

Kedge Construction Co., Ltd.

Audit Committee members and operation status :

I. The Audit Committee of the company was established on June 15, 2020, with 3 members.

II. Term of the current committee member : From June 2, 2023 to June 1, 2026. Among them, the convener Hung-Chin Huang independent director has accounting and audit expertise, and meets the professional capabilities required by the committee. The Audit Committee held 5 times meetings during 2023, and the membership attendance are as follows :

Title	Name	Attendance in person	Attendance by Proxy	Actual attendance rate (%)	Remarks
Independent Director (Convener)	Hung-Chin Huang	5	0	100	
Independent Director	Shen-Yu Kung	5	0	100	
Independent Director	Gwo-Fong Lin	5	0	100	

III. The Audit Committee is set up to assist the Board of Directors in fulfilling its supervision of the quality and integrity of the Company in the execution of accounting, auditing, financial reporting procedures and financial controls. The Audit Committee mainly considers the following items:

1. Financial Statements.
2. Audit and accounting policies and procedures.
3. Internal control systems and related policies and procedures.
4. Material transactions in assets or derivatives.
5. Material loaning of funds, and endorsements/guarantees.
6. Placement or issuance of securities.
7. Derivatives and cash investments.

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8. Legal compliance.
9. Related-party transactions and potential conflicts of interests involving managers and directors.
10. Complaint report.
11. Fraud prevention and investigation report.
12. Information security.
13. Corporate risk management.
14. Evaluation of the qualifications, independence, and performance of the CPAs.
15. Appointment, discharge or remuneration of CPAs.
16. Appointment or discharge of a finance manager, accounting manager or chief internal auditor.
17. Performance Self-evaluation Questionnaire of the Audit Committee,
etc.

Key duties:

1. Review of business reports, financial statements and earnings distribution: The Audit Committee reviews the business reports, financial statements and earnings distribution, and the convener of the Audit Committee issues an audit report.
2. Review material asset transactions, major capital loans, and endorsement/guarantees.
3. Evaluate the effectiveness of the internal control system.
4. Appoint of CPAs (CPA Independence Evaluation): The Audit Committee formulated an independence and suitability evaluation form with reference to The Norm of Professional Ethics for Certified Public Accountant No. 10, "Integrity, Objectivity, and Independence," which was approved at the Board of Directors Meeting. The Board of Directors is of opinion that KPMG International Limited CPAs fulfilled the independence and suitability standards of the evaluation and are sufficient to be the Company's CPAs.
5. Establish and amend the Articles of Association and relevant procedures.

IV. The Implementation Status of the Audit Committee in 2023:

Board of Directors	Resolutions	Audit Committee's major suggestions	Resolution of the Audit Committee	Company's response to the Audit Committees' opinions:
The 16th meeting of the 1th Board on March 14, 2023	<ol style="list-style-type: none"> 1. Proposed to prepare the Company's "Statement on Internal Control System" for 2022. 2. Proposed to amend certain provisions of the Company's "Articles of Incorporation" and "Rules of Procedure for Shareholders Meetings". 3. Proposed to amend some provisions of the "Corporate Governance Code of Practice". 4. Proposed to prepare the Company's Business Report and Financial Statements for 2022. 5. Proposed to prepare the Company's Earnings Distribution Proposal for 2022. 6. To expand business and improve financial structure. It is planned to allocate a shareholder dividend of NT\$40,823,729 from the distributable surplus in 2022 to convert the surplus into capital and issue 4,082,372 ordinary shares. 	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.
The 17th meeting of the 1th Board on May 11 2023	<ol style="list-style-type: none"> 1. Matter of the Company's first quarter 2023 financial statements. 	None	All the committee members present	All the directors present unanimously
The 1th meeting of the 2th Board on August 11, 2023	<ol style="list-style-type: none"> 1. Matter of the Company's second quarter 2023 financial statements. 2. Obtained the engineering bid-Taiwan Semiconductor Manufacturing Co., Ltd. 	None	All the committee members present unanimously approved the proposal.	All the directors present unanimously approved the proposal.

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Board of Directors	Resolutions	Audit Committee's major suggestions	Resolution of the Audit Committee	Company's response to the Audit Committees' opinions:
The 2th meeting of the 2th Board on November 10 ,2023	<ol style="list-style-type: none"> 1. Matter of the Company's third quarter 2023 financial statements. 2. Obtained the engineering bid-Dachengcheng Enterprise Co., Ltd. 3. Revisions to the system manual and some procedures for the 	None	All the committee members present unanimously approved	All the directors present unanimously approved the proposal.
The 3th meeting of the 2th Board on December 29 ,2023	<ol style="list-style-type: none"> 1. Drew up the 2024 Annual Operational Plan. 2. Evaluated the independence and suitability of CPAs appointed by the company. 3. The proposal to revise the "Information Security Policy". 4. Obtained the engineering bid-Media Tek resolution. 5. Obtained the engineering bid-ASML Linkou New Campus. 	None	All the committee members present unanimously approved	All the directors present unanimously approved the proposal.

