

Operation of the Audit Committee in 2023

The Audit Committee held four meetings in 2023 to consider the following matters:

- The internal control system shall be formulated or amended in accordance with the provisions of Article 14-1 of the Securities and Exchange Law.
- Assessment of the effectiveness of the internal control system.
- Acquisition or disposal of machinery and equipment for business use.
- Significant capital loans, endorsements or guarantees.
- Independence and remuneration of certified public accountants.
- Quarterly financial reports signed or sealed by the chairman, managers and accounting supervisors.
- Annual audit plan.

● Review financial reports

The Board of Directors submitted the Company's 2022 annual business report, consolidated (individual) financial statements and loss compensation proposals, among which the consolidated (individual) financial statements have been audited by the appointment of Zeng Guofu and Zheng Xianxiu, accountants of Zhengfeng United Accounting Firm, and the audit report will be issued. The above-mentioned business report, consolidated (individual) financial statements and the proposal for loss compensation have been reviewed by the Audit Committee and found that there is no inconsistency.

● Evaluate the effectiveness of the internal control system

The Audit Committee assessed the effectiveness of the Company's internal control system policies and procedures (including financial, operational, risk management, information security, outsourcing, compliance and other controls) and reviewed the Company's audit department and certified accountants, as well as management's periodic reports, including risk management and compliance. The Audit Committee considers that the Company's risk management and internal control systems are effective and that the Company has put in place the necessary control mechanisms to monitor and correct non-compliance.

● Appointment of a visa accountant

The Audit Committee is entrusted with the responsibility of supervising the independence of the visa accounting firm to ensure the fairness of the financial statements. In general, visa accounting firms are not allowed to provide other services to the company except for tax-related services or specially approved projects. All services provided by the Visa Accounting Firm must be approved by the Audit Committee.

In order to ensure the independence of the certified public accountants, the Audit Committee formulates an independence assessment form with reference to Article 47 of the Accountants Act and the Bulletin No. 10 of the Code of Professional Ethics for Accountants on integrity, impartiality, objectivity and independence, and evaluates whether the accountants are related parties, have mutual business or financial interests with the Company.

● **Information on the meeting of the Audit Committee**

The Audit Committee met 4 times in 2023 with the following information:

| Date of meeting | The content of the motion | the results of the resolution of the Audit Committee and the Company's response to the Audit Committee Handling of Comments |
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| 1st session, 3rd meeting (2023/3/22) | Reviewed the Company's 2022 Internal Control System Statement. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's 2022 annual business report and financial statements. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's 2022 annual loss provision | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's accounts receivable as of the end of December 2022 and the overdue amounts other than accounts receivable that are not in the nature of capital loans. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | To deliberate on the acquisition or disposal of machinery and equipment for business use by the Company. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's assessment of the independence of the certified public accountants. | All the members present agreed to pass the bill as planned, |

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| | | It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the purchase of shares in Park Royal Investment Co., Ltd. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| 1st session, 4th meeting (2023/5/9) | Reviewed the first draft of the Company's consolidated financial statements and notes disclosure for the first quarter of 2023. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed and revised some provisions of the Regulations for the Use of the Company's Seal. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the 2023 accountant remuneration case of Zhengfeng United Accounting Firm. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's accounts receivable as of the end of March 2023 and the overdue amounts other than accounts receivable that are not in the nature of capital loans. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| 1st session, 5th meeting (2023/8/9) | Reviewed the first draft of the Company's consolidated financial statements and notes disclosure for the second quarter of 2023. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the proposed amendment to some provisions of the Company's "Letter of Approval Authority". | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | To deliberate on the acquisition or disposal of machinery and equipment for business use by the Company. | All the members present agreed to pass the bill as planned, |

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| | | It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's accounts receivable as of the end of June 2023 and the overdue amounts other than accounts receivable that are not in the nature of capital loans. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the company's undertaking of US dollar corporate bonds. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| 1st session, 6th meeting (2023/11/9) | Reviewed the Company's 2023 Q3 consolidated financial statements and notes disclosure draft. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's 2024 audit plan. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the 2024 annual audit plan of each subsidiary of the Company. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | To deliberate on the acquisition or disposal of machinery and equipment for business use by the Company. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |
| | Reviewed the Company's accounts receivable as of the end of September 2023 and the overdue amounts other than accounts receivable that are not in the nature of capital loans. | All the members present agreed to pass the bill as planned, It shall be submitted to the Board of Directors for approval by all directors present. |