

King Slide Works Co., Ltd.
2023 Annual Meeting of Shareholders
Minutes
(Translation)

Time: 9 a.m., June 28, 2023

Place: Floor B1, No. 299, Shun An Road, Luzhu District, Kaohsiung, Taiwan

Total outstanding shares: 95,297,072 shares

Total shares represented by shareholders present in person or by proxy: 80,270,309 shares

Percentage of shares held by shareholders present in person or by proxy: 84.23%

Chairman: Lin Tsung-Chi, the Chairman of the Board of Directors

Recorder: Ching-Te Cheng

Attendees: Lin Shu-Chen (Director), Wang Chun-Chiang(Director), Hsu Fang-

Yih(Independent Director), Cai Wen-Zhi(Independent Director), Wu Yu-Ti

(Independent Director), Yang Fu-Hsuan (Independent Director), Chen Chen-Li

(CPA, Deloitte&Touche), Winnie Chern (Attorney)

Call the Meeting to Order: The total shares represented by shareholders present in person or by proxy reached the amount threshold required by law. The chairman called the meeting to order.

Chairman's Remarks (omitted)

I. Report Items

Report No. 1

2022 Business Report is presented for resolutions.

Explanation: The Business report (please refer to Annex).

Report No. 2

2022 Audit Committee's Review Report is presented for resolutions.

Explanation: The Audit Committee's Review Report (please refer to Annex).

Report No. 3

2022 Employees' Compensation and Directors' Remuneration

Explanation:

(I) The adoption is made according to Article 25 of the Articles of Incorporation.

(II) Compensation to employees is NT\$172,788,000 and remuneration to directors is NT\$6,000,000. Both are to be distributed in cash.

Report No. 4

2022 Directors' Remuneration Report

Explanation:

(I) Describe the remuneration policy, system, standard, and structure of the company's directors and how the factors such as duty, risk, and engaged time relate to the remuneration amount.

1. The remuneration for serving as the directors of the company shall not exceed the maximum salary standard stipulated in the company's "Regulation for Salary Assessment of Employee" and shall be paid regardless of whether the company operates at a profit or loss.
2. In accordance with the company's articles of incorporation, the remuneration for the chairman and directors of the company basing on the degree of participation in the company's operations, the value contributed, and the industry standards shall be determined by the board of directors authorized by the resolution of the shareholders' meeting.
3. The directors' remuneration is ruled expressly by the articles of incorporation that the appropriation shall not be more than 5% of the earnings before tax.
4. All the independent directors' remuneration is better than the general directors' for undertaking the responsibility of doubling the members of the Audit Committee and Remuneration Committee.

(II) Analysis of individual director's remuneration is as follows:

Year : 2022 ; Unit : NT\$ Thousand ; Thousand shares

Title	Name	Directors' remuneration							The total of the four items a, b, c and d and their proportions to net profit after tax		compensation earned as an employee of the Company						The total of the seven items a, b, c d, e, f and g and their proportions to net profit after tax		Compensation from reinvestment business outside the subsidiary or parent company
		remuneration (a)		retirement pension (b) (Note 1)		Directors' remuneration (c) (Note 2)		execution costs (d)			Salary, bonus and special expenses, etc. (e)		retirement pension (f) (Note1)		employee compensation (g) (Note 2)				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company		All companies in financial report		The Company	

Chairman	Lin Tsung-Chi	1,374	1,374	33	33	4,977	4,977	—	—	6,384 0.16%	6,384 0.16%	—	—	—	—	—	—	—	—	6,384 0.16%	6,384 0.16%	None
Director	Representative of Long Shen Investment Inc.: Lin Tsung-Lung	—	—	—	—	581	581	—	—	581 0.01%	581 0.01%	—	—	—	—	—	—	—	—	581 0.01%	581 0.01%	None
		—	—	—	—	202	202	—	—	202 0.00%	202 0.00%	—	—	—	—	—	—	—	—	202 0.00%	202 0.00%	None
Direc-tor	Wang Chun-Chiang	—	—	—	—	240	240	—	—	240 0.01%	240 0.01%	3,804	3,804	31	31	6,407	—	6,407	—	10,482 0.26%	10,482 0.26%	None
Inde-pen-dent direc-tor	Hsu Fang-Yih	—	—	—	—	—	—	430	430	430 0.01%	430 0.01%	—	—	—	—	—	—	—	—	430 0.01%	430 0.01%	None
Inde-pen-dent direc-tor	Cai Wen-Zhi	—	—	—	—	—	—	430	430	430 0.01%	430 0.01%	—	—	—	—	—	—	—	—	430 0.01%	430 0.01%	None
Inde-pen-dent direc-tor	Wu, Yu-Ti (Note 3)	—	—	—	—	—	—	430	430	430 0.01%	430 0.01%	—	—	—	—	—	—	—	—	430 0.01%	430 0.01%	None
Inde-pen-dent direc-tor	YANG FU-HSUAN	—	—	—	—	—	—	430	430	430 0.01%	430 0.01%	—	—	—	—	—	—	—	—	430 0.01%	430 0.01%	None

Note 1 : The figures are based on the recognized and appropriated amounts.

Note 2 : The figures are estimated proportionally from the amount disbursed in 2021.

Note 3 : The independent director Wu, Hsiu is renamed to Wu, Yu-Ti at February 04, 2023.

Report No. 5

Other reporting items

Explanation: The proposals made by the shareholders in the current shareholders meeting are handled as follows:

- (I) It is processed in accordance with Article 172-1 of the Company Act.
- (II) A shareholder holding 1% or more of the total number of issued shares may submit a

written proposal to the Company for discussion at the book closure date of the Annual Meeting of Shareholders.

- (III) A proposing shareholder is limited to one proposal only, and each content included in the meeting agenda shall be no more than 300 words (including text and punctuation). The proposing shareholder shall attend the meeting in person or by proxy to participate in the discussion of the proposal.
- (IV) The Company shall receive shareholder proposals during the period of April 14 - April 24, 2023, which should be announced on the Market Observation Post System.
- (V) The Company did not receive any proposal from shareholders.

II. Proposed Resolutions

Item 1 Proposed by the Board of Directors

2022 Business Report and Financial Statements are presented for approval.

Explanation:

- (I) King Slide's 2022 Parent Company Only and Consolidated Financial Statements were audited by CPA Chen-Li Chen and CPA Chia-Ling Chiang of Deloitte & Touche Taiwan. Independent Auditor's Reports were issued with unmodified opinion for the Parent Company Only Statements, and unmodified opinion with emphasis of matter paragraph for the Consolidated Statements. Independent Auditor's Reports and the Business Report were reviewed by the Audit Committee with the written Audit Committee's report issued.
- (II) The aforementioned statements and the Business Report are enclosed (please refer to Annex).

Resolutions:

The number of shares represented at the time of voting (votes casted electronically included) was 80,164,309. The number of the approval votes was 79,681,839, disapproval votes was 3,585, invalid votes was 0, and abstention votes/no votes was 478,885; the percentage of the approval votes to the total was 99.39%.

RESOLVED, that the above proposal be and hereby was adopted as presented.

Item 2 Proposed by the Board of Directors

2022 distribution of earnings is presented for approval.

Explanation:

- (I) The amount available for distribution in the current period is NT\$11,837,422,663. This is calculated by adding Net profit of 2022, NT\$4,056,145,256, to the undistributed earnings of NT\$8,174,350,431 from the previous period, the defined benefit plan re-measurement amount with a balance of NT\$10,511,395 recognized as retained earnings, and a reversed special reserve of NT\$3,081,246. Less appropriating a legal reserve of NT\$406,665,665.
- (II) Earnings distribution is planned in accordance with Article 26 of the Articles of Incorporation as follows:
Cash dividends: NT\$20 per share is planned, totaled NT\$1,905,941,440.
The Board of Directors is to be authorized after the Annual shareholders' Meeting to schedule the ex-dividend date and distribution date.
- (III) The amount of unappropriated retained earnings this year, NT\$9,931,481,223, will be carried forward to the following year.
- (IV) The distribution of a cash dividend is calculated to an integral amount (rounded up to the next whole NT\$) proportionally to the shares held by the shareholders. The total amount of the odd lot for less than NT\$1 is combined in the non-operating income of the company.
- (V) Profit Distribution Table is enclosed (please refer to Annex).

Resolutions:

The number of shares represented at the time of voting (votes casted electronically included) was 80,164,309. The number of the approval votes was 79,652,899, disapproval votes was 43,585, invalid votes was 0, and abstention votes/no votes was 467,825; the percentage of the approval votes to the total was 99.36%.

RESOLVED, that the above proposal be and hereby was adopted as presented.

III. Discussion

The amendment to the Company's "Procedures for Acquisition or Disposal of Assets" is presented for discussion.

Explanation:

- (I) In response to the amendment to "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" about strengthening the regulatory function on the practice and supervision of related party transaction, it is proposed to amend some of the provisions of the Company's "Procedures for the Acquisition and Disposal of Assets".
- (II) Comparison Table for the Company's "Procedures for the Acquisition and Disposal of Assets" is enclosed (please refer to Annex).

Resolutions:

The number of shares represented at the time of voting (votes casted electronically included) was 80,164,309. The number of the approval votes was 79,215,795, disapproval votes was 3,489, invalid votes was 0, and abstention votes/no votes was 945,025; the percentage of the approval votes to the total was 98.81%.

RESOLVED, that the above proposal be and hereby was adopted as presented.

IV. A.O.B

V. Adjournment

09:24 a.m.

No questions were posed by shareholders at this meeting.

(The minutes is intended for summarizing the main purposes and results of the annual shareholders' meeting. The video record shall govern any or all details of the content or procedure of the meeting.)

Chairman: Lin Tsung-Chi

Recorder: Ching-Te Cheng

The 2022 Business Report

The consolidated revenue and net operating profit in 2022 climbed 22.97% and 37.98% respectively from 2021. Due to currency depreciation, the Company incurred a foreign exchange gain of NT\$1,103,179 thousand in the current year, resulting in an after-tax EPS NT\$42.56. Taking a closer look at the operational performance in 2022, our revenue and profit did not decline as a result of the continuous sharp increase in the price of raw materials; instead, we managed to achieve both top-line and bottom-line growth again, with the growth rate of operating net profit exceeding that of revenue. The record-breaking performance was a result of the depreciation of the New Taiwan Dollar, an increase in customer orders, and the positive effects on sales and profitability generated from the launch of new products. The long-planned intelligent plant and production line have been officially put into mass production in July 2022. Although the operational performance so far in 2023 has been affected by customers' excess inventory resulted from the over-purchasing in 2022, with the continuous introduction of new products, we believe the future growth prospect is still promising and we expect to bring a better operational performance to shareholders in the near future. The 2022 business performance is explained as follows

I. Business plan implementation results:

Unit: NT\$ Thousand

Item	2022	2021	Increase or decrease in amount	Change in ratio (%)
Operating revenue	7,798,631	6,341,989	1,456,642	22.97
Profit from operations	3,752,672	2,719,682	1,032,990	37.98
Net profit	4,056,145	2,072,520	1,983,625	95.71

II. Implementation of budget: The 2022 financial forecast was not disclosed, so there is no budget achievement.

III. Financial revenue and expense and profitability analysis

Item		2022	2021
Financial structure (%)	Ratio of liabilities to assets	18.70	18.33
	Ratio of long term funding to property, plants, and equipment	584.12	562.33

Item		2022	2021
Solvency (%)	Current ratio	786.61	723.46
	Quick ratio	738.28	666.72
	Times interest earned ratio	501.27	266.06
Profitability (%)	Ratio of return on total assets	23.44	14.44
	Ratio of return on shareholders' equity	28.72	17.47
	Ratio of profit before income tax to paid-in capital	532.36	272.38
	Profit ratio	52.01	32.67
	Earnings per share (NT\$)	42.56	21.75

IV. Research development status

The company's R&D expenditure in 2022 was NT233,250 thousand; the main development status is as follows:

- (1) In response to the planning of the new generation products, R&D continues to develop new slide rail kit products to be applied in standard and open rack cabinets, or other special cabinets. In order to create more diversified, efficient, and high-tech products under the restriction of limited spaces, R&D carries out in-depth analysis and analytics on new products specifications by studying as many aspects of the products as possible and throughout all the stages, from early design to the end-user markets. The goal is to consolidate and evaluate product functionality, convenience, and safety. This is also the major policy and direction for the future product development so as to develop suitable green products for the numerous applications in the 3C products market.
- (2) Regarding the channel market, high-end slide rails, and hinges, since series of products have already been developed, the Company is currently gathering more application insights for the existing standard products in order to build a more comprehensive product line to meet the demands of the new modern styles. Meanwhile, we actively use the insights collected to develop products with functional features of convenience and safety that appeal to users. This will also enhance the Company's competitiveness and value in the markets for high-end kitchen, office cabinets, toolbox, medical care, and smart home or home automation. In response to higher production needs, we have actively developed and introduced the more advanced automated and intelligent manufacturing equipment to achieve smart production, thereby enabling the Company to create a low-cost and high-efficiency, and high-quality production conditions for all of its products.

V. Management strategy

In line with the continuous recruitment and training of management, marketing, and R&D talents as the long-term business policy, the Company is committed to strengthening the management team and talents to become the most important assets. Other important principles are as follows:

1. The complete R&D and industrial layout of the RAIL KIT product line developed in line with cloud computing requirements;
2. The complete R&D and industrial layout of the kitchen Rail Kit product line for household consumption needs;
3. The complete R&D and industrial layout of the consumer product line for personal consumption needs;
4. The introduction of intelligent production technology to improve business management performance;
5. The establishment of global flexible production bases to meet the needs of customers in different markets;

Since its establishment, the Company has continuously strengthened its competitiveness by actively innovating and pursuing transformation. When facing the treacherous and ever-changing environment, the company still handles it with a more cautious and conservative attitude. In addition to strictly implementing the cost saving and expense cutting strategy, the Company has invested more capital and resources to expand the markets in different industries, create more promotion to increase the popularity of the “King Slide” brand, and expand distribution channels globally. Besides, in response to the geopolitical risks, the Company actively seeks to establish production bases or collaborative partnership in different areas and puts sustainable development goals into practice by implementing solid ESG strategy in order to achieve better business performance in the future.

Chairman: Lin Tsung-Chi President: Lin Shu-Chen Chief Accountant: Chen Yi-Nian

King Slide Works Co., Ltd.
Audit Committee's Review Report

The Company's Board of Directors prepared and presented the 2022 individual financial statements, consolidated financial statements, business report, and earnings distribution proposal. The 2022 financial statements and consolidated financial statements were audited by CPA Chen-Li Chen and CPA Chia-Ling Chiang of Deloitte & Touche Taiwan with unmodified opinion for the parent and unmodified opinion with emphasis of matter paragraph for the consolidated issued in the independent auditor's report. The aforementioned accounting statements were reviewed and verified by the supervisors with an Audit Committee's review report prepared and presented in accordance with the provisions of the Securities and Exchange Act and the Company Act.

To

The Company's 2023 Annual Meeting of Shareholders

King Slide Works Co., Ltd.

Audit Committee: Hsu Fang-Yih

February 24, 2023

Annex (Independent Auditor's Report –Financial Statements)

INDEPENDENT AUDITORS' REPORT

King Slide Works Co., Ltd.

Opinion

We have audited the accompanying financial statements of King Slide Works Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2022 is as follows:

Occurrence of revenue from specific customers

The operating revenue of the Company for the year ended December 31, 2022 was NT\$2,342,652 thousand. In addition, based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

In addition to obtaining an understanding of the internal controls relevant to the recognition of operating revenue, we performed the following audit procedures:

1. We understood and tested the operating effectiveness of the internal controls relevant to the revenue of the Company.
2. We selected samples and verified the occurrence of recorded revenue against supporting documents, including purchase orders, shipping and collection documents, and we checked and confirmed that the payer was the same as the buyer.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Corporation audit. We remain

solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Li Chen and Chia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

KING SLIDE WORKS CO., LTD.**DECEMBER 31, 2022 AND 2021****(In Thousands of New Taiwan Dollars)**

	December 31, 2022		December 31, 2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,799,857	17	\$ 2,175,284	16
Financial assets at amortized cost - current (Note 7)	307,170	2	636,594	5
Notes receivable (Notes 4 and 8)	50,310	-	56,177	-
Notes receivable - related parties (Notes 8 and 23)	126,772	1	140,150	1
Accounts receivable, net (Notes 4, 5 and 8)	261,569	2	384,773	3
Accounts receivable - related parties (Notes 8 and 23)	45,311	-	76,606	1
Other receivables	6,116	-	7,369	-
Other receivables - related parties (Note 23)	2,204	-	3,301	-
Inventories (Notes 4 and 9)	263,025	2	330,094	3
Other current assets	<u>19,614</u>	<u>-</u>	<u>22,581</u>	<u>-</u>
Total current assets	<u>3,881,948</u>	<u>24</u>	<u>3,832,929</u>	<u>29</u>
NONCURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 10)	11,979,016	73	9,018,001	68
Property, plant and equipment (Notes 4, 11 and 24)	450,202	3	450,262	3
Software (Note 4)	850	-	895	-
Deferred tax assets (Notes 4 and 19)	17,464	-	39,077	-
Prepayments for equipment (Note 24)	85,500	-	9,500	-
Refundable deposits	<u>391</u>	<u>-</u>	<u>231</u>	<u>-</u>
Total noncurrent assets	<u>12,533,423</u>	<u>76</u>	<u>9,517,966</u>	<u>71</u>
TOTAL	<u><u>\$ 16,415,371</u></u>	<u><u>100</u></u>	<u><u>\$ 13,350,895</u></u>	<u><u>100</u></u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 12)	\$ 78,695	1	\$ 146,049	1
Notes payable - related parties (Notes 12 and 23)	29,919	-	42,588	1
Accounts payable (Note 12)	19,083	-	37,844	-
Accounts payable - related parties (Notes 12 and 23)	18,356	-	24,551	-
Other payables (Note 13)	387,119	2	299,135	2
Other payable - related parties (Note 23)	47	-	-	-
Current tax liabilities (Notes 4 and 19)	149,594	1	103,129	1
Refund liability - current (Note 14)	5,726	-	3,411	-
Other current liabilities	<u>14,976</u>	<u>-</u>	<u>9,939</u>	<u>-</u>
Total current liabilities	<u>703,515</u>	<u>4</u>	<u>666,646</u>	<u>5</u>
NONCURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	57,502	1	47,090	1
Net defined benefit liabilities (Notes 4 and 15)	<u>16,017</u>	<u>-</u>	<u>33,872</u>	<u>-</u>
Total noncurrent liabilities	<u>73,519</u>	<u>1</u>	<u>80,962</u>	<u>1</u>
Total liabilities	<u>777,034</u>	<u>5</u>	<u>747,608</u>	<u>6</u>
EQUITY (Note 16)				
Ordinary shares	<u>952,971</u>	<u>6</u>	<u>952,971</u>	<u>7</u>
Capital surplus	<u>796,691</u>	<u>5</u>	<u>796,691</u>	<u>6</u>
Retained earnings				
Legal reserve	1,642,442	10	1,435,887	11
Special reserve	9,302	-	9,219	-
Unappropriated earnings	<u>12,241,007</u>	<u>74</u>	<u>9,417,821</u>	<u>70</u>
Total retained earnings	<u>13,892,751</u>	<u>84</u>	<u>10,862,927</u>	<u>81</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	<u>(4,076)</u>	<u>-</u>	<u>(9,302)</u>	<u>-</u>
Total equity	<u>15,638,337</u>	<u>95</u>	<u>12,603,287</u>	<u>94</u>
TOTAL	<u><u>\$ 16,415,371</u></u>	<u><u>100</u></u>	<u><u>\$ 13,350,895</u></u>	<u><u>100</u></u>

The accompanying notes are an integral part of the financial statements.

Annex (Statements of Comprehensive Income)
KING SLIDE WORKS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 14, 17 and 23)	\$ 2,342,652	100	\$ 2,475,665	100
OPERATING COSTS (Notes 9, 18 and 23)	<u>1,584,010</u>	<u>67</u>	<u>1,723,865</u>	<u>70</u>
GROSS PROFIT	758,642	33	751,800	30
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(4,278)	-	(3,478)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>3,478</u>	<u>-</u>	<u>2,613</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>757,842</u>	<u>33</u>	<u>750,935</u>	<u>30</u>
OPERATING EXPENSES (Notes 8, 18 and 23)				
Selling and marketing	100,607	4	84,380	3
General and administrative	126,329	6	104,003	4
Research and development	117,495	5	112,497	5
Expected credit loss recognized (reversed)	<u>(458)</u>	<u>-</u>	<u>1,922</u>	<u>-</u>
Total operating expenses	<u>343,973</u>	<u>15</u>	<u>302,802</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>413,869</u>	<u>18</u>	<u>448,133</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 18 and 23)				
Other gains and losses	243,110	10	(20,720)	(1)
Interest income	35,016	1	5,334	-
Share of profit of subsidiaries	<u>3,552,063</u>	<u>152</u>	<u>1,743,135</u>	<u>71</u>
Total non-operating income and expenses	<u>3,830,189</u>	<u>163</u>	<u>1,727,749</u>	<u>70</u>
PROFIT BEFORE INCOME TAX	4,244,058	181	2,175,882	88
INCOME TAX EXPENSE (Notes 4 and 19)	<u>187,913</u>	<u>8</u>	<u>103,362</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>4,056,145</u>	<u>173</u>	<u>2,072,520</u>	<u>84</u>

(Continued)

KING SLIDE WORKS CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 15 and 19)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 13,139	1	\$ (8,716)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,628)</u>	<u>-</u>	<u>1,743</u>	<u>-</u>
	<u>10,511</u>	<u>1</u>	<u>(6,973)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	6,532	-	(104)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(1,306)</u>	<u>-</u>	<u>21</u>	<u>-</u>
	<u>5,226</u>	<u>-</u>	<u>(83)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>15,737</u>	<u>1</u>	<u>(7,056)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,071,882</u>	<u>174</u>	<u>\$ 2,065,464</u>	<u>83</u>
EARNINGS PER SHARE (Note 20)				
Basic	<u>\$ 42.56</u>		<u>\$ 21.75</u>	
Diluted	<u>\$ 41.84</u>		<u>\$ 21.55</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

Annex (Statements of Changes In Equity)
KING SLIDE WORKS CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2021	\$ 952,971	\$ 796,691	\$ 1,319,444	\$ 7,670	\$ 8,053,484	\$ (9,219)	\$ 11,121,041
Appropriation of 2020 earnings (Note 16)							
Legal reserve	-	-	116,443	-	(116,443)	-	-
Special reserve			-	1,549	(1,549)	-	-
Cash dividends distributed by the Company	-	-	-	-	(583,218)	-	(583,218)
	-	-	116,443	1,549	(701,210)	-	(583,218)
Net profit for the year ended December 31, 2021	-	-	-	-	2,072,520	-	2,072,520
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	(6,973)	(83)	(7,056)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,065,547	(83)	2,065,464
BALANCE AT DECEMBER 31, 2021	952,971	796,691	1,435,887	9,219	9,417,821	(9,302)	12,603,287
Appropriation of 2021 earnings (Note 16)							
Legal reserve	-	-	206,555	-	(206,555)	-	-
Special reserve	-	-	-	83	(83)	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,036,832)	-	(1,036,832)
	-	-	206,555	83	(1,243,470)	-	(1,036,832)
Net profit for the year ended December 31, 2022	-	-	-	-	4,056,145	-	4,056,145
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	10,511	5,226	15,737
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	4,066,656	5,226	4,071,882
BALANCE AT DECEMBER 31, 2022	\$ 952,971	\$ 796,691	\$ 1,642,442	\$ 9,302	\$ 12,241,007	\$ (4,076)	\$ 15,638,337

The accompanying notes are an integral part of the financial statements.

KING SLIDE WORKS CO., LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 4,244,058	\$ 2,175,882
Adjustments for:		
Depreciation expenses	39,329	38,101
Amortization expenses	759	1,421
Expected credit loss recognized (reversed)	(458)	1,922
Recognition of refund liabilities	2,765	18
Gain on disposal of property, plant and equipment, net	(194)	(4,232)
Interest income	(35,016)	(5,334)
Share of profit of subsidiaries	(3,552,063)	(1,743,135)
Write-downs of inventories	14,327	3,666
Unrealized gain on transactions with subsidiaries	4,278	3,478
Realized gain on transactions with subsidiaries	(3,478)	(2,613)
Net gain on foreign currency exchange	(136,725)	(27,212)
Changes in operating assets and liabilities		
Notes receivable	5,867	(8,519)
Notes receivable - related parties	13,378	(60,705)
Accounts receivable	123,662	(121,202)
Accounts receivable - related parties	31,295	(28,499)
Other receivables	6,732	(5,642)
Other receivables - related parties	1,097	(2,224)
Inventories	52,742	(165,384)
Other current assets	2,967	(7,271)
Notes payable	(57,208)	28,970
Notes payable - related parties	(12,669)	20,070
Accounts payable	(18,761)	4,276
Accounts payable - related parties	(6,195)	4,058
Other payables	96,686	48,818
Other payables - related parties	47	(260)
Provisions	(450)	-
Other current liabilities	5,037	3,864
Net defined benefit liabilities	(6,725)	(4,640)
Cash generated from operations	815,084	147,672
Interest received	29,537	5,204
Dividend income	596,780	869,650
Income tax paid	(113,357)	(86,623)
Net cash generated from operating activities	<u>1,328,044</u>	<u>935,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(307,170)	(636,594)
Proceeds from sale of financial assets at amortized cost	636,594	-
Payments for property, plant and equipment	(132,362)	(64,631)
Proceeds from disposal of property, plant and equipment	448	4,472
Decrease (increase) in refundable deposits	(160)	50

(Continued)

KING SLIDE WORKS CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for intangible assets	\$ <u>(714)</u>	\$ <u>(270)</u>
Net cash generated from (used in) investing activities	<u>196,636</u>	<u>(696,973)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Cash dividends	<u>(1,036,832)</u>	<u>(583,218)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>136,725</u>	<u>27,212</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	624,573	(317,076)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,175,284</u>	<u>2,492,360</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,799,857</u>	<u>\$ 2,175,284</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

Annex (Independent Auditor's Report - Consolidated Financial Statements)

INDEPENDENT AUDITORS' REPORT

King Slide Works Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of King Slide Works Co., Ltd. (the "Company") and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company and its subsidiaries' consolidated financial statements for the year ended December 31, 2022 is as follows:

Occurrence of revenue from specific customers

The operating revenue of the Company and its subsidiaries for the year ended December 31, 2022 was NT\$7,798,631 thousand, which had increased by 23% compared with the previous year. In addition, based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

In addition to obtaining an understanding of the internal controls relevant to the recognition of operating revenue, we performed the following audit procedures:

1. We understood and tested the operating effectiveness of the internal controls relevant to the revenue of the Company and its subsidiaries.
2. We selected samples and verified the occurrence of recorded revenue against supporting documents,

including purchase orders, shipping and collection documents, and we checked and confirmed that the payer was the same as the buyer.

Other Matter

We have also audited the parent company only financial statements of King Slide Works Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries' or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Li Chen and Chia-Ling Chiang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

KING SLIDE WORKS CO., LTD. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 11,592,473	60	\$ 7,926,374	51
Financial assets at amortized cost - current (Note 7)	1,105,812	6	1,494,612	10
Notes receivable (Notes 4 and 8)	58,382	1	66,868	1
Accounts receivable, net (Notes 4, 5 and 8)	1,766,291	9	1,665,934	11
Other receivables	41,536	-	41,110	-
Inventories (Notes 4 and 9)	919,754	5	925,619	6
Other current assets	<u>35,507</u>	<u>-</u>	<u>30,881</u>	<u>-</u>
Total current assets	<u>15,519,755</u>	<u>81</u>	<u>12,151,398</u>	<u>79</u>
NONCURRENT ASSETS				
Property, plant and equipment (Notes 4, 11 and 26)	2,955,395	15	2,445,722	16
Right-of-use assets (Notes 4 and 12)	622,098	3	624,881	4
Software (Note 4)	2,319	-	3,405	-
Deferred tax assets (Notes 4 and 21)	29,534	-	143,991	1
Prepayments for equipment (Note 26)	104,143	1	61,546	-
Refundable deposits	<u>2,969</u>	<u>-</u>	<u>1,925</u>	<u>-</u>
Total noncurrent assets	<u>3,716,458</u>	<u>19</u>	<u>3,281,470</u>	<u>21</u>
TOTAL	<u>\$ 19,236,213</u>	<u>100</u>	<u>\$ 15,432,868</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 14)	\$ 341,292	2	\$ 443,983	3
Accounts payable (Note 14)	87,241	1	122,577	1
Other payables (Note 15)	825,788	4	656,952	4
Current tax liabilities (Notes 4 and 21)	628,249	3	385,127	3
Lease liabilities - current (Notes 4 and 12)	35,771	-	33,298	-
Refund liability - current (Note 16)	23,110	-	20,718	-
Other current liabilities	<u>31,525</u>	<u>-</u>	<u>16,963</u>	<u>-</u>
Total current liabilities	<u>1,972,976</u>	<u>10</u>	<u>1,679,618</u>	<u>11</u>
NONCURRENT LIABILITIES				
Long-term borrowings (Note 13)	894,538	5	452,357	3
Deferred tax liabilities (Notes 4 and 21)	89,498	1	47,090	-
Lease liabilities - noncurrent (Notes 4 and 12)	604,908	3	606,048	4
Net defined benefit liabilities (Notes 4 and 17)	16,017	-	33,872	-
Deferred revenue - noncurrent (Notes 4 and 13)	<u>19,939</u>	<u>-</u>	<u>10,596</u>	<u>-</u>
Total noncurrent liabilities	<u>1,624,900</u>	<u>9</u>	<u>1,149,963</u>	<u>7</u>
Total liabilities	<u>3,597,876</u>	<u>19</u>	<u>2,829,581</u>	<u>18</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)				
Ordinary shares	<u>952,971</u>	<u>5</u>	<u>952,971</u>	<u>6</u>
Capital surplus	<u>796,691</u>	<u>4</u>	<u>796,691</u>	<u>5</u>
Retained earnings				
Legal reserve	1,642,442	8	1,435,887	10
Special reserve	9,302	-	9,219	-
Unappropriated earnings	<u>12,241,007</u>	<u>64</u>	<u>9,417,821</u>	<u>61</u>
Total retained earnings	<u>13,892,751</u>	<u>72</u>	<u>10,862,927</u>	<u>71</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	<u>(4,076)</u>	<u>-</u>	<u>(9,302)</u>	<u>-</u>
Total equity	<u>15,638,337</u>	<u>81</u>	<u>12,603,287</u>	<u>82</u>
TOTAL	<u>\$ 19,236,213</u>	<u>100</u>	<u>\$ 15,432,868</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

KING SLIDE WORKS CO., LTD. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 19)	\$ 7,798,631	100	\$ 6,341,989	100
OPERATING COSTS (Notes 9 and 20)	<u>3,332,655</u>	<u>43</u>	<u>2,987,157</u>	<u>47</u>
GROSS PROFIT	<u>4,465,976</u>	<u>57</u>	<u>3,354,832</u>	<u>53</u>
OPERATING EXPENSES (Notes 8 and 20)				
Selling and marketing	220,890	3	178,711	3
General and administrative	253,190	3	206,841	3
Research and development	233,250	3	234,628	4
Expected credit loss	<u>5,974</u>	<u>-</u>	<u>14,970</u>	<u>-</u>
Total operating expenses	<u>713,304</u>	<u>9</u>	<u>635,150</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>3,752,672</u>	<u>48</u>	<u>2,719,682</u>	<u>43</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	168,943	2	20,066	-
Other gains and losses	1,161,814	15	(134,173)	(2)
Finance costs	<u>(10,141)</u>	<u>-</u>	<u>(9,793)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,320,616</u>	<u>17</u>	<u>(123,900)</u>	<u>(2)</u>
PROFIT BEFORE INCOME TAX	2,595,782	41	1,542,145	32
INCOME TAX (Notes 4 and 21)	<u>523,262</u>	<u>8</u>	<u>377,556</u>	<u>8</u>
NET PROFIT FOR THE YEAR	<u>2,072,520</u>	<u>33</u>	<u>1,164,589</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 17 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	13,139	-	(8,716)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,628)</u>	<u>-</u>	<u>1,743</u>	<u>-</u>
	<u>10,511</u>	<u>-</u>	<u>(6,973)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	6,532	-	(104)	-

(Continued)

KING SLIDE WORKS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that may be reclassified subsequently to profit or loss	\$ (1,306)	-	\$ 21	-
	<u>5,226</u>	-	<u>(83)</u>	-
Other comprehensive loss for the year, net of income tax	<u>15,737</u>	-	<u>(7,056)</u>	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,071,882</u>	<u>52</u>	<u>\$ 2,065,464</u>	<u>33</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 4,056,145</u>	<u>52</u>	<u>\$ 2,072,520</u>	<u>33</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 4,071,882</u>	<u>52</u>	<u>\$ 2,065,464</u>	<u>33</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 42.56</u>		<u>\$ 21.75</u>	
Diluted	<u>\$ 41.84</u>		<u>\$ 21.55</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

KING SLIDE WORKS CO., LTD. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

			Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2021	\$ 952,971	\$ 796,691	\$ 1,319,444	\$ 7,670	\$ 8,053,484	\$ (9,219)	\$ 11,121,041
Appropriation of 2020 earnings (Note 18)							
Legal reserve	-	-	116,443	-	(116,443)	-	-
Special reserve	-	-	-	1,549	(1,549)	-	-
Cash dividends distributed by the Company	-	-	-	-	(583,218)	-	(583,218)
	-	-	116,443	1,549	(701,210)	-	(583,218)
Net profit for the year ended December 31, 2021	-	-	-	-	1,164,589	-	1,164,589
Other comprehensive loss for the year ended December 31, 2021, net of income tax	-	-	-	-	(159)	(1,549)	(1,708)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,065,547	(83)	2,065,464
BALANCE AT DECEMBER 31, 2021	952,971	796,691	1,435,887	9,219	9,417,821	(9,302)	12,603,287
Appropriation of 2021 earnings (Note 18)							
Legal reserve	-	-	206,555	-	(206,555)	-	-
Special reserve	-	-	-	83	(83)	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,036,832)	-	(1,036,832)
	-	-	206,555	83	(1,243,470)	-	(1,036,832)
Net profit for the year ended December 31, 2022	-	-	-	-	4,056,145	-	4,056,145
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	10,511	5,226	15,737
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	4,066,656	5,226	4,071,882
BALANCE AT DECEMBER 31, 2022	\$ 952,971	\$ 796,691	\$ 1,642,442	\$ 9,302	\$ 12,241,007	\$ (4,076)	\$ 15,638,337

The accompanying notes are an integral part of the consolidated financial statements.

KING SLIDE WORKS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 5,073,288	\$ 2,595,782
Adjustments for:		
Depreciation expenses	222,649	212,418
Amortization expenses	1,800	1,995
Expected credit loss	5,974	14,970
Finance costs	10,141	9,793
Recognition of refund liabilities	5,939	4,274
Interest income	(168,943)	(20,066)
Write-downs of inventories	23,035	3,240
Gain on disposal of property, plant and equipment, net	(197)	(4,578)
Net loss (gain) on foreign currency exchange	(784,033)	21,556
Changes in operating assets and liabilities		
Notes receivable	8,486	(9,745)
Accounts receivable	(106,331)	(659,030)
Other receivables	24,560	(10,735)
Inventories	(17,170)	(464,770)
Other current assets	(4,626)	(9,833)
Notes payable	(58,916)	107,052
Accounts payable	(35,336)	29,958
Other payables	225,455	112,749
Refund liabilities	(3,547)	-
Other current liabilities	14,562	(446)
Net defined benefit liabilities	(6,725)	(4,640)
Cash generated from operations	4,430,065	1,929,944
Interest received	143,957	19,694
Interest paid	(14,629)	(11,761)
Income tax paid	(621,090)	(419,636)
Income tax paid		
Net cash generated from operating activities	<u>3,938,303</u>	<u>1,518,241</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(1,105,812)	(1,494,612)
Proceeds from sale of financial assets at amortized cost	1,494,612	-
Payments for property, plant and equipment	(824,076)	(767,674)
Proceeds from disposal of property, plant and equipment	689	5,016
Increase in refundable deposits	(1,044)	(1,011)
Payments for intangible assets	(714)	(2,590)
Net cash used in investing activities	<u>(436,345)</u>	<u>(2,260,871)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	448,040	256,900
Repayment of the principal portion of lease liabilities	(35,201)	(32,766)

(Continued)

KING SLIDE WORKS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Cash dividends	<u>\$(1,036,832)</u>	<u>\$ (583,218)</u>
Net cash used in financing activities	<u>(623,993)</u>	<u>(359,084)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>788,134</u>	<u>(22,001)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,666,099	(1,123,715)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,926,374</u>	<u>9,050,089</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$11,592,473</u>	<u>\$ 7,926,374</u>

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

Annex (Earnings Distribution Statement)

King Slide Works Co., Ltd.

Profit Distribution Table

January 1 – December 31, 2022

Unit: NTD

Item	Amount
Beginning retained earnings	8,174,350,431
Defined benefit plan re-measurement amount recognized in the retained earnings	10,511,395
Adjusted beginning retained earnings	8,184,861,826
Add: Net income after tax	4,056,145,256
Less: legal reserve	406,665,665
Add: Reversed special reserve	3,081,246
Distributable earnings	11,837,422,663
Earnings distribution	
Less: Dividend to shareholders (cash dividend NT\$20 per share)	1,905,941,440
Unappropriated retained earnings	9,931,481,223

Note: 1. The Company's profit distribution is based on the most recent annual earnings.

2. The ex-dividend date and the issuance date of the cash dividend are to be scheduled separately by the Board of Directors with the resolution of the shareholders meeting.

Chairman: Lin Tsung-Chi President: Lin Shu-Chen Chief Accountant: Chen Yi-Nian

Annex (Procedures for Acquisition and Disposal of Assets amendment Comparison Table)

King Slide Works Co., Ltd.

Procedures for Acquisition or Disposal of Assets amendment made before and after

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
Article 3	<p>Appraisal procedures</p> <p>(I) When the Company obtains or disposes of securities investments or engages in the trading of financial derivatives, the Finance and Accounting Department shall conduct the relevant benefit analysis and assess possible risks. For the acquisition and disposal of real property and other assets, each unit shall formulate capital expenditure plans in advance to initiate a feasibility assessment on the purpose and expected benefit from the acquisition and disposal of assets. If the real property is obtained from a related party, the reasonableness of trading conditions shall be assessed in accordance with the provisions of Chapter 2 of the Procedures.</p> <p>(II) For the acquisition and disposal of securities, the Company shall obtain the financial statements of the target company that have recently been certified or reviewed by the accountants for reference in evaluating the transaction price before the date of occurrence. In addition, for the transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, the accountants should be consulted before the date of occurrence to express an opinion on the reasonableness of the transaction price. <u>If the accountants need to use a report by an expert, it shall be handled in accordance with the provisions of Statement of Auditing Standard No. 20 issued by the Accounting Research and Development Foundation.</u></p>	<p>Appraisal procedures</p> <p>(I) When the Company obtains or disposes of securities investments or engages in the trading of financial derivatives, the Finance and Accounting Department shall conduct the relevant benefit analysis and assess possible risks. For the acquisition and disposal of real property and other assets, each unit shall formulate capital expenditure plans in advance to initiate a feasibility assessment on the purpose and expected benefit from the acquisition and disposal of assets. If the real property is obtained from a related party, the reasonableness of trading conditions shall be assessed in accordance with the provisions of Chapter 2 of the Procedures.</p> <p>(II) For the acquisition and disposal of securities, the Company shall obtain the financial statements of the target company that have recently been certified or reviewed by the accountants for reference in evaluating the transaction price before the date of occurrence. In addition, for the transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, the accountants should be consulted before the date of occurrence to express an opinion on the reasonableness of the transaction price. However, securities with an available market price or otherwise provided by competent securities authorities are not subject to such requirement.</p>	In accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>However, securities with an available market price or otherwise provided by competent securities authorities are not subject to such requirement.</p> <p>(III) In acquiring or disposing of <u>memberships</u> or intangible assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, unless transacting with a government agency, an accountant shall be engaged to render an opinion on the reasonableness of the transaction price before the date of the occurrence <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).</u></p> <p>(IV) The acquisition and disposal of real property, equipment, or right-of-use assets, if any, should be handled in accordance with the provisions of Article 6 of the Procedures.</p> <p>(V) The Company, while handling the merger, division, acquisition, or transfer of shares, shall engage an accountant, attorney, or securities underwriter to express opinions on the reasonableness of the conversion ratio, the purchase price, and the cash or other property distributed to the shareholders before a board meeting is convened, and then present it to the board of directors for discussion and resolution.</p> <p>(VI) The price determination methods and references for the Company's acquisition and disposal of assets, in addition to the opinions of professional experts, accountants, and other relevant experts as stated in the preceding paragraph, shall be handled as follows:</p>	<p>(III) In acquiring or disposing of <u>memberships</u> or intangible assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, unless transacting with a government agency, an accountant shall be engaged to render an opinion on the reasonableness of the transaction price before the date of the occurrence</p> <p>(IV) The acquisition and disposal of real property, equipment, or right-of-use assets, if any, should be handled in accordance with the provisions of Article 6 of the Procedures.</p> <p>(V) The Company, while handling the merger, division, acquisition, or transfer of shares, shall engage an accountant, attorney, or securities underwriter to express opinions on the reasonableness of the conversion ratio, the purchase price, and the cash or other property distributed to the shareholders before a board meeting is convened, and then present it to the board of directors for discussion and resolution.</p> <p>(VI) The price determination methods and references for the Company's acquisition and disposal of assets, in addition to the opinions of professional experts, accountants, and other relevant experts as stated in the preceding paragraph, shall be handled as follows:</p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>1. Securities acquired or disposed of that have been traded in the stock exchange market or TPEx should be determined according to the current equity or bond price.</p> <p>2. Securities acquired or disposed of that are not traded in the stock exchange market or TPEx should be priced with the net worth per share, technology and profitability, future development potential, market interest rate, bond coupon rate, debtor's credit, and transaction price at the time taking into account.</p> <p>3. To obtain or dispose of the membership card, it is necessary to consider the benefits that can be generated and refer to the transaction price at the time. For the acquisition and disposal of patents, copyrights, trademarks, franchise rights, and other intangible assets, it is necessary to refer to international or market practices, useful lives, and the impact on the company's technology and business.</p> <p>4. The acquisition and disposal of real property <u>and</u> equipment shall be determined by referring to the announced present value, the assessed present value, the actual transaction price or book value of the adjacent real property, or the quotation of the suppliers. If the real property is acquired from a related party, it should be calculated according to the methods specified in Chapter 2 of the Procedures in order to assess whether the transaction price is reasonable or not.</p> <p>5. The trading of financial derivatives should take into account the trading conditions of the futures market, exchange rates, and the trend of</p>	<p>1. Securities acquired or disposed of that have been traded in the stock exchange market or TPEx should be determined according to the current equity or bond price.</p> <p>2. Securities acquired or disposed of that are not traded in the stock exchange market or TPEx should be priced with the net worth per share, technology and profitability, future development potential, market interest rate, bond coupon rate, debtor's credit, and transaction price at the time taking into account.</p> <p>3. To obtain or dispose of the membership card, it is necessary to consider the benefits that can be generated and refer to the transaction price at the time. For the acquisition and disposal of patents, copyrights, trademarks, franchise rights, and other intangible assets, it is necessary to refer to international or market practices, useful lives, and the impact on the company's technology and business.</p> <p>The acquisition and disposal of real property, equipment, <u>or right-of-use assets</u> shall be determined by referring to the announced present value, the assessed present value, the actual transaction price or book value of the adjacent real property, or the quotation of the suppliers. If the real property is acquired from a related party, it should be calculated according to the methods specified in Chapter 2 of the Procedures in order to assess whether the transaction price is reasonable or not.</p> <p>5. The trading of financial derivatives should take into account the trading conditions of the futures market, exchange rates, and the trend of</p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>interest rate.</p> <p>6. The merger, division, acquisition or transfer of shares shall take into account the nature of its business, net value per share, asset value, technology and profitability, production capacity, and future growth potential.</p>	<p>interest rate.</p> <p>6. The merger, division, acquisition or transfer of shares shall take into account the nature of its business, net value per share, asset value, technology and profitability, production capacity, and future growth potential.</p>	
Article 5	<p>Public announcement and filing procedures</p> <p>(I) Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and file the relevant information on the FSC's designated website in the appropriate format as prescribed by the regulations within 2 days counting inclusively from the date of the event:</p> <p>1. Acquisition and disposal of real property or right-of-use assets thereof from or to a related party, or acquisition and disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Mergers, demergers, acquisitions, and transfer of shares.</p> <p>3. Losses from the trading of financial derivatives reaching the limits on aggregate losses or losses on individual contracts stipulated according to paragraph 1, Article 8,</p>	<p>Public announcement and filing procedures</p> <p>(I) Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and file the relevant information on the FSC's designated website in the appropriate format as prescribed by the regulations within 2 days counting inclusively from the date of the event:</p> <p>1. Acquisition and disposal of real property or right-of-use assets thereof from or to a related party, or acquisition and disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Mergers, demergers, acquisitions, and transfer of shares.</p> <p>3. Losses from the trading of financial derivatives reaching the limits on aggregate losses or losses on individual contracts stipulated according to paragraph 1, Article 8,</p>	<p>The buying and selling of foreign government bonds with a ratings that is not lower than the sovereign rating of Taiwan can be allowed and exempted from public disclosure.</p>

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>Chapter 4 of the Procedures.</p> <p>4. Where equipment or right-of-use assets are acquired and disposed of thereof for business use, the transaction counterparty is not a related party, and the transaction amount exceeds NT\$500 million.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparty is not a related party. Also, the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs or Mainland China area investment is for an amount reaching 20% of the company's paid-in capital or NT\$300 million or more, such as the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property thereof within the same development project within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security</p>	<p>Chapter 4 of the Procedures.</p> <p>4. Where equipment or right-of-use assets are acquired and disposed of thereof for business use, the transaction counterparty is not a related party, and the transaction amount exceeds NT\$500 million.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction counterparty is not a related party. Also, the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs or Mainland China area investment is for an amount reaching 20% of the company's paid-in capital or NT\$300 million or more, such as the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property thereof within the same development project within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security</p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>within the preceding year. “Within the preceding year” refers to the year preceding the date of occurrence of the current transaction”. Items that are duly announced in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and supported with an appraisal reported issued by the professional appraisers or the opinions of an accountant need not be counted toward the transaction amount. Provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of government bonds;</p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises;</p> <p>(II) The Company shall compile monthly reports on the status of the trading of financial derivatives engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC before the 10th day of each month.</p> <p>(III) When a public announcement is made with an error or omission in an item required by regulations to be publicly announced and it is required to correct it, all the items shall be publicly announced again and filed in their entirety within two days counting inclusively from the date of knowing</p>	<p>within the preceding year. “Within the preceding year” refers to the year preceding the date of occurrence of the current transaction”. Items that are duly announced in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and supported with an appraisal reported issued by the professional appraisers or the opinions of an accountant need not be counted toward the transaction amount. Provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan</p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises;</p> <p>(II) The Company shall compile monthly reports on the status of the trading of financial derivatives engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC before the 10th day of each month.</p> <p>(III) When a public announcement is made with an error or omission in an item required by regulations to be publicly announced and it is required to correct it, all the items shall be publicly announced again and filed in their entirety within two days counting inclusively from the date of knowing</p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>of such error or omission.</p> <p>(IV) For the transactions announced and filed according to the provision of (I), under any of the following circumstances, it is necessary to publicly announce and file the relevant information on the FSC's designated website in the appropriate format as prescribed by the regulations within 2 days counting inclusively from the date of the event:</p> <ol style="list-style-type: none"> 1. The relevant contract signed for the original transaction has been changed, terminated, or canceled. 2. Mergers, demergers, acquisitions, or transfers of shares are not completed on the contractual schedule. 3. The contents originally announced and filed have changed. 	<p>of such error or omission.</p> <p>(IV) For the transactions announced and filed according to the provision of (I), under any of the following circumstances, it is necessary to publicly announce and file the relevant information on the FSC's designated website in the appropriate format as prescribed by the regulations within 2 days counting inclusively from the date of the event:</p> <ol style="list-style-type: none"> 1. The relevant contract signed for the original transaction has been changed, terminated, or canceled. 2. Mergers, demergers, acquisitions, or transfers of shares are not completed on the contractual schedule. 3. The contents originally announced and filed have changed. 	
Article 6	<p>Assets appraisal procedures</p> <p>In acquiring and disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of the event from a professional appraiser and shall further comply with the following provisions: Where the Company acquires and disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal reports or CPA opinions.</p> <p>(I) Where due to special circumstances it is necessary to give a limited price,</p>	<p>Assets appraisal procedures</p> <p>In acquiring and disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of the event from a professional appraiser and shall further comply with the following provisions: Where the Company acquires and disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal reports or CPA opinions.</p> <p>(I) Where due to special circumstances it is necessary to give a limited price,</p>	Same as Article 3

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisal service provided by two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. <p>(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution</p>	<p>specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisal service provided by two or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. <p>(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional</p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	appraiser and the contract execution date. Provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	
Article 11	<p>Resolution procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of the company's paid-in capital, 10% or more of the total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>(I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of exclusion as stipulated in Article 12 and Article 13.</p> <p>(IV) The date and price at which the related party originally acquired the real property, the original transaction</p>	<p>Resolution procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of the company's paid-in capital, 10% or more of the total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>(I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the provisions of exclusion as stipulated in Article 12 and Article 13.</p> <p>(IV) The date and price at which the related party originally acquired the real property, the original transaction</p>	Same as Article 3

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>counterparty, and the transaction counterparty's relationship to the company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions of Article 10.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 5, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.</u></p> <p><u>Items that have been approved by the Board of Directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p> <p>With respect to the following transactions conducted between the Company and its parent company and subsidiaries, or subsidiaries where the Company directly or indirectly holds 100% of the issued shares or total capital, the Company's Board of Directors may, pursuant to the regulations of Article 4, delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified in the next board meeting:</p> <ol style="list-style-type: none"> 1. Acquire or dispose of equipment or right-of-use assets thereof for business use. 2. Acquire or dispose of real property right-of-use assets for business use. <p>When a matter is submitted for discussion</p>	<p>counterparty, and the transaction counterparty's relationship to the company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions of Article 10.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the following transactions conducted between the Company and its parent company and subsidiaries, or subsidiaries where the Company directly or indirectly holds 100% of the issued shares or total capital, the Company's Board of Directors may, pursuant to the regulations of Article 4, delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified in the next board meeting:</p> <ol style="list-style-type: none"> 1. Acquire or dispose of equipment or right-of-use assets thereof for business use. 2. Acquire or dispose of real property right-of-use assets for business use. <p>When a matter is submitted for discussion</p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 27, paragraphs 4 and 5.</p>	<p>by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 27, paragraphs 4 and 5.</p> <p><u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.</u></p> <p><u>Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u></p>	

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
Article 25	<p>Professional appraisers (referring to real property appraisers or other persons who are legally engaged in real property and equipment valuation operations) and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(I) May not have previously received a final and un-appealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, and Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of the service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical</p>	<p>Professional appraisers (referring to real property appraisers or other persons who are legally engaged in real property and equipment valuation operations) and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(I) May not have previously received a final and un-appealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, and Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of the service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical</p>	Partial Rephrasing.

Clause No.	Current Clause	Clause No. after amendment	Reason for amendment
	<p>experience, and independence.</p> <p>(II) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable law and regulations.</p>	<p>experience, and independence.</p> <p>(II) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and appropriate, and that they have complied with applicable law and regulations.</p>	