Operation of the Audit Committee

There were 8 (A) Audit Committee meetings held in the most recent fiscal year, and the attendance status of the independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance Rate (%) (B/A) (Note 1)	Remarks
The 3rd Term of the Audit Committee					
Independent Director	Yea-Kang Wang	4	0	100%	Re-elected on August 12, 2021
	Cheng-Ping Yu	4	0	100%	
	Nai-Ming Liu	4	0	100%	
	Chiu-Chun Lai	4	0	100%	Newly elected on August 12, 2021
The 4th Term of the Audit Committee					
Independent Director	Cheng-Ping Yu	4	0	100%	Re-elected on June 12, 2024
	Nai-Ming Liu	4	0	100%	
	Chiu-Chun Lai	4	0	100%	
	Tian-Wei Shi	4	0	100%	Newly elected on June 12, 2024
	Xiao-Kai Chen	4	0	100%	

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:
There were no resolutions with dissenting or qualified opinions from the Audit Committee. (Note 2).

(II) Other matters 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:
During the most recent year, there were no matters discussed in Audit Committee meetings that involved the recusal of independent directors due to conflicts of interest.

III. 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) Independent directors communicate with the internal audit officer and the environmental safety auditor during quarterly Audit Committee meetings. The auditors regularly provide audit reports and communicate audit findings and the follow-up status.
Extract from the 2024 Communication between Independent Directors and Internal Audit Officer (Note 3).

(II) Independent directors communicate with the external auditors through Board of Directors and annual meetings. The CPA explains the audit results of financial statements annually and discusses matters such as internal control effectiveness, financial statement adjustments, and impacts from changes in regulations. Extract from the 2024 Communication between Independent Directors, Internal Audit Officer, and CPA (Note 4)

Note: Professional scope of audit committee: Please refer to 2.1.1 of II. 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 attendances 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 prepared the 2023 Business Report, Financial Statements, and Profit Distribution Proposal. The Financial Statements were audited by KPMG and an audit report was issued. The aforementioned documents were reviewed by the Audit Committee and found to be in conformity with applicable requirements.

- Assessment on Effectiveness of Internal Control System

The Audit Committee assessed the effectiveness of the Company's internal control system, including policies and procedures relating to finance, operations, risk management, information security, outsourcing, and regulatory compliance. The Committee also reviewed the work of the Company's Internal Audit Department and external auditors, including risk management and compliance matters. Referring to the 2013 Internal Control - Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee concluded that the Company's risk management and internal control system are effective, and that the Company has adopted necessary control mechanisms to monitor and rectify any violations.

- 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 the CPA firm, the Audit Committee established an Independence Assessment Form in accordance with Article 47 of the Certified Public Accountant Act and the Bulletin No.10 of the Norm of Professional Ethics for Certified Public Accountants titled "Integrity, Objectivity and Independence." The Committee assessed the independence, professionalism, and competency of the CPAs, including evaluating whether there were any related-party or business/financial relationships with the Company.

On January 12, 2024, at the 13th meeting of the 3rd Audit Committee and the 1st meeting of the Board of Directors, the appointments of CPA Hui-Chih Kou and CPA Hsin-Yi Kuo of KPMG Taiwan were reviewed and approved. The assessment results, conducted with reference to Audit Quality Indicators (AQIs), confirmed compliance with independence assessment standards, and both CPAs were deemed qualified to serve as the signing auditors for the Company.

- Operation Status of Current Year

Meeting Dates	Contents and Resolution	Resolutions related to Article 14-5 of Securities and Exchange Act
January 12, 2024 (113th Term, 1st Meeting)	1. Appointment of independent auditors for the 2024 financial reports. 2. Proposal on non-assurance services expected to be provided by KPMG Taiwan in 2024. 3. Lending limit to affiliated enterprises for 2024. 4. Financing facilities with financial institutions for 2024. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V

Meeting Dates	Contents and Resolution	Resolutions related to Article 14-5 of Securities and Exchange Act
February 29, 2024 (113th Term, 2nd Meeting)	1. Review of the effectiveness of the 2023 internal control system and issuance of the "Internal Control System Statement". 2. Approval of the 2023 Business Report and Financial Statements. 3. Proposal for 2023 Earnings Distribution. 4. Donation to Eclat Education Foundation. 5. Amendments to "Rules for Proceedings of Board Meetings". 6. Amendments to "Organizational Charter of the Audit Committee". 7. Equipment procurement for the Eclat Fabrics (Vietnam) Co., Ltd. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
May 2, 2024 (113th Term, 3rd Meeting)	1. Approval of the 1Q24 Consolidated Financial Report. 2. Addition of "Organizational Charter of the Sustainability Development Committee" to replace "Regulations for the Establishment and Operation of the Sustainability Development Committee". 3. Amendments to "Corporate Governance Best Practice Principles". 4. Amendments to "Rules for Financial and Business Transactions among Related Parties". 5. Release of Non-Compete Restrictions for Newly Elected Directors. 6. Change of financial and accounting officer. 7. Asset disposal and acquisition of right-of-use assets for Cambodia plant. 8. Increase in factoring limit for accounts receivable for 2024. 9. Issuance of Letter of Support to Land Bank of Taiwan, Mega International Commercial Bank, and E.SUN Commercial Bank. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
May 27, 2024 (113th Term, 4th Meeting)	Cambodia plant asset planning case. **Audit Committee Resolution:** Proposal was adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
June 20, 2024 (113th Term, 5th Meeting)	1. Change of financial officers in the Group's affiliated companies. 2. Appointment of consultants. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
June 28, 2024 (113th Term, 6th Meeting)	1. Amendments to "Internal Audit Implementation Rules". 2. Amendments to "Supervisory and Control Procedures for Subsidiaries". 3. Amendments to Internal Control System: Sales and Collection Cycle. 4. Amendments to "Operational Procedures for Preparation and Verification of Sustainability Reports". 5. Amendments to "Environmental, Safety, Health and Energy Policy". 6. Amendments to "Water Resource Management Policy". 7. Amendments to "Waste Management Policy". 8. Amendments to "Climate Change Risk Response Policy". 9. Amendments to "Human Rights Policy". 10. Addition of "Biodiversity Policy". **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V

Meeting Dates	Contents and Resolution	Resolutions related to Article 14-5 of Securities and Exchange Act
August 8, 2024 (113th Term, 7th Meeting)	Approval of the 2Q24 Consolidated Financial Report. **Audit Committee Resolution:** Proposal was adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
November 7, 2024 (113th Term, 8th Meeting)	1. 2025 Internal Audit Plan. 2. Addition of "Self-Assessment Procedures" for the Group's subsidiaries. 3. Amendments to Internal Control System: Financing Cycle. 4. Amendments to "Delegation of Authority Guidelines". 5. Approval of the 3Q24 Consolidated Financial Report. 6. Equipment procurement for the Vietnam fabric plant. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V