

Operation of the Audit Committee

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The Audit Committee consists of 3 independent directors. The mission of the Audit Committee is to assist the Board of Directors in performing its duty to oversee the accounting, audit, and financial reporting processes in the Company and the quality and integrity of its audits to improve corporate governance efficiency and to discuss the company's major financial and business issues with CPA and auditor.

In 2020, the Audit Committee convened 7 meetings, and the focus of work is as follows:

1. Financial statement audits and financial forecast.
2. Evaluation for reviewing the effectiveness of the internal control system.
3. Audit plans.
4. Loans of funds, endorsements, or provision of guarantees of a material nature.
5. Significant asset acquisition transaction.
6. Matters involving conflicts of interest.
7. Offering, issuance, or private placement of equity-type securities
8. Appointment of a certified accountant.
9. Amendment to the Audit Committee Charter.
10. Amendment to Procedures for Acquisition or Disposal of Assets.
11. Amendment to the Internal Control System.
12. The fairness and reasonableness of the merger plan and transaction.

Major Resolutions of the Audit Committee in 2020

Term and date	Agenda	Audit Committee's resolution	The Company's handling of Audit Committee members' opinions:
3rd meeting of 1st committee January 2, 2020	<ol style="list-style-type: none"> 1. Proposed appointment of CPA and independence assessment. 2. Proposal to provide associated guarantees for the subsidiary to obtain a credit line from banks. 3. Proposal to continue providing joint guarantee for the subsidiary to obtain credit line from banks. 	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.
4th meeting of 1st committee February 15, 2020	<ol style="list-style-type: none"> 1. Proposal for the 2019 internal control system effectiveness assessment and internal control system statement. 2. To release the non-competition restriction on Directors. 3. Proposal to make a donation to the "WT Education Foundation." 4. Amendments to the Procedures for Acquisition or Disposal of Assets. 5. Private Placement of Class B preferred shares and/or Class C preferred shares. 6. Private Placement of common shares. 7. Issuance of common shares to increase 	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.

Term and date	Agenda	Audit Committee's resolution	The Company's handling of Audit Committee members' opinions:
	capital via book building. 8. Issuance of new restricted employee shares. 9. The 2019 Business Report and Financial Statements.		
5th meeting of 1st committee February 21, 2020	1. The company increased capital by issuing consideration shares in a stock swap for accepting new shares of ASMedia Technology Inc.	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.
6th meeting of 1st committee May 11, 2020	1. Proposal to continue providing associated guarantees for the subsidiaries to obtain a credit line from banks.	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.
7th meeting of 1st committee July 2, 2020	1. Proposal to acquire by cash all shares of Analog World Co., Ltd. ("AWC"), and proposal to transferred the semiconductor product distribution business of Analog TechSystems, Inc. ("ATS") and Analog Devices, Inc. ("ADI") of Analogtechsys Limited ("ATL") to the subsidiary Morrihan International Corp. ("Morrihan International"). 2. Proposal for capital increase by cash issue of Class A preferred shares. 3. Proposal to continue providing associated guarantees for the subsidiaries to obtain a credit line from banks.	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.
8th meeting of 1st committee August 7, 2020	1. Proposal to amend the Audit Committee Charter. 2. Proposal to amend the Internal Control System. 3. Proposal to continue providing associated guarantees for the subsidiary to obtain a credit line from banks.	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.
9th meeting of 1st committee November 6, 2020	1. Proposal for Summary consolidated financial forecast for the fourth quarter of 2020. 2. Proposal for the 2021 audit plan. 3. Proposal to continue providing associated guarantees for the subsidiaries to obtain a credit line from banks or manufacturers.	Passed as proposed after the chairperson consulted all attending members.	Proposed to the Board of Directors for discussion and approved by all present directors.