved by the Committee on March 24, 2023 and submitted to the board of directors and approved in accordance with the law.

- Establishment of the Chief Governance Officer**

In accordance with the governance regulation, listed companies should have Chief Governance Officer according to its size; it should be set up before June 30, 2023. Establishment of the Chief Governance Officer was approved by the Committee on March 24, 2023 and submitted to the board of directors and approved in accordance with the law.

- **Regular annual assessment of the independence and competence of the CPAs**

Evaluations are conducted based on the 'Auditor Independence Statement' and 'Audit Quality Indicators (AQI)' report provided by the CPA, and then the assessment results are submitted to the board of directors. The latest evaluation results were deliberated and approved on November 10, 2023 and then submitted to the board of directors for resolution in accordance with the law.

- 3. The main purpose of the operation of this committee is the supervision of the following matters:**
 - (I) The fair expression of the company's financial statements.**
 - (II) Engagement (dismissal) of the CPA and independence.**
 - (III) Effective implementation of the company's internal controls.**
 - (IV) The company complies with relevant laws and regulations.**
 - (V) Control of the company's existing or potential risks.**
- 4. The Committee assists the Board of Directors in carrying out its supervisory duties, and its functions and powers are as follows:**
 - (I) The internal control system shall be established or amended in accordance with the provisions of Article 14-1 of the Securities and Communications Law.**
 - (II) Assessment of the effectiveness of the internal control system.**
 - (III) In accordance with the provisions of Article 36 1 of the Securities and Communications Law, the procedures for the acquisition or disposition of assets, the transaction of derivative commodities, the loan of funds to others, the endorsement of others or the provision of guarantees for the processing of major financial business activities.**
 - (IV) Matters involving the director's own interests.**
 - (V) Material assets or financial derivatives transactions**
 - (VI) Material capital loans, endorsements or guarantees.**
 - (VII) Offering, issuing or private placement of securities with equity nature.**
 - (VIII) Appointment, dismissal or remuneration of the CPA.**
 - (IX) Appointment and removal of the head of finance, accounting or internal audit.**

(X) Annual financial report and semi-annual financial report.

(XI) Material matters specified by other companies or competent authorities.

5. Operation of the Audit Committee in 2023 and up to the date of publication of the annual report:

In the year 2023 and up to the date of publication of the annual report, the company has convened seven board meetings in total, with the material resolutions as follows:

(1) The 14th meeting of the 1st Audit Committee: (March 24, 2023)

- ① Adopted by resolution: The proposal for the company's 2022 business report and financial statements (including consolidated financial statements) have been prepared.**
- ② Approved by resolution: The proposal for the earning distribution of the second half of 2022 has been adopted by resolution.**
- ③ Approved by resolution: The proposal for the statement on self-evaluation of internal control system in 2022 has been adopted by resolution.**
- ④ Approved by resolution: Amend certain provisions of the Company's "Operation Norms for Financial Business Between Affiliated Companies".**
- ⑤ Approved by resolution: Establishment of the Chief Information Security Officer**
- ⑥ Approved by resolution: Establishment of the Chief Governance Officer**

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 15th meeting of the 1st Audit Committee: (May 10, 2023)

The consolidated financial statements of the first quarter in 2023 have been composed.

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 1st meeting of the 2nd Audit Committee: (June 16, 2023)

Election result: Upon mutual nomination by the members of the Audit Committee, Lin KO-WU was unanimously approved as the convener 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.

(4) The 2nd meeting of the 2nd Audit Committee: (June 26, 2023)

Approved by resolution: The proposal for the change of Audit Supervisor.

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 3rd meeting of the 2nd Audit Committee: (August 11, 2023)

① **Adopted by resolution:** The proposal for the Company's business report and consolidated financial statements for the first half of 2023 have been prepared.

② **Adopted by resolution:** The proposal for the earning distribution of the first half of 2023.

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.

(6) The 4th meeting of the 2nd Audit Committee: (November 10, 2023)

① **To submit a report:** The proposal that the company's consolidated financial statements for the third quarter of 2023 have been composed.

- ② Adopted by resolution: The proposal of the company's 2024 Business Plan.
- ③ Adopted by resolution: The proposal of the company's 2024 Internal Audit Plan.
- ④ Adopted by resolution: Authorization for the ratification of changes in personnel related to derivative trading.
- ⑤ Adopted by resolution: Revision of "Standard Operating Procedures for Handling Directors' Requests".
- ⑥ Adopted by resolution: The proposal of the change of CPA.
- ⑦ Adopted by resolution: Regular evaluation of the CPA independence report.
- ⑧ Adopted by resolution: The proposal of the capital-increase case of the subsidiary Tai Yueh Co. for purchasing the equity of Daxing Fumei Co.

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.

(7) The 5th meeting of the 2nd Audit Committee: (March 12, 2024)

- ① Adopted by resolution: The proposal for the Company's 2023 business report and financial statements (including consolidated financial statements) have been prepared.
- ② Adopted by resolution: The proposal for the earning distribution of the second half of 2023.
- ③ Adopted by resolution: The proposal for the statement on self-evaluation of internal control system in 2023.
- ④ Adopted by resolution: The amendment to partial provisions of the Company's "Audit Committee Organization Regulations".

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.