

(3) Operation of the Audit Committee:

1. The Company has established a four-member independent audit committee, among which includes one female independent director, with the aim of overseeing the proper expression of the Company's financial statements, the selection (dismissal) and independence and performance of the auditors, the effective implementation of the Company's internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks. Please refer to the director's professional qualifications and independent director's independence information disclosure for the professional qualifications and experience of the audit committee members (please see Pages 21-27).
2. The key areas of focus for the Audit Committee in the year 2023 include:  
Annual standalone and consolidated financial statements, annual earnings distribution, annual audit plan formulation, internal control system, loan of funds by the Company and its subsidiaries, endorsements and guarantees by the Company for its subsidiaries, evaluation of the independence and suitability of the auditors, self-assessment questionnaire for the performance evaluation of the Audit Committee, and compliance with regulations.
3. The Audit Committee has convened 5 (A) meetings in the most recent year, with the attendance by independent directors as follows:

Title	Name	Actual Attendances (B)	Frequency of Proxy Attendance	Actual Attendance Rate (%) [B/A] (Notes 1 & 2)	Remarks
Independent Director	Chen Shui-Jin	5	-	100%	
Independent Director	Chen Jian-Nan	5	-	100%	
Independent Director	Tsai Wu-Ying	5	-	100%	
Independent Director	Lei Shin-Jung	5	-	100%	

Other Mentionable Items:

1. Where there is any of the following circumstances in the operation of the audit committee, Date of Audit Committee Meeting, Period, Proposals, Independent Director Objections, Reservations or Material Suggestions, Resolutions by the Audit Committee and Response by the Company shall be specified.

(1) Matters as prescribed in Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee Meeting	Proposals	Resolutions by the Audit Committee	Response by the Company
2023.01.13	1. To review Loaning of Funds by the Company and its Subsidiaries.	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2023.01.13.
2023.03.30	1. To review the Company's 2022 Business Report. 2. To review the Company's 2022 Standalone and Consolidated Financial Reports. 3. To review the Company's 2022 Earnings Distribution. 4. To review the Company's 2022 "Statement on Internal Control". 5. To review Loaning of Funds by the Company and its Subsidiaries. 6. To Evaluations on Independence and Suitability of the Attesting CPAs for the Company. 7. To Pre-Approve the Provision of Non-Assurance Services by Attesting CPAs and Their Firm and Associates to the Company and its Subsidiaries. 8. To review 2023 Audit Fee of the Company. 9. Replacement of the Company's Attesting CPAs. 10. Credit by ING Bank N.V. to Reinvestment Businesses of the Company	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2022.03.23.

Date of Audit Committee Meeting	Proposals	Resolutions by the Audit Committee	Response by the Company
2023.05.10	<ol style="list-style-type: none"> <li>To review Q1 2023 Consolidated Financial Statements of the Company.</li> <li>To review the Approval of Funds Loan by the Company.</li> </ol>	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2023.05.10.
2023.08.11	<ol style="list-style-type: none"> <li>To review the Company's Q2 2023 Consolidated Financial Statements of the Company.</li> <li>To review the Approval of Funds Loan by the Company.</li> </ol>	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2023.08.11.
2023.11.09	<ol style="list-style-type: none"> <li>To review the Company's Q3 2023 Consolidated Financial Statements of the Company.</li> <li>To review Loaning of Funds by the Company and its Subsidiaries.</li> <li>To review the Company's Promulgation of 2024 Audit Plan.</li> <li>To review the loans of MERIDA Bicycle (Shandong) Co., Ltd. under commission to MERIDA Bicycle (Jiangsu) Co., Ltd.</li> <li>Proposal to provide endorsement and guarantee to MERIDA Bicycle (Jiangsu) Co., Ltd..</li> <li>To provide loan of funds to MERIDA BENELUX B.V.</li> </ol>	Adopted by all attending members (Independent Director Objections or Qualified Opinion: None)	Approved by all attending directors in the Board of Directors meeting on 2023.11.09.

(2) Other matters yet to be adopted by the Audit Committee but approved by two-third of all directors through resolution other than foregoing matters: None.

2. Concerning implementation of recusals from proposals which an independent director is a stakeholder, Name of Independent Directors, Proposals, Reason for Required Recusal and Participation in Voting: None.

3. Communications between Independent Directors and Internal Audit Supervisors and Accountants (shall include material matters, and methods and results thereof concerning the Company's financial and business situations):

Date of Communication Meeting	Proposals	Communication Method	Communication Result
2023.03.30	<ol style="list-style-type: none"> <li>Audit Results and Adjustments to the Company's 2022 Annual Financial Report.</li> <li>Explanations on 2022 Key Audit Matters (KAM).</li> <li>Pre-Approval of Non-Assurance Services by the</li> </ol>	Presentation s and Discussions	Acknowledged with no further opinions.

	Company's Governance Unit. 4. Follow-Up on De-stocking Matters		
2023.11.09	<ol style="list-style-type: none"> <li>1. Review Results and Adjustments to the Company Q3 2023 Financial Report.</li> <li>2. Explanations on the Scope, Manners and Schedule Adopted in Audits to Merida Group by Deloitte for the Year 2023.</li> <li>3. Explanations on Identification of Significant Risks.</li> <li>4. Explanations on 2023 Key Audit Matters (KAM).</li> <li>5. Brief Introduction to Audit Team.</li> <li>6. Influence of Counter-Espionage Law of the People's Republic of China on Business Trips for Auditing to Mainland China (China, Hong Kong S.A.R., and Macau S.A.R.).</li> <li>7. Follow-Up on De-stocking Matters.</li> <li>8. Self-Prepared Financial Information shall be reported within 75 days from the end of fiscal year. The Duration for Synchronizing the Audit Financial Report for the Appropriate Year with the Self-Prepared Financial Information shall be expedited.</li> </ol>	Presentation s and Discussions	Acknowledge d with no further opinions.

Note 1: If an independent director has resigned before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Audit Committee throughout his/her term and his/her actual attendance.

Note 2: If there is a by-election of independent directors, the new or incumbent independent directors shall be listed, and the status the independent directors being incumbent, new, or the date the independent director has been re-elected and the date of by-election shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated by the number of meetings held by the Audit Committee throughout his/her term and his/her actual attendance.