

K Laser Technology Inc.
Statement of Internal Control System

Date: March 24, 2022

According to the results of self-assessment, the internal control system of the Company in 2021 is hereby declared as follows:

1. The Company knows that it is the responsibility of the board of directors and managers of the Company to establish, implement and maintain the internal control system, and the Company has already established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operating effectiveness and efficiency (including profit, performance and asset security, etc.), reliability, timeliness and transparency of reporting, and compliance with relevant norms and compliance with relevant laws and regulations.
2. The internal control system has its inherent limitations, no matter how perfect the design, the effective internal control system can only provide reasonable guarantee for the achievement of the above three goals; Moreover, due to the change of environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the internal control system of the Company has a self-monitoring mechanism, and once the deficiencies are identified, the Company will take corrective actions.
3. The Company judges whether the design and implementation of the internal control system are effective according to the judgment items of the effectiveness of the internal control system stipulated in the "Processing Criteria for Establishing Internal Control Systems of Public Companies" (hereinafter referred to as the "Processing Criteria"). The judgment items of the internal control system adopted in the "Treatment Criteria", is that according to the process of management control, the internal control system is divided into five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. Each component includes several items. Please refer to the "Treatment Criteria" for the aforementioned items.
4. The Company has adopted the above-mentioned internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results in the preceding paragraph, the Company considers that the design and implementation of the internal control system (including supervision and management of subsidiaries) of the Company as of December 31, 2021 is effective, including understanding the operation effect and the degree to which the efficiency target is achieved, the reporting system is reliable, timely and transparent, and it can reasonably ensure the achievement of the above objectives.
6. This statement will become the main content of the annual report and the prospectus of the Company, and will be made public. If there are any illegal things such as hypocrisy or concealment in the above-mentioned disclosure, it will involve the legal liabilities of Articles 20, 32, 171 and 174 of the Securities and Exchange Law.
7. This declaration was approved by the board of directors of the Company on March 24, 2021. Among the 7 directors present, 0 were against it, and the rest agreed with the contents of this declaration, and made this declaration.

K Laser Technology Inc.

Chairman: Alex Kuo

General Manager: Alex Kuo