



Dyaco International Inc.

2023 operations of the Audit Committee and its participation in Board meetings

1. Committee member term: The 2nd term from May 28, 2020 to May 27, 2023. The 3rd term from May 26, 2023 to May 25, 2026.
2. The purpose of the Audit Committee is to assist the Board in fulfilling its role of overseeing the quality and integrity of the Company's performance in relation to accounting, auditing, financial reporting processes and financial controls.
3. Audit Committee' s annual work plan for 2023 is as follows.
 - (1) Financial statements.
 - (2) The policies and procedures for auditing and accounting.
 - (3) The policies and procedures for internal controls.
 - (4) The material asset ot derivatives transactions.
 - (5) The material loaning of funds and endorsements/guarantees.
 - (6) The offering, issuance, or private placement of equity-type securities.
 - (7) The status of derivatives transactions and investments.
 - (8) Regulation compliance.
 - (9) Risk management.
 - (10) The evaluation of the independence and suitability of its CPA.
 - (11) The hiring or dismissal of an attesting CPA, or the compensation given thereto.
 - (12) Regular communications between the Chief Internal Auditor and the CPA.
 - (13) The performance assessment of the Audit Committee.
4. Audit Committee' s highlight of 2023:
 - (1) Review financial statements: The Board of Directors prepared the annual business report, the financial statements, and the earnings distribution proposal for the year 2022. The financial statements were audited and the audit report was issued by Deloitte. The above-mentioned business report, financial statements and earnings distribution proposal were forwarded to the Audit Committee for auditing, and the Audit Committee found that the same were prepared in accordance with the rules.
 - (2) The hiring of the CPA: The Audit Committee prepared CPA independence evaluation form with reference to Certified Public Accountant Act §47 and the Code of Professional Ethics Statement No. 10 on Integrity, Impartiality, Objectivity and Independence. The form evaluated the independence, competence and suitability of the CPA from the aspects of being a related party, having a business relationship, or having a financial interest with the Company.

The 3rd meeting of the 3rd Audit Committee on December 27, 2023, and the 3rd meeting of the 12th Board on December 27, 2023 approved that CPA Hsieh, Chien-Hsin and CPA Liao, Wan-I with Deloitte met the criteria for independence evaluation and were qualified to act as the Company's certified public accountants.
5. Six Audit Committee meetings were convened in 2023 (A). The members' qualification and attendance status are as follows

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person	Note
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Dyaco International Inc.

2023 operations of the Audit Committee and its participation in Board meetings

		(B)		(%) 【 B / A 】	
Independent Director	Wang, Kai-Li	5	1	100%	Appointed on May 26, 2023
Independent Director	Wang, Chih-Cheng	6	-	100%	Appointed on May 26, 2023
Independent Director	Tu, Chi-Yao	3	-	100%	Appointed on May 26, 2023
Independent Director	Wu, Jiin-Po	3	-	100%	Appointed on May 26, 2023
Independent Director	Hsieh, Chang-Hung	3	-	100%	Resignation on May 26, 2023

6. Other required notes for the meetings:

- (1). In the event of either of the following situations, dates, sessions, motions, resolutions of the meetings, and the Company' s responses to the Audit Committee' s opinions should be noted: Matters listed in the Securities and Exchange Act §14-5.

Board Meeting Dates	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion	
The 20 th meeting of the 11 th Board on March 3, 2023	(1). Amendment to Operation Procedure for Loaning Funds to others for Cikayda Inc..	None	
	(2). Cikayda Inc. made loans to s IUVO.	None	
	(3). Increase investment in sub-subsiidiary Neutron Ventures and Sweatband.com.	None	
	(4). Increase investment in sub-subsiidiary Dyaco Europe and Cardio Fitness.	None	
	(5). Apply for bank loans.	None	
	(6). To Chang Construction of the plant in Taichung Dajia.	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
Resolution: All directors present at the meeting approved.			
The 21 th meeting of the 11 th Board on March 23, 2023	(1). Loaning of funds for the subsidiaries of the Company.	None	
	(2). Approval of 2022 annual financial statements and business report.	None	
	(3). Approval of 2022 statement of internal control system.	None	
	(4). Approval of the capital increase through the issuance of common shares.	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
Resolution: All directors present at the meeting approved.			
The 22 th meeting	(1). Loaning of funds for the subsidiaries of the Company.	None	



Dyaco International Inc.

2023 operations of the Audit Committee and its participation in Board meetings

of the 11 th Board on May 12, 2023	(2). Approval of 2023 the first quarter consolidated financial statements.	None
	(3). Apply for bank loans.	None
	(4). The Company made endorsements/guarantees for Wing-long.	None
	(5). The Company made loans to sub-subsidiary City Sport.	None
	(6). Adjustment of the group' s investment structure °	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
The 1 st meeting of the 12 th Board on August 8, 2023	(1). Loaning of funds for the subsidiaries of the Company.	None
	(2). Approval of 2023 the second quarter consolidated financial statements.	None
	(3). Apply for bank loans.	None
	(4). The Company made loans to sub-subsidiary Winglong.	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
The 2 nd meeting of the 12 th Board on November 10, 2023	(1). Loaning of funds for the subsidiaries of the Company.	None
	(2). Determining whether there were loaning funds to unrelated parties in this quarter.	None
	(3). Approval of 2023 the third quarter consolidated financial statements.	None
	(4). Apply for bank loans.	None
	(5). Amendment to Operation Procedure for Loaning Funds to others for Fuel Spirit.	None
	(6). Amendment to Operating Procedures of Endorsement / Guarantees for Fuel Spirit.	None
	(7). The Company made loans to sub-subsidiary City Sport.	None
	(8). The Company made loans to sub-subsidiary Sweatband.com Ltd..	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
Resolution: All directors present at the meeting approved.		
The 3 rd meeting of the 12 th Board on December 27,	(1). President Plastic Products MFG. Co., Ltd. made endorsements/guarantees for the Company.	None
	(2). The Company made endorsements/guarantees for IUVO.	None

Dyaco International Inc.

2023 operations of the Audit Committee and its participation in Board meetings

2023	(3). The Company made loans to sub-subsidiary IUVO.	None
	(4). Sub-subsidiary Fuel Spirit made loans to the Company.	None
	(5). Apply for bank loans. °	None
	(6). 2023 Assessment of independence of CPAs.	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	

(2). Besides the above-mentioned matters, any matter that was not passed by the Audit Committee but was adopted with the approval of two-thirds or more of all Board directors: None.

7. In the event of recusals of independent directors due to conflicts of interests, the name of the independent directors, the motion, the grounds for recusal and the participation in voting should be noted: None.

8. Communications between the independent directors, the Company' s chief internal auditor and CPAs (e.g. the material items, methods and results of audits of financial position or operations, etc.)

(1). Communications between the independent directors and the CPA

Date	Attendee	Summary
March 23, 2023	<u>Independent Director</u> Hsieh, Chang- Hung Wang, Kai-Li Wang, Chih- Cheng <u>Deloitte & Touche CPA</u> Hsieh, Chien- Hsin Liao, Wan- I	<p><u>Communications between the Independent Directors and the CPA</u></p> <p>1. Preparation of financial statement timely and improvement quality. 2. Hire the qualified accountant for preparation of financial statement. 3. Investment management.</p> <p><u>Independent Directors' Response</u></p> <p>1. If the CPA has any difficulties or significant communication issues during the audit, the finance department should do its best to assist. 2. There are many subsidiaries in the Dyaco International Group, and the parent company should fulfill the responsibility of supervising them.</p> <p><u>The Company Follow-up</u></p> <p>1. Full cooperation with CPA in the audit. 2. The Company assigned additional manpower to carry out the responsibility of supervising the subsidiaries.</p>
Decem ber 27, 2023	<u>Independent Director</u> Wang, Kai-Li Wang, Chih- Cheng	<p><u>Communications between the Independent Directors and the CPA</u></p> <p>1. To communicate with the governance unit the key audit matters in the audit report. 2. Preparation of financial statement timely and improvement quality.</p> <p><u>Independent Directors' Response</u></p> <p>If the CPA has any difficulties or significant communication issues during the audit, the finance</p>

Dyaco International Inc.

2023 operations of the Audit Committee and its participation in Board meetings

Wu, Jiin-Po Tu, Chi-Yao <u>Deloitte & Touche CPA</u> Hsieh, Chien-Hsin	department should do its best to assist. <u>The Company Follow-up</u> 1. Full cooperation with CPA in the audit. 2. The exit meeting will be held after the audit of 2023 annual financial statements in the first quarter of 2024.
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(2). Communications between the independent directors and the chief internal auditor

Date	Attendee	Summary
December 27, 2023	<u>Independent Director</u> Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao <u>Chief Internal Auditor</u> Liu, Yu-Li	<u>Communications between the Independent Directors and the CIA</u> 1. Last meeting follow-up. 2. 2023 audit matters. 3. 2024 annual engagements. 4. Human resource allocation by audit department <u>Independent Directors' Response</u> 1. Remind internal auditors to conduct the audit of major subsidiaries on major operation cycles. 2. Engagements are submitted to the Audit Committee and the Board of Directors for resolution. 3. Increase internal auditor depend on operation status. <u>The Company Follow-up</u> 1. Engagements were discussed and passed in the Audit Committee meeting and the Board meeting on December 27, 2023. 2. The 2024 audit of major subsidiaries on major operation cycles will be conducted in accordance with internal control standards.

Audit Committee

The chief internal auditor submits the audit report to independent directors on a monthly basis, and reports to the Audit Committee and the Board of Directors on major findings of the internal control system. The chief internal auditor communicates with the Audit Committee the audit on a regular basis and responds to the Audit Committee members' questions after the release of monthly audit report. Relevant supervisors are invited to attend the meetings if necessary, and the chief internal auditor summarizes conclusions as well as suggestions and reports to the Audit Committee and the Board of Directors. The instructions of the Audit Committee and the Board of Directors are the guideline for implementation.

Audit Committee Meeting Date	Attended Independent Director	Attended Chief Internal Auditor	Summary	Resolution

Dyaco International Inc.

2023 operations of the Audit Committee and its participation in Board meetings

March 23, 2023	Hsieh, Chang-Hung Wang, Kai-Li Wang, Chih-Cheng	Liu, Yu-Li	Reported the audit report of December 2022 and January 2023..	Reported to the Board of Directors after the Audit Committee' s approval.
March 23, 2023	Hsieh, Chang-Hung Wang, Kai-Li Wang, Chih-Cheng	Liu, Yu-Li	<ul style="list-style-type: none"> ● Approved 2022 internal control statement. ● Reported the audit report of February 2023. 	<ul style="list-style-type: none"> ● The Audit Committee and the Board of Directors approved. ● Reported to the Board of Directors after the Audit Committee' s approval.
May 12, 2023	Hsieh, Chang-Hung Wang, Kai-Li Wang, Chih-Cheng	Liu, Yu-Li	Reported the audit report of March 2023 and April 2023.	Reported to the Board of Directors after the Audit Committee' s approval.
August 8, 2023	Wang, Chih-Cheng Wang, Kai-Li Wu, Jiin-Po Tu, Chi-Yao	Liu, Yu-Li	Reported the audit report of May 2023, June 2023 and July 2023.	Reported to the Board of Directors after the Audit Committee' s approval.
November 10, 2023	Wang, Chih-Cheng Wang, Kai-Li Wu, Jiin-Po Tu, Chi-Yao	Liu, Yu-Li	Reported the audit report of August 2023, September 2023 and October 2023.	Reported to the Board of Directors after the Audit Committee' s approval.
December 27, 2023	Wang, Chih-Cheng Wang, Kai-Li Wu, Jiin-Po Tu, Chi-Yao	Liu, Yu-Li	<ul style="list-style-type: none"> ● Reported the audit report of November 2023. ● Approved 2024 annual audit plan. 	<ul style="list-style-type: none"> ● Reported to the Board of Directors after the Audit Committee' s approval. ● The Audit Committee and the Board of Directors approved.

9. Evaluation of the Audit Committee

The Company conducted an evaluation of the Company's functional committee at the end of the year and the Audit Committee members were assessed on the following five aspects:

- (1). Involvement in the Company' s operations
- (2). Awareness of the Audit Committee' s duties
- (3). Enhancement of the quality of the Audit Committee' s decision-making
- (4). Makeup of the Audit Committee and election of members
- (5). Internal controls

The weighted average score for the 2023 overall performance of the Board of Directors was 4.94 out of 5 and is expected to report the result to the Board at its first quarter meeting in 2024.