

## PharmaEngine, Inc. Audit Committee Operation

● 2024 Audit Committee resolutions:

Meeting Date	Period	Proposal	Independent director's objections or reservations	Audit Committee Resolution	Company Opinion
Feb. 29, 2024	8 <sup>th</sup> meeting of the 3 <sup>rd</sup> session	<ul style="list-style-type: none"> <li>- Discuss 2023 annual business report and financial statements</li> <li>- Evaluate the accountant's independence, eligibility, and remuneration</li> <li>- Discuss the evaluation of 2023 internal control system effectiveness and "Internal Control System Declaration" proposal</li> <li>- Discuss amendment proposal of "Rules of Procedure for Board Meetings"</li> <li>- Discuss amendment proposal of "Audit Committee Charter"</li> </ul>	None	<ol style="list-style-type: none"> <li>1. All passed</li> <li>2. All passed</li> </ol>	Approved by all attending directors
Apr. 25, 2024	8 <sup>th</sup> meeting of the 3 <sup>rd</sup> session	<ul style="list-style-type: none"> <li>- Discuss 1Q 2024 financial report</li> <li>- Discuss amendments proposal for "Internal Control System – Electronic</li> </ul>	None	<ol style="list-style-type: none"> <li>1. All passed</li> <li>2. All passed</li> <li>3. All passed</li> </ol>	Approved by all attending directors

		Information System Management Circulation”		4. All passed	
Jul. 25, 2024	10 <sup>th</sup> meeting of the 3 <sup>rd</sup> session	- Discuss 2Q 2024 financial report	None	All passed	Approved by all attending directors
Oct. 31, 2024	11 <sup>th</sup> meeting of the 3 <sup>rd</sup> session	<ul style="list-style-type: none"> <li>- Discuss 3Q 2024 financial report</li> <li>- Discuss 2025 annual operation targets and budget</li> <li>- Discuss 2025 internal audit plan</li> <li>- Discuss amendment proposal for “Sustainable Development Best Practice Principle”</li> <li>- Discuss amendment proposal for “Internal Control System – Other Management System”</li> <li>- Discuss amendment proposal for “Internal Audit Standard and Implementation Procedure”</li> </ul>	None	All passed	Approved by all attending directors

### Audit Committee Member Attendance

(1) 2024 Audit Committee (3<sup>th</sup> session) held 4 meetings (A)

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Convener (Independent Director)	Ming-Daw Chang	4	0	100.0	
Member (Independent Director)	Chien-Huang Lin	4	0	100.0	
Member (Independent Director)	Chih-Li Wang	4	0	100.0	

## 2024 Audit Committee Operation Summary

The Audit Committee meeting occurs once every quarter. In 2024, four meetings were convened, and the matters reviewed were matters listed in Article 6 of the Audit Committee Charter. The matters discussed and approved by the Audit Committee in 2024 are as follow:

- Financial Statement Review

Audited and approved the 2023 Business Report, financial statements, and the profit distribution proposal prepared by the Board of Directors. Financial statements, in particular, have been audited by PwC Taiwan, with the Audit Report issued.

Audited and approved the financial statements for the first-third quarter 2024, which also have been audited by PwC Taiwan with the Audit Report issued.

- Evaluation of the validity of the internal control system

The Audit Committee evaluates the validity of the policy and procedure of the Company's internal control system (that covers environment management, risk analysis, management operation, information and communication, and other monitoring measures) and reviews periodic reports submitted by the Company's Audit Office, the CPAs, and the management team, the reports include risk management and regulation compliance. The Audit Committee believes that the risk management and internal control systems of the Company are valid. The Company has adopted necessary control mechanisms to supervise and correct non-compliant behavior.

- Audit Internal Control Corrections

In 2024, the Audit Committee approved amendment proposals of "Rules of Procedure for Board Meetings", "Audit Committee Charter", "Sustainable Development Best Practice Principle", "Internal Control System – Electronic Information System Management Circulation", Internal Control System – Other Management System", and "Internal Audit Standard and Implementation Procedure".

- Delegation of CPA

The Audit Committee is empowered to supervise the independence of the CPAs and the accounting firm in order to ensure impartiality of financial statements. The Company has formulated the "General Principles of Pre-approval Non-Assurance Service Policy" and the pre-approval



list in accordance with the "International Code of Ethics for Accountants (IESBA Code)" revised by the International Ethics Standards Board for Accountants (IESBA). Except for the tax-related services or pre-approved non-assurance services, the CPAs and the accounting firm may not provide the Company with other services. All the services provided by the CPAs and the accounting firm must be approved by the Audit Committee.

In order to ensure the independence of the CPAs and the accounting firm, the Audit Committee evaluates the independence based on the requirements of Article 7 of 10 of the Code of Ethics for Certified Public Accountants "Independence of Audit and Review" defined by the CPA Associations, R.O.C. and obtains the statement of independence from the accountants.

It was reviewed and approved during the 8th meeting of the 3rd intake of Audit Committee on February 29, 2024 and the 8th meeting of the 8th intake of Board of Directors on February 29, 2024 that CPAs Yu, Shu-Fen and Liang Hua-Ling of PwC Taiwan had fulfilled the independence and competency evaluation criteria their public audit fees are still reasonable. We hired them as our CPAs for the Company's 2024 financial Reports.