Operation of the Audit Committee

There were 5 (A) Audit Committee meetings held in the most recent fiscal year, and the attendance status of the independent directors is as follows:

Title	Name	Professional qualifications and experience	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance Rate (%) (B/A) (Note 1)	Remarks
Independent Director	Nai-Ming Liu	Note	5	0	100%	Re-elected
Independent Director	Yea-Kang Wang	Note	5	0	100%	Re-elected
Independent Director	Cheng-Ping Yu	Note	5	0	100%	Re-elected
Independent Director	Chiu-Chun Lai	Note	5	0	100%	Newly elected on August 12, 2021

Other mentionable items:

I. Where the operation of the Audit Committee is subject to one of the following, the board meeting date, session, proposal content, dissenting opinion of independent directors, reserved opinions or major recommendation item content, resolution result of the Audit Committee meeting and the Company's handling with respect to the opinions of the Audit Committee. (Note 2)
  (I) Matters referred to in Article 14-5 of the Securities and Exchange Act: The Audit Committee of the Company have no dissenting opinions or qualified opinions on the resolutions (Note 2).
  (II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

II. For the execution status of recusal of independent directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal and participation in voting: There were no meeting issues of Audit Committee meeting in the most recent year involving recusal of independent directors due to conflict of interest.

III. The communications between the independent directors, the internal auditors, and the independent auditors are listed in the table below (shall include major events, methods and results etc. communicated in relation to the company's financial and business status).
  Explanation:
  (I) The independent directors communicate with the internal audit officer at the Audit Committee meeting convened quarterly. The internal audit officer and environmental safety auditor provide audit reports to the independent directors in the meeting periodically in order to communicate the audit result and the follow-up execution status.
  2023 Communication of Independent Directors and Internal Audit Supervisor Excerpt: Note 3.
  (II) The independent directors communicate with the independent auditor via the board of directors and annual meetings. CPA provides an explanation on the audit of the financial statements and the audit result to the independent directors annually, and communicates issues related to the internal control effectiveness audit result, whether there is any financial report adjustment of entries or whether the amendment of laws affects the account recognition method etc.
  2023 Excerpt from the alone communication between independent directors、audit supervisor and CPA: Note 4.

Note: Professional scope of audit committee: Please refer to II-(I)-2 of III. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors.

Note 1:

* Before the end of the fiscal year, if there is any resignation of independent director, the resignation date shall be indicated in the remarks field. The actual attendance rate (%) is calculated according to the number of Audit Committee meetings convened and the number of actual attendance during the term of office.
* Before the end of the fiscal year, if there is any re-election of independent directors, the new and old independent directors shall be listed, and the remarks field shall indicate the old, new or consecutive term of office and the re-election date for the independent directors. The actual attendance rate (%) is calculated according to the number of Audit Committee meetings convened and the number of his/her actual attendance during his/her term of office.

Note 2: Audit Committee annual work focus sorting and resolutions related to Article 14-5 of Securities and Exchange Act:

- Review Report

  The Board of Directors prepares and submits the 2023 Business Report, Financial Statements and Profit Distribution Proposal etc., where the financial statements had been audited by KPMG and financial reports are issued. The aforementioned Business Report, Financial Statements and Profit Distribution Proposal have been reviewed by the Audit Committee and are considered to be conformed to requirements.
- Assessment on Effectiveness of Internal Control System

  Audit Committee assesses the effectiveness of the Company's internal control system policies and procedures (including the control measures of finance, operation, risk management, information security, outsourcing and legal compliance, etc.). Also, it reviews the Company's Auditing Department and Certified Public Accountants, including risk management and legal compliance. In accordance with the Internal Control - Integrated Framework announced by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee considers that the risk management and internal control system of the Company is effective. The Company has adopted necessary control measures to monitor and correct violating behaviors.

- Appointment of Certified Public Accountants (CPAs)

  The Audit Committee is assigned with the responsibility and authority of monitoring the CPA firm's independence to ensure the impartiality of the financial statements. In general, except for tax related services or special approval items, the CPA firm shall not provide other services to the Company.

To ensure the independence of CPA firm, the Audit Committee establishes the independence assessment form in accordance with the provision of Article 47 of the Certified Public Accountant Act and the content of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Integrity, Objectivity and Independence" In order to conduct an assessment on the independence, professionality and competency of CPAs, and to assess whether CPAs are related parties of the Company or are in business or financial interest relationship, etc., with the Company. The Company has reviewed and approved the appointment of the CPA Hui-Chih Kou and CPA Yu-Feng Hsu of KPMG Taiwan in the 8th meeting of the 3rd term of Audit Committee on March 2, 2023 and in the first Board of Directors' meeting on March 2, 2023. The signing auditors, CPA Hui-Chih Kou and CPA Yu-Feng Hsu, were assessed with reference to Audit Quality Indicators (AQIs), and the results of the assessment confirmed compliance with independence assessment standards, making them qualified to act as the Company's Chartered Public Accountant.

● Operation Status of Current Year

<table>
<tr><th>Meeting Dates</th><th>Contents and Resolution</th><th>Resolutions related to Article 14-5 of Securities and Exchange Act</th></tr>
<tr><td rowspan="10">March 2, 2023
(2023 1st Meeting)</td><td>1. Discussing 2022 internal control system effectiveness review and issuing “Management's Reports on Internal Control”.</td><td>V</td></tr>
<tr><td>2. Approved the establishment of “Procedures for Acquisition and Disposal of Assets” for each subsidiary company of the Group.</td><td>V</td></tr>
<tr><td>3. Adoption of 2022 Business Report and Financial Statements</td><td>V</td></tr>
<tr><td>4. Approved the proposal for Distribution of 2022 Profits.</td><td></td></tr>
<tr><td>5. Approved 2023 independent CPA assignment.</td><td>V</td></tr>
<tr><td>6. Proposal on non-assurance service expected to be provided by KPMG in 2023</td><td>V</td></tr>
<tr><td>7. Approved the amendments to the Company’s “ Articles of Incorporation”.</td><td>V</td></tr>
<tr><td>8. Provide Letter of support to CTBC Bank Co., Ltd., The Shanghai Commercial & Savings Bank, Land Bank of Taiwan and Mega International Commercial Bank.</td><td>V</td></tr>
<tr><td colspan="2">Resolution：All proposals were adopted unanimously by the Audit Committee.</td></tr>
<tr><td colspan="2">Response to Audit Committee’s opinion: All attending directors unanimously agree.</td></tr>
<tr><td rowspan="7">May 4, 2023
(2023 2nd Meeting)</td><td>1. Approved the addition of “ Operational Procedures for Loaning Funds to Other” for each subsidiary company of the Group.</td><td>V</td></tr>
<tr><td>2. Approved the 1Q23 Consolidated Financial Report.</td><td></td></tr>
<tr><td>3. Approved the amendments to the Company’s “ Corporate Governance Best Practice Principles”.</td><td>V</td></tr>
<tr><td>4. Approved the amendments to the Company’s “Regulations Risk Management”.</td><td>V</td></tr>
<tr><td>5. Approved the addition of the "Operational Procedures for the Preparation and Verification of Sustainability Reports" for our company.</td><td>V</td></tr>
<tr><td>6. Approved the proposal for the 2023 fiscal year regarding the lending limit of funds to affiliated companies of our company.</td><td>V</td></tr>
<tr><td>7. Approved the amendments to the Company’s “ Articles of Incorporation”</td><td>V</td></tr>
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<tr><td rowspan="2"></td><td colspan="2">Resolution：All proposals were adopted unanimously by the Audit Committee.</td></tr>
<tr><td colspan="2">Response to Audit Committee’s opinion: All attending directors unanimously agree.</td></tr>
<tr><td rowspan="6">August 7, 2023
(2023 3rd Meeting)</td><td>1. To establish internal auditing system” Operational Procedures for the Preparation and Verification of Sustainability Reports" for our company.</td><td>V</td></tr>
<tr><td>2. Approved the 2Q23 Consolidated Financial Report.</td><td></td></tr>
<tr><td>3. Approved the amendments to the Company’s “ Corporate Governance Best Practice Principles”</td><td>V</td></tr>
<tr><td>4. Approved the establishment of the “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises” to replace the “Operation Procedure for Transactions of Interested Parties, Important Subsidiaries and Group Enterprises” of the Company.</td><td>V</td></tr>
<tr><td colspan="2">Resolution：All proposals were adopted unanimously by the Audit Committee.</td></tr>
<tr><td colspan="2">Response to Audit Committee’s opinion: All attending directors unanimously agree.</td></tr>
<tr><td rowspan="6">September 7, 2023
(2023 4th Meeting)</td><td>1. Approved the amendment to the Company’s “ Rules Governing the Procedures for Shareholders’ Meetings”.</td><td>V</td></tr>
<tr><td>2. Approved the disposal of real asset in Tamsui District, New Taipei City.</td><td>V</td></tr>
<tr><td>3. Approved the disposal of real asset in Hong Kong.</td><td>V</td></tr>
<tr><td>4. Approved the disposal of real asset in Wugu District, New Taipei City.</td><td>V</td></tr>
<tr><td colspan="2">Resolution：All proposals were adopted unanimously by the Audit Committee.</td></tr>
<tr><td colspan="2">Respond to Audit Committee’s opinion: All attending directors unanimously agree.</td></tr>
<tr><td rowspan="4">November 2, 2023
(2023 5th Meeting)</td><td>1. Approved the 2024 Internal Auditing plan.</td><td></td></tr>
<tr><td>2. Approved the 3Q23 Consolidated Financial Report</td><td></td></tr>
<tr><td colspan="2">Resolution：All proposals were adopted unanimously by the Audit Committee.</td></tr>
<tr><td colspan="2">Response to Audit Committee’s opinion: All attending directors unanimously agree.</td></tr>
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