

# Annual Report 2024

光群雷射科技股份有限公司

K Laser  
Technology  
Inc.



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## Letter to Shareholders

Dear Shareholders,

### 2024 Annual Business Report

The consolidated sales revenue of K Laser Group in 2024 was 5.5 billion NT dollars, which was 3.1% lower than in 2023, while the annual gross profit margin maintained the same at 22%. Net profit in 2024 was 206 million NT dollars, with an EPS of 1.59.

The revenue from our Hologram core business in 2024 rose 4.7% to 4.62 billion NT dollars, Gross profit margin is 25.4%, down 2.4% from 2023. Over the past year, our profitability has been adversely affected due to the following factors. 1) Restructuring and supply chain realignment within China's tobacco industry have directly impacted the price of holographic materials. 2) Prices in overseas market have been constrained due to heightened price sensitivity among Western brands in response to inflationary pressure, coupled with intensified market competition driven by the influx of additional Chinese suppliers. 3) The establishment of new plants in China and in Vietnam has resulted in a 0.8% increase in the operation expense.

Despite the challenges, we see many growth opportunities ahead. According to a market report issued by Towards Packaging, the market size of shrink sleeves is expected to grow at a CAGR of 6.6%, reaching 27.3 billion US dollars by 2034, as its use on beverage bottles, personal care products and nutraceuticals becomes increasingly popular. Most importantly, cold foil is the best material for embellishing shrink sleeves. While an economic slowdown can negatively impact the sales of holographic materials, our strategic expansion into supplying non-holographic materials for the printing and packaging industry has strengthened our resilience amid shifting economic conditions. With increased production capacity and efficiency and continuous product innovation, we are confident that we will succeed in growing both our market share and profitability.

#### Technology Development

We will continue our investment in technology advancement and application innovation to maintain our competitiveness. The areas of focus include the following.

- Upgrade technology for streamlined processes to reduce production cost.
- Align product development with customers' production processes to grow market share.
- Keep improving TSL products to uphold our market leadership in that domain.
- Dedicate ourselves to advancing our design and origination capabilities to provide unique products with sophisticated authentication functions.

#### Our Strategy and Global Situation

The world is facing a multitude of uncertainties in 2025, as tariff wars are expected to scorch multiple countries under a new President in the White House who believes in coercing other nations through high tariffs. Inflation may rise again. Supply chains are likely to become chaotic once more, and even more difficult to manage than they were four years ago, given that China is no longer the only country facing high tariffs. Beyond that, monetary policies and geopolitical risks will further compound the complexity and challenges in our business operations. Establishing a presence in close proximity to our customers worldwide has been a core component of our market strategy. In the latest three years, we have completed expanding our factory in Thailand and building new facilities in Dubai, Vietnam and Indonesia. Those achievements will not only grant us greater flexibility in managing our supply chains to more effectively serve our customers, but also enable us to capitalize the region's dynamic economic growth and emerging opportunities.

Finally, we would like to express our gratitude to our shareholders for your supports and our employees for their efforts. We will keep the great spirit of teamwork and continue to lead K Laser successfully in the future.

Sincerely,

Alex Kuo  
Chairman

# Governance Report of Company

## (1) Directors and Major Officers

### 1. Director

#### (1) Director (including Independent Director) Information

2025 年 03 月 30 日

Title Name	Nationality Or Place of Registration	Gender Age	Elect (Take Office) Date	Tenure	Primary Election Date of Election	Time of Election Holding of Shares		Present Shareholding		Present Shareholding of Spouse and Minors		Shareholding in Names of Others		Main Experience and Education Degree	Current Part-Time Positions of the Company and Other Companies	Other managers, directors or supervisors who have a spouse or a relationship within parents			Remarks
						Number of Shares	Share holding Rate	Number of Shares	Share holding Rate	Number of Shares	Share holding Rate	Number of Shares	Share holding Rate			Title	Name	Relation	
Chairman Alex Kuo	R.O.C	Male 61-70	2023.5.5	3	1988.3.16	13,737,256	8.39	14,519,756	8.34	1,099,194	0.63	—	—	Ph.D. of Electrical Engineering, State University of New York at Stony Brook, USA	Chairman, CEO and General Manager of K Laser Group Chairman and Director of Subsidiaries of K Laser Technology Inc.	Director	Daniel Kuo	Second-degree relative	Note 1
																Director	Lisa Hsu	Spouse	
Director Daniel Kuo	R.O.C	Male 61-70	2023.5.5	3	1992.6.21	818,254	0.50	818,254	0.47	4,572	—	—	—	Master of Civil Engineering, New Jersey Institute of Technology, USA Chairman of Optivision Technology Inc.	Director of K Laser Technology Inc. Director of Subsidiaries of K Laser Technology Inc. Director of Optivision Technology Inc.	Chairman	Alex Kuo	Second-degree relative	
																Director	Lisa Hsu	Second-degree relative.	
Director Lisa Hsu	R.O.C	Female 61-70	2023.5.5	3	2011.6.17	1,099,194	0.67	1,099,194	0.63	14,519,756	8.34	108,504	0.06	Master of Computer, New York Institute of Technology, USA Master of Economy, State University of New York, USA	Director of K Laser Technology Inc.	Director	Daniel Kuo	Second-degree relative	
																Chairman	Alex Kuo	Spouse	
Independent Director Bi-Xin Huang	R.O.C	Female 61-70	2023.5.5	3	2017.5.26	—	—	—	—	—	—	—	—	MBA, National Chiao Tung University Director of Administrative Finance of Hanenergy Technology Co., Ltd Financial Manager of AVID Electronics Corp. and Related Enterprise Accounting Director of Taiwan Semiconductor Manufacturing Co., Ltd. Accounting Manager of Taiwan Hongzhi Computer Co., Ltd	Independent Director of K Laser Technology Inc. Supervisor of Chin-Shi Electronic Material Ltd.	—	—	—	

Title Name	Nationality Or Place of Registration	Gender Age	Elect (Take Office) Date	Tenure	Primary Election Date of Election	Time of Election Holding of Shares		Present Shareholding		Present Shareholding of Spouse and Minors		Shareholding in Names of Others		Main Experience and Education Degree	Current Part-Time Positions of the Company and Other Companies	Other managers, directors or supervisors who have a spouse or a relationship within parents			Remarks
						Number of Shares	Share holding Rate	Number of Shares	Share holding Rate	Number of Shares	Share holding Rate	Number of Shares	Share holding Rate			Title	Name	Relation	
Independent Director Li-Hua Liao	R.O.C	Female 61-70	2020.5.5	3	2023.5.5	—	—	—	—	—	—	—	—	Bachelor, Science in Electron Physics, NCTU Associate researcher, NCSIST Director, Hemao Technology Co., Ltd. Director, Zicheng Investment Co., Ltd.	Independent Director of K Laser Technology Inc.	—	—	—	
Independent Director Zheng-An Wang	R.O.C	Male 61-70	2023.5.5	3	2023.5.5	—	—	—	—	—	—	—	—	MS, Computer Science, New York Institute of Technology Bachelor, Science in Electron Physics, NCTU Legal person director representative, Changmao Technology Co., Ltd.	Finance and Administrative supervisor, Changmao Technology Co., Ltd. Legal person director representative, Changmao Technology Co., Ltd. Independent Director of K Laser Technology Inc.	—	—	—	
Independent Director Hua-Sheng Xu	R.O.C	Male 61-70	2023.5.5	3	2023.5.5	—	—	—	—	—	—	—	—	Master, Engineering Science, University of Adelaide, Australia Bachelor, Science in Electron Physics, NCTU Deputy General Manager, Episil Technologies Inc. Senior manager, PMC Sierra	Independent Director of K Laser Technology Inc.	—	—	—	

Note 1: If the chairman of the board of directors and the general manager or the equivalent person (top manager) are the same person, spouse or first-degree relatives, the reasons, rationality, necessity and countermeasures shall be explained:

The chairman of the company also serves as the general manager, which allows for a better understanding of the company's operational status, enabling the board of directors to have a clearer grasp of the company's operations, thereby enhancing management efficiency and ensuring smooth decision-making execution.

The company established an audit committee in 2017, clearly defining the organizational regulations of the audit committee to improve and assist the board of directors in management and operational efficiency. Additionally, the number of independent director was increased from 3 to 4 in 2023 to reduce concerns regarding the chairman also serving as the general manager.

2. Major shareholders of the institutional shareholders: : None

3. Major shareholders of corporate shareholders if they are legal persons: None

#### 4. Remuneration of general directors and independent directors in 2024

Unite: NT\$ 1000

Title	Name	Remuneration of Director								Proportion of total amount to net profit after tax of individual financial report (A+B+C+D)		Part-time employees receive relevant remuneration								Proportion of total amount to net profit after tax of individual financial report (A+B+C+D+E+F+G)		Whether have received remuneration from reinvested enterprises or parent companies outside subsidiaries
		Remuneration (A)		Retirement Pension (B)		Remuneration of Director (C)		Business Execution Expense (D)				Salary, Bonus, Special Disbursement/Special Allowance, etc. (E)		Retirement Pension (F)		Employee Remuneration (G)						
		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	Cash Bonus	Share Bonus	Cash Bonus	Share Bonus	The Company	All companies in financial report	
Chairman	Alex Kuo	—	—	—	—	2,604	2,604	30	30	2,634 0.99%	2,634 0.99%	3,479	5,564	25	25	2,243	—	2,243	—	8,381 3.14%	10,466 3.93%	—
Director	Daniel Kuo	—	—	—	—	1,042	1,042	30	42	1,072 0.40%	1,084 0.41%	—	3,485	—	—	—	—	—	—	1,072 0.40%	4,569 1.71%	—
Director	Lisa Hsu	—	—	—	—	521	521	24	24	545 0.20%	545 0.20%	—	—	—	—	—	—	—	—	545 0.20%	545 0.20%	—
Independent Director	Bi-Xin Huang	360	360	—	—	—	—	30	30	390 0.15%	390 0.15%	—	—	—	—	—	—	—	—	390 0.15%	390 0.15%	—
Independent Director	Li-Hua Liao	360	360	—	—	—	—	30	30	390 0.15%	390 0.15%	—	—	—	—	—	—	—	—	390 0.15%	390 0.15%	—
Independent Director	Zheng-An Wang	360	360	—	—	—	—	30	30	390 0.15%	390 0.15%	—	—	—	—	—	—	—	—	390 0.15%	390 0.15%	—
Independent Director	Hua-Sheng Xu	360	360	—	—	—	—	30	30	390 0.15%	390 0.15%	—	—	—	—	—	—	—	—	390 0.15%	390 0.15%	—

##### Description:

- (1) The Company's policy, system, standard and structure for Directors' compensation is based on his/her duty, risk, input time, along with domestic industry level.
- (2) According to the Company's Bylaws, the Company may pay the Directors as his/her carrying out the Company's duty. The amount is considered based on the degree of participation, the contribution and domestic/international industry level.
- (3) The Directors' compensation is based on the salary policy approved by the Board of Directors and determined by his/her performance. The Company pays salary to the independent directors on monthly bases with fixed compensation. For other directors, the Company shall allocate the compensation under 2% of the pre-tax net income before deducting employees' and directors' compensation and distribute by the degree of participation and contribution to the company.
- (4) The latest compensation is approved by the Board of Directors on March 12, 2025.

## 5. Professional knowledge and independence of directors

Criteria Name/ Title	Professional Qualification and Experience	Independent Directors' Independence Status (Note)	Number of Serving as an Independent Director in Other Taiwanese Public Companies Concurrently
Chairman Alex Kuo	Please refer to the Director Information on page 2-3 in this annual report	1. General manager of the company. 2. Director of the company's affiliates. 3. One of the top ten natural-person shareholder of the company 4. Directly holds over five percent of the total number of issued shares of the company and is the largest shareholder of the company. 5. None of the circumstances specified in Article 30 of the Company Act has occurred.	0
Director Daniel Kuo		1. Director of the company's affiliates. 2. Relative within the second degree of kinship of the top ten natural-person shareholder of the company. 3. None of the circumstances specified in Article 30 of the Company Act has occurred.	0
Director Lisa Hsu		1. Relative within the second degree of kinship of of the top ten natural-person shareholder of the company. 2. None of the circumstances specified in Article 30 of the Company Act has occurred.	0
Independent Director Bi-Xin Huang		1. According to the Company's bylaw and Corporate Governance Best Practice Principles, the Company adopts the candidate nomination system for elections of directors. The Company has acquired the directors' written statements, working experiences, proof of current employment, and kinship forms, to verify themselves, their spouses, their third-degree relatives' independent status while nominating. The Company has also verified the four independent directors comply with Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act from two years before electing to their term. The independent directors have exercised their power independently according to Article 14-3 of the Securities and Exchange Act. 2. None of the circumstances specified in Article 30 of the Company Act has occurred.	0
Independent Director Li-Hua Liao			0
Independent Director Zheng-An Wang			0
Independent Director Hua-Sheng Xu			0

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon.
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon.
3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon.

4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet.
6. if she/he does not have any or limited legal capacity; or
7. if she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet.

Note 2:

1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
2. Not serving concurrently as an independent director on more than three other public companies in total.
3. During the two years before being elected and during the term of office, meet any of the following situations:
  - (1) Not an employee of the company or any of its affiliates.
  - (2) Not a director or supervisor of the company or any of its affiliates.
  - (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
  - (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
  - (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law.
  - (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company.
  - (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent).
  - (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
  - (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000".

## 5.1 Board Diversity and Independence

### (1) Diversity of the board of directors:

The company advocates and respects the policy of diversity of directors. To enhance corporate governance and enhance the quality of the composition and structure of the board of directors, it is believed that the policy of diversity will enhance the overall performance of the company. The Directors are elected based on their capability, and they possess diverse and complementary capabilities across industry, including basic composition (such as gender, age, nationality, culture, etc.), as well as industry experience and related skills (including industry, accounting, finance, marketing, public relations or technology, etc.).

To achieve the ideal goals of corporate governance, Article 23 of the Company's "Code of Practice on Corporate Governance" clearly states that the board of directors should have the following capabilities as a whole: 1. Operational judgment 2. Accounting and financial analysis 3. Operation and management 4. Crisis management 5. Industry knowledge 6. International market outlook 7. Leadership 8. Decision-making

The current board of directors of the company consists of seven directors with outstanding professional backgrounds and rich experience in high-tech, finance, business and management fields, including 2 non-executive directors, 4 independent directors and 1 executive director (Alex Kuo, the chairman and General Manager), and the members have rich experience and professionalism in the fields of industry, business, international market, finance, industry analysis, enterprise resource planning and integration, etc.

The average age of the board of directors is 69 years old, and the seven directors are between 66 and 70 years old. In addition, the company also pays attention to gender equality in the composition of the board of directors. The proportion of female directors is 43%. There are currently seven directors, including three female directors. The Company also continues to strengthen corporate governance and promote the sound development of the composition and structure of the board. In addition to industry and academic experts specializing in their respective fields, the proportion of board members with financial and management expertise was increased to 43% to enhance coordination within the board. In the future, there are plans to consider adding one more board member with expertise in law or information technology, in order to further implement the board member diversity policy and provide the company with more diverse professional advice.

The implementation of the diversity policy of the Board of Directors of the Company is as follows :

Diversity Name	Basic Info									Experience in industry				Professional			
	Nationality	Gender	Employed by the Company	Age			Experience as independent director			Holographic	Management	Industry Analysis	Others	Finance	Foreign Market	IT	Risk Management
				61   65	66   70	71   75	< 3Y	3Y   9Y	>9Y								
Alex Kuo	R.O.C.	Male	V		V					V	V	V			V		V
Daniel Kuo	R.O.C.	Male			V					V	V	V			V		V
Lisa Hsu	R.O.C.	Female			V						V			V	V	V	
Bi-Xin Huang	R.O.C.	Female			V			V					V	V			V
Li-Hua Liao	R.O.C.	Female			V		V				V		V	V			V
Zheng-An Wang	R.O.C.	Male			V		V			V	V	V		V		V	
Hua-Sheng Xu	R.O.C.	Male			V		V				V		V			V	V

The current board of directors of the company consists of 7 directors. The specific management objectives and achievement of the diversity policy of the board of directors are as follows :

Objective	Status
The number of independent directors exceeds one third of the number of directors	Achieved
Directors who also serve as company managers should not exceed one-third of the number of directors	Achieved
Adequate and diverse professional knowledge and skills	Achieved

(2) Independence of the Board of Directors:

The board of directors of the company adopts the "candidate nomination system". All director candidates are nominated and qualified, and after the resolution of the board of directors is passed, they are submitted to the shareholders' meeting for election.

Currently there are 7 Directors in the Board, including 4 independent director and 1 director with employee status (accounting for 57.1% and 14% of all Directors).

The average tenure of three independent directors is 3.1 years (the tenure of 3 independent directors is less than 3 years and one director is 7 years).

As of the end of 2024, all independent directors complied with the regulations on independent directors of the Securities and Futures Bureau of the Financial Supervision Commission, and between all directors and independent directors, there are no such matters stated in article 26-3 paragraphs 3 and 4 of the Securities and Exchange Act. For independence, please refer to the disclosure of the professional qualifications and independent information of the independent directors on pages 5-6 of this annual report. For all directors, you can see the information of the directors on page 2-3 of this annual report.

(2). Information of the general manager, vice general manager, heads of departments and branches

1. Information of general manager, vice general manager, heads of departments and branches

March.30,2025

Title	Name	Gender /Age	Appointment Date	Shareholding		The spouse's minor children shareholding		Shareholding in the name of others		Main Experience and Education Degree	Current position of other companies	Managers with spouse or within parents, etc.			Remarks
				Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding	Number of Shares	Ratio of Shareholding			Title	Name	Relation	
CEO and General Manager of Group	Alex Kuo	Male 61-70	2002.08.21	14,519,756	8.34%	1,099,194	0.63%	—	—	Ph.D. of Electrical Engineering, State University of New York at Stony Brook, USA Chairman of K Laser Group	—	—	—	—	Note 1
CFO Financial Officer Accounting officer Corporate Governance Officer	Teresa Huang	Female 51-60	2006.01.03	403,500	0.23%	—	—	—	—	Master of Accounting, Bentley University, USA CFO of K Laser	Supervisor of Ensam Trading (Holding) Co., Ltd.	—	—	—	
CTO	Woody Wu	Male 41-50	2024.12.26	—	—	—	—	—	—	PhD of Department of Mechanical and Elector-Mechanical Engineering, National Sun Yat-sen University Senior Engineer, Assistant Manager of AUO Corporation Manager of R&D Department of K Laser	—	—	—	—	
Director of Marketing and Business	Jacky Chen	Male 51-60	2021.01.04	170,500	0.10%	—	—	—	—	Bachelor of Economy, Shih Hsin University VGM of Marketing and Business Department of K Laser	—	—	—	—	
Director of Manufacturing	Sappho Chen	Female 51-60	2021.01.04	31,000	0.02%	—	—	—	—	International Trade of National Taichung University of Science and Technology VGM of Manufacturing Department of K Laser	—	—	—	—	
Audit Director	Laura Liu	Female 51-60	2024.08.07	—	—	—	—	—	—	Master of Department of Applied Statistics and Information Science, Ming Chuan University Finance Officer, Accounting Manager of K Laser Financial Manager of Leadtrend Technology Corporation	—	—	—	—	

Note 1: If the chairman of the board of directors and the general manager or the equivalent person (top manager) are the same person, spouse or first-degree relatives, the reasons, rationality, necessity and countermeasures shall be explained:

The chairman of the company also serves as the general manager, which allows for a better understanding of the company's operational status, enabling the board of directors to have a clearer grasp of the company's operations, thereby enhancing management efficiency and ensuring smooth decision-making execution.

The company established an audit committee in 2017, clearly defining the organizational regulations of the audit committee to improve and assist the board of directors in management and operational efficiency. Additionally, the number of independent director was increased from 3 to 4 in 2023 to reduce concerns regarding the chairman also serving as the general manager.

## 2. Remuneration of General Manager and Vice General Manager in 2024

Unit: NT\$ 1000

Title	Name	Remuneration (A)		Retirement Pension (B)		Bonus, Special Disbursement/Special Allowance, etc. (C)		Amount of Employee Remuneration (Note 1) (D)				The ratio of the total amount of A, B, C and D to the net profit after tax		Whether have received remuneration from reinvested enterprises or parent companies outside subsidiaries (E)
		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	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
CEO of Group And General Manager	Alex Kuo	1,270	3,355	25	25	2,209	2,209	2,243	—	2,243	—	5,748 2.16%	7,833 2.94%	—
Deputy General Manager	Teresa Huang Liugong Lin Jacky Chen Sappho Chen	6,241	6,819	469	469	1,356	1,534	1,500	—	1,500	—	9,567 3.59%	10,323 3.87%	—

Note : This is the proposed distribution amount for the total employee compensation for the fiscal year 2024, as approved by the board of directors on March 12, 2025

## 3. The name and distribution of the manager who distributes the employee's remuneration

March 12, 2025/ Unit: NT\$ 1000

	Title	Name	Amount of Share Bonus	Amount of Cash Bonus	Total	Proportion of total amount to net profit after tax of individual financial report in 2023 (%)
Manager	CEO and General Manager of Group	Alex Kuo	—	4,545	4,545	1.70
	CFO	Teresa Huang				
	Accounting Officer					
	Financial Officer					
	Corporate Governance Officer					
	R&D officer	Woody Wu				
	Audit officer	Laura Liu				
	VGM of Marketing and Business	Jacky Chen				
	VGM of Manufacturing	Sappho Chen				

Note: This is the proposed distribution amount for the total employee compensation for the fiscal year 2024, as approved by the board of directors on March 12, 2025

4. The Company and all financial reporting companies analyze the proportion of remuneration paid to directors, supervisors, general managers and deputy general managers in the net profit after tax in the last two years, and explain the policy, standard and combination of remuneration payment, the procedure of setting remuneration and its relationship with business performance: :

Unite: NT\$ 1000

Title	2023				2024			
	The Company		All companies in financial report		The Company		All companies in financial report	
	Total remuneration	Proportion of net profit after tax	Total remuneration	Proportion of net profit after tax	Total remuneration	Proportion of net profit after tax	Total remuneration	Proportion of net profit after tax
Director	3,546	3.41%	3,582	3.44%	5,810	2.18%	5,822	2.18%
General Manager and Vice General Manager	15,930	15.30%	17,254	16.57%	15,314	5.74%	18,156	6.81%

The relationship between the remuneration of the company's directors, general managers and vice general managers and operating performance and future risks is as follows:

- (1) The Company's policy, system, standard and structure for Directors' compensation is based on his/her duty, risk, input time, along with domestic industry level.
- (2) According to Article 19-2 of the Company's Bylaws, independent directors receive fixed monthly remuneration, and the remaining directors shall be paid according to Article 32 of the Company's Bylaws. If the company has a profit during the year, the Company shall allocate the compensation under 2% of the pre-tax net income before deducting employees' and directors' compensation and distribute by the degree of participation and contribution to the company, along with domestic and foreign level.
- (3) The company regularly evaluates the remuneration of directors in accordance with the "Principles for Performance Evaluation of the Board of Directors". The relevant performance evaluation and the rationality of remuneration are reviewed by the Remuneration Committee and the Board of Directors.
- (4) The company's managers' remunerations are the various work allowances and bonuses stipulated in the personnel salary policy, to sympathize and reward employees for their hard work at work. The related bonuses are determined by the company's annual performance, financial status, operating status and personal performance. In addition, if the company makes a profit in the current year, 4%-8% will be allocated as employee compensation in accordance with Article 32 of the Company Bylaw. The performance evaluation results carried out by the company in accordance with the "Employee Evaluation Procedures" and "Employee Dividend Distribution Procedures" are used as a reference for the issuance of manager bonuses. The performance evaluation items for managers are as follows:  
 Financial indicators: Allocated according to the company's management profit and loss statement, the contribution of each department, and the target achievement rate of the manager is considered.  
 Non-financial indicators: the practice of the company's core values and operational management capabilities, including work performance, work quality, work attitude, leadership, communication and coordination, the material weakness regards to legal compliance and operational matters, etc. The company review the remuneration system with actual operating conditions and relevant laws and regulations in a timely manner.
- (5) The combination of remuneration paid by the company is determined in accordance with the organizational regulations of the Remuneration Committee, including cash remuneration, stock options, stock dividends, retirement benefits or resignation benefits, various allowances and other measures with substantial incentives. Its scope is the same as stated in "Regulations Governing Information to be published in Annual Reports of Public Companies".

## 2. Corporate Governance Implementation

### (1) Information of Operation Situation of Board of Directors

Chairman Alex Kuo held 5 board meetings in 2024, and the attendance of directors is as follows:

Title	Name	Times of Actual Presence	Times of Authorized Presence	Actual Presence Ratio	Remarks
Chairman	Alex Kuo	5	0	100%	-
Director	Daniel Kuo	5	0	100%	-
Director	Lisa Hsu	4	1	80%	-
Independent Director	Bi-Xin Huang	5	0	100%	-
Independent Director	Li-Hua Liao	5	0	100%	-
Independent Director	Zheng-An Wang	5	0	100%	-
Independent Director	Hua-Sheng Xu	5	0	100%	-

Other recorded matters :

1. In case of any of the following circumstances in the operation of the board of directors, the date and period of the board of directors, the contents of the proposal, the opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated :  
Matters listed in Article 14-3 of the Securities and Exchange Law: :

(1) The Company has set up an audit committee, which is not applicable to Article 14-3 of the Securities and Exchange Law. Please refer to the operation of the audit committee in this annual report for relevant information.

(2) Except for the previous matters, other matters resolved by the board of directors with records or written statements that are opposed or reserved by independent directors :  
None

2. The directors' implementation of the avoidance of the interested proposal shall state the names of the directors, the contents of the proposal, the reasons for avoiding the interests and the voting situation :

(1) The "Rules of Procedure of the Board of Directors" of the Company clearly stipulates that directors who have an interest in meeting matters with themselves or the legal persons they represent should explain the important contents of their own interests to the current board of directors, and those who are in danger of harming the interests of the company should not participate in the discussion and voting, and should avoid the discussion and voting, and should not exercise their voting rights on behalf of other directors.

(2) If a director participates in voting in violation of the withdrawal, his voting rights shall be invalid.

- (3) Proposals related to directors' interests up to now :

-The 5th meeting of the 13th session of Board of Directors on March 28, 2024

·Approved the disposal of shareholding of Optivision Technology Inc.

Daniel Kuo (Chairman of Optivision Technology Inc), Alex Kuo (Relative within the second degree of kinship of Daniel Kuo), did not participate in the discussion and voting of this proposal.

-The 6th meeting of the 13th session of Board of Directors on May 13, 2024

·Approved the company's 2023 employee and director remuneration distribution.

Alex Kuo (chairman and employee), Lisa Hsu(director), Daniel Kuo(director), did not participate in the discussion and voting of this proposal.

·Approved the company's managers' 2023 employee bonus distribution.

Alex Kuo (chairman and employee) did not participate in the discussion and voting of this proposal.

### 3. The status of evaluating board of directors

Evaluation cycle: once a year

Evaluation period: to evaluate the performance of the board of directors from January 1 to December 31, 2024

Evaluation scope: board of directors, individual directors, Audit Committee, and Remuneration Committee

Evaluation methods: internal self-evaluation of the board of directors, self-evaluation of board members and peer evaluation

Evaluation content: (Full score is 5)

#### I. Performance evaluation of board of directors

Examination items	Average score
Participation in the company's operations	4.80
Improve the decision-making quality of the board of directors	4.89
Composition and structure of board of directors	5.00
Selection and Continuing Education of Directors	4.89
Internal Control	5.00

#### II. Performance evaluation of individual directors: performance evaluation of board members

Examination items	Average score
Master the company's objectives and tasks	4.76
Cognition of directors' responsibilities	4.90
Participation in the company's operations	4.88
Internal relationship management and communication	4.90
Professional and continuing education of directors	4.86
Internal Control	4.81

#### III. Performance evaluation of functional committees :

##### A. Performance evaluation of the Audit Committee

Examination items	Average score
Participation in the company's operations	5.00
Occupational cognition	4.80
Composition and selection of Committee members	5.00
Internal Control	4.92

##### B. Performance evaluation of remuneration committee

Examination items	Average score
Participation in the company's operations	5.00
Occupational cognition	4.67
Composition and selection of Committee members	4.89

4. Evaluation of the objectives and implementation of strengthening the functions of the board of directors in the year and the latest year :
  - (1) On March 12, 2024, to improve corporate governance and professional functions of the board of directors, the board of directors of the Company resolved to amend the rules of procedure of the board of directors and Audit Committee Charter, effectively play the role of directors.
  - (2) On August 7, 2024, to improve sustainable development goals related to environmental protection, social responsibility, and corporate governance, The Board of Directors of the Company resolved to set up a Sustainability Development Committee, and The "Sustainability Development Committee Charter" and the "Sustainability Practice Guidelines" were formulated to enhance the functions and management mechanisms of the Board of Directors.
  - (3) The Company has finished the 2024 performance evaluation for board of directors and functional committees and has reported the outcome to the board on March 12, 2025.
  - (4) Evaluation of implementation situation: The board of directors and functional committees operated normally.

(2) Information on the operation of the Audit Committee

The Audit Committee of the Company is composed of three independent directors to assist the board of directors in fulfilling its supervision of the company's quality and integrity in implementing relevant accounting, auditing, financial reporting procedures and financial control.

- (1) The matters considered by the Audit Committee mainly include:
  - A. establish or amend the internal control system
  - B. Assessment of the effectiveness of the internal control system
  - C. Procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivative commodity trading, lending funds to others, endorsing others or providing guarantees for others
  - D. Matters involving directors' own interests
  - E. significant transactions in assets or derivatives
  - F. Significant loan of funds, endorsement or guarantee
  - G. Raising, issuing or privately placing securities with equity nature
  - H. Appointment, dismissal or remuneration of certified public accountants
  - I. Appointment and removal of financial, accounting or internal audit supervisors
  - J. Annual financial report and semi-annual financial report

The Board of Directors prepared the Company's business report, financial statements and earnings distribution proposal for the year of 2024, among which the financial statements were audited by Deloitte & Touche, and an audit report was issued. The above-mentioned business report, financial statements and earnings distribution proposal have been checked by the Audit Committee, and it is considered that there is no discrepancy.

The Audit Committee evaluates the effectiveness of the policies and procedures of the company's internal control system (including control measures such as sales, procurement, production, personnel, finance, information security, and compliance with laws and regulations), and supervises the operation of the company's internal audit unit and reviews the self-evaluation results of internal control. The Audit Committee believes that the company's internal control system is effective.

To perform its duties, the Audit Committee has the right to conduct any appropriate

audit and investigation according to its Articles of Association, and has direct contact with the internal auditors, certified accountants and all employees of the company. The Audit Committee also has the right to hire and supervise lawyers, accountants or other consultants to assist the Audit Committee in performing its duties. Please refer to our website for the Articles of Association of the Audit Committee.

The Audit Committee is entrusted with the responsibility of supervising the independence of certified public accountants to ensure the fairness of financial statements. In order to ensure the independence of certified public accountants, the Audit Committee formulates an independence evaluation form with reference to Article 29 of the Corporate Governance Best Practice Principles for audit quality indicators (AQIs), Article 47 of the Accounting Law and the contents of the Announcement No.10 of Professional Ethics of Accountants, "Integrity, Fairness, Objectivity and Independence", and evaluates the independence, professionalism and competency of accountants to assess whether they are related persons, business or financial interests with the Company; On March 28, 2024 and November 13, 2024 the Audit Committee reviewed and approved the CPAs Wu Ker Chang and Hsu Wenya of Deloitte & Touche, who are qualified to serve as certified accountants of finance and tax of the Company.

(2) Meetings of the Audit Committee :

Chairman Li-Hua Liao convened the Audit Committee 5 times in 2024, and the attendance was as follows :

Title	Name	Times of Actual Presence	Times of Authorized Presence	Actual Presence Ratio	Remarks
President	Li-Hua Liao	5	0	100%	
Member of Committee	Bi-Xin Huang	5	0	100%	
	Zheng-An Wang	5	0	100%	
	Hua-Sheng Xu	5	0	100%	

(3) Other recorded matters :

1. In case of any of the following circumstances in the operation of the audit Committee, the date and period of the audit Committee, the contents of the proposal, the resolution result of the audit Committee and the handling of the opinions of the audit Committee by the company shall be stated.

A. Operation of the Audit Committee :

Meeting date (Session)	Content of motion	Matters listed in Article 14-5 of the Securities and Exchange Law	Matters not approved by the Audit Committee but agreed by more than 2/3 of all directors
March 12, 2024 (4th meeting of the 3rd Session of the Audit Committee)	1. Annual audit report and internal control system statement report of 2023.	V	None
	2. The operation report and financial statement of 2023.	V	
	3. The surplus distribution in the fourth quarter of 2023.		
	4. The budget and operation plan of 2024.		
	5. The endorsements and guarantees of the K Laser Dong Guan.	V	
	6. To amend the Audit Committee Charter.		
	Resolution of the Audit Committee (March 12, 2024): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.		
March 28, 2024 (5th meeting of the 3rd Session of the Audit Committee)	1. CPA replacement and the independence and qualification evaluation of attestation CPA.	V	None
	2. Advanced approving the attestation CPA for non-assurance service.		
	3. The disposal of shareholding of subsidiary company.	V	
	Resolution of the Audit Committee (March 28, 2024): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.		
May 13, 2024 (6th meeting of the 3rd Session of the Audit Committee)	1. Financial statements and surplus distribution in the first quarter of 2024.		None
	2. The subsidiary company, K Laser (DongGuan) INC. grant loan to the subsidiary company.	V	
	Resolution of the Audit Committee (May 13, 2024): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.		
August 7, 2024 (7th meeting of the 3rd Session of the Audit Committee)	1. Financial statements and earnings distribution in the second quarters of 2024.	V	None
	2. Approved the subsidiary company, K Laser (DongGuan) INC.'s improvement plan of the amount of endorsement/guarantee exceeds the limit.		
	3. Approved to set up a Sustainability Development Committee, and The "Sustainability Development Committee Charter" and the "Sustainability Practice Guidelines" were formulated to enhance the functions and management mechanisms of the Board of Directors.		
	4. Approved the change of the chief internal auditor.	V	
	Resolution of the Audit Committee (August 7, 2024): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.		

Meeting date (Session)	Content of motion	Matters listed in Article 14-5 of the Securities and Exchange Law	Matters not approved by the Audit Committee but agreed by more than 2/3 of all directors
November 13, 2024 (8th meeting of the 3rd Session of the Audit Committee)	1.Approved the independence assessment of CPA.	V	None
	2.Approved the pre-review Non Assurance Services of CPA.		
	3.Approved the appointment of the Accounting officer.	V	
	4.Financial statements and earnings distribution in the third quarters of 2024.		
	5.Approved the 2025Audit plan.		
	6.Approved the Cash capital increase of K Laser Nanchang.		
	7.The subsidiary company, K Laser (DongGuan) INC. grant loan to the subsidiary company.	V	
	8. The subsidiary company, K Laser (Wuxi) INC. grant loan to the subsidiary company.	V	
	9.Approved the subsidiary company, K Laser (Wuxi) INC.'s endorsement and guarantee of the loan for the other subsidiary.	V	
	10. Approved the Cash capital increase of Jiangsu Sunderray Packing Material Co. Ltd.		
	11. Approve the amendments of internal control systems, Added "10.Management Control Operations", "Procedures for the Preparation and Assurance of Sustainability Report " and the revision of the " Management of preparation process of financial statements.	V	
	12. Approved the amendments of the Regulations Governing Procedure for Audit Committee.		
	Resolution of the Audit Committee (November 13, 2024): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.		
	March 12, 2025 (The 9h Regular Meeting of the 3 <sup>rd</sup> Audit Committee)	1.Approved 2024Audit Report and the Disclosure of Statement of Internal Control System.	V
2. Approved 2024 Operating Report and Financial Statements.		V	
3. Approved the distribution proposal for 2024Q4.			
4. Approved 2025 Operating Report and budget.			
5. Approved the subsidiary company, K Laser (DongGuan) INC.'s endorsement and guarantee of the loan for the other subsidiary.		V	
6. Approved the subsidiary company, K Laser (Wuxi) INC. grant loan to the subsidiary company.		V	
7. Approved the cooperation agreement between the invested company K Laser Technology (Korea) Co., Ltd. and GnT Tech.			
8. Approve the amendments of internal control systems, Section IX: "Electronic Data Processing Cycle," and added the "Risk Management Policies and Procedures."		V	
Resolution of the Audit Committee (March 12, 2025): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.			

Meeting date (Session)	Content of motion	Matters listed in Article 14-5 of the Securities and Exchange Law	Matters not approved by the Audit Committee but agreed by more than 2/3 of all directors
April 11, 2025 (The 1st Extraordinary Meeting of the 3rd Audit Committee)	1.Approved to repurchase company's shares.		None
	2.Approved the 2025 rules of transfer Repurchased Shares to Employees.		
	Resolution of the Audit Committee (April 11, 2025): All members of the Audit Committee agreed. Handling of the opinions of the Audit Committee by the company: All the presented directors agreed.		

- B. Except for the matters mentioned above, other matters that have not been approved by the Audit Committee and agreed by more than 2/3 of all directors: there is no such situation.
- 2.The implementation of the independent directors' avoidance of the interest proposal shall state the names of the independent directors, the contents of the proposal, the reasons for avoiding the interests and the voting situation: none.
- 3.Communication between independent directors, internal audit supervisors and accountants (including major issues, methods and results of communication on the company's financial and business conditions, etc.)
- A.The internal audit director of the Company regularly communicates the audit report results with the audit committee members and makes an internal audit report at the quarterly audit committee meeting. In case of special circumstances, he will immediately report to the audit committee members. In 2024, there was no such special situation. The communication between the Audit Committee of the Company and the internal audit supervisor is in good condition.
- B. The certified public accountants of the Company report the audit or review results of the financial statements of the current quarter and other communication matters required by relevant laws and regulations at the quarterly audit committee meeting. If there are any special circumstances, they will immediately report to the members of the audit committee. In 2024, there was no such special situation. The Audit Committee of the company communicates well with certified accountants.

The communication matters between the independent directors, the chief internal auditor, and the CPA are as in the table below :

Meeting date (Session)	Communicate with the internal audit supervisor	Communicate with CPA
March 12, 2024 (4th meeting of the 3rd Session of the Audit Committee)	1. Review the internal audit report (closed-door meeting) 2. Review the Statement of Internal Control System in 2023	1. Discuss the Audit conclusion in 2023, including significant accounting estimates or transactions and key audit matters. (closed-door meeting) 2. Report on changes of securities regulatory laws
May 13, 2024 (6th meeting of the 3rd Session of the Audit Committee)	Review internal audit report (closed-door meeting)	1. Discuss the Audit conclusion in first quarter of 2024. ( closed-door meeting )
August 7, 2024 (7th meeting of the 3rd Session of the Audit Committee)	Review internal audit report (closed-door meeting)	1. Discuss the Audit conclusion in second quarter of 2024. ( closed-door meeting )
November 13, 2024 (8th meeting of the 3rd Session of the Audit Committee)	1. Review internal audit report (closed-door meeting) 2. 2025 Annual Audit Plan	1. Discuss the Audit conclusion in third quarter of 2024. ( closed-door meeting ) 2. Findings from the internal control audit
March 12, 2025 (9th meeting of the 3rd Session of the Audit Committee)	1. Review internal audit report(closed-door meeting) 2. Review the Statement of Internal Control System in 2024	1. Discuss the Audit conclusion in 2024, including significant accounting estimates or transactions and key audit matters (closed-door meeting) 2. Report on changes of securities regulatory laws

Results: All the above matters have been reviewed or approved by the Audit Committee, and the independent directors have no objection.

(3) The operation of corporate governance and the differences between it and the code of practice on corporate governance of listed and OTC companies and the reasons

Evaluation Item	Operation Situation		Differences and reasons between the code of practice on corporate governance of listed and OTC companies
	Yes	No	
1. Whether the company has formulated and disclosed the Code of Practice on Corporate Governance in accordance with “the Code of Practice on Corporate Governance of Listed and OTC Companies”?	✓		On May 12, 2020, the Company submitted the Company's Code of Practice on Corporate Governance to the Board of Directors for review, and after it was reviewed and approved by the Board of Directors, it was disclosed on the website of the Company and the public information viewing station.
2. The company's equity structure and shareholder rights (1) Does the company formulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to the procedures? (2) Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders? (3) Does the company establish and implement risk control and firewall mechanisms with related enterprises? (4) Does the company set internal regulations to prohibit insiders from using undisclosed information in the market to buy and sell securities?	✓		(1) The Company has established operating procedures and has spokespersons, proxy spokespersons, stock affairs contractors, etc., which can effectively deal with shareholders' suggestions or disputes and other related issues. (2) There is a special person responsible for handling and mastering the list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders. (3) The management powers and responsibilities among the related enterprises of the Company are clearly divided, and the business contacts are also subject to the relevant provisions of the internal control system of the Company. (4) The Company has formulated internal regulations prohibiting insiders from trading securities by using undisclosed information in the market.
3. Composition and Responsibilities of the Board of Directors (1) Has the board of directors drawn up a diversified policy on its membership and implemented it? (2) Does the company voluntarily set up other functional committees besides the Remuneration Committee and audit committee according to law? (3) Has the company formulated the performance evaluation method of the board of directors and its evaluation method, conducted the performance evaluation on an annual and regular basis, and reported the results of the performance evaluation to the board of directors, and used them as reference for individual directors' remuneration and nomination for renewal? (4) Does the company regularly evaluate the independence of certified accountants?	✓		(1) On May 12, 2020, the Company submitted the Company's Code of Practice on Corporate Governance to the Board of Directors for review. Chapter III, Strengthening the Board's Functions, is to formulate the policy of diversity of board members. The nomination and selection of board members of the Company follow the provisions of the Articles of Association and adopt the candidate nomination system. Besides evaluating the academic qualifications of candidates, they also comply with the method of election of directors and the Code of Practice on Corporate Governance of Listed and OTC Companies issued by Taiwan Stock Exchange to ensure the diversity and independence of board members. (2) The members of the Board of Directors of the Company have different professional backgrounds, genders and work fields, and the list of the 13th directors of the Company. Chairman Alex Kuo, director Daniel Kuo are good at business management, decision-making judgment, international negotiation and crisis management, and have in-depth and rich

Evaluation Item	Operation Situation		Differences and reasons between the code of practice on corporate governance of listed and OTC companies
	Yes	No	
		Abstract Description	
		<p>industrial knowledge and international market outlook. Director Lisa Hsu is good at communication and public relations affairs, the number of independent directors increased from three to four, independent directors Bi-Xin Huang 、Li-Hua Liao 、Zheng-An Wang and Hua-Sheng Xu. They have rich experience and major in finance, industry analysis, enterprise resource planning integration, financial accounting, logistics management and other related fields, which are of great benefit to the operation and management of the Company.</p> <p>(3) In order to realize the diversity of directors and improve the board structure, the proportion of female directors is 43%, the proportion of directors with employee status is 14%, the proportion of independent directors is 57%, three independent director has a term of less than 3 years, one independent director has a term of 6-9 years, in order to continuously strengthen the professionalism and diversity of the board of directors, the Company plans to consider adding board members with legal or information technology expertise, to make the board more coordinately.</p> <p>(4)The diversity policy formulated by the board of directors on its membership is disclosed on the company website and the public information viewing station.</p> <p>(5)The Company has set up Remuneration Committee and Audit Committee according to law, and will decide whether to set up other functional committees according to business needs in the future.</p> <p>(6)The Company has worked out the Rules of Performance Evaluation for Board of Directors and Functional Committee. According to the rule, the performance evaluation should be conducted annually, the scope being the whole year and should be completed by next year shareholders' general meeting. The Company has finished the performance evaluation for board of directors and functional committees and reported the outcome to the board of directors on March 12, 2025.</p> <p>(7)The certified public accountant appointed by the Company is not a director, supervisor, manager, employee or shareholder of the Company or its related party and meets the requirements of independent judgment of the competent authority.</p>	

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate governance of listed and OTC companies
	Yes	No	Abstract Description	
			The Company regularly evaluates (once a year) the professionalism and independence of the certified public accountants every year, according to Article 29 of the Corporate Governance Best Practice Principles for audit quality indicators (AQLs), Article 47 of the Accounting Law and the contents of the Announcement No.10 of Professional Ethics of Accountants, "Integrity, Fairness, Objectivity and Independence". The certified public accountants have also issued an independence statement on the entrusted audit operation, which was submitted by the Finance Administration Department and reviewed and approved by the Board of Directors on March 28, 2024, and November 13, 2024. The certified financial and tax accountants for the year of 2024 have all met the independence evaluation standards of the Company, and are qualified to serve as certified accountants and accounting firms of the Company and issue a statement of independence	
4.Are listed and OTC companies equipped with competent and appropriate number of corporate governance personnel, and designate corporate governance supervisors to take charge of corporate governance-related affairs (including but not limited to providing information required by directors and supervisors to perform their business, handling matters related to meetings of board of directors and shareholders' meeting according to law, handling company registration and change registration, and making minutes of board of directors and shareholders' meeting, etc.)?	✓		<p>The board of directors assigned Teresa Huang, the CFO, as the corporate governance officer, in-charge of the relevant corporate governing matters, including arranging the board of director, audit committee, remuneration committee, and shareholders' meeting; assisting directors to on-board and continuing education; providing data for directors to implement business; and assisting directors to comply with laws.</p> <p>Implementation status of activities for the current year is as follows:</p> <ol style="list-style-type: none"> <li>1.Compiled board meeting agenda and furnished sufficient material to send with notices to relevant parties for attendance as needed (5 meeting convened in 2024)</li> <li>2. Invited CPAs to present audit reports or related content every half fiscal year.</li> <li>3.Organized preregistration for shareholder meeting dates, prepared notices, agenda and minutes, and published information by prescribed deadlines with English versions available to investors worldwide (1 convened in 2024)</li> <li>4.Pursuant to the Rules for Director's Remuneration and Board Performance Evaluations, we have conducted an annual self-assessment in January</li> <li>5.The training status of corporate governance executive: please refer to the Note.</li> </ol>	None

Evaluation Item	Operation Situation		Differences and reasons between the code of practice on corporate governance of listed and OTC companies	
	Yes	No		Abstract Description
5.Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up stakeholder zones on the company website, and properly respond to important corporate social responsibility issues concerned by stakeholders?	✓		The Company has established appropriate communication channels and set up website zones with stakeholders such as manufacturers, customers, banks and investors to properly respond to important corporate social responsibility issues of concern to stakeholders.	None
6.Does the company appoint a professional agency to handle the affairs of the shareholders' meeting?	✓		The Company appoints <u>Grand Fortune Securities Co., Ltd</u> to handle the affairs of the shareholders' meeting.	None
7.Information Disclosure (1)Does the company set up a website to disclose financial business and corporate governance information? (2)Does the company adopt other information disclosure methods (such as setting up an English website, appointing a special person to collect and disclose company information, implementing the spokesperson system, placing the company website during the legal person briefing, etc.)? (3)Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the financial reports of the first, second and third quarters and the operating conditions of each month before the prescribed time limit?	✓		(1)The Company has websites in both Chinese and English, the address of which is http://www.klasergroup.com, and has disclosed the company's status, basic information and business-related information. (2)The Company has appointed a special person to be responsible for the disclosure of major information of the Company and input the announcement of the "Market Observation Post System" on time. (3)The company announce and declare the annual financial report, the financial reports of the first, second and third quarters and the operating conditions of each month before the prescribed time limit.	None

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate governance of listed and OTC companies
	Yes	No	Abstract Description	
8.Does the company have other important information that is helpful to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of interested parties, further education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors, etc.)?	✓		<p>(1)All directors of the Company have professional background and are currently engaged in related work; all directors have studied for 6 hours in 2024. In addition, the company also provides relevant further education information for reference from time to time.</p> <p>(2)Implementation of risk management policies and risk measurement standards: details of other important risks and corresponding measures.</p> <p>(3)Implementation of policies to protect consumers or customers: The Company has a special person responsible for handling customer complaints or product control.</p> <p>(4)The Company purchased liability insurance for directors: In order to strengthen the corporate governance mechanism, the Company purchased liability insurance of US\$ 3 million for directors of the Company from November 5, 2024, to November 5, 2025, which was reported to the Board of Directors on November 13, 2024.</p>	None
<p>9.Please explain the improved situation according to the evaluation results of corporate governance released by the Corporate Governance Center of Taiwan Stock Exchange in the latest year, and put forward priority strengthening items and measures for those that have not been improved:</p> <p>(1) The Company has finished the performance evaluation for board of directors and functional committees and reported the outcome to the board of directors on March 12, 2025.</p> <p>(2) The Company has reported compensation of the board of directors on 2024 shareholder meeting.</p> <p>(3) The company has recorded the important contents and responses of shareholders' questions in the minutes of the 2024 shareholders meeting</p> <p>(4) The Board of Directors of the Company resolved to establish a Sustainability Development Committee and to formulate the "Sustainability Development Committee Charter" and the "Sustainability Practice Guidelines" to advance sustainable development goals related to environmental protection, social responsibility, and corporate governance, thereby enhancing the functions and management mechanisms of the Board of Directors.</p>				

Note: The training status of corporate governance executive

Date	Training organizer	course	Hours of study
2024/3/20	Securities & Futures Institute (SFI)	Opportunities and challenges for Taiwan's industries under geopolitics -PMI/NMI exclusive analysis	3
2024/3/21		How to play the role of functional committees under the board of directors	3
2024/11/13	Taiwan Corporate Governance Association	Practical insights on anti-money laundering and counter-terrorism financing	3
2024/11/13		How the Board of Directors oversees ESG risks to build sustainable corporate competitiveness	3

(4) The composition, responsibilities and operation of the Remuneration Committee

(1) Information on members of the remuneration Committee

May 31, 2025

Identification	Condition Name	Professional qualifications and experience	Independence	Number of members of Remuneration Committees of other public companies
Independent Director	Zheng-An Wang	Please refer to the Director Information on page 2-9 in this annual report	All the members of remuneration committee comply with status below: 1 Comply with Article 14-6 of Company Act and “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”. 2 The members (or held by the person under others’ names, their spouses and their minor children don’t hold the Company’s share. 3 Didn’t provide the service like business, legal, financial, and accounting, nor receiving remuneration from the Company or affiliated companies.	0
Independent Director	Li-Hua Liao			0
Independent Director	Hua-Sheng Xu			0

During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the company or any of its affiliates;
- (2) Not a director or supervisor of the company or any of its affiliates;
- (3) Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company’s board based on Article 27 of the Company Law;
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company’s chairman or CEO (or equivalent);
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an “audit service” or a “non-audit service which total compensation within the recent two years exceeds NT\$500,000”.

- (2) The function of the Salary and Compensation Committee of the Company is to evaluate the salary and remuneration policies and systems of directors and managers of the Company in a professional and objective position. It meets at least twice a year, and may meet at any time as needed to make recommendations to the board of directors for reference in its decision-making.

The functions and powers of the Remuneration Committee of the Company :

- (1) Regularly review the Company's remuneration method and propose amendments.
- (2) Formulate and regularly review the policies, systems, standards and structure of the performance and remuneration of directors and managers of the Company.
- (3) Regularly evaluate the achievement of the performance targets of directors and managers of the Company and evaluate the salary and remuneration of individual managers.

When the remuneration committee performs its functions and powers, it shall comply with the following standards:

- (1) Ensure that the company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
  - (2) The performance evaluation and remuneration of directors and managers should refer to the usual level of contribution from peers, and consider the individual performance evaluation results, investment time, responsibilities, achievement of individual goals, performance in other positions, remuneration given by the company to the same position in recent years, and the rationality of the relationship between individual performance and the company's operating performance and future risks.
  - (3) Directors and managers should not be guided to engage in behaviors beyond the company's risk appetite in pursuit of remuneration.
  - (4) The proportion of remuneration paid to directors and senior managers for short-term performance and the payment time of part of the changed salary should be determined by considering the characteristics of the industry and the nature of the company's business.
  - (5) The rationality should be considered when determining the content and amount of directors' and managers' remuneration, and the decision of directors' and managers' remuneration should not deviate significantly from financial performance.
  - (6) Members of the Committee shall not participate in discussion and vote on the decision on their personal salary and remuneration.
- (3) Information on the operation of the Remuneration Committee
- (1) There are 3 members of the Remuneration Committee of the Company.
  - (2) The term of office of the current member: May 15, 2023 to May 4, 2026. The Remuneration Committee was held 2 times in 2024, and the attendance of the members of the Remuneration Committee is as follows: :

Title	Name	Times of Actual Presence	Times of Authorized Presence	Ratio of Actual Presence	Remarks
Convener	Zheng-An Wang	2	0	100%	
Member of Committee	Li-Hua Liao	2	0	100%	
Member of Committee	Hua-Sheng Xu	2	0	100%	
Other recorded matters:					
1.If the board of directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and period of the board of directors, the content of the proposal, the resolution result of the board of directors and the company's handling of the opinions of the Remuneration Committee (if the remuneration approved by the board of directors is better than the recommendations of the Remuneration Committee, it shall state the differences and reasons): None.					
2.If members have objections or reservations and have records or written statements, they shall state the date, period, contents of the proposal, opinions of all members and treatment of opinions of members: None.					

(3)The Remuneration Committee of the company met, reviewed and evaluated the salary and remuneration information of our company in the last year as follows :

Date	Content of motion	Resolution Result	The company's handling of the opinions of the Remuneration Committee
May 13, 2024	Revises the remuneration distribution of directors of the Company in 2023	All members of the Committee agreed	Submitted to the board of directors and approved by all the presented directors
	Review the performance evaluation and bonus distribution of managers of the Company in 2023		
August 7, 2024	Review of the appointment and remuneration proposal for the chief auditor of the Company.	All members of the Committee agreed	Submitted to the board of directors and approved by all the presented directors

(5) The composition, responsibilities and operation of the Sustainability Development Committee

(1) Composition

For sustainable development goals related to environmental protection, social responsibility, and corporate governance, the Board of Directors of the Company resolved to establish a Sustainability Development Committee on August 7, 2024. The Committee shall consist of no fewer than three members, and appointed by the Board of Directors. The Board may also appoint a senior executive as the Chief Sustainability Officer to ensure the Company's sustainability initiatives are effectively implemented and to enhance the functions and management mechanisms of the Board. The Board of Directors of the Company resolved to appoint Vice President Sappho Chen, Independent director Hua-Sheng Xu, Zheng-An Wang as the first-term members of the Sustainability Development Committee On August 7, 2024.

(2) Responsibilities

The Sustainability Development Committee authorized by the Board of Directors of the company, the Committee continuously promoting corporate sustainability and enhancing corporate governance to achieve the goal of sustainable operations. It shall perform the following duties and report to the Board :

- 1 Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.
- 2 Review, follow up, and revise the implementation and effectiveness of the Company's sustainability initiatives.
- 3 Oversee sustainability-related information disclosures and review the sustainability report.
- 4 Oversee the implementation of the Company's Sustainability Practice Guidelines and other sustainability-related tasks as resolved by the Board of Directors.

(3) Information on the operation of the Sustainability Development Committee

1. There are 3 members of the Sustainability Development Committee of the Company.
2. The term of office of the current member: August 7, 2024 to May 4, 2026. The Sustainability Development Committee was held 1 times in 2024, and the attendance of the members of the Sustainability Development Committee is as follows:

Title	Name	Times of Actual Presenc	Times of Authorized Presence	Ratio of Actual Presence	Remarks
Chief Sustainability Officer	Sappho Chen	1	0	100 %	
Member of Committee	Hua-Sheng Xu	1	0	100 %	
Member of Committee	Zheng-An Wang	1	0	100 %	

(3) Important resolutions:

Date	Content of motion	Resolution Result	The company's handling of the opinions of the Sustainability Development Committee
November 13, 2024	1.To establish the Company's internal control procedures for "Management of Sustainability Information" and "Preparation and Assurance of the Sustainability Report" 2.To establish the material topics and management mechanism policy for the Sustainability Report	All members of the Committee agreed	Submitted to the board of directors and approved by all the presented directors

(6) The fulfillment of sustainable development and the differences between the fulfillment of sustainable development and the code of practice on corporate sustainable development of listed and OTC companies and the reasons

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies
	YES	NO	Abstract Description	
1.Does the company set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and reported to the board of directors?	✓		<p>For sustainable development goals related to environmental protection, social responsibility, and corporate governance, the Board of Directors of the company is the highest decision-making department for driving sustainability within the Company, and the Board of Directors of the Company resolved to establish a Sustainability Development Committee on August 7, 2024,. The Board may also appoint a senior executive as the Chief Sustainability Officer and 2 independent Directors as the members of the Sustainability Development Committee to review the Company's core operational capabilities and formulate sustainability development plans.</p> <p>The Sustainability Development Committee is a cross-departmental communication platform that integrates top-down and horizontal coordination.</p> <p>Through topic-based task forces such as the Corporate Governance Group, Environmental Sustainability Group, Human Rights Protection/Employee Development Group, Customer Engagement Group, and Responsible Supply Chain Group, the Company identifies sustainability issues relevant to its operations and of concern to stakeholders. These task forces formulate corresponding strategies and work guidelines, allocate sustainability-related budgets across departments, plan and implement annual programs, and monitor execution results to ensure that sustainability strategies are fully integrated into the Company's daily operations.</p> <p>The Sustainability Development Committee shall report to the Board of Directors at least once a year on the outcomes of sustainability initiatives and future work plans. In 2024, one meeting was held to establish the Company's internal control procedures for "Management of Sustainability Information" and "Preparation and Assurance of the Sustainability Report." The Board of Directors also reviews strategies presented by the management team (including the ESG report) and makes adjustments when necessary.</p>	None

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies						
	YES	NO	Abstract Description							
2.Does the company conduct risk assessment on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	✓		<div>1.The data covers the Company's sustainability performance from January to December 2024, with the scope of risk assessment primarily focused on the Company itself.</div> <div>2.The Sustainable Development Committee conducts an analysis based on the principle of materiality in the sustainability report, communicates with internal and external stakeholders, and assesses significant ESG issues by reviewing domestic and international research reports, literature, and integrating evaluation data from various departments. This process establishes effective risk management policies for identification, measurement, assessment, supervision, and control, as well as concrete action plans to mitigate the impact of related risks.</div> <div>3.Based on the assessed risks, the following relevant risk management policies or strategies have been established: :</div> <table><tr><th>Major issues</th><th>Risk Assessment Item</th><th>Description</th></tr><tr><td>environment</td><td>Energy conservation and carbon reduction</td><td><div>1.Energy conservation and carbon reduction are key measures for the company to address climate change and reduce environmental impact.</div><div>2.By optimizing production processes, introducing green technologies, and promoting low-carbon transformation, the company can not only effectively lower operational costs but also enhance its environmental image in the market.</div><div>3.Respond to the expectations of customers and stakeholders regarding sustainable development, and achieve the company's long-term environmental goals.</div></td></tr></table>	Major issues	Risk Assessment Item	Description	environment	Energy conservation and carbon reduction	<div>1.Energy conservation and carbon reduction are key measures for the company to address climate change and reduce environmental impact.</div> <div>2.By optimizing production processes, introducing green technologies, and promoting low-carbon transformation, the company can not only effectively lower operational costs but also enhance its environmental image in the market.</div> <div>3.Respond to the expectations of customers and stakeholders regarding sustainable development, and achieve the company's long-term environmental goals.</div>	None
Major issues	Risk Assessment Item	Description								
environment	Energy conservation and carbon reduction	<div>1.Energy conservation and carbon reduction are key measures for the company to address climate change and reduce environmental impact.</div> <div>2.By optimizing production processes, introducing green technologies, and promoting low-carbon transformation, the company can not only effectively lower operational costs but also enhance its environmental image in the market.</div> <div>3.Respond to the expectations of customers and stakeholders regarding sustainable development, and achieve the company's long-term environmental goals.</div>								

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies
	YES	NO	Abstract Description	
			Major issues	
			social	<p>Risk Assessment Item</p> <p>Safety and Health</p> <p>Description</p> <p>1.Health and safety is a concrete manifestation of the company's care and commitment to its employees.</p> <p>2.By establishing a strict safety management system and implementing preventive measures, the company can effectively reduce the incidence of occupational injuries and accidents, ensuring the health and well-being of its employees.</p> <p>3.A safe work environment not only enhances employee productivity but also helps establish a strong employer brand image, thereby increasing employee cohesion and loyalty.</p>
			Talent Cultivation	<p>1.Talent is the most important asset of a company. Continuously investing in talent development programs helps enhance employees' professional skills and job satisfaction, thereby improving the overall competitiveness of the company.</p> <p>2.By providing comprehensive career development and training opportunities, the company can attract and retain outstanding talent, further creating an efficient work environment and a positive corporate culture.</p>

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies		
	YES	NO	Abstract Description			
			Major issues	Risk Assessment Item		Description
			economic	Operational Performance		1.Operational performance is the foundation of a company's sustainable development. Strong financial performance not only enhances shareholder value but also supports the company's long-term investment in the field of sustainability. 2.By enhancing operational performance, the company can strengthen its market competitiveness, maintain stable growth, and ensure that resources are effectively allocated to support other sustainability goals.
				Innovation		1.Innovative is an important competitive advantage for the company in facing market changes and technological challenges. 2.Continuously investing in research and development resources helps to create new products and services that better meet market demands, and enhances the company's technological threshold. 3.Innovation not only creates new business opportunities but also improves environmental benefits through technological advancements, achieving sustainable development goals.
				Product Liability		1.Product responsibility pertains to the company's commitment to consumer health, safety, and satisfaction.

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies						
	YES	NO	Abstract Description							
			<table><tr><th>Major issues</th><th>Risk Assessment Item</th><th>Description</th></tr><tr><td>economic</td><td>Product Liability</td><td>2.Through strict quality management and continuous improvement, the company can ensure that its products meet the highest safety and quality standards, thereby establishing customer trust in the brand.  3. Responsible product management helps to reduce potential risks and ensures the company's good reputation in the market.</td></tr></table>	Major issues	Risk Assessment Item	Description	economic	Product Liability	2.Through strict quality management and continuous improvement, the company can ensure that its products meet the highest safety and quality standards, thereby establishing customer trust in the brand.  3. Responsible product management helps to reduce potential risks and ensures the company's good reputation in the market.	
Major issues	Risk Assessment Item	Description								
economic	Product Liability	2.Through strict quality management and continuous improvement, the company can ensure that its products meet the highest safety and quality standards, thereby establishing customer trust in the brand.  3. Responsible product management helps to reduce potential risks and ensures the company's good reputation in the market.								
3. Environmental issues (1) Does the company establish an appropriate environmental management system according to its industrial characteristics?  (2) Is the company committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental load?  (3) Does the company assess the potential risks and opportunities of climate change to the enterprise at present and in the future, and take corresponding measures for climate-related issues?	✓		(1)The Company has established an appropriate environmental management system according to the industrial characteristics. Our process is free from air pollution and has obtained the water pollution prevention measures plan permit, and invested in wastewater equipment to treat the wastewater generated in the process. (2)The Company is committed to improving the utilization efficiency of various resources and formulating relevant management measures. In order to improve the utilization efficiency of water resources, our company purchases and regularly maintains equipment such as ice water machines and cooling towers to strengthen water recycling and reuse, so as to save energy and reduce carbon. (3)The Company has evaluated the potential risks and opportunities of the enterprise and in the future in view of climate change and has taken corresponding measures for climate-related issues, please refer to page 38-40 of this annual report for Climate-related Information of TWSE/TPEX Listed Companys.	None						

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies																							
	YES	NO	Abstract Description																								
(4) Does the company keep statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy conservation, carbon reduction, greenhouse gas reduction, water reduction or other waste management? ?			<p>(4)The Company promotes various energy-saving and carbon-reducing measures, including the installation of LED lamps and paperless operation, so as to reduce the impact of our operation on the natural environment.</p> <p>(5)Statistics on the company’s greenhouse gas emissions, water consumption and waste in the past two years</p> <p><b>Greenhouse gas emissions:</b> please refer to page 41 of this annual report for Climate-related Information of TWSE/TPEX Listed Companies.</p> <p><b>Water consumption</b> The company has been focusing on water resource conservation and environmental protection for many years. In terms of water-saving initiatives, we start by fully implementing water-saving practices in daily life, maximizing the benefits of available water resources. Additionally, we significantly reduce water resource waste through process improvements.</p> <table><tr><td></td><td>Water consumption ( tons)</td><td>Water intensity ( tons / million in sales revenue)</td></tr><tr><td>2023</td><td>25,407</td><td>17.9639</td></tr><tr><td>2024</td><td>22,868</td><td>13.6427</td></tr></table> <p><b>Waste management :</b> To achieve sustainable resource reuse, the company's waste management principles prioritize in-house reuse to reduce the consumption of raw materials. Next, we focus on recycling and reuse, and only as a last resort do we resort to incineration or landfill methods.</p> <p>Waste generation in the past two years.</p> <p style="text-align: right;">tons</p> <table><tr><td>The company</td><td>2023</td><td>2024</td></tr><tr><td>Hazardous waste</td><td>0.8</td><td>0.97</td></tr><tr><td>Non-hazardous waste</td><td>58.35</td><td>67.35</td></tr><tr><td>Total weight</td><td>59.15</td><td>68.32</td></tr><tr><td>Waste density (metric tons/ One million in sales revenue</td><td>0.0418</td><td>0.0408</td></tr></table> <p>● Greenhouse Gas Emissions , Water Consumption, Waste Management are the company's own estimate and has not been verified by a third party.</p>		Water consumption ( tons)	Water intensity ( tons / million in sales revenue)	2023	25,407	17.9639	2024	22,868	13.6427	The company	2023	2024	Hazardous waste	0.8	0.97	Non-hazardous waste	58.35	67.35	Total weight	59.15	68.32	Waste density (metric tons/ One million in sales revenue	0.0418	0.0408
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Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies
	YES	NO	Abstract Description	
			<ul style="list-style-type: none"> <li>In the future, we will strive to improve process and efficiency of production, and actively promote energy conservation and carbon reduction, product recycling and other plans to continue to improve and reduce greenhouse gas emissions, water and electricity consumption, and waste output.</li> </ul>	
<p>4. Society Issue</p> <p>(1) Does the company formulate relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(2) Does the company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and properly reflect the operating performance or achievements in employee salaries?</p> <p>(3) Does the company provide employees with a safe and healthy working environment and regularly carry out safety and health education for employees?</p>	✓		<p>(1) The personnel management of the Company is strictly implemented in accordance with the Labor Standards Act, Labor Insurance Regulations, Employee Welfare Regulations and relevant laws and regulations.</p> <p>(2) The Company has working rules and relevant personnel management regulations, covering the basic salary, working hours, vacation, pension payment, labor and health insurance payment, occupational disaster compensation, etc. of employed workers, which comply with the relevant provisions of the Labor Standards Act. Set up a staff welfare Committee to handle various welfare matters through the operation of the welfare Committee elected by employees; The Company's remuneration policy includes relevant methods and policies for salary remuneration of managers and employees and pays salary remuneration with reference to market payment standards and individual performance.</p> <p>(3) It has a positive correlation with business performance. The Company regularly carries out fire safety inspection and maintenance of drinking water and other equipment to maintain the safety and health of employees. The Company also conducts daily inspections and inspections on the factory area to implement occupational safety management. In addition, it regularly organizes fire drills and occupational safety education and training every year to cultivate employees' ability of emergency response and self-safety management. All employees will participate in labor and health insurance, pay all kinds of benefits according to regulations, and have regular health check-up and education and training subsidies, so as to provide a good working environment and protect employees' personal safety, so that employees can work wholeheartedly.</p>	None

Evaluation Item	Operation Situation			Differences and reasons between the code of practice on corporate social responsibility of listed and OTC companies
	YES	NO	Abstract Description	
<p>(4) Does the company establish an effective career ability development training program for its employees?</p> <p>(5) Does the company comply with relevant laws and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures for protecting consumers' rights and interests?</p> <p>(6) Does the company formulate supplier management policies, requiring suppliers to comply with relevant norms on issues such as environmental protection, occupational safety and health or labor human rights, and their implementation?</p>			<p>(4) Employees are the most important assets of the company, and the company has established an effective development training plan according to the development of employees' career ability.</p> <p>(5) The Company abides by relevant laws and international standards in the marketing and labeling of products and services, and provides customers with stable product quality through strict quality management system. At the same time, in order to ensure customer service quality and enhance customer satisfaction, we set up customer service windows and communication websites, actively and regularly conduct customer satisfaction surveys and visits every year, strengthen the cooperative relationship with customers, and establish the cornerstone of sustainable business operation by establishing a mutually beneficial and co-prosperous relationship with customers.</p> <p>(6) The Company and suppliers will also assess whether the suppliers have any record of influencing the environment and society in the past. Contracts with major suppliers include provisions that suppliers may terminate or rescind contracts at any time if they violate their corporate social responsibility policies and have a significant impact on the environment and society.</p>	
5. Does the company prepare the sustainable development report and other reports that reveal the company's non-financial information with reference to the international standards or guidelines for preparing reports? Has the pre-disclosure report been confirmed or guaranteed by the third-party verification unit?	✓		The company has prepared the 2024 Sustainability Report in accordance with internationally recognized reporting standards, disclosing non-financial information about the company.	None
6. If a company has its own code of sustainable development in accordance with the Code of Practice for sustainable development of Listed and OTC Companies, please state the difference between its operation and the code: None.				
7. Other important information that is helpful to understand the operation of corporate social responsibility: None.				

(7)Climate-related Information of TWSE/TPEX Listed Companies :  
Implementation of climate-related Information

Item	Implementation				
1.Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.	<p>In accordance with the company's risk management policies and procedures, the company incorporates climate-related risks and opportunities into its overall risk management mechanism for systematic management.</p> <p>To deepen the management of climate-related issues, the company's board of directors serves as the highest supervisory department for climate-related matters. From 2022, the responsible unit report the status of carbon inventory execution to the board quarterly. Additionally, climate issues will be incorporated into the risk management process, with regular assessments and monitoring conducted by the general manager's office. In the event of any sudden significant risks, the general manager will convene a meeting promptly to assess the risks, discuss contingency plans, and report to the board, ensuring that climate issues are managed and supervised prudently.</p> <p>Additionally, the company has established a Sustainability Development Committee in August 2024, appointing a senior executive as the Chief Sustainability Officer, with two independent directors as members. The committee is responsible for formulating and overseeing the company's sustainability strategies, including climate action, and is required to report to the board at least once a year on the formulation of strategies related to climate change, execution results, and future plans.</p>				
2. Describe how the identified climate-related risk and opportunities affect the organization's business, strategy, and financial performance ( short, medium- and long-term).	<p>The company conducts an analysis of climate risks and opportunities based on factors such as occurrence probability and impact severity. The short term is defined as 1 to 3 years in the future, the medium term as 3 to 5 years, and the long term as more than 5 years. We summarize the significant potential risks and opportunities that the company faces in various aspects during the short, medium, and long term, assess the potential financial and operational impacts, and outline the corresponding response measures as follows:</p> <table> <tr> <th>Risk</th><th>The corresponding response measures</th></tr> <tr> <td>The transition to low-carbon technology has led to an increase in raw material costs, resulting in higher procurement costs and affecting profitability.</td><td> <p>1. Collect local procurement data through global subsidiaries to establish a group sharing database, and conduct procurement through multiple channels.</p> <p>2. More accurately predict customer potential demand and prepare inventory in advance to control costs.</p> <p>3. Adopt more efficient transportation methods, integrate incoming and outgoing shipments, consolidate order deliveries, and reduce transportation trips to achieve carbon reduction and minimize resource waste from redundant transportation.</p> </td></tr> </table>	Risk	The corresponding response measures	The transition to low-carbon technology has led to an increase in raw material costs, resulting in higher procurement costs and affecting profitability.	<p>1. Collect local procurement data through global subsidiaries to establish a group sharing database, and conduct procurement through multiple channels.</p> <p>2. More accurately predict customer potential demand and prepare inventory in advance to control costs.</p> <p>3. Adopt more efficient transportation methods, integrate incoming and outgoing shipments, consolidate order deliveries, and reduce transportation trips to achieve carbon reduction and minimize resource waste from redundant transportation.</p>
Risk	The corresponding response measures				
The transition to low-carbon technology has led to an increase in raw material costs, resulting in higher procurement costs and affecting profitability.	<p>1. Collect local procurement data through global subsidiaries to establish a group sharing database, and conduct procurement through multiple channels.</p> <p>2. More accurately predict customer potential demand and prepare inventory in advance to control costs.</p> <p>3. Adopt more efficient transportation methods, integrate incoming and outgoing shipments, consolidate order deliveries, and reduce transportation trips to achieve carbon reduction and minimize resource waste from redundant transportation.</p>				

Item	Implementation	
	<div>Risk</div>	<div>The corresponding response measures</div>
	The imposition of carbon tax/carbon fees which increased costs, affecting profitability.	1.In response to the imposition of carbon tax/carbon fees, increase the procurement ratio of renewable energy to reduce the burden of taxes and fees. 2.Evaluate the procurement and utilization of renewable energy and green electricity to achieve energy transition.
	The increase in water and electricity costs has led to an increase in operating expenses.	Through improvements in the production process, various energy and water-saving initiatives, and measures for water recycling and reuse, we aim to enhance the efficiency of water and electricity usage, further controlling the costs of water and electricity consumption.
	The global economic situation is not optimistic, customers to reduce packaging costs in order to lower expenses.	Continuously optimize the production process to reduce production costs, and develop low-cost alternative materials to provide high-quality products at a lower price.
	<div>opportunity</div>	<div>The corresponding response measures</div>
	Growth in customer procurement for phthalate-free products.	1.Continuously invest in research and development resources to create environmentally friendly or recyclable materials and products. 2.The implementation of the packaging plastic restriction law will make transfer films and cold stamping products the main drivers of market growth. We will continue to invest in research and development resources to develop transfer film and Cold foil products.
3.Describe the impact of extreme climate events and transition on company finances..	In response to the main climate risks and opportunities, potential financial impacts related to revenue, costs, and capital expenditures have been considered. Relevant departments have established corresponding measures based on this assessment. Under the influence of the packaging product plastic restriction regulations, our company continues to improve processes, enhance production efficiency, and optimize related plastic-reducing products such as transfer film and cold foil products, which can simultaneously reduce greenhouse gas emissions and meet customer demands.	
4.Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	In accordance with the company's risk management policies and procedures, the identification and management of climate-related risks and opportunities are integrated into the company's risk management mechanism for systematic management. At the same time, the Sustainability Development Committee, under the board of directors, is responsible for discussing, evaluating, and supervising the relevant implementation strategies, and reports the results of the implementation to the board of directors at least once a year.	

Item	Implementation
5.If scenario analysis is used to assess the organization's resilience in the face of climate change risk, describe the scenarios, parameters, assumptions, and analytical factors used, as well as the main financial impact.	Under planning
6.If there is a transition plan to address climate-related risk, describe the contents of the plan and metrics and targets used to identify and manage physical risks and transition risks.	Under planning
7.If internal carbon pricing is used as a planning tool, describe the pricing basis.	Under planning
8.If climate targets are set, describe the activities and scope of greenhouse gas ( GHG) emissions covered, planned schedule and annual progress achieve, if carbon offsets or renewable energy certificates ( RECs) are used to achieve related targets, describe the sources and quantity of carbon credits or the number of RECs.	Under planning
9.Greenhouse gas inventory information, assurance status, reduction targets, strategies, and specific action plans:	<p>Greenhouse gas inventory information, assurance</p> <p>Climate-related target activities:</p> <ol style="list-style-type: none"> <li>1.Review energy usage status every month and continuously propose improvement plans based on the current situation.</li> <li>2.Process improvements and equipment updates to continuously reduce energy consumption.</li> </ol>

## 1.Greenhouse gas inventory information, assurance status of the Company in the recent two year

### 1-1 Greenhouse gas inventory information :

<p>Company Basic Information</p> <p><input type="checkbox"/> Companies with a capital of over NT10 billion , steel industry, cement industry.</p> <p><input type="checkbox"/> Companies with a capital of over NT5 billion but not reaching NT10 billion.</p> <p><input checked="" type="checkbox"/> Companies with a capital amount of less than NT5 billion.</p>	<p>According to the sustainable development roadmap for listed companies, at least the following should be disclosed.</p> <p><input checked="" type="checkbox"/> Parent company individual Greenhouse gas inventory.</p> <p><input type="checkbox"/> Consolidated financial report subsidiary greenhouse gas inventory.</p> <p><input type="checkbox"/> Parent company individual greenhouse gas assurance.</p> <p><input type="checkbox"/> Consolidated financial report subsidiary greenhouse gas assurance.</p>
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2024

Scope	Company	Total emissions (metric tons of CO <sub>2</sub> e)	Intensity (metric tons of CO <sub>2</sub> e / million in sales revenue)
Scope 1	K Laser Taiwan	16.81	0.0100
Scope 2		1,642.58	0.9801
Scope 3		971.45	0.5796

2023 (baseline year)

Scope	Company	Total emissions (metric tons of CO <sub>2</sub> e)	Intensity (metric tons of CO <sub>2</sub> e / million in sales revenue)
Scope 1	K Laser Taiwan	29.42	0.0208
Scope 2		1,657.14	1.1715
Scope 3		1,145.03	0.8095

### 1-2 Greenhouse gas assurance information : None.

## 2.Greenhouse gas reduction targets and strategies, and specific action plans :

<b>Policy Commitment</b>	<p>(1)The company upholds the concept of environmental sustainability and is committed to implementing energy-saving and carbon-reduction policies in its daily operations.</p> <p>(2)We have established carbon emission reduction targets and regularly monitor energy usage, adopting low-carbon technologies and efficient equipment to minimize the environmental impact of our operations.</p> <p>(3)We are dedicated to collaborating with our supply chain to promote an environmentally friendly transformation of the entire industry chain.</p>
<b>Short-term goals</b>	ISO-14064-1 Greenhouse Gas Inventory.
<b>Medium to long-term goals</b>	Reduce total greenhouse gas emissions by 0.5%.
<b>Specific actions</b>	Greenhouse gas emissions in 2024 will be reduced by 7% compared to 2023.
<b>Evaluation mechanism</b>	Monitor energy consumption monthly and conduct an annual carbon emission audit.

## (8) Company's performance of honest operation and adoption measures

The performance of honest operation and the difference between it and the code of honest operation of listed and OTC companies and the reasons

Evaluation Item	Operation Situation			Differences and reasons between the code of good faith and the code of conduct of listed and OTC companies
	Yes	No	Abstract Description	
<p>1. Formulate policies and plans for honest management</p> <p>(1) Has the company formulated a credit management policy approved by the board of directors, and clearly stated the policies and practices of credit management in regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the business policy?</p> <p>(2) Does the company establish an assessment mechanism for the risk of dishonest behavior, regularly analyze and assess the business activities with high risk of dishonest behavior within its business scope, and formulate a plan to prevent dishonest behavior based on this, which at least covers the preventive measures against the behaviors of Article 7, paragraph 2, of the Code of Good Faith for Listed and OTC Companies?</p> <p>(3) Does the company work out plans to prevent dishonest behavior, specify operating procedures, behavioral guidelines, disciplinary and appeal systems for violations in each plan, and implement them, and regularly review and revise the pre-disclosure plan?</p>	✓		<p>(1) On March 23, 2021, the Company submitted the Company's Code of Good Faith and Code of Ethical Conduct to the Board of Directors for approval, which was reviewed and approved by the Board of Directors. In the regulations and external documents, the Company clearly stated the policies and practices of operating in good faith, and the commitment of the board of directors and management to actively implement the operating policies. Among them, the company has formulated "internal major information processing procedures" to standardize the internal major information processing and disclosure mechanism, avoid improper information leakage, and ensure the consistency and accuracy of the company's information published to the outside world; It is clearly stated in the Rules of Procedure of the Board of Directors that a director has an interest in meeting matters with himself or the legal person he represents, and should explain the important contents of his own interest to the current board of directors, so that those who are in danger of harming the interests of the company may not participate in the discussion and voting, and should avoid the discussion and voting, and may not exercise their voting rights on behalf of other directors.</p> <p>(2) The Company has taken preventive measures against the business activities with high risk of dishonest behavior in Article 7, Item 2 of the Code of Good Faith for Listed and OTC Companies or other business areas.</p> <p>(3) The Company has worked out plans to prevent dishonest behavior, and clearly defined and implemented operating procedures, behavioral guidelines, disciplinary and appeal systems for violations in each plan.</p>	None
<p>2. The implementation of integrity management</p> <p>(1) Does the company evaluate the credit record of the counterparty and specify the terms of credit behavior in the contract signed between the company and the counterparty?</p> <p>(2) Does the company set up a dedicated unit under the board of directors to promote the honest operation of enterprises, and regularly report to the board of directors its honest operation</p>	✓		<p>(1) The Company not only evaluates the credit record of the counterparty, but also stipulates the terms of credit behavior in the contract signed with the counterparty.</p> <p>(2) The promotion of the company's business integrity management is jointly run by the Financial Administration Department, which mainly establishes a good corporate governance and risk control system and complies with</p>	None

Evaluation Item	Operation Situation			Differences and reasons between the code of good faith and the code of conduct of listed and OTC companies
	Yes	No	Abstract Description	
<p>policies, schemes to prevent dishonest behaviors and supervise their implementation?</p> <p>(3) Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for presentation, and implement them?</p> <p>(4) Has the company established an effective accounting system and internal control system for the implementation of honest operation, and the internal audit unit shall draw up relevant audit plans according to the assessment results of dishonest behavior risks, and then check the compliance of the scheme for preventing dishonest behavior, or entrust an accountant to perform the audit?</p> <p>(5) Does the company regularly organize internal and external education and training for honest operation?</p>			<p>various laws and regulations.</p> <p>(3)The Company has formulated policies to prevent conflicts of interest, provided appropriate channels for presentation and implemented them.</p> <p>(4)The Company has established an effective accounting system and internal control system, which are regularly checked and implemented by the internal audit unit.</p> <p>(5)The Company regularly organizes education and training on integrity management.</p> <p>(6)The Company publicizes and enables colleagues to clearly understand the concept and norms of integrity management through meetings of supervisors and dinners of departments.</p>	
<p>3. Operation of the Company Reporting System</p> <p>(1) Has the company established a specific reporting and reward system, established a convenient reporting channel, and assigned appropriate personnel to accept the report?</p> <p>(2) Has the company established the investigation standard operating procedures for accepting and reporting matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?</p> <p>(3) Does the company take measures to protect whistle-blowers from improper disposal due to whistleblowing?</p>	✓		<p>The Company has stipulated the reporting and reward system and related confidentiality mechanism in the "Working Rules" and the "Code of Honesty and Business Practice", which are implemented according to the regulations and protect the whistle-blowers from improper disposal due to reporting.</p>	None
<p>4. Strengthen information disclosure</p> <p>(1) Has the company disclosed the contents and promotion effects of its code of good faith on its website and public information observatory?</p>	✓		<p>The Company has disclosed the contents of the relevant code of good faith on its website (<a href="http://www.klasergroup.com">http://www.klasergroup.com</a>).</p>	None
<p>5. If a company has established its own code of good faith operation in accordance with the Code of Good Faith Operation of Listed and OTC Companies, please state the differences between its operation and the established code: the company has established the Code of Good Faith Operation and the Code of Ethical Conduct in accordance with the Code of Good Faith Operation of Listed and OTC Companies, followed the code and continuously promoted publicity and awareness among management colleagues, and its related operations are not significantly different.</p>				
<p>6. Other important information that is helpful to understand the company's honest operation (such as the company's review and revision of its honest operation code, etc.): None.</p>				

- (9) Code of corporate governance, relevant regulations and other important information that can enhance the understanding of the operation of corporate governance:

Rules and regulations related to corporate governance:

- A. Articles of Association
- B. Rules of Procedure for Shareholder Meeting
- C. Regulation of Board of Directors Meeting
- D. Election Method of Board of Directors
- E. Operation Method for Performance Evaluation of Board of Directors
- F. Measures for The Establishment and Scope of Duties of Independent Directors
- G. Organizational Rules of Remuneration Committee
- H. Internal Major Information Processing Procedures
- I. Code of Practice on Corporate Social Responsibility
- J. Code of Practice on Corporate Governance

Visit the website of the Company for inquiry : <http://www.klasergroup.com>

(10) The implementation of the internal control system

1. Statement of Internal Control

K Laser Technology Inc.  
Statement of Internal Control System

Date: March 12, 2025

According to the results of self-assessment, the internal control system of the Company in 2024 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, 2024 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 12, 2025. 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

2. If an accountant is entrusted to examine the internal control system, the accountant's examination report shall be disclosed: None.

(11) The important resolutions of the shareholders' meeting and the board of directors

1. Important resolutions of the shareholders' meeting and their implementation

Time: The 2024 Annual General Meeting of Shareholders was held in Hsinchu on June 24, 2024.

The resolutions adopted by shareholders attending the meeting and their implementation are as follows:

(1) Acknowledgment of the 2023 annual business report and financial statements.

Implementation Situation: the business report and financial statements in 2023 were acknowledged, in which the consolidated revenue for the whole year was about NT\$ 5,679,188 thousand and the net profit attributed to the owners of the Company was about NT\$ 104,098 thousand, with EPS NT\$ 0.66.

(For detail information, please refer to the Market Observation Post System)

(2) Acknowledge the case of profit and loss appropriation in 2023.

Implementation situation: the shareholders' meeting passed the resolution of cash dividends NT\$110,131 thousand, NT\$0.65461274 per share, which has been handled according to the resolution of the shareholders' meeting, the ex-dividend base date is July 24, 2024, and the cash dividend payment date is August 8, 2024.

(For detail information, please refer to the Market Observation Post System)

2. Board of Directors

Date	Summary of Important Meeting Proposals
March 12, 2024	<p>The 4th meeting of the 13th session of the board of directors</p> <ol style="list-style-type: none"> <li>1. Approved the credit line of bank</li> <li>2. Approved the company set the record date of the conversion of the 6th secured Convertible Corporate Bond to common stock.</li> <li>3. Approved annual audit report and internal control system statement report of 2023.</li> <li>4. Approved the operation report and financial statement of 2023.</li> <li>5. Approved employees' and directors' remuneration distribution of 2023.</li> <li>6. The surplus distribution in the fourth quarter of 2023.</li> <li>7. The budget and operation plan of 2024.</li> <li>8. Approved the endorsements and guarantees of the K Laser Dong Guan.</li> <li>9. Approved the amendments of "Regulations Governing Procedure for Board of Directors Meetings" and "Regulations Governing the Exercise of Powers by Audit Committees".</li> </ol>
March 28, 2024	<p>The 5th meeting of the 13th session of the board of directors</p> <ol style="list-style-type: none"> <li>1. Approved the replacement and the assessment of the independence and qualification of attestation CPA.</li> <li>2. Approved the advanced approving the attestation CPA for non-assurance service.</li> <li>3. Approved the disposal of shareholding of Optivision Technology Inc.</li> <li>4. Approved the convening of 2024 Annual General Meeting.</li> </ol>

Date	Summary of Important Meeting Proposals
May 13, 2024	<p>The 6th meeting of the 13th session of the board of directors</p> <ol style="list-style-type: none"> <li>1.Approved the credit line of bank.</li> <li>2.Approved the company set the record date of the conversion of the 6th secured Convertible Corporate Bond to common stock.</li> <li>3.Approved the ex-dividend record date of cash dividends for 2023Q4.</li> <li>4.Approved 2024 Q1 Financial Statements.</li> <li>5.Approved the distribution proposal for 2024 Q1.</li> <li>6.Approved the directors' remuneration distribution of 2023.</li> <li>7.Approved the managers' performance assessment in 2023 and the employees' bonus distribution.</li> <li>8.Approved the subsidiary company, K Laser (DongGuan) INC. grant loan to the subsidiary company.</li> <li>9.Approved the establishment of Kaohsiung branch.</li> <li>10.Approved the Cash capital increase of K Laser Nanchang.</li> </ol>
August 7, 2024	<p>The 7th meeting of the 13th session of the board of directors</p> <ol style="list-style-type: none"> <li>1.Approved the credit line of bank.</li> <li>2.Approved the company set the record date of the conversion of the 6th secured Convertible Corporate Bond to common stock.</li> <li>3.Approved 2024 Q2 Financial Statements.</li> <li>4.Approved the distribution proposal for 2024 Q2.</li> <li>5.Approved the subsidiary company, K Laser (DongGuan) INC.'s improvement plan of the amount of endorsement/guarantee exceeds the limit.</li> <li>6. Approved to set up a Sustainability Development Committee, and The "Sustainability Development Committee Charter" and the "Sustainability Practice Guidelines" were formulated to enhance the functions and management mechanisms of the Board of Directors.</li> <li>7.Approve the appointment of Sustainability Development Committee Members of the Company.</li> <li>8.Approved the change of the chief internal auditor.</li> </ol>
November 13, 2024	<p>The 7th meeting of the 13th session of the board of directors</p> <ol style="list-style-type: none"> <li>1.Approved the credit line of bank.</li> <li>2.Approved the company set the record date of the conversion of the 6th secured Convertible Corporate Bond to common stock.</li> <li>3.Approved the Cancellation of Restricted Shares to Employees Stock Awards.</li> <li>4.Approved the independence assessment of CPA.</li> <li>5.Approved the pre-review Non Assurance Services of CPA.</li> <li>6.Approved the appointment of the Accounting officer.</li> <li>7.Approved 2024 Q3 Financial Statements.</li> <li>8.Approved the distribution proposal for 2024 Q3.</li> <li>9.Approved the 2025 Audit Plan.</li> <li>10.Approved the Cash capital increase of K Laser Nanchang.</li> <li>11.Approved the subsidiary company, K Laser (DongGuan) INC. grant loan to the subsidiary company.</li> <li>12.Approved the subsidiary company, K Laser (Wuxi) INC. grant loan to the subsidiary company</li> <li>13.Approved the subsidiary company, K Laser (Wuxi) INC.'s endorsement and guarantee of the loan for the other subsidiary.</li> </ol>

Date	Summary of Important Meeting Proposals
	14.Approved the Cash capital increase of Jiangsu Sunderray Packing Material Co. Ltd. 15.Approve the amendments of internal control systems, Added "10.Management Control Operations", "Procedures for the Preparation and Assurance of Sustainability Report " and the revision of the " Management of preparation process of financial statements" 16.Approve the amendments of audit committee charter.
March 12, 2025	The 9th meeting of the 13th session of the board of directors 1.Approved the credit line of bank. 2.Approved the company set the record date of the conversion of the 6th secured Convertible Corporate Bond to common stock. 3.Approved the execution results of annual audit report and internal control system statement report of 2024. 4.Approved the operation report and financial statement of 2024. 5.Approved surplus distribution in the fourth quarter of 2024. 6.Approved employees' and directors' remuneration distribution of 2024 . 7.Approved employees' and directors' remuneration distribution of 2025 . 8.Approved the endorsements and guarantees of the K Laser Dong Guan. 9. Approved the subsidiary company, K Laser (Wuxi) grant loan to the subsidiary company. 10.Approved the appointment of the R&D Director of the company. 11.Approved the Cooperation agreement between K Laser Technology (Korea) Co., Ltd. and GnT Tech through. 12.Approve the amendments of internal control systems, Section IX: "Electronic Data Processing Cycle," and added the "Risk Management Policies and Procedures." 13.Approved the definition of "frontline employees" of the company. 14.Approved the revision of Bylaws of the company. 15.Approved the convening of 2025 Annual General Meeting.
April 11, 2025	The 2nd Extraordinary meeting of the 13th session of the board of directors 1.Approved to repurchase company's shares. 2.Approved the 2025 rules of transfer Repurchased Shares to Employees.

(12)The directors or independent directors have different opinions on important resolutions passed by the board of directors and have records or written statements, the main contents are: none.

(13)Hanging of material information: The company handles material information in accordance with rigorous internal procedures mad publicly accessible vis "Procedures for Handling Material Inside Information", with added monthly reminders to all insider and employees on the Procedures for the Prevention of Insider Trading to violations of relevant regulations.

### 3.Information on CPA professional fees

#### (1) Information on public expenses of accountants

Amount Unit: NT\$ 1000

Name of CPA Firm	Name of Accountant		Accountant Audit Period	Audit fee	None-audit fee (Note)	Total	Note
Deloitte & Touche	Wu Kerchang	Hsu Wenya	2024	7,530	120	7,650	-

Note 1: Non-audit fee include direct deduction of business tax, etc.

(2)Where the proportion of non-audit public fees paid to certified public accountants, certified public accountants' firms and their affiliated enterprises to audit public fees is more than one-fourth: this is not the case.

(3)Where an accounting firm is replaced and the audit fees paid in the replacement year are lower than those in the previous year: this is not the case.

(4)Audit fees decreased by more than 10% compared with the previous year: there is no such situation.

#### 4.Information on replacement of CPA :

##### (1) Former CPAS

Date of Change	Approved by BOD on March 28, 2024		
Reasons and Explanation of Change	In compliance with regulatory requirements on rotation, the engagement partner Huang Yiming will be replaced by Wu Kerchang from 2024, The co-signing partner will remain to be Hsu Wenya.		
State Whether the Appointment Is Terminated or Rejected by the Consignor of CPAs	Client	CPA	Consignor
	Status		
	Appointment terminated automatically	Not available	
	Appointment rejected (discontinued)	Not available	
The Opinios Other than Unmodified Opinion Issued in the Last Two Years and the Reasos for the Said Opinions	None		
Is There any Disagreement in Opinion with the Issue	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	No	V	
	Explanation		
Supplemetary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

##### (2) Successor CPAs

Accounting Firm	Deloitte & Touche
CPA	Wu Kerchang 、Hsu Wenya
Date of Engagement	Approved by BOD on March 28, 2024
Prior to the Formal Engagement, Any Inquiry of Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might Be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that Are Different from the Former CPAs Opinions	None

(3)The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:None.

**5. Chairman, G.M and Financial Manager has held any position at the accounting firm or at an affiliated enterprise of such accounting firm in the most recent year: None.**

## 6. Changes in the equity and pledge of directors, managers and major shareholders with a shareholding ratio of more than 10%

### (1) Changes in equity of directors, supervisors, managers and major shareholders

Unit: Share

Title	Name	2024		The current year ended on March 30, 2025	
		Increase (decrease) number of shareholdings	Increase (decrease) number of pledged shares	Increase (decrease) number of shareholdings	Increase (decrease) number of pledged shares
Chairman concurrently serves as general manager	Alex Kuo	715,000	—	—	—
Director	Daniel Kuo	—	—	—	—
Director	Lisa Hsu	—	—	—	—
Independent Director	Bi-Xin Huang	—	—	—	—
Independent Director	Li-Hua Liao	—	—	—	—
Independent Director	Zheng-An Wang	—	—	—	—
Independent Director	Hua-Sheng Xu	—	—	—	—
CFO Accounting Officer Financial Officer Corporate Governance Officer	Teresa Huang	14,000	—	(16,000)	—
R & D Officer	Liugong Lin (Note 1)	—	—	—	—
R & D Officer	Woody Wu (Note 1)	—	—	—	—
VGM of Marketing and Business	Jacky Chen	5,000	—	—	—
VGM of Manufacturing	Sappho Chen	(2,000)	—	—	—
Audit Officer	Yumei Tsai (Note 2)	—	—	—	—
Audit Officer	Laura Liu (Note 2)	—	—	—	—
Accounting Officer	Serena Hung (Note 3)	—	—	—	—

Note 1. R&D Officer Liugong Lin was relieved of his duties on December 26, 2024, and Woogy Wu has taken over the position.

Note 2. Audit Officer Yumei Tsai was relieved of his duties on August 7, 2024, and Laura Liu has taken over over the position.

Note 3. Accounting Officer Serena Hung was relieved of his duties on October 1, 2024, and Teresa Huang has taken over the position.

### (2) The relative person of equity transfers or equity pledge is the related person: none.

## 7. Information on the relationship between the top ten shareholders in terms of shareholding ratio

March 30, 2025

Name	Shareholding of self		Shareholding of spouses and minor children		Total shareholding in name of others		The title or names and relationships of the top ten shareholders who have related relationships with each other or are relatives within spouses or two parents	
	Number of Shares	Shareholding Rate	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Name (Or name)	Relation
Alex Kuo	14,519,756	8.34%	1,099,194	0.63%	—	—	—	—
Kun Lung Wang	5,990,177	3.44%	170,000	0.10%	—	—	—	—
Gui Tang Shi	3,660,676	2.10%						
Mei Ling Ho	3,470,259	1.99%						
Three Fish Co., Ltd	2,550,000	1.47%						
Taishin International Commercial Bank Trust Account	2,481,500	1.43%	—	—	—	—	—	—
The Capital Group (Stock) Trusteeship Lukfook Securities (Hong Kong)	2,407,000	1.38%						
Rong An Huang	2,148,000	1.23%	—	—	—	—	—	—
Jian Yi Zhong	1,731,000	1.00%	—	—	—	—	—	—
Ai Zhen Chen	1,649,000	0.95%						

## 8. Comprehensive shareholding ratio

Unit: Share/% March 31, 2025

Investment business (Note)	The Company Investment (1)		Investments by directors, supervisors, managers and directly or indirectly controlled enterprises (2)		Comprehensive Investment (1) +(2)	
	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate
K Laser China Group Co., Ltd.	37,027,261	100%	—	—	37,027,261	100%
K Laser International Co., Ltd.	21,161,462	100%	—	—	21,161,462	100%
iWin Technology Co., Ltd.	157,545	49%	163,975	51%	321,520	100%
Vicome Corp	3,021,420	30%	60,000	0.6%	3,081,420	31%
Insight Medical Solutions Co., Ltd	12,394,255	45%	3,400,958	12%	15,795,213	57%
Guang Feng International Ltd.	4,845,810	100%	—	—	4,845,810	100%

Note: The long-term investment of the company using the equity method

# Fund raising

## 1. Overview of capital and shares

### (1) Source of equity

#### 1. Source of equity

April 30, 2025

Unit: 1000 shares; NT \$1000 (except issue price)

Date	Issue price (NT)	Authorized capital stock		Capital stock paid in		Notes			
		Number of shares	Amount of money	Number of shares	Amount of money	Source of equity		Pay off the share fund with property other than cash	Other
2017.03	10	200,000	2,000,000	133,883	1,338,825	CB to capital increase	14,160	-	ZSZ No.1060007841
2017.12	10	200,000	2,000,000	165,325	1,653,246	CB to capital increase	314,421	-	ZSZ No.1061000188
2018.12	10	200,000	2,000,000	159,325	1,593,246	Cancellation of treasury shares	(60,000)	-	ZSZ No.1070035038
2021.07	10	300,000	3,000,000	159,325	1,593,246	Increase authorized capital	0	-	ZSZ No.1100020084
2021.09	10	300,000	3,000,000	164,325	1,643,246	Restricted stock award	50,000	-	ZSZ No.1100026202
2022.03	10	300,000	3,000,000	161,374	1,613,744	Convert bond / write-off treasury stock	16,448 (45,950)	-	ZSZ No.1110006331
2022.06	10	300,000	3,000,000	163,806	1,638,061	Convert bond	24,317	-	ZSZ No.1110017360
2023.05	10	300,000	3,000,000	157,806	1,578,061	write-off treasury stock	(60,000)	-	ZSZ No.1120016265
2023.09	10	300,000	3,000,000	167,151	1,671,511	Convert bond	93,450	-	ZSZ No.1120028686
2023.12	10	300,000	3,000,000	169,303	1,693,030	Convert bond	21,519	-	ZSZ No.1120039730
2024.04	10	300,000	3,000,000	170,860	1,708,600	Convert bond	15,570	-	ZSZ No.1130009590
2024.06	10	300,000	3,000,000	171,594	1,715,942	Convert bond	7,342	-	ZSZ No.1130017865
2024.09	10	300,000	3,000,000	172,233	1,722,334	Convert bond	6,392	-	ZSZ No.1130028929
2024.12	10	300,000	3,000,000	172,521	1,725,206	Convert bond Cancellation of Restricted Employee Rights for New Shares	3,922 (1,050)	-	ZSZ No.1130039373
2025.04	10	300,000	3,000,000	174,017	1,740,173	Convert bond	14,967	-	ZSZ No.1140010570

Unit: shares / April 30, 2025

Unit. shares / April 30, 2023.

Types of stock shares	Authorized capital stock					Notes
	Outstanding capital stock			Unissued shares	total	
	Listed (note)	Restricted listing	total			
Common stock	174,017,284	-	174,017,284	125,982,716	300,000,000	

Note: 1. Includes 3,584,000 shares of employees' restricted stock award.

2. Summary of information about the declaration system: None.

## (2) List of major shareholders

March 30, 2025

Shares Name of major shareholders	Number of shares held	Shareholding %
Alex Kuo	14,519,756	8.34%
Kun Lung Wang	5,990,177	3.44%
Gui Tang Shi	3,660,676	2.10%
Mei Ling Ho	3,470,259	1.99%
Three Fish Co., Ltd.	2,550,000	1.47%
Taishin International Commercial Bank Trust Account	2,481,500	1.43%
The Capital Group (Stock) Trusteeship Lukfook Securities (Hong Kong)	2,407,000	1.38%
Rong An Huang	2,148,000	1.23%
Jian Yi Zhong	1,731,000	1.00%
Ai Zhen Chen	1,649,000	0.95%

## (3) Dividend policy and implementation of the company

### 1. Dividend policy

In addition, special reserve is provided for in accordance with the Company's operating requirements and laws and regulations. If there is any surplus and undistributed surplus at the beginning of the period, the Board of Directors shall prepare a proposal for distribution of surplus to the shareholders for resolution.

The Company's dividend policy is based on the Company Law and the Company's Articles of Incorporation, and is determined in accordance with the Company's capital and financial structure, operating conditions, earnings, and the characteristics and cycles of the industries to which the Company belongs, and is distributed on the principle of conservatism to promote the Company's sustainable business development. Distributions of distributable earnings shall be in the form of cash dividends, depending on future capital expenditures and working capital planning, and stock dividends may also be distributed, provided that the percentage of stock dividends distributed shall not exceed 50% of the total dividends. The aforementioned conditions, timing, amount and type of retained earnings and distributable dividends may be adjusted at the appropriate time in response to changes in the economic and industrial climate and taking into account the Company's future development needs and profitability, provided that the target of cash dividend shall not be less than 10% of the distributable earnings of the current year.

### 2. Proposed Dividend Distribution at the Shareholders' Meeting

The Corporation Bylaws of the Company authorize the board of directors to resolve to distribute profit in cash after the end of each quarter, in the 2nd quarter of 2024, the board of directors resolved that the cash dividends distributed to shareholders amounted to NT\$ 33,648 thousand, that is, NT\$ 0.19963689 per share, and have been distributed on October 7, 2024.

In the 4th quarter 2024, the board of directors resolved that the cash dividends distributed to shareholders amounted to NT\$ 136,347 thousand, that is, NT\$ 0.80 per share.

- (4) The effect of the stock grants on the Company's operating performance and earnings per share: Not applicable.

(5) Remuneration of employees and directors

1. The independent directors of the Company shall receive fixed compensation, and the other directors shall be paid for their attendance at each meeting of the Board of Directors, and in accordance with Article 32 of the Company's Articles of Incorporation, the Company shall set aside not more than 2% of the Company's annual profit before taxation as remuneration to the directors before the distribution of remuneration to employees and directors.

According to Article 32 of the articles of association of the company, if the company makes any profit in the year, 4% ~ 8% of the pre-tax profit before deducting the remuneration of the employees and directors shall be allocated as the remuneration of the employees. The manager's remuneration includes salary and bonus, in which the salary refers to the level of the industry and items such as title, rank, academic experience, professional ability and responsibilities, etc. The bonus is based on the company annual performance, financial status, operating status and personal performance, along with the evaluation of the manager's performance, which includes financial indicators (e.g. revenue and net income achieve rate before tax) and non-financial indicators (e.g. work performance, quality of work, attitude to work, leadership, communication and coordination, teamwork, and significant deficiencies in compliance with laws and regulations and operational risks of the department under their supervision), and is approved by the chairman of the board of directors according to the performance evaluation results and the allocation principles recommended by the Salary and Compensation Committee.

The remuneration of the directors and managers of the company shall be determined by the board of directors and submitted to the shareholders' meeting. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate the remuneration of employees and directors in accordance with the preceding paragraph.

2. The basis for estimating the amount of employee and director compensation, the basis for calculating the number of shares of employee compensation distributed in stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

According to the regulations of the articles of association of the company and with reference to the actual remuneration paid in the past, the company estimates the amount of remuneration that may be paid to employees and directors. If there is any difference between the actual amount paid in and the estimated amount, it shall be treated according to the change of accounting estimation and listed as the profit and loss of the next year.

3. Remuneration approved by the board of directors for the year of 2024:

According to the resolution of the board of directors of the company on March 12,

2025, the company passed the following:

Unit: NT\$1000

Project	Amount of money	Cash Amount	Stock Amount	Differences from annual estimates of recognized expenses, reasons and treatment	The amount of employee compensation distributed in stock and its proportion to the total amount of net income after tax and total employee compensation in the individual financial reports for the period
Employees' Compensation		16,024	0	None	Not applicable
Directors' Compensation		4,166	0	None	

4. The actual distribution of employees' and directors' remuneration in the previous year and the difference between the amount of employee and director's remuneration and the amount of the difference, the reasons for the difference and the treatment of the difference should be stated.

The employees' and directors' remuneration in 2023 are NT\$10,717 thousand and NT\$2,010 thousand, same as the actual distribution amount.

(6) Buy-back of the Company's shares by the Company

(1) In progress

April 30, 2025

Number of Buyback	29th
Purpose of the share repurchase	Transfer shares to employees
Type of shares to be repurchased	Common shares
Ceiling on total monetary amount of the share repurchase	NT144,000 thousand
Scheduled period for the repurchase	2025/4/11~2025/6/10
No.of shares to be repurchased	5,000,000 shares of common stock
Repurchase price range	NT\$ 10.4~28.8
Type and number of shares repurchased	342,000 shares of common stock
Amount of shares buyback	NT\$ 5,603,024
Number of shares buyback as a percentage of the number to be buyback (%)	6.84%

## 2. Issuance of corporate bonds

### (1) Issuance of corporate bonds

April 30, 2025

Type of corporate debt		The sixth domestic secured conversion of corporate bond
Issue (processing) date		March 24, 2021
Denomination		NT\$100,000
Issuance price		Each face value is NT\$100,000. Issued at 101% of the face value
Total amount		NT\$600 million
Interest Rate		0%
Term		Five-year maturity date: 2026/03/24
Guarantee agency		Taichung Commercial Bank Co.
Trustee		KGI Commercial Bank Co.
Underwriter		KGI Commercial Bank Co.
Certified Lawyer		-
Certified Public Accountant		-
Repayment Method		Except for the conversion of the convertible bonds into common shares in accordance with Article 10 herein or the exercise of the right of sell-back in accordance with Article 19 herein, and the early redemption by the Company in accordance with Article 18 herein, the principal shall be repaid in cash at maturity at the face value of the bonds.
Outstanding principal		NT \$266,100 thousand
Terms of Redemption or Early Settlement		1.If the closing price of the Company's common stock on the Taiwan Stock Exchange for 30 consecutive business days exceeds the conversion price of the bonds by more than 30% (inclusive) from the day after the three month from the date of issuance to the 40th day before the expiration of the issuance period, the Company may redeem the bonds from the bondholders in cash at the face value of the bonds. 2.If the outstanding balance of the conversion bonds is less than 10% of the total amount of the bonds issued from the day after the three month of the issuance of the bonds to the 40th day before the expiration of the issuance period, the Company may redeem the conversion bonds of the bondholders in cash at the face value of the bonds.
Restrictions		-
Name of credit rating agency, rating date, and rating result of corporate bonds		-
Additional rights	Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or subscribed) as of the date of publication of the annual report	NT \$333,900 thousand
	Method of issuance and conversion (exchange or subscription)	Refer to the issue and conversion method
The possible dilution of equity and the impact on the existing shareholders' equity by the issuance and conversion, exchange or subscription methods and issuance conditions		Compared with the allocation of funds required, the issuance of domestic convertible bonds as a source of financing will effectively reduce and delay the degree of equity dilution. In addition, after the conversion of convertible bonds by investors, in addition to reducing liabilities, it will also increase shareholders' equity, thereby increasing the net value of each share. Therefore, in the long run, the existing shareholders' equity can be more guaranteed.
Name of the entrusted depository of the subject matter of exchange		-

**(2) Information on Convertible Bonds:**

April 30, 2025

Type of corporate debt		The sixth domestic secured conversion of corporate bond		
Project	Year	2023	2024	For the year ended March 30, 2025
Market value of convertible bonds	Highest	182.00	156.00	-
	Lowest	113.20	141.00	-
	Average	143.70	150.98	-
Conversion price		16.9 / 15.8	15.8 / 15.4 / 15.3	15.3
Issuance (processing) date and conversion price at the time of issue		Issued on March 24, 2021 Conversion price at the time of issue: NTD 19.8		
Method of fulfilling conversion obligations		Issuance of new shares		

(3) Exchange of corporate bond information: None

(4) Summary of the declaration and issuance of corporate bonds: None

(5) Corporate bonds with warrants: None

**3. Preferred Shares**

(1) Preferred shares: None

(2) Preferred shares with warrants: None

**4. Overseas Depository Certificate: None****5. Issuance of Employee Stock Option Plan: None**

## 6. Issuance of Employee Restricted Stock:

### (1) Status of Employee Restricted Stock

April 30, 2025

Type of Employee Restricted Stock	First Employee Restricted Stock Awards
Date of Effective Registration and total number of shares	July 28, 2021 / 5,000,000 shares
Issue Date	September 1, 2021
Number of Employee Restricted Stock Issued	5,000,000 shares
Issued Price	None
Employee Restricted Stock as a Percentage of Shares Issued	2.91%
Vesting conditions of Employee Restricted Stock	<p>Awarded employees are deemed to have satisfied the vesting conditions after they have accomplished the business objectives established by the company and have been working for the company for a specified period (in which they have not violated the employment contract, code of conduct for employees, trust deed, corporate governance best practice principles, ethical corporate management principles, working rules or non-competition and non-disclosure principles provided by the company or any contract made with the company) after obtaining the restricted stock awards.</p> <p>Business Objectives:</p> <p>The year 2020 is taken as the baseline year, and each objective is calculated based on the operating revenue from holographic laser products of each of the entities included in the consolidated financial statements of the Group.</p> <p>(1) Operating revenue for the first year: Operating revenue increases by 110% or more compared with that for the baseline year.</p> <p>(2) Operating revenue for the second year: Operating revenue increases by 127% or more compared with that for the baseline year.</p> <p>(3) Operating revenue for the third year: Operating revenue increases by 147% or more compared with that for the baseline year.</p> <p>(4) Operating revenue for the fourth year: Operating revenue increases by 172% or more compared with that for the baseline year.</p> <p>(5) Operating revenue for the fifth year: Operating revenue increases by 200% or more compared with that for the baseline year.</p> <p>The required employment period after grant of awards and the percentage of vested awards for each year:</p> <p>(1) Employees accomplishing the business objective for the first year and having worked for the company for one year after being granted the awards: 15% to be vested.</p> <p>(2) Employees accomplishing the business objective for the second year and having worked for the company for two years after being granted the awards: 15% to be vested.</p> <p>(3) Employees accomplishing the business objective for the third year and having worked for the company for three years after being granted the awards: 20% to be vested.</p> <p>(4) Employees accomplishing the business objective for the fourth year and having worked for the company for four years after being granted the awards: 20% to be vested.</p> <p>(5) Employees accomplishing the business objective for the fifth year and having worked for the company for five years after being granted the awards: 30% to be vested or 100% to be vested accumulatively (Note).</p> <p>Note: If the vesting conditions are not satisfied during any time of period between the first year and the fourth year, the restricted stock awards for the concerned year(s) will not be taken back by the company and shall be held in a trust continuously. When employees accomplish the business objective for the fifth year and have worked for five years after being granted the awards, the employees may receive the restricted stock awards for the first year up to the fourth year retrospectively.</p>
Restricted Rights of Employee Restricted Stock	(1) The employee shall not sell, pledge, transfer, give to others, set up, or divide the new shares that restrict the employee's rights in other ways, except for inheritance,

	<p>before the vesting conditions are reached after being allocated with new shares.</p> <p>(2) The rights of attending, proposing, speaking, voting and election rights of the shareholders' meeting are the same as those of the issued common shares of the Company, and shall be implemented in accordance with the trust custody contract.</p> <p>(3) Before accomplishing the vesting conditions, the employees to whom the restricted stock awards have been granted do not have the right to obtain distributed earnings (including but not limited to dividends, dividends, legal reserve and the right to obtain allocated capital reserve) and the right to obtain stock options upon cash capital increase.</p> <p>(4) If capital is returned in cash due to capital reduction of the company before the employees to whom the restricted stock awards have been granted accomplish the vesting conditions, the capital reduction refund that has not been vested due to the allocation shall be delivered to the trust, and when the vesting conditions and deadlines are reached, it shall be delivered to the employees without interest together with the vested shares; however, when the expiry date fails to meet the acquired conditions, the Company will recover the cash.</p> <p>(5) The transfer stop date of the company's free share allotment, cash dividend, cash capital increase and subscription, the transfer stop period of shareholders' meeting as stipulated in Paragraph 3, Article 165 of the Company Law, or other legal transfer stop period occurring according to the facts until the base date of rights distribution. For employees who meet the vested conditions during this period, the time and procedures for lifting the restrictions on their vested shares shall be implemented in accordance with the trust custody contract or relevant laws and regulations.</p>
Custody Status of Employee Restricted Stock	<p>(1) After the issuance of new shares that restrict employees' rights, stock trust custody shall be handled. And before the vesting conditions are fulfilled, the employee shall not request the trustee to return the new shares that restrict the employee's rights for any reason or manner.</p> <p>(2) During the period when the new shares with restricted employees' rights are delivered to the trust custody, the Company or the person designated by the Company shall have full authority to negotiate, sign, revise, extend, dissolve and terminate the trust custody contract with the stock trust custody institution, and give instructions on the delivery, use and disposition of the trust custody property.</p>
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	<p>(1) If an employee fails to meet the personal performance evaluation index and the company's operation target after being allocated with new shares restricting employees' rights, if he/she is absent from work on a vested day, violates the circumstances listed in Paragraph 1, Item 3, Article 3, etc., he/she will return the new shares restricting employees' rights without compensation and cancel them.</p> <p>(2) During the vested period, if an employee voluntarily leaves his position, dismisses or is laid off, the Company will take back the shares he/she has not vested without compensation and cancel them.</p>
Number of Employee Restricted Stock Which Have Been Reclaimed	105,000 share
Number of Released Employee Restricted Stock	1,311,000 shares
Number of Unreleased Employee Restricted Stock	3,584,000 shares
Ratio of Unreleased Employee Restricted Stock to Total Issued Shares	2.06%
Impact on Shareholders' Interest	The potential dilution of the Company's EPS is minimal; therefore, there is no material impact on shareholders' interest.

(2) Employee Restricted Stock Granted to Management Team and to Top 10 Employees:

April 30, 2025

April 30, 2021

	Title	Name	No. of Employee Restricted Stock Granted	Employee Restricted Stock as a Percentage of Shared Issued	Restrictions Released				Restrictions Unreleased			
					No. of Shares	Issued Price (NT\$)	Issued Amount (NT\$ thousands)	Released Shares as a Percentage of Shares Issued	No. of Shares	Issued Price (NT\$)	Issued Amount (NT\$ thousands)	Released Shares as a Percentage of Shares Issued
Management team	CEO and General Manager of Group	Alex Kuo	1,850,000	1.08%	768,500 (Note 1)	0	0	0.44%	1,081,500	0	0	0.62%
	CFO 、 financial officer 、 Accounting Director	Teresa Huang										
	CTO	Liugong Lin										
	Audit Director	Yumei Tsai										
	Accounting Director	Serena Hung										
	Director of Marketing and Business	Jacky Chen										
	Director of Manufacturing	Sappho Chen										

	Title	Name	No. of Employee Restricted Stock Granted	Employee Restricted Stock as a Percentage of Shared Issued	Restrictions Released				Restrictions Unreleased			
					No. of Shares	Issued Price (NT\$)	Issued Amount (NT\$ thousands)	Released Shares as a Percentage of Shares Issued	No. of Shares	Issued Price (NT\$)	Issued Amount (NT\$ thousands)	Released Shares as a Percentage of Shares Issued
Employee	Vice President of K Laser Technology (Wuxi) Co., Ltd.	Jiunlung Lai	3,150,000	1.84%	647,500	0	0	0.37%	2,502,500	0	0	1.44%
	Vice President of K Laser Technology (Dongguan) Co., Ltd.	Jianting Ye										
	Factory Manager of K Laser Technology (Dongguan) Co., Ltd.	Guolung Liou										
	R&D Officer of K Laser Technology (Dongguan) Co., Ltd.	Jiunde Wu										
	General Manager of K Laser Technology (Thailand) Co., Ltd.	Shitai Fu										
	General Manager of K Laser Technology (USA) Co., Ltd.	Jenshian Chen										
	General Manager of K Laser Technology Japan Co., Ltd.	Shiro Murata										
	General Manager of K Laser Technology (HK) Co., Ltd.	CHAN WING SHAN										
	Cold Foil Business Unit GM of K Laser Technology (USA) Co., Ltd.	J. Michael Rivera										
	General Manager of Amagic Technologies U.S.A. (Dubai)	Joseph Habchi										

Note 1: Includes 105,000 shares of restricted Stock that have been revoked.

**7. Status of New Share Issuance in Connection with Mergers and Acquisitions: None**

**8. Implementation of fund utilization: None**

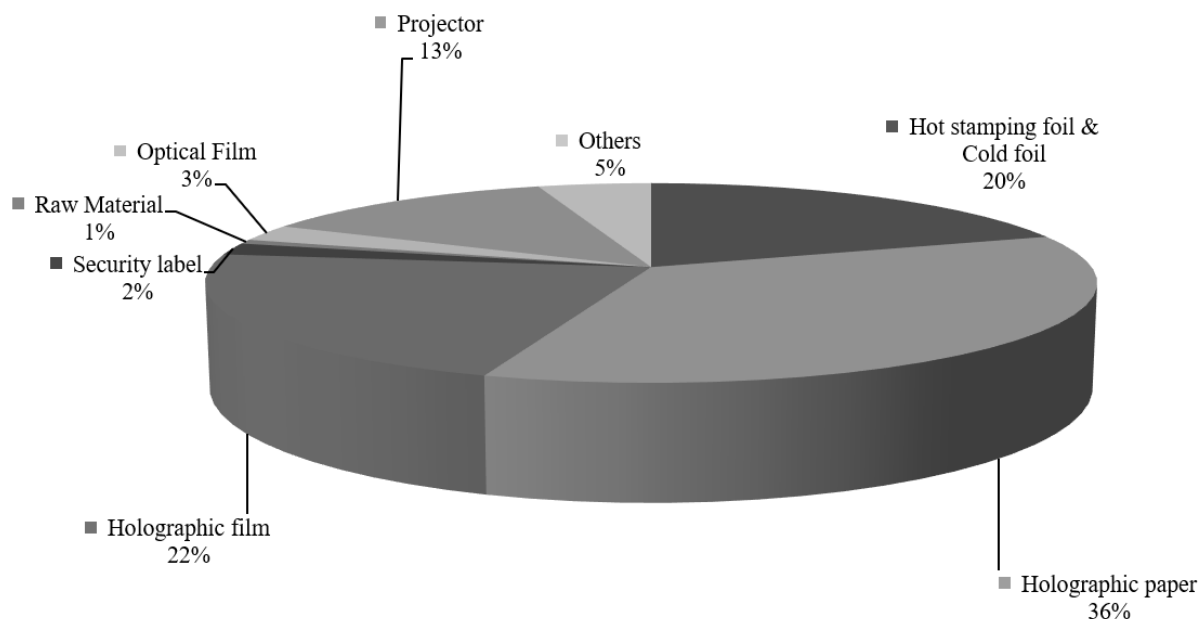
## Operational Highlights

### 1. Business Activities

#### 1.1 Business Scope

1.1.1 Main Operation : K Laser Technology Inc. is engaged in the research, development, production, and sale of holographic products. The company's primary product lines include holographic film, hot stamping foil, cold foil, holographic paper, security labels, and optical films.

1.1.2 Major Products and Sales Percentage :



1.1.3 Current product portfolio:

- A. Holographic PET, PVC, OPP film
- B. Holographic paper
- C. Transfer Film
- D. Holographic Security Label
- E. Hot Stamping Foil
- F. Register Hot Stamping Foil
- G. Cold Foil
- H. UV Fresnel Lens
- I. Optical Film
- J. Projector

1.1.4 New products in plan :

- A. High fold-resistance and scratch-resistant transfer paper.
- B. Thinner cold foil and transfer film.
- C. Transfer film for different lamination processes.

## 1.2. Industry Overview

### 1.2.1 Industry Status and Trends

#### Current Landscape:

China is currently the largest market for Holographic packaging materials in the world, with cigarette boxes and wine box packaging accounting for the largest share. In the past one or two years, the trading card printing market has been booming, which has led to a continuous increase in the demand for holographic materials. In terms of policy, the European Union continues to advance restrictions on plastic packaging, which has led to a significant increase in the demand for transfer films and cold foil products.

#### Development Trends:

##### De-plasticization:

The EU market and major international brands have begun to take measures to de-plasticize packaging, which will drive transfer film, transfer paper and cold foil products to become the main market demand in the future.

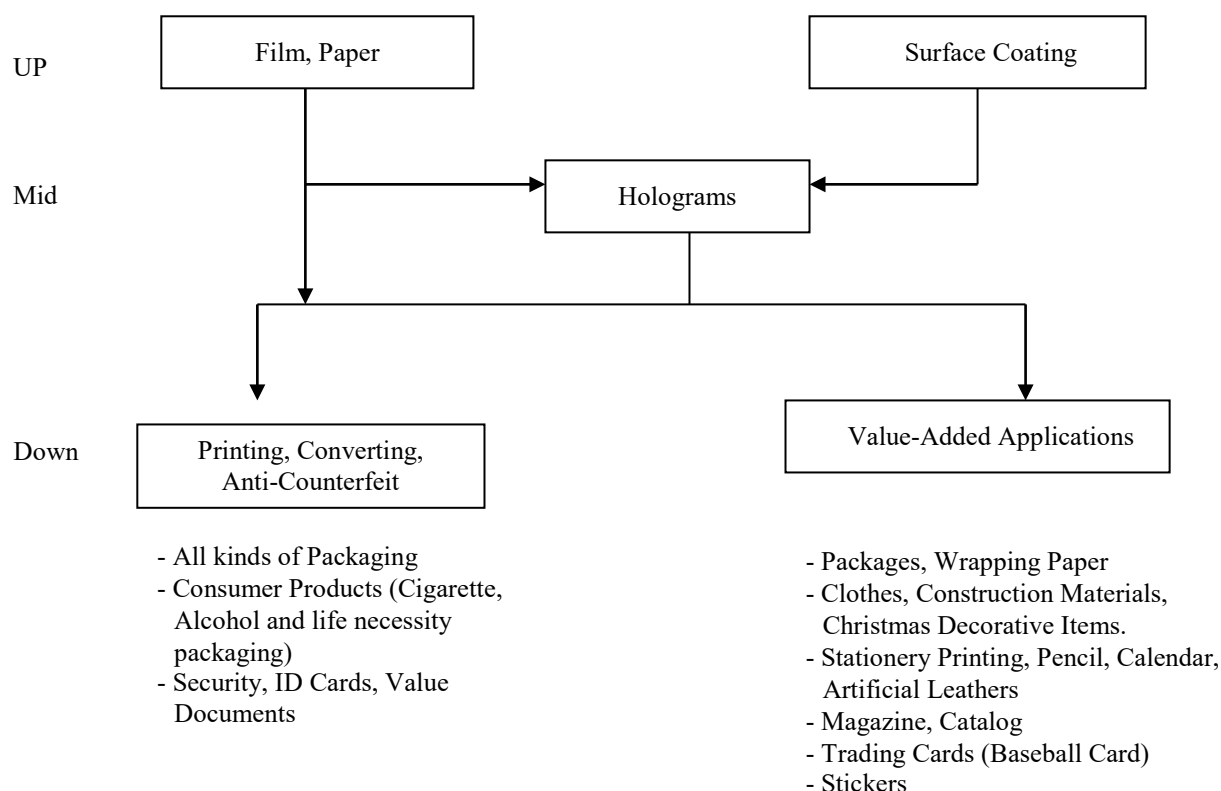
##### Market Shift:

The demand for laminated films and laminated papers is expected to decline. As many industrial production supply chains shift to Southeast Asia, the region's packaging demand will gradually increase, and the requirements for packaging quality and effects will also increase.

##### Business opportunity prospects:

The rapid development of Indonesia and Vietnam market has brought new business opportunities to K Laser, especially in providing high-quality packaging solutions, and K Laser is expected to achieve further growth in this region.

### 1.2.2 The Relationship Between Up-, Mid-, and Down-Stream Supply Chain Services



PET, OPP, PVC films and paper are the most common carriers of holograms. We have secured steady supplies of films from NanYa Plastics and large film manufacturers in China , and the main suppliers of paper are large global paper mills, ensuring a stable source of materials.

The manufacturing process of holographic products is mainly divided into art design, origination, production of master shim and electroforming nickel plate, pattern embossing, and post-processing. In addition to the requirements for product effect and quality stability, the product development process and material selection are also included in the manufacturing process. During the processes, it is necessary to fully consider the post-processing operations of the product, that is, the requirements for heat resistance, pressure resistance and production speed for downstream processing. Therefore, the holographic industry needs to fully consider and meet the conditions for post-processing operations in product development, which is closely related to the downstream industry. Especially for high value-added products such as anti-counterfeiting packaging, it is even more necessary to cooperate with downstream companies for joint development or strategic alliance.

### 1.2.3 Product Development Trends & Competition

#### 1. Development trends:

- A. Transfer film, transfer paper and cold foil products will be the main products in demand in the future, and replace some of the lamination film in the market.
- B. Registering customized products will be a performance growth point in the Chinese mainland market.
- C. Tru- seamless(TSL) rainbow film has been sold in the global market, and the sales in the United States, Europe and Japan will continue to grow in the future
- D. Eco-friendly materials or materials that can be recycled will be the focus of new product development in the future.

#### 2. Competitive scenario:

- A. Major international competitors for transfer film are from India and China. K Laser keeps improving the product competitiveness in order to widen the gap with the competitors.
- B. Chinese and Indian competitors have the low-cost advantages in Holographic PET film, whereas, K Laser has the true seamless and brighter holographic advantages.
- C. Cold Foil products are in high demand in the market, there are competitors from Taiwan, Europe, America, and China, Holographic products and customized products are the advantages of K Laser.
- D. The competitors of Customized holographic and lens register printing products are from China, we need to continue to improve the ability to create new hologram effects.

## 1.3 Technology and R&D Highlights

### 1.3.1 R&D Expenditures of K Laser

Unit : NT\$ Thousands

Year	2023	2024
R&D Expenditures	318,574	280,528

### 1.3.2 R&D Achievements and Plans for the Future

To meet market demand, the Company develops high value-add products with aesthetic and high security features to achieve technology innovation, quality improvement and wide range of product applications. The Company also integrates and develops the upstream and downstream process technology, and improves resolution and design ability.

The technique Roadmap, R&D release following new Tech. and new Product in this year:

#### A. Origination Technology:

- (a) 1 Meter seamless rainbow origination (b) Semi-hidden effect Covert Cord
- (c) Hidden anti-counterfeiting Covert Cord.

#### B. New Products:

- (a) True Seamless series (b) UV embossing products
- (c) Cold foil for offset presses (d) Holo anti-scratch transfer film
- (e) 32cm Fresnel lens film (f) 24cm Fresnel lens film.

#### C. Equipment Development:

Develop new production equipment with a width of over one meter.

#### R&D Strategies:

- A. Co-develop with suppliers/customers to enhance product value and tamper-resistance
- B. Develop Seamless holographic origination technology and production process.
- C. Develop high precision coating technology, recipe and process, to promote products' application and control products' quality efficiently.
- D. Develop the optical effect origination for the electric products application.
- E. Develop UV embossing process combine deep grating and holographic effects.
- F. Develop aesthetic and high security technique to improve R&D ability.
- G. Develop Lens effect film and foil for new application.
- H. Develop wide-web holographic film to improve products' competitiveness.

### 1.4. Long and Short Term Business Plan

#### 1.4-1 Long Term Business Plan

To continuously drive global business and reduce the market share of mainland China, establish new sales channels in Southeast Asia, recruit and train foreign trade business talents, and find suitable local business representatives in different countries to provide local services and enhance customer satisfaction; establish partnerships with global tobacco manufacturers and cigarette packaging printing factories to obtain direct qualified supplier status.

#### 1.4-2 Short Term Business Plan

##### A. Taiwan Market:

Actively support Taoyuan, Tainan and Kaohsiung governments in planning anti-counterfeiting labeling for garbage bags, while also focusing on communication with brand owners to introduce K Laser's materials into new product packaging.

##### B. China Market:

Maintain the competitiveness of the cigarette box printing market and attempt to collaborate with various provincial cigarette label printing factories. Develop new orders through cooperation with K Laser's holographic printing technology and game card printing factories.

C. Asia Market:

Maintain leadership in the Japanese market and actively develop the holographic paper market in Korea and Vietnam, as well as the soft packaging market in Indonesia.

D. US Market:

In addition to strengthening the existing cold foil market and laminated films market in North America, transfer film will be a growth point for performance.

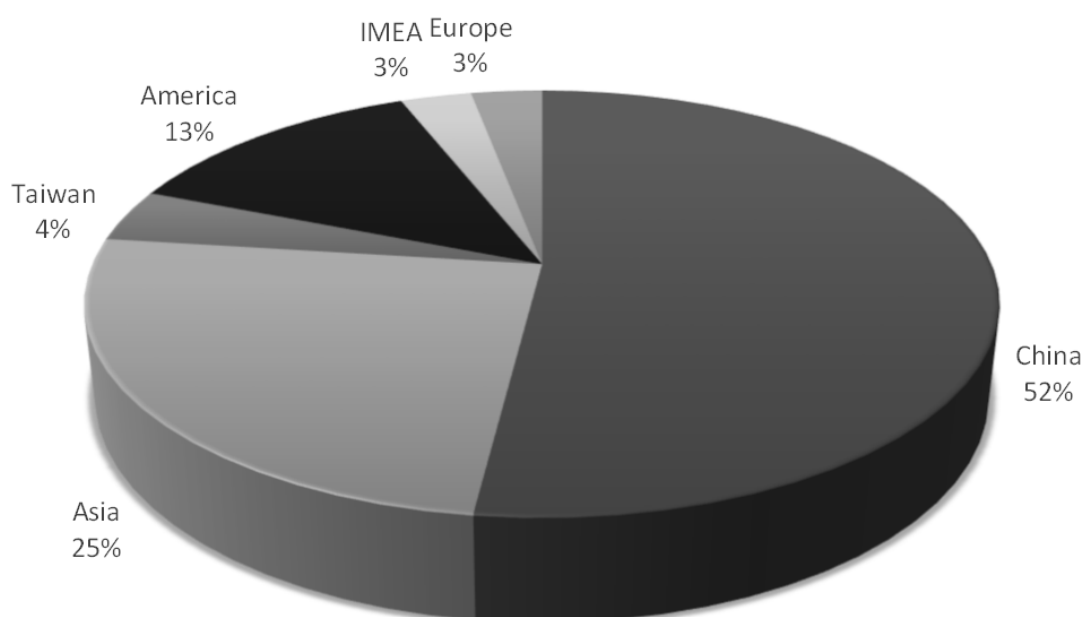
E. Europe Market:

Because of the European Union's restrictions on plastic packaging, transfer film and offset cold foil will be the focus of the sales.

## 2. Market, Production and Sales Overview

### 2.1 Market Analysis

#### 2.1-1 Major Sales Regions :



#### 2.1-2 Future Market Supply, Demand and Growth Potential

##### 1. Global hologram market and industry overview

Currently, the sales volumes of holographic image products are primarily driven by the China market, followed by America/Europe and Asia. The global trading card market (including game cards, athlete cards, character cards, etc.) is thriving, leading to a continuous increase in demand for laser materials, especially registering customized products, which are a strong suit of the company. The trend towards environmentally friendly, plastic-free packaging remains unchanged, and the demand for transfer films

and cold foils will increase year by year.

## 2. Mainland China market

In the Chinese market, the tobacco and alcohol packaging printing market has been the main focus for a long time. To diversify risks and help business development, daily cosmetic brands and game card customers will become the focus of future development. By combining the advantages of K Laser's advantages of origination and recombining capability, we will aggressively approach the customized register printing sector.

### 2.1.3 Factors Relating to Future Development

#### 1. Favorable Factors (Competitive Niche)

- A. With the rising of environmental concern, the demand of transfer film and transfer board kept increasing. K Laser is competitive in term of quality and pricing.
- B. Manufacturing facilities in China and Thailand allow for effective risk diversification in production and sales.
- C. Through group integration, the company adapts centralized/batch production strategy to reduce the production cost and keep from market penetration without cutting margin.
- D. With the installation of new origination machine, K Laser can support customers with total printing and packaging solutions in shorter lead time.
- E. Setting up factories in Vietnam and Indonesia to serve local customers, it is expected that local performance will grow multiple times.

#### 2. Challenges and Adaptive Strategy

##### A. Uncertainty in Chinese Cigarette Packaging Bids

Response strategy: to develop home & personal care packaging and label printing customers.

##### B. Holographic effect has long been in the market, consumers have lost interest on the design visual effect.

Response strategy: Introducing new holographic effect product into market by using new optical holographic equipment. Actively promoting UV Fresnel lens to the market.

##### C. Price War- Made in India

Response strategy: The Company has taken a number of steps by developing substitute materials, increasing product efficiency, and focusing on the new seamless processes to get rid of the threat of competitors.

##### D. The economic situation is not optimistic, causing customers to reduce packaging costs in order to save costs

Response strategy: Optimize the process to reduce production costs and develop low-price alternative materials to provide customers with low-cost and high-quality products.

## 2.2 Major Applications of Products & Product Manufacturing Process

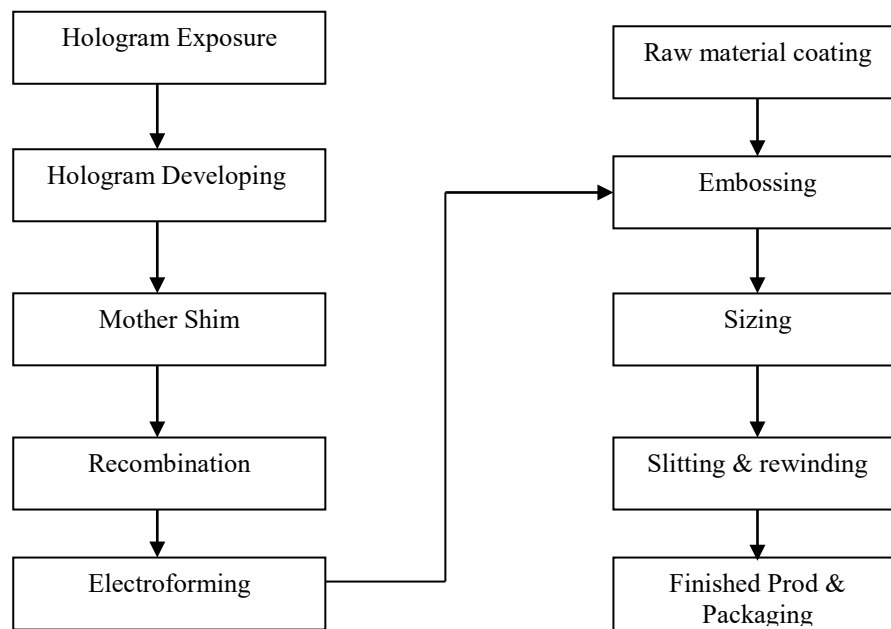
### 2.2.1 Applications of Major Processes

#### A. Hot Stamping Foil target market

- Cigarette Packaging market
- Stationary market

- Wine Label market • Greeting card market
  - Paper box market • ID Card market • Toy market
  - Cosmetic market
- B. Cold Foil target market:
- Label market • Wine Label market • Beverage market
  - Soft tube market • Security market
- C. PET film target market
- Decoration market • Glitter market • Yarn market
  - Security label market • Tape market
  - Artificial leather market • Demetalized market
  - Paper box market • Printing market
- D. OPP film target market
- Shopping bag market • Paper box market
  - OPP lamination market • Festival couplets market
  - Tape market • Printing market • Demetalized market
- E. PVC film target market
- Christmas market • Sticker market • Ribbon market
  - Festival couplets market • Sequin market
  - Printing market • Credit Card market
- F. Holographic paper target market
- Packaging market • Paper folding box market
  - Greeting card market • Sticker market • Wine label market
  - Magazine market • Stationery market • Paper bag market.

### 2.2.2 Product Manufacturing Process (Hot Stamping Foil)



### 2.3 Major Raw Material & Status

In recent years, the company's major suppliers are, NAN YA Plastics (base film), and EFUN Display Limited (optoelectronics), The above suppliers have stable material quality, reasonable prices and on time delivery.

## 2.4 Major Customers and Suppliers Who Had Made Up Exceeding 10%

### 2.4.1 Major Suppliers : Made up exceeding 10%.

Unit : NT\$ Thousands

Supplier	2023			2024		
	Amount	%	Relationship	Amount	%	Relationship
EFUN Display Limited	362,201	8.1%	NA	532,964	12.49%	NA
EFUN Display Limited is a supplier of the projector. The revenue of projector was increase on 2024 so the purchase percentage from them was increase.						

### 2.4.2 Major Customer : Made up exceeding 10%.

None

## 3. Employee Analysis

Employee Analysis from 2023 to Mar. 31, 2025

Year		2023(Note)	2024	Mar. 31, 2025
Number of Employees	Administrators	122	122	142
	Sales	125	113	127
	Technicians	101	86	108
	Direct Engineers	478	489	543
	Indirect Engineers	207	210	220
	Total	1,032	1,019	1,139
Average Age		39.1	40.0	36.8
Average Years of Employment		7.9	7.8	7.2
Level of Education	Ph.D.	4	4	2
	Master's degree	58	53	55
	Bachelor/ associate degree	383	426	420
	Senior High School	312	298	356
	Under	275	238	305

Note: The number of employees in 2023 was adjusted downward in line with the divestment of the equity-invested subsidiary, Optivision Technology, in 2024.

## 4. Environmental protection expenditure information

- 4.1 The total amount of losses (including compensation) and punishments caused by environmental pollution in the past two years, and the future countermeasures (including improvement measures) and possible expenditures: none.
- 4.2 The company's relevant information in response to the EU environment-protecting directive (RoHS) is as follows:  
The company's products are not involved in the EU environment-protecting directive (RoHS) related specifications.

## 5. Labor Relations

### 5.1 The Company's employee welfare measures, further education and training, retirement system, and the agreement between labor relations:

#### Employee welfare measures:

The Company's employee welfare measures are handled in accordance with the Labor Standards Law, Labor Insurance Regulations, Employee Welfare Regulations and related laws and regulations. All employees are covered by labor insurance and national health insurance, and benefits for maternity, injury, medical treatment, disability, old age, and death are handled in accordance with the regulations. Our company also has regular health checkups and education training for employees to enable them to work with full dedication.

The company has a staff canteen, cafeteria, fitness room, community center, reading room, rhythm classroom, billiard room and special parking lot, and other indoor and outdoor sports facilities, so that employees can have a place to relieve stress and rest after work.

In terms of employee welfare committee, in addition to providing various subsidies to employees for weddings, funerals, illnesses and childbirth, domestic tours, employee hiking activities, and special discount stores are held from time to time to regulate the physical and mental health of employees and strengthen their friendship.

#### Employee Retirement System:

In order to stabilize the retirement life of employees, the Company has established a retirement plan for formally employed employees. According to the plan, the payment of retirement benefits to employees is calculated based on the years of working for the Company and the average salary at the time of retirement, and the Company has set aside a monthly retirement fund at 2% of the total salary paid since 2007. The fund is managed by the Employees' Retirement Fund Administration Committee and deposited in the Bank of Taiwan in its name to protect labor rights and interests. Since July 1, 2005, the new government retirement system has been adopted in parallel. Employees who are suitable to apply the pension system under the "New Labor Pension Act" are required to contribute 6% of their monthly salaries to the personal pension account of the Bureau of Labor Insurance, and those who voluntarily contribute to the pension fund will have their monthly salaries deducted to the personal pension account of the Bureau of Labor Insurance on their behalf according to their own contribution rates.

The applicable regulations of the Company under the Labor Pension Act are as follows:

#### 1. Self-retirement

A worker may request for retirement under one of the following circumstances: (For those who are suitable to apply the Labor Pension Act, the same regulations shall apply)

- (1) If the employee has worked for at least fifteen years and has reached the age of fifty-five.
- (2) Those who have worked for more than 25 years.
- (3) Those who have worked for at least ten years and have reached the age of sixty.

#### 2. Compulsory Retirement

The Company shall not force an employee to retire unless he/she has one of the following circumstances.

- (1) The employee has reached the age of sixty-five.
- (2) The employee is mentally or physically incapacitated to perform the work.

The age specified in the first paragraph of the preceding paragraph may be adjusted by the Company for workers with special characteristics such as danger and strong physical strength, upon approval of the central competent authority. However, the age shall not be less than fifty-five years.

### 3. Criteria for granting pensions

- (1) For the working years before and after the application of the Labor Standards Law, and for those who choose to continue to apply the pension provisions of the Labor Standards Law or to retain the working years before the application of the Labor Pension Act according to the Labor Pension Act, the pension benefits shall be calculated and paid in accordance with Article 84bis and Article 55 of the Labor Standards Law.
- (2) If an employee with the seniority as mentioned in the preceding paragraph has been compulsorily retired in accordance with the provisions of Article 35, Paragraph 1, Clause 2, and his or her mental or physical disability is caused by the performance of his or her duties, an additional 20% shall be paid in accordance with the provisions of Article 55, Paragraph 1, Clause 2 of the Labor Standards Law.
- (3) For employees subject to the pension provisions of the Labor Pension Act, the Company shall contribute 6% of their salaries to their individual pension accounts on a monthly basis.

### 4. Payment of Pensions

The Company shall pay the employee's pension within 30 days from the date of retirement.

### Employee Stock Ownership Trust

In addition to the provisions of the Labor Standards Law and the Labor Pension Act, the Company has set up a special stock ownership trust committee, to which all employees within the Company's regular personnel establishment may apply for membership and decide the amount of monthly contributions to purchase shares of the Company in a fixed amount. In accordance with the Articles of Incorporation of the Employee Stock Ownership Committee, the Company will also set aside the corresponding public contribution as a reward for stock ownership.

### Labor-Management Agreement Situation:

According to Article 11 of the Labor Union Act, the company is not subject to the regulations for establishing a labor union, and the company has not received any requests for collective bargaining, nor has it signed any collective agreements. Upon the arrival of employees, the company signs relevant confidentiality agreements and informs employees of the code of conduct, including the rights and obligations of both labor and management. If there are any related opinions, the company also provides multiple communication channels, such as labor-management meetings and welfare committees. The labor-management meetings of the company are composed of representatives from both labor and management and are held at least once a quarter to communication between labor and management.

The agreement between labor relations is always based on rational communication to maintain a harmonious relationship, and both labor and management can use the employee welfare committee to maintain a good labor-management relationship.

The subsidiaries have also complied with local laws and regulations.

- 5.2 For the most recent fiscal year and up to the date of publication of the annual report, the estimated amount of losses incurred due to labor disputes and the possible countermeasures at present and in the future: None.

## 6. Information Security Management

### 6.1 Information Security Policy and Organization

The Company is committed to maintaining the confidentiality, integrity, and availability of physical and electronic information to meet the needs of regulations, operations, and customers. The Company has established the “Information Security Management and System Recovery Operating Procedures,” “File and Equipment Security Control Procedures,” “Program Execution and Data Access Control Operating Procedures,” etc., and continues to maintain a secure information environment to protect the Company's information and computer systems and to ensure that the Company's and its customers' privacy is well protected. We have signed confidentiality agreements with our vendors and customers to protect confidential information and avoid improper disclosure of sensitive information. In addition, to implement information security management, the Company conducts annual information security audits and regular information security management review meetings to examine information security-related issues and decisions, and reports to the Board of Directors annually.

Since 2022, the Company has set up a dedicated information security officer and information security personnel to coordinate information security-related businesses, formulate a complete management system, and strengthen education and training, information security infrastructure design as well as protection technology so as to ensure system availability, restriction, and access management of information. Targeting the three major information security protection axes, namely anti-virus, anti-hacking, and anti-leakage, we have established firewalls, intrusion detection, anti-virus systems, and various internal control systems to enhance the company's ability to defend itself against external attacks as well as to ensure the protection of confidential information within the company.

### 6.2 Specific Management Programs for Information Security

To achieve the policy and objectives of information security and to establish a comprehensive information security protection, the following management issues and specific management programs have been implemented:

System Availability	<p>Monitoring of system and network availability.</p> <p>Off-site data backup system is built to ensure that information can be completely recovered.</p> <p>Disaster and system recovery procedures are regularly drilled.</p> <p>Contingency measures for information service interruption.</p>
External Threats	<p>Detect virus and malicious program attacks to prevent information damage.</p> <p>Computer host vulnerability detection and update.</p>
Permission Management	<p>Setting management of personnel accounts and permissions.</p> <p>Check and take inventory of accounts and necessary business usage rights every six months.</p> <p>Access rights management of computer room personnel.</p>
Access Control	<p>Control information file reading and access rights.</p> <p>Data access record.</p> <p>Encryption of important data in accordance with regulations.</p>

### 6.3 Investing resources in information security management

Information security has become an important issue in the Company's operations. The following is a list of information security management issues and the resources invested:

**Dedicated manpower:** The Company has an information department responsible for information security planning, technology introduction and related auditing matters to maintain and continuously strengthen information security.

**Customer satisfaction:** No major information security incidents and no complaints about breach of customer data and loss.

**Education and training:** All new employees must complete information security education and training courses within six months of joining the Company; we aim to strengthen employees' response and awareness of information security risks.

**Information security announcement:** The Company publicizes, from time to time, the information security announcement to all employees through internal emails to enhance their response and alertness to information security risks.

### 6.4 The impact and response measures of major information security incidents that have occurred:

In 2024 and as of the publication date of this annual report, the Company has not discovered any information security incidents that have or may have a significant adverse impact on the Company's business and operations.

## 7. Important Contracts

Nature of Agreement	Party	Start and End Date	Content	Restriction Clause
Medium and long term loan contract	Hua Nan Commercial Bank	2024.10~2026.10	The credit line is NT \$500,000(thousand)	Plant as collateral
Medium and long term loan contract	Cathay United Bank	2024.10~2026.10	The credit line is NT \$150,000(thousand)	None
Medium and long term loan contract	KGI Bank	2024.07~2027.07	The credit line is NT \$100,000(thousand)	None
Medium and long term loan contract	Taipei Fubon Bank	2024.07~2026.07	The credit line is NT \$100,000(thousand)	None
Medium and long term loan contract	China Trust Bank	2024.08~2026.08	The credit line is NT \$100,000(thousand)	None
Medium and long term loan contract	Mega International Commercial Bank	2024.11~2026.11	The credit line is NT \$100,000(thousand)	None
Medium and long term loan contract	Shin Kong Bank	2024.11~2026.11	The credit line is NT \$100,000(thousand)	None
Medium and long term loan contract	Yunta Bank	2025.01~2027.01	The credit line is NT \$80,000(thousand)	None
Medium and long term loan contract	E. SUN Bank	2024.11~2026.11	The credit line is NT \$50,000(thousand)	None
Medium and long term loan contract	Far Eastern Int'l Bank	2024.11~2026.11	The credit line is NT \$50,000(thousand)	None
Lease contract	Dongguan Zhongtian Management Consulting Co., Ltd.	2022.12-2024.12	In 2022, the Company sold the Dongguang subsidiary's property, plant and equipment and right-of-use assets. The transaction was completed and leaseback from November 2022 to 2024 year end.	None

# Analysis of Financial Status, Financial Performance and Risk Management

## 1. Analysis of financial status

Unit: NT \$1000

Project \ Year	2024	2023	Difference		Notes
			Amount of money	%	
Current Assets	4,122,705	4,977,919	(865,214)	(17.38%)	
Non-current assets	3,584,794	3,012,099	572,695	19.01%	
Total assets	7,697,499	7,990,018	(292,519)	(3.66%)	
Current liabilities	2,142,316	2,763,071	(620,755)	(22.47%)	Description
Long-term liabilities	1,514,716	1,137,959	376,757	33.11%	Description
Total liabilities	3,657,032	3,901,030	(243,998)	(6.25%)	
Share capital	1,729,520	1,694,613	34,907	2.06%	
Capital surplus	766,326	733,926	32,400	4.41%	
Retained earnings	987,171	864,838	122,333	14.15%	
Total shareholders' equity	4,040,467	4,088,988	(48,521)	(1.19%)	
The analysis of the change in the proportion of increase and decrease shows:					
In 2024, due to the expiration of the CB6' right to request early settlement, the balance of CB6 NT\$333,168 will be reclassified from current liabilities back to long-term liabilities.					

## 2. Analysis of financial performance

Unit: NT \$1000

Project \ Year	2024	2023	Difference		Notes
			Amount of money	%	
Net operating income	5,502,593	5,679,188	(176,595)	(3.11%)	
Operating costs	4,266,038	4,470,195	(204,157)	(4.57%)	
Gross operating profit	1,236,555	1,208,993	27,562	2.28%	
Operating expenses	1,202,428	1,212,531	(10,103)	(0.83%)	
Operating income	34,127	(3,538)	37,665	1,064.58%	Description
Non-operating income and expenses	207,563	(34,048)	241,611	709.62%	Description
Net income from continuing operations before taxes	241,690	(37,586)	279,276	743.03%	Description
Income tax expense	(54,294)	(45,707)	(8,587)	18.79%	
Net profit after tax from continuing operations	187,396	(83,293)	270,689	324.98%	Description
The analysis of the change in the proportion of increase and decrease shows that:					
The subsidiary Optivision's revenue and gross profit for the year 2023 were poor. The company completed the disposal in March 2024 and recognized a disposal investment gain of NT190 million, resulting in an increase in operating income, non-operating income, Net income from continuing operations before taxes, and Net profit after tax from continuing operations for 2024.					

### 3. Analysis of cash flow

#### (1) Review and analysis sheet of changes in cash flow

Unit: NT \$1000

2024.01.01 Cash balance at the beginning of the period	Net cash flow from operating activities for the whole year	Net cash flow from investing and financing activities for the whole year	Impact of exchange rate changes	Cash balance (2024.12.31)	Remedial measures for cash deficiency	
					Investment plan	Financial management plan
1,503,335	240,105	(692,436)	35,969	1,086,973	—	—

Analysis of annual cash flow changes:

1. The cash inflow from operating activities is NT\$ 240,105 thousands, mainly from operating income.
2. The cash outflow from investment activities is NT\$ 704,867 thousands, mainly due to The subsidiary's construction of real estate, factory buildings, and equipment purchases amounted to NT\$1,130,624 thousands, and the cash inflow from the disposal of the subsidiary was NT\$370,010 thousands.
3. The cash inflow from financing activities is NT\$ 12,431 thousands, mainly caused by increase in loans of NT\$187,845 thousands, and distributing cash dividends NT\$ 143,779 thousands.

#### (2) Remedial measures and liquidity analysis of expected cash shortage:

Not applicable.

#### (3) Analysis of cash flow in the next year

Unit: NT \$1000

2025.01.01 Cash balance at the beginning of the period	Expected net cash flow from operating activities of the whole year	Expected net cash flows from investing and financing activities of the whole year	Estimated cash balance (shortfall) (2025.12.31)	Remedial measures for estimated cash deficiency	
				Investment plan	Financial management plan
1,086,973	377,555	(160,536)	1,303,992	—	—

The estimated cash inflows of 2025 are mainly from operating income; investment and financing outflows includes investment in additional equipment, as well as cash dividends, while the cash inflows from operating activities are sufficient to cover these outflows.

### 4. Impact of major capital expenditure in recent year

#### (1) Review and analysis of major capital expenditure and its capital source

Unit: NT \$1000

Planned Projects	Actual or expected source of funds	Actual or expected completion date	Total funds required	Actual or intended use of funds				
				2025	2024	2023	2022	2021
Wide format holographic seamless plate making equipment and production process	Equity funds	2025.12.31	85,912	6,750	—	155	17,583	27,975
Holographic seamless electroforming equipment and production process	Equity funds	2025.12.31	33,039	5,100	263	98	98	350

(2) Expected potential benefits

1. Wide format holography seamless plate making equipment and production process:

- (1) Enhance the efficiency of wide-format pure plate less seam shooting.
- (2) Provide wide-format seamless products to expand new markets.
- (3) Wide-format seamless process to reduce cost and enhance competitiveness.

2. Holographic seamless electroforming equipment and production process:

- (1) Enhance the production capacity of seam-free electroforming manufacturing.
- (2) Provide diversified electroforming products without seams to expand the demand of new markets.

**5. Reinvestment policy in recent year, main reasons for profit or loss, improvement plans and investment plans for the coming year.**

- (1) Reinvestment policy: The Company's reinvestment is mainly in the field related to the Company's core business, with the development of upstream and downstream integration, hoping to expand the market base, reduce production costs, and improve the Company's operating performance. In 2024, the Company's reinvestment focus is still on China. In the downstream market development, the Company will continue to promote its products in the terminal packaging products by combining the advantages of its Chinese investors in the market; while in the upstream material side, the Company will cooperate with its reinvestment companies in the development of raw materials, cost reduction and quality improvement.
- (2) Profit or loss from the recent year's reinvestment and improvement plan: In 2024, the Company recognized an operating loss of NT\$30,910 thousands from the Investment losses recognized using the equity method for investments in related companies, an increase of NT\$24,307 thousands from the loss of NT\$6,603 thousands recognized last year, mainly due to the reinvest China company Hunan Hexin Packing Materials Co., Ltd. continues to suffer losses, will accelerate the integration progress.
- (3) Estimated investment plan in 2025: In the future, the company will adhere to the principle of long-term strategic investment and will continue to carefully evaluate investment plans to strengthen the company's competitiveness.

## 6. Analysis and evaluation of risk matters

- (1) The impact of interest rate, exchange rate changes and inflation on the Company's profit and loss and future countermeasures:

In 2024, the Company and its subsidiaries incurred interest expenses of NT\$35,879 thousands and exchange gains of NT\$43,385 thousands. The Company regularly evaluates bank borrowing rates and obtains loans at lower interest rates through the Company's strengths. As for exchange rates, the Company always collects information on international financial information and exchange rate changes and implements them in accordance with clear foreign exchange operating strategies and strict control procedures.

- (2) The Company's policies, main reasons for profit or loss and future countermeasures for engaging in high-risk, highly leveraged investments, funds loan to others, endorsement guarantees and derivative transactions are as follows:

1. The Company engages in high-risk, highly leveraged investments and derivative transactions:

In order to manage financial risks, the Company does not engage in high-risk, highly leveraged financial investments. In order to control transaction risks, the Company has established internal management practices and operating procedures based on sound financial and operational principles in accordance with the relevant laws and regulations of the Securities and Futures Bureau, and all derivative transactions engaged in by the Company are handled in accordance with the Company's "Processing Procedures for Dealing with Derivative Financial Products".

2. The Company's endorsement and guarantee:

The Company has in place a complete and thorough policy and internal control scheme governing endorsement and guarantee. For the year to date, the Company's endorsement and guarantee is in accordance with relevant provisions.

3. Loan of funds to others:

The Company has in place a complete and thorough policy and internal control scheme governing lending. For the last fiscal year and year to date, the Company's lending is in accordance with relevant provisions.

- (3) Future R & D plan and expected R & D cost

The 2024 research and development plans are proceeding on schedule. In response to the company's business development in 2025, two new projects have been added as outlined below. It is expected that the overall R&D expenses in 2025 will account for approximately 5% of the operating revenue.

Unit: NT \$1000

Number of items	R & D plan	Input cost	Estimated time of mass production
1	Wide format holographic seamless plate making equipment and production process	6,750	December, 2025
2	Holographic seamless electroforming equipment and production process	5,100	December, 2025

- (4) The impact of important domestic and foreign policies and legal changes on the Company's financial operations and measures to address them: None.
- (5) Impact of technological change and industrial change on the company's financial business and countermeasures: None.
- (6) Impact of corporate image change on corporate crisis management and measures to address it: None.
- (7) Expected benefits, possible risks and countermeasures for mergers and acquisitions: None.
- (8) Expected benefits, possible risks, and countermeasures for plant expansion:

The company established a subsidiary in Nanchang, China in 2023. The investment funds USD 30,000,000. In 2024, the new company plan to establish the production plant and related supporting facilities required for the production of holographic materials, and build 8 production lines, it is expected to be completed and put into production in 2025 with an annual output of about 7,500 tons.
- (9) Risks of concentration of purchase or sales of goods and countermeasures: The Company has no concerns about concentration risks with major suppliers and customers.
- (10) The impact, risk and countermeasures of a substantial shift or change in the shareholding of directors, supervisors or major shareholders holding more than 10% of the shares of the Company: None.
- (11) The impact, risk and countermeasures of the change of management power on the Company: None.
- (12) Litigation or non-litigation events: None.
- (13) Other important risks and countermeasures: None.

**7. Other Material Events: None.**

## **Special Disclosures**

### **1. Summary of Affiliated Companies**

#### **(1) Consolidated business report**

The information is available at the Market Observation Post System (MOPS)

(Website: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

#### **(2) Consolidated Financial Statements Covering Affiliated Enterprises**

The information is available at the Market Observation Post System (MOPS)

(Website: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

#### **(3) Reports on Affiliations : None**

### **2. Private Placement Securities in the Most Recent Years : None**

### **3. Other matters that require additional description : None**

## **Major Items to Affect Equity or Stock Price**

If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity of the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one : None

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