

Information on Operation of the Audit Committee

On June 24, 2014, the Company established an Audit Committee to replace the supervisory system. The Audit Committee is composed entirely of independent directors. One independent director is elected by committee members to act as meeting convener and chair. The Committee operates in accordance with the Audit Committee Charter and assists the Board of Directors in executing its supervisory duties and fulfilling its missions as stated in the Company Act, Securities and Exchange Act, and other relevant laws and regulations.

Key review focuses of the Audit Committee for the year:

1. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
The Company has assessed the effectiveness of the 2023 internal control system design and implementation in accordance with the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies”. The 2023 Statement on Internal Control was released after review and approval at the 5th meeting of the 4th-term Audit Committee (2024.02.23) and resolution at the 9th meeting of the 15th-term Board (2024.02.23).
3. Adoption or amendment, pursuant to Article 36-1, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. Matters bearing on the personal interest of a director.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. Offering, issuance, or private placement of equity-type securities.
8. Appointment, dismissal of, or remuneration of certified public accountants.
9. Appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial statements signed or sealed by the chairman, managers and accounting officer, and the Q2 financial statements audited by the CPA.
11. Review merger and acquisition matters of the Company.
12. Other material matters as may be required by the Company or by the competent authority.

Pursuant to Article 31 of the Corporate Governance Best-Practice Principles, the independence and suitability of the appointed accountants shall be evaluated on a regular basis (at least once a year): The Company’s Audit Committee conducts an independence assessment of CPAs on a regular basis (at least once a year) in accordance with the independence statement provided by the CPAs. The assessment result is then submitted to the Board of Directors.

The third term of office of the Audit Committee began on June 10, 2020 and ended on June 9, 2023.

The fourth term began on May 30, 2023 and will end on May 29, 2026.

The Audit Committee met 7 times in 2023. The details of the attendance are as follows:

Term	Title	Name	Actual Attendance Times	Attendance by proxy Times	Attendance rate (%)	Remarks
The 3rd Committee	Independent director	Hui-Chun Hsu	3	0	100%	Re-elected/appointed on 2023.05.30 Old appointment
	Independent director	Dar-Yeh Hwang	3	0	100%	
	Independent director	Semi Wang	3	0	100%	
4th	Independent director	Semi Wang	4	0	100%	Convener and Chairperson Re-elected/appointed on 2023.05.30 Continuing service
	Independent director	Dar-Yeh Hwang	4	0	100%	Re-elected/appointed on 2023.05.30 Continuing service
	Independent director	Shi-Jer Sheen	4	0	100%	Re-elected/newly appointed on 2023.05.30 New service

Other items to be stated:

- I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting date and session	Motion	Reservations or material recommendations of independent directors	Resolutions of the audit committee and the Company's response to the audit committee's opinions
2023/01/16 17th meeting of the 3rd Committee	1. The Company's employment of a non-certifying accountant to review its internal control system prescribed for the purchase and payment cycle between January 1, 2021 and September 30, 2022, and to issue a Statement on Internal Control and assurance report.	None	1. Approved by all members of the audit committee and all board members present at the meeting without objections.

	<p>2. The Company's disciplinary action against the person responsible for the violation and any other matters related to accountability, based on factual findings uncovered during the non-certifying accountant's review of the purchase and payment cycle between January 1, 2021 and September 30, 2022.</p> <p>3. The Company's resolution adopted at the 21st meeting of the 14th-term Board of Directors, which approved the documents sent to the investigation unit for assistance with investigation. The documents included suspicious points, materials, and CPAs' internal control review report, all of which were provided by the Company's legal and audit units to the lawyers.</p>		<p>2. Approved by all members of the audit committee present at the meeting without objections, The motion was voted by a show of hands and passed by a majority of directors present at the meeting. In favor: Chairman Chin-Kung Lee, Vice Chairman Chi-Chun Hsieh, Director An-Hsuan Liu, Director Kao-Yu Liu, Director Kuan-Hua Chen, Independent Director Hui-Chun Hsu, Independent Director Dar-Yeh Hwang and Independent Director Semi Wang (subject to the Company's employee disciplinary guidelines). Against: Director Ping-Kun Hung (punishment is too light).</p> <p>3. Approved by all members of the audit committee present at the meeting without objections, and adopted the lawyer's suggestion, authorized the company's legal department to work with the lawyer to select an investigation unit to assist with the investigation, and submitted after the Board Chairman's approval a criminal petition to assist with the investigation. This motion was approved without objection by all the directors present after consulting with the Chairman, and the lawyer's suggestion was adopted. The company's legal department was authorized to work with the lawyer to select an investigation unit to assist with the investigation. After approval by the Chairman, a criminal petition to assist in the investigation was submitted.</p>
<p>2023/03/02 18th meeting of the 3rd Committee</p>	<p>1. Approval of the motion to have Ernst & Young and its affiliates provide non-assurance services to the Company and its subsidiaries as of December 31, 2023.</p>	<p>None</p>	<p>Motions 1–6 were approved by all members of the audit committee and all board members present at the meeting without objections.</p>

	<p>2. 2022 Declaration of Internal Control System</p> <p>3. Assessment of the independence and competency of the Company's CPA.</p> <p>4. The separate financial statement and consolidated financial statements 2022.</p> <p>5. 2022 Business Report</p> <p>6. Motion for the 2022 Earnings Distribution</p> <p>7. Request for the removal of non-compete clause for the Company's directors.</p>		<p>Motion 7 was approved by all members of the audit committee present at the meeting without objections. Chairman Chin-Kung Lee and Director An-Hsuan Liu are a party of interest in this motion and therefore recused themselves from discussion on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.</p>
2023/05/05 19th meeting of the 3rd Committee	Interim consolidated financial statements between January 1 and March 31, 2023	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2023/06/26 1st meeting of the 4th Committee	Request for suspension of the evaluation of the Company's disposal of the equity of subsidiary King Long Technology (Suzhou) Ltd.	None	<p>The motion was passed by the Chair without objection from any members in attendance after adopting the opinions of independent director Dar-Yeh Hwang.</p> <p>The opinions of independent director Dar-Yeh Hwang are as follows:</p> <p>(1) If the company resumes its evaluation of the disposal of the equity of King Long Technology (Suzhou) Ltd. in the future, the evaluation team should comprise at least five members, namely, the president, vice president of the business department, vice president of R&D, chief financial officer, and legal officer.</p> <p>(2) If the company resumes its evaluation of the disposal of the equity of King Long Technology (Suzhou) Ltd. in the future, any conclusions reached during</p>

			<p>a meeting of the evaluation team must be immediately provided to the audit committee members for reference.</p> <p>This motion was approved by the chair without objection from any directors in attendance after adopting the resolution of the 1st meeting of the 4th Audit Committee and the suggestion/opinions of Director Ping-Kun Hung. The opinions of Director Ping-Kun Hung are as follows: The director proposes to postpone any other expansion plans for the Dushu Lake Factory, unless the plans are currently in progress.</p>
2023/08/04 2nd meeting of the 4th Committee	Interim consolidated financial statements between January 1 and June 30, 2023	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2023/11/03 3rd meeting of the 4th Committee	<ol style="list-style-type: none"> 1. Interim consolidated financial statements between January 1 and September 30, 2023 2. 2024 audit plan 3. Review of the motion for the 2023 professional fees of CPAs 	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2023/12/22 4th meeting of the 4th Committee	<ol style="list-style-type: none"> 1. Proposed to change the Company's CPAs in response to adjustments to the internal organization of EY 2. Approval of the motion to have Ernst & Young and its affiliates provide non-assurance services to the Company and its subsidiaries as of January 1, 2024 through to December 31, 2024. 	None	Approved by all members of the audit committee and all board members present at the meeting without objections.

(II) Aside from said circumstances, resolution(s) not passed by the audit committee but receiving the consent of two-thirds of the board of directors:

None.

II. In instances where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the proposal and resolution thereof, reason for not voting and actual voting counts: None.