



K LASER TECHNOLOGY INC.

2025 Annual Shareholder's Meeting Minutes

Time and Date: 9:00 a.m., May 28, 2025

Place: GIS HSP Convention Center

Bach, 4F, No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan

Meeting type: Video-conferencing assisted shareholders meeting

(physical shareholders meeting supported by video conferencing)

E-Meeting Platform: Taiwan Depository & Clearing Corporation

website: <https://stockservices.tdcc.com.tw>

Handling methods and situations under the circumstances of calamities, incidents, or force majeure that the e-Meeting Platform fails or shareholders have difficulty attending virtually: NA

Total outstanding shares: 174,017,284 shares

Total shares represented by shareholders present in person or by proxy: 102,116,994 shares (among them, 28,292,737 shares voted via electronic transmission and E-Meeting)

Percentage of shares held by shareholders present in person or by proxy: 58.68%

Attendance: Wu, Ker Chang / CPA, Deloitte & Touche

Stella Lu / Attorney-at-Law, Proguide IP & Law Corp.

Directors present: Alex Kuo, Daniel Kuo, Lisa Hsu, Li- Hua Liao (Independent Director)

Chairman: Alex Kuo

Recorder: Teresa Huang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman Address (omitted)

B. Report Items

- I. To Report the business of 2024 (see attachment).
- II. Audit Committee's review report (see attachment).
- III. To report 2024 employee's profit sharing and directors' compensation.
 1. In accordance with Article 32 of the Corporation Bylaws, if the company makes profit in this year, it shall allocate 4% to 8% of the net profit before tax as remuneration for employees and no more than 2% as remuneration for directors, and the board of directors shall decide to distribute the case and submit it to the shareholders' meeting for report. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the remuneration of employees and directors according to the proportion mentioned in the preceding paragraph.
 2. Through the resolution of the Board of Directors, 5% of employees' remuneration accrued as NT\$ 16,023,588 in total and 1.3% of directors' remuneration accrued as NT\$ 4,166,133 in 2024, were paid in cash.

- IV. To report 2024 directors' compensation.(see attachment)
- V. To report 2024 cash dividend.
 1. The Corporation Bylaws of the Company authorize the board of directors to resolve to distribute profit in cash after the end of each quarter.
 2. 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, the board of directors resolved that the cash dividends distributed to shareholders amounted to NT\$ 136,347 thousand, that is, NT\$0.8 per share.

C. Ratification Items

- I. The 2024 Business Report and Financial Statements were submitted at the meeting for acceptance. (Proposed by the Board of Directors)

Description:

1. The Company's financial statements in 2024 have been approved by the Board of Directors and audited by CPA Wu Ker Chang and CPA Hsu Wen Ya of Deloitte & Touche. The above mentioned financial statements along with the business report have been submitted to the Audit Committee and being issued an audit report.
2. Please refer to Attachment for the documents mentioned above.

Resolution:

Approved, the voting result of this proposal had reached the standard by the law.

Voting Results:

Share represented at the time of voting: 100,768,749 (27,292,365)

Voting Results*		% of the total represented share present
Votes in favor	95,327,126 (24,611,742)	94.59%
Votes against	57,810 (57,810)	0.05%
Votes invalid	-	-
Votes abstained	5,383,813 (2,622,813)	5.34%

* including votes casted electronically and e-meeting (numbers in brackets)

- II. The 2024 earnings distribution were submitted at the meeting for acceptance.
(Proposed by the Board of Directors)

Description:

Please refer to Attachment for the Company's 2024 disposition of net profit.

Resolution:

Approved, the voting result of this proposal had reached the standard by the law.

Voting Results:

Share represented at the time of voting: 100,768,749 (27,292,365)

Voting Results*		% of the total represented share present
Votes in favor	95,516,979 (24,801,595)	94.78%
Votes against	56,955 (56,955)	0.05%
Votes invalid	-	-
Votes abstained	5,194,815 (2,433,815)	5.15%

* including votes casted electronically and e-meeting (numbers in brackets)

D. Discussion Items

- I. The 2024 Corporation Bylaws were submitted at the meeting for approval. (Proposed by the Board of Directors)

Description:

Please refer to Attachment for the comparison table for the Corporation Bylaws Before and After mentioned above.

Resolution:

Approved, the voting result of this proposal had reached the standard by the law.

Voting Results:

Share represented at the time of voting: 100,768,749 (27,292,365)

Voting Results*		% of the total represented share present
Votes in favor	95,327,651 (24,612,267)	94.60%
Votes against	197,322 (197,322)	0.19%
Votes invalid	-	-
Votes abstained	5,243,776 (2,482,776)	5.20%

* including votes casted electronically and e-meeting (numbers in brackets)

E. Extraordinary Motions:

Shareholder (account number: 28950) asked:

The future outlook for the investment companies K Laser Nanchang, K Laser Zunyi and Insight Medical Solutions.

Summary of Chairman's reply :

K Laser Nanchang completed its factory and Production setup in April 2025, with an expected capacity that is double that of K Laser Dongguan. Currently, as it is in the initial production phase, the operators are still getting familiar with the machine, which has resulted in quality and

yield lagging behind K Laser Dongguan. Further training is needed, and we will continue to monitor the situation.

The main goal of K Laser Zunyi is the liquor label market. Due to the decline of China's liquor market in 2024, the company is currently focusing on improving its operational efficiency through organization and restructuring.

Although Insight Medical Solutions has obtained approval from National Health Insurance Administration, Ministry of Health and Welfare, but the market promotion in Taiwan has not been very smooth due to market procurement. Currently, Insight Medical Solutions are being made to include it in China's medical insurance. If approval, it will improve the sales of capsule endoscopes.

F. Meeting close (at 9:24 am on 28/5/2025)

This meeting minutes was recorded a summary of the deliberations and voting results, The meeting audio and video recording still prevail regarding the meeting content, proceedings and shareholder's statement.

For the convenience of readers, the minutes of the Annual Shareholder's Meeting have been translated into English from the original Chinese version. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

Business Report

To Shareholders

Summary

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.

1. Upgrade technology for streamlined processes to reduce production cost.
2. Align product development with customers' production processes to grow market share.
3. Keep improving TSL products to uphold our market leadership in that domain.
4. 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

Audit Report of Audit Committee

The Board of Directors prepared the Company's business report, financial statements and disposition of net profit for 2024, among which the financial statements were audited by Deloitte & Touche, and the audit report was issued. The above-mentioned business report, financial statements and disposition of net profit have been checked by the Audit Committee, and it is found that there is no discrepancy. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

K Laser Technology Inc.

Convenor of Audit Committee:

Liao Li Hua March 12, 2025

2024 Compensation of Directors

Unit: NT\$ 1000

Title	Name	Remuneration of Director								Proportion of total amount to net profit after tax of individual financial report in 2022 (A+B+C+D)		Part-time employees receive relevant remuneration								Proportion of total amount to net profit after tax of individual financial report in 2021 (A+B+C+D+E+F+G)		Whether have received remuneration from reinvested enterprises or parent companies outside subsidiaries (J)
		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	The Company	All companies in financial report	The Company	All companies in financial report			
Chairman	Alex Kuo	—	—	—	—	2,604	2,604	30	30	0.99%	0.99%	3,479	5,564	25	25	2,243	—	2,243	—	3.14%	3.93%	—
Director	Daniel Kuo	—	—	—	—	1,042	1,042	30	42	0.40%	0.41%	—	3,485	—	—	—	—	—	—	0.40%	1.71%	—
Director	Lisa Hsu	—	—	—	—	521	521	24	24	0.20%	0.20%	—	—	—	—	—	—	—	—	0.20%	0.20%	—
Independent Director	Bi-Xin Huang	360	360	—	—	—	—	30	30	0.15%	0.15%	—	—	—	—	—	—	—	—	0.15%	0.15%	—
Independent Director	Li-Hua Liao	360	360	—	—	—	—	30	30	0.15%	0.15%	—	—	—	—	—	—	—	—	0.15%	0.15%	—
Independent Director	Zheng-An Wang	360	360	—	—	—	—	30	30	0.15%	0.15%	—	—	—	—	—	—	—	—	0.15%	0.15%	—
Independent Director	Hua-Sheng Xu	360	360	—	—	—	—	30	30	0.15%	0.15%	—	—	—	—	—	—	—	—	0.15%	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.



勤業眾信

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Independent Auditors’ Report

The Board of Directors and Shareholders
K Laser Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of K Laser Technology Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements (including a summary of material accounting policies).

In our opinion, based on our audits and the report of other auditors (as referred to in other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of Sales Revenue

The Group's operating revenue mainly comes from the manufacture of laser holographic films, laser anti-counterfeiting labels, laser papers, precision optical components and optical instruments. In 2024, the revenue derived from sales of optical instruments was significant and the authenticity of sales revenue had a significant impact on the consolidated financial statements. Therefore, the above sales revenue was identified as a key audit matter. Refer to Note 4 of the consolidated financial statements for the accounting policies on revenue recognition.

Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

1. We obtained an understanding and tested the internal control procedures over the recognition of sales revenue and evaluated the effectiveness of such controls.
2. We selected samples from the transaction details of major sales customers to verify whether they were consistent with external shipping documents, export declarations and original transaction documents.
3. We confirmed the reasonableness of significant post-period sales returns and allowances.

Other Matter

We did not audit the financial statements of some subsidiaries included in the consolidated financial statements of the Group, but such statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of other auditors. As of December 31, 2024 and 2023, the total assets of the aforementioned subsidiaries amounted to NT\$287,980 thousand and NT\$254,203 thousand, respectively, which accounted for 3.74% and 3.18% of the consolidated total assets, respectively. For the years ended December 31, 2024 and 2023, the net operating revenue of these subsidiaries amounted to NT\$292,891 thousand and NT\$281,204 thousand, respectively, which accounted for 5.32% and 4.95% of the consolidated net operating revenue, respectively. The financial statements of some investee companies accounted for using the equity method were audited by other auditors. The amounts within the consolidated financial statements for those investee companies were based solely on the reports of other auditors. As of December 31, 2024 and 2023, investments accounted for using the equity method amounted to NT\$176,332 thousand and NT\$158,252 thousand, respectively, which accounted for 2.29% and 1.98% of the consolidated total assets, respectively. For the years ended December 31, 2024 and 2023, the share of profit from such equity-method investments amounted to NT\$11,809 thousand and NT\$13,027 thousand, respectively, which accounted for 4.89% and

(34.66)% of the consolidated net profit (loss) before tax, respectively. Refer to Note 36 of the consolidated financial statements for relevant information on the abovementioned investee companies which we have not audited but were audited by other auditors.

We have also audited the financial statements of K Laser Technology Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unqualified opinion with other matter paragraph.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless any law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Wu Ker-Chang, CPA

Hsu Wen-Ya, CPA

Financial Supervisory Commission Approval
No: 1000028068

Securities and Futures Bureau Approval
No: 0920123784

March 12, 2025

K Laser Technology Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,086,973	14	\$ 1,503,335	19
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	113	-	407	-
1136	Financial assets at amortized cost - current (Notes 4 and 8)	21,052	-	4,267	-
1150	Notes receivable (Notes 4 and 10)	234,921	3	158,679	2
1170	Trade receivables (Notes 4 and 10)	1,143,267	15	1,425,439	18
1200	Other receivables (Note 33)	26,722	-	27,917	-
1220	Current tax assets (Notes 4 and 27)	8,012	-	16,736	-
130X	Inventories (Notes 4 and 11)	1,167,527	15	1,385,619	17
1470	Other current assets (Notes 6, 19 and 34)	424,118	6	455,520	6
11XX	Total current assets	<u>4,112,705</u>	<u>53</u>	<u>4,977,919</u>	<u>62</u>
	Non-current assets				
1510	Financial assets at fair value through other profit or loss - non-current (Notes 4 and 7)	64,203	1	62,117	1
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	17,433	-	87,631	1
1535	Financial assets at amortized cost - non-current (Notes 4 and 8)	-	-	7,183	-
1550	Investments accounted for using the equity method (Notes 4 and 13)	393,847	5	409,409	5
1600	Property, plant and equipment (Notes 4 and 14)	2,077,244	27	1,699,619	21
1755	Right-of-use assets (Notes 4 and 15)	351,093	5	407,842	5
1760	Investment properties	21,472	-	-	-
1805	Goodwill (Notes 4 and 17)	-	-	42,724	1
1821	Other intangible assets (Notes 4 and 18)	32,913	1	35,779	-
1840	Deferred tax assets (Notes 4 and 27)	56,222	1	47,382	1
1990	Other non-current assets (Notes 6, 19 and 34)	570,367	7	212,413	3
15XX	Total non-current assets	<u>3,584,794</u>	<u>47</u>	<u>3,012,099</u>	<u>38</u>
1XXX	Total assets	<u>\$ 7,697,499</u>	<u>100</u>	<u>\$ 7,990,018</u>	<u>100</u>
Code	Liabilities and Equity	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term borrowings (Note 20)	\$ 371,601	5	\$ 655,775	8
2110	Short-term notes and bills payable (Note 20)	149,887	2	49,992	1
2150	Notes payable	300,139	4	307,421	4
2170	Trade payables	691,163	9	651,515	8
2180	Trade payables to related parties (Note 33)	-	-	40	-
2200	Other payables (Note 22)	438,326	6	560,090	7
2220	Other payables to related parties (Note 33)	4,193	-	-	-
2230	Current tax liabilities (Notes 4 and 27)	33,862	-	32,627	1
2280	Lease liabilities - current (Notes 4 and 15)	41,154	-	61,906	1
2321	Convertible corporate bonds due within 1 year or 1 operating cycle (Notes 4 and 21)	-	-	333,168	4
2322	Long-term borrowings due within 1 year or 1 operating cycle (Notes 4 and 20)	49,223	1	2,732	-
2399	Other current liabilities	62,768	1	107,805	1
21XX	Total current liabilities	<u>2,142,316</u>	<u>28</u>	<u>2,763,071</u>	<u>35</u>
	Non-current liabilities				
2530	Corporate bonds payable (Note 21)	280,007	4	-	-
2540	Long-term borrowings (Note 20)	934,110	12	891,952	11
2580	Lease liabilities - non-current (Notes 4 and 15)	181,646	3	210,396	3
2570	Deferred tax liabilities (Notes 4 and 27)	25,896	-	21,844	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 23)	3,955	-	13,767	-
2670	Other non-current liabilities	89,102	1	-	-
25XX	Total non-current liabilities	<u>1,514,716</u>	<u>20</u>	<u>1,137,959</u>	<u>14</u>
2XXX	Total liabilities	<u>3,657,032</u>	<u>48</u>	<u>3,901,030</u>	<u>49</u>
	Equity (Note 24)				
	Share capital				
3110	Ordinary shares	1,729,520	22	1,694,613	21
3200	Capital surplus	766,326	10	733,926	9
	Retained earnings				
3310	Legal reserve	326,156	4	290,349	4
3320	Special reserve	253,762	4	298,529	4
3350	Unappropriated earnings	407,253	5	275,960	3
	Other equity				
3410	Exchange differences on translation of foreign financial statements	(190,137)	(3)	(328,068)	(4)
3420	Unrealized loss on financial assets at fair value through other comprehensive income	(19,392)	-	(13,761)	-
3490	Unearned employee benefits	(9,274)	-	(21,855)	-
31XX	Total equity attributable to the Company	3,264,214	42	2,929,693	37
36XX	Non-controlling interests (Note 24)	776,253	10	1,159,295	14
3XXX	Total equity	<u>4,040,467</u>	<u>52</u>	<u>4,088,988</u>	<u>51</u>
	Total liabilities and equity	<u>\$ 7,697,499</u>	<u>100</u>	<u>\$ 7,990,018</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu

Manager: Kuo Wei-Wu

Accounting Manager: Huang Chien-Feng

K Laser Technology Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 25 and 33)	\$ 5,502,593	100	\$ 5,679,188	100
5110	Cost of goods sold (Notes 11 and 33)	<u>4,266,038</u>	<u>78</u>	<u>4,470,195</u>	<u>79</u>
5950	Gross profit	<u>1,236,555</u>	<u>22</u>	<u>1,208,993</u>	<u>21</u>
	Operating expenses (Notes 10 and 33)				
6100	Selling and marketing	413,053	7	437,331	8
6200	General and administrative	476,265	9	452,817	8
6300	Research and development	280,528	5	318,574	5
6450	Expected credit loss	<u>32,582</u>	<u>1</u>	<u>3,809</u>	-
6000	Total operating expenses	<u>1,202,428</u>	<u>22</u>	<u>1,212,531</u>	<u>21</u>
6900	Profit (loss) from operations	<u>34,127</u>	<u>-</u>	<u>(3,538)</u>	<u>-</u>
	Non-operating income and expenses				
7060	Share of profit or loss of associates accounted for using the equity method (Note 13)	(30,910)	(1)	(6,603)	-
7100	Interest income (Note 33)	29,496	1	32,035	1
7130	Dividend income	4,286	-	978	-
7190	Other income (Note 33)	95,710	2	45,692	1
7225	Gain on disposal of investments (Note 30)	198,705	4	3,274	-
7230	Gain on foreign exchange	43,385	1	29,116	1
7235	Gain (loss) on financial assets (liabilities) at fair value through profit or loss	(140)	-	2,027	-
7510	Interest expense	(35,879)	(1)	(43,592)	(1)
7590	Miscellaneous expense	(37,989)	(1)	(37,401)	(1)
7610	Disposal of property, plant and equipment	(16,377)	-	(20,492)	-
7670	Impairment loss (Notes 14 and 17)	<u>(42,724)</u>	<u>(1)</u>	<u>(39,082)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>207,563</u>	<u>4</u>	<u>(34,048)</u>	<u>-</u>

(continued)

Code		2024		2023	
		Amount	%	Amount	%
7900	Profit (loss) before tax	\$ 241,690	4	(\$ 37,586)	-
7950	Income tax expense (Notes 4 and 27)	(54,294)	(1)	(45,707)	(1)
8200	Profit (loss) for the year	<u>187,396</u>	<u>3</u>	(83,293)	(1)
	Other comprehensive income (loss) (Note 24)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	8,460	-	1,136	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(13,571)	-	14,362	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	145,023	3	(69,617)	(1)
8370	Share of other comprehensive income (loss) of associates accounted for using the equity method	<u>11,711</u>	<u>-</u>	(1,428)	<u>-</u>
8300	Total other comprehensive income (loss)	<u>151,623</u>	<u>3</u>	(55,547)	(1)
8500	Total comprehensive income (loss) for the year	<u>\$ 339,019</u>	<u>6</u>	(\$ 138,840)	(2)
	Net profit (loss) attributed to				
8610	Owners of the Company	\$ 266,646	5	\$ 104,098	2
8620	Non-controlling interests	(79,250)	(2)	(187,391)	(3)
8600		<u>\$ 187,396</u>	<u>3</u>	(\$ 83,293)	(1)
	Total comprehensive income (loss) attributed to				
8710	Owners of the Company	\$ 396,788	7	\$ 62,165	1
8720	Non-controlling interests	(57,769)	(1)	(201,005)	(3)
8700		<u>\$ 339,019</u>	<u>6</u>	(\$ 138,840)	(2)
	Earnings per share (Note 28)				
	From continuing operations				
9710	Basic	<u>\$ 1.59</u>		<u>\$ 0.66</u>	
9810	Diluted	<u>\$ 1.40</u>		<u>\$ 0.56</u>	

(concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu Manager: Kuo Wei-Wu Accounting Manager: Huang Chien-Feng

K Laser Technology Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

		Equity Attributable to Shareholders of the Company										
Code		Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity					
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Treasury Shares	Non-controlling Interests	Total Equity
A1	Balance at January 1, 2023	\$ 1,638,061	\$ 689,968	\$ 277,305	\$ 332,865	\$ 379,209	(\$ 272,403)	(\$ 26,184)	(\$ 41,098)	(\$ 77,812)	\$ 1,329,159	\$ 4,229,070
	Appropriation and distribution of 2022 earnings (Note 24)											
B1	Legal reserve	-	-	13,044	-	(13,044)	-	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	(34,278)	34,278	-	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(230,030)	-	-	-	-	-	(230,030)
D1	Net profit (loss) for the year ended December 31, 2023	-	-	-	-	104,098	-	-	-	-	(187,391)	(83,293)
D3	Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	1,136	(55,747)	12,678	-	-	(13,614)	(55,547)
L3	Cancellation of treasury shares (Note 24)	(60,000)	(17,812)	-	-	-	-	-	-	77,812	-	-
I1	Conversion of corporate bonds into ordinary shares (Notes 21 and 24)	116,552	66,350	-	-	-	-	-	-	-	-	182,902
M5	Difference between consideration received or paid and carrying amount of subsidiaries' net assets during actual acquisition or disposal	-	7,427	-	(58)	(113)	82	171	-	-	8,836	16,345
M7	Changes in percentage of ownership interests in subsidiaries	-	(12,007)	-	-	-	-	-	-	-	-	(12,007)
N1	Compensation cost of restricted shares for employees (Note 29)	-	-	-	-	-	-	-	19,243	-	-	19,243
Q1	Disposal of equity instruments designated as at fair value through other comprehensive income (Note 24)	-	-	-	-	426	-	(426)	-	-	-	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	22,305	22,305
Z1	Balance at December 31, 2023	1,694,613	733,926	290,349	298,529	275,960	(328,068)	(13,761)	(21,855)	-	1,159,295	4,088,988
	Appropriation and distribution of earnings (Note 24)											
B1	Legal reserve	-	-	35,807	-	(35,807)	-	-	-	-	-	-
B3	Special reserve	-	-	-	(45,157)	45,157	-	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(143,779)	-	-	-	-	-	(143,779)
D1	Net profit (loss) for the year ended December 31, 2024	-	-	-	-	266,646	-	-	-	-	(79,250)	187,396
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	8,460	136,307	(14,625)	-	-	21,481	151,623
I1	Conversion of corporate bonds into ordinary shares (Notes 21 and 24)	35,957	19,466	-	-	-	-	-	-	-	-	55,423
M3	Disposal of subsidiaries	-	-	-	407	(9,325)	1,597	8,918	-	-	(328,347)	(326,750)
M5	Difference between consideration received or paid and carrying amount of subsidiaries' net assets during actual acquisition or disposal	-	(631)	-	(17)	(59)	27	76	-	-	5,143	4,539
M7	Changes in percentage of ownership interests in subsidiaries	-	14,248	-	-	-	-	-	-	-	-	14,248
N1	Compensation cost of restricted shares for employees (Note 29)	-	-	-	-	-	-	-	10,848	-	-	10,848
N1	Cancellation of restricted shares for employees (Note 29)	(1,050)	(683)	-	-	-	-	-	1,733	-	-	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	(2,069)	(2,069)
Z1	Balance at December 31, 2024	\$ 1,729,520	\$ 766,326	\$ 326,156	\$ 253,762	\$ 407,253	(\$ 190,137)	(\$ 19,392)	(\$ 9,274)	\$ -	\$ 776,253	\$ 4,040,467

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu

Manager: Kuo Wei-Wu

Accounting Manager: Huang Chien-Feng

K Laser Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit (loss) before tax	\$ 241,690	(\$ 37,586)
A20010	Adjustments for:		
A20100	Depreciation expense	221,035	255,446
A20200	Amortization expense	4,704	4,768
A20300	Expected credit loss	32,582	3,809
A20400	Net loss (gain) on financial assets at fair value through profit or loss	140	(2,027)
A20900	Interest expense	35,879	43,592
A21200	Interest income	(29,496)	(32,035)
A21300	Dividend income	(4,286)	(978)
A21900	Compensation cost of share-based payments	10,848	19,262
A22300	Share of loss of associates and joint ventures accounted for using the equity method	30,910	6,603
A22500	Loss on disposal and write-down of property, plant and equipment	16,377	20,492
A23100	Gain on disposal of investments	(198,705)	(3,274)
A23700	Impairment loss recognized on non-financial assets	42,724	39,082
A23800	(Reversal of) inventory loss and obsolescence	(14,432)	(6,464)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	(93,918)	(21,702)
A31150	Trade receivables	11,803	(175,740)
A31160	Trade receivables from related parties	-	-
A31180	Other receivables	(3,242)	1,662
A31200	Inventories	82,892	94,019
A31240	Other current assets	(149,185)	83,504
A31990	Other non-current assets	(6,757)	(6,891)
A32130	Notes payable	(7,282)	(20,355)
A32150	Trade payables	81,760	(57,557)
A32160	Trade payables to related parties	(40)	26
A32180	Other payables	(59,105)	(13,757)
A32190	Other payables to related parties	4,193	(143)
A32230	Other current liabilities	(44,313)	92,174
A32240	Net defined benefit liabilities - non-current	(1,352)	91

(continued)

<u>Code</u>		<u>2024</u>	<u>2023</u>
A32990	Other non-current liabilities	\$ 89,102	\$ -
A33000	Cash generated from operations	294,526	286,021
A33100	Interest received	29,496	32,035
A33300	Interest paid	(34,067)	(39,967)
A33500	Income tax paid	(49,850)	(88,634)
AAAA	Net cash generated from operating activities	<u>240,105</u>	<u>189,455</u>
Cash flows from investing activities			
B00020	Disposal of financial assets at fair value through other comprehensive income	-	7,364
B00030	Refund from capital reduction of financial assets at fair value through other comprehensive income	-	11,228
B00040	Acquisition of financial assets at amortized cost	(8,645)	(11,450)
B00100	Acquisition of financial assets at fair value through profit or loss	(445)	(55,386)
B00200	Disposal of financial assets at fair value through profit or loss	445	-
B01900	Net cash inflow from disposal of associates	-	23,987
B02300	Net cash inflow from disposal of subsidiaries (Note 30)	370,010	-
B02600	Proceeds from disposal of assets	-	9,665
B02700	Purchase of property, plant and equipment	(904,346)	(299,573)
B02800	Proceeds from disposal of property, plant and equipment	58,338	20,697
B03700	Increase in refundable deposits	(241)	(14,977)
B04100	Decrease in other receivables	865	882
B04500	Purchase of intangible assets	(3,064)	(2,357)
B05350	Acquisition of right-of-use assets	(1,632)	(53,998)
B06600	Decrease in other financial assets	1,687	129,717
B07100	Increase in prepayments for equipment	(226,278)	(25,459)
B07600	Dividends received	8,439	7,625
BBBB	Net cash used in investing activities	<u>(704,867)</u>	<u>(252,035)</u>
Cash flows from financing activities			
C00200	Increase in short-term borrowings	1,324	141,838
C00500	Increase (decrease) in short-term bills payable	100,000	(50,000)
C01600	Proceeds from long-term borrowings	336,599	546,000
C01700	Repayments of long-term borrowings	(248,754)	(510,000)
C04500	Issuance of cash dividends	(143,779)	(230,030)
C04800	Exercise of employee share options	357	13,073

(continued)

<u>Code</u>		<u>2024</u>	<u>2023</u>
C05500	Proceeds from sale of investment in subsidiaries	\$ 4,539	\$ 16,345
C05800	Change in non-controlling interests	10,943	17,408
C04020	Repayment of the principal portion of lease liabilities	(48,798)	(52,167)
CCCC	Net cash generated from (used in) financing activities	<u>12,431</u>	(<u>107,533</u>)
DDDD	Effects of exchange rate changes on the balance of cash and cash equivalents	<u>35,969</u>	(<u>46,906</u>)
EEEE	Net decrease in cash and cash equivalents in the current period	(416,362)	(217,019)
E00100	Cash and cash equivalents at the beginning of the year	<u>1,503,335</u>	<u>1,720,354</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,086,973</u>	<u>\$ 1,503,335</u>

(concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu Manager: Kuo Wei-Wu Accounting Manager: Huang Chien-Feng



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Independent Auditors’ Report

The Board of Directors and Shareholders

K Laser Technology Inc.

Opinion

We have audited the accompanying financial statements of K Laser Technology Inc. (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements (including a summary of material accounting policies).

In our opinion, based on our audits and the report of other auditors (as referred to in other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of Sales Revenue

In 2024, the revenue derived from sales of optical instruments was significant and the authenticity of sales revenue had a significant impact on the financial statements; therefore, the above sales revenue was identified as a key audit matter.

Our main audit procedures performed in respect of the aforementioned key audit matter were as follows:

1. We obtained an understanding and tested the internal control procedures over the recognition of sales revenue and evaluated the effectiveness of such controls.
2. We selected samples from the transaction details of major sales customers to verify whether they were consistent with external shipping documents, export declarations and original transaction documents.
3. We confirmed the reasonableness of significant post-period sales returns and allowances.

Other Matter

We did not audit the financial statements of certain investee companies included in the accompanying financial statements which were accounted for using the equity method, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for such investments, is based solely on the reports of other auditors. As of December 31, 2024 and 2023, the aforementioned equity-method investments amounted to NT\$353,909 thousand and NT\$310,900 thousand, respectively, which accounted for 6.94% and 6.39% of the total assets, respectively. For the years ended December 31, 2024 and 2023, the share of profit from equity-method investments amounted to NT\$24,437 thousand and NT\$26,328 thousand, respectively, which accounted for 8.13% and 21.72% of the net profit before tax, respectively. Refer to Note 33 of the financial statements for relevant information on the abovementioned investee companies which we have not audited but were audited by other auditors.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine that those matters of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless any law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Wu Ker-Chang, CPA

Hsu Wen-Ya, CPA

Financial Supervisory Commission Approval
No: 1000028068

Securities and Futures Bureau Approval
No: 0920123784

March 12, 2025

K Laser Technology Inc.
Balance Sheets
December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 63,975	1	\$ 161,851	3
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	113	-	407	-
1150	Notes receivable (Notes 4 and 9)	5,092	-	7,313	-
1170	Trade receivables (Notes 4 and 9)	170,105	4	118,371	2
1180	Trade receivables from related parties (Notes 4, 9 and 29)	150,555	3	137,964	3
1200	Other receivables (Note 29)	7,596	-	45,556	1
130X	Inventories (Notes 4 and 10)	103,248	2	105,270	2
1470	Other current assets (Notes 6 and 16)	13,511	-	167,477	4
11XX	Total current assets	<u>514,195</u>	<u>10</u>	<u>744,209</u>	<u>15</u>
	Non-current assets				
1510	Financial assets at fair value through other profit or loss - non-current (Notes 4 and 7)	6,885	-	6,731	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	17,433	-	32,856	1
1550	Investments accounted for using the equity method (Notes 4 and 11)	4,143,466	81	3,804,969	78
1600	Property, plant and equipment (Notes 4, 12 and 29)	145,933	3	154,819	3
1755	Right-of-use assets (Notes 4 and 13)	59,373	1	58,837	1
1760	Investment properties, net (Notes 4 and 14)	32,148	1	33,403	1
1780	Other intangible assets (Notes 4 and 15)	1,313	-	1,684	-
1840	Deferred tax assets (Notes 4 and 23)	8,700	-	11,300	-
1990	Other non-current assets (Notes 6 and 16)	172,311	4	19,353	1
15XX	Total non-current assets	<u>4,587,562</u>	<u>90</u>	<u>4,123,952</u>	<u>85</u>
1XXX	Total assets	<u>\$ 5,101,757</u>	<u>100</u>	<u>\$ 4,868,161</u>	<u>100</u>
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 17)	\$ 240,000	5	\$ 305,000	6
2110	Short-term notes and bills payable (Note 17)	149,887	3	49,992	1
2170	Trade payables	88,887	2	44,831	1
2180	Trade payables to related parties (Note 29)	182,360	3	165,342	3
2200	Other payables (Notes 19 and 29)	81,580	2	68,183	2
2230	Current tax liabilities (Notes 4 and 23)	24,873	-	12,102	-
2280	Lease liabilities - current (Notes 4 and 13)	5,850	-	5,151	-
2321	Convertible bonds with maturity date of less than 1 year or 1 operating cycle (Notes 4 and 18)	-	-	333,168	7
2399	Other current liabilities	13,352	-	4,254	-
21XX	Total current liabilities	<u>786,789</u>	<u>15</u>	<u>988,023</u>	<u>20</u>
	Non-current liabilities				
2530	Corporate bonds payable (Notes 4 and 18)	280,007	6	-	-
2540	Long-term borrowings (Note 17)	710,000	14	880,000	18
2635	Lease liabilities - non-current (Notes 4 and 13)	55,850	1	55,736	1
2640	Net defined benefit liabilities (Notes 4 and 20)	3,955	-	13,767	1
2670	Other liabilities	942	-	942	-
25XX	Total non-current liabilities	<u>1,050,754</u>	<u>21</u>	<u>950,445</u>	<u>20</u>
2XXX	Total liabilities	<u>1,837,543</u>	<u>36</u>	<u>1,938,468</u>	<u>40</u>
	Equity (Note 21)				
	Share capital				
3110	Ordinary shares	1,729,520	34	1,694,613	35
3200	Capital surplus	766,326	15	733,926	15
	Retained earnings				
3310	Legal reserve	326,156	6	290,349	6
3320	Special reserve	253,762	5	298,529	6
3350	Unappropriated earnings	407,253	8	275,960	6
	Other equity				
3410	Exchange differences on translation of foreign financial statements	(190,137)	(4)	(328,068)	(7)
3420	Unrealized loss on financial assets at fair value through other comprehensive income	(19,392)	-	(13,761)	-
3490	Unearned employee benefits	(9,274)	-	(21,855)	(1)
3XXX	Total equity	<u>3,264,214</u>	<u>64</u>	<u>2,929,693</u>	<u>60</u>
	Total liabilities and equity	<u>\$ 5,101,757</u>	<u>100</u>	<u>\$ 4,868,161</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu

Manager: Kuo Wei-Wu

Accounting Manager: Huang Chien-Feng

K Laser Technology Inc.
Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 29)	\$ 1,676,212	100	\$ 1,414,333	100
5110	Cost of goods sold (Notes 10 and 29)	<u>1,398,802</u>	<u>83</u>	<u>1,175,526</u>	<u>83</u>
5900	Gross profit	277,410	17	238,807	17
5910	Unrealized loss on sales transactions	(26,861)	(2)	(34,853)	(<u>3</u>)
5920	Realized gain on sales transactions	<u>34,853</u>	<u>2</u>	<u>54,144</u>	<u>4</u>
5950	Net gross profit	<u>285,402</u>	<u>17</u>	<u>258,098</u>	<u>18</u>
	Operating expenses (Notes 9 and 29)				
6100	Selling and marketing	69,798	4	66,419	5
6200	General and administrative	77,136	5	67,818	5
6300	Research and development	87,221	5	80,209	5
6450	Expected credit loss	<u>-</u>	<u>-</u>	<u>140</u>	<u>-</u>
6000	Total operating expenses	<u>234,155</u>	<u>14</u>	<u>214,586</u>	<u>15</u>
6900	Profit from operations	<u>51,247</u>	<u>3</u>	<u>43,512</u>	<u>3</u>
	Non-operating income and expenses				
7060	Share of profit or loss of subsidiaries and associates accounted for using the equity method (Note 12)	1,963	-	(17,039)	(1)
7100	Interest income (Note 29)	7,476	-	10,476	1
7130	Dividend income	4,286	-	978	-
7190	Other income (Note 29)	49,921	3	62,297	4
7210	Gain (loss) on disposal of property, plant and equipment	13	-	(92)	-
7225	Gain on disposal of investments	198,686	12	47,010	3

(continued)

Code		2024		2023	
		Amount	%	Amount	%
7230	Gain on foreign exchange	\$ 20,250	1	\$ 11,617	1
7235	Gain (loss) on financial assets (liabilities) at fair value through profit or loss	(140)	-	2,027	-
7510	Interest expense	(24,123)	(1)	(28,537)	(2)
7590	Miscellaneous expense	(9,148)	-	(11,008)	(1)
7000	Total non-operating income and expenses	<u>249,184</u>	<u>15</u>	<u>77,729</u>	<u>5</u>
7900	Profit before tax	300,431	18	121,241	8
7950	Income tax expense (Notes 4 and 23)	(33,785)	(2)	(17,143)	(1)
8200	Profit for the year	<u>266,646</u>	<u>16</u>	<u>104,098</u>	<u>7</u>
	Other comprehensive income (loss) (Note 21)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	8,460	1	1,136	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(14,625)	(1)	12,678	1
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	<u>136,307</u>	<u>8</u>	(55,747)	(4)
8300	Total other comprehensive income (loss)	<u>130,142</u>	<u>8</u>	(41,933)	(3)
8500	Total comprehensive income for the year	<u>\$ 396,788</u>	<u>24</u>	<u>\$ 62,165</u>	<u>4</u>
	Earnings per share (Note 24)				
	From continuing operations				
9710	Basic	<u>\$ 1.59</u>		<u>\$ 0.66</u>	
9810	Diluted	<u>\$ 1.40</u>		<u>\$ 0.56</u>	

(concluded)

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu Manager: Kuo Wei-Wu Accounting Manager: Huang Chien-Feng

K Laser Technology Inc.
Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code		Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity				
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Treasury Shares	Total Equity
A1	Balance at January 1, 2023	\$ 1,638,061	\$ 689,968	\$ 277,305	\$ 332,865	\$ 379,209	(\$ 272,403)	(\$ 26,184)	(\$ 41,098)	(\$ 77,812)	\$ 2,899,911
	Appropriation and distribution of earnings (Note 21)										
B1	Legal reserve	-	-	13,044	-	(13,044)	-	-	-	-	-
B3	Special reserve	-	-	-	(34,278)	34,278	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(230,030)	-	-	-	-	(230,030)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	104,098	-	-	-	-	104,098
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	1,136	(55,747)	12,678	-	-	(41,933)
L3	Cancellation of treasury shares (Note 21)	(60,000)	(17,812)	-	-	-	-	-	-	77,812	-
I1	Conversion of corporate bonds into ordinary shares (Notes 18 and 21)	116,552	66,350	-	-	-	-	-	-	-	182,902
M5	Difference between consideration received or paid and carrying amount of subsidiaries' net assets during actual acquisition or disposal	-	7,427	-	(58)	(113)	82	171	-	-	7,509
M7	Changes in percentage of ownership interests in subsidiaries	-	(12,007)	-	-	-	-	-	13,278	-	1,271
N1	Issuance of restricted shares for employees (Note 25)	-	-	-	-	-	-	-	5,965	-	5,965
Q1	Disposal of equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	426	-	(426)	-	-	-
Z1	Balance at December 31, 2023	1,694,613	733,926	290,349	298,529	275,960	(328,068)	(13,761)	(21,855)	-	2,929,693
	Appropriation and distribution of earnings (Note 21)										
B1	Legal reserve	-	-	35,807	-	(35,807)	-	-	-	-	-
B3	Special reserve	-	-	-	(45,157)	45,157	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(143,779)	-	-	-	-	(143,779)
D1	Net profit for the year ended December 31, 2024	-	-	-	-	266,646	-	-	-	-	266,646
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	8,460	136,307	(14,625)	-	-	130,142
I1	Conversion of corporate bonds into ordinary shares (Notes 18 and 21)	35,957	19,466	-	-	-	-	-	-	-	55,423
M3	Disposal of equity-method investments	-	-	-	407	(9,325)	1,597	8,918	-	-	1,597
M5	Difference between consideration received or paid and carrying amount of subsidiaries' net assets during actual acquisition or disposal	-	(631)	-	(17)	(59)	27	76	-	-	(604)
M7	Changes in percentage of ownership interests in subsidiaries	-	14,248	-	-	-	-	-	8,483	-	22,731
N1	Compensation cost of restricted shares for employees (Note 25)	-	-	-	-	-	-	-	2,365	-	2,365
	Cancellation of restricted shares for employees	(1,050)	(683)	-	-	-	-	-	1,733	-	-
Z1	Balance at December 31, 2024	<u>\$ 1,729,520</u>	<u>\$ 766,326</u>	<u>\$ 326,156</u>	<u>\$ 253,762</u>	<u>\$ 407,253</u>	(<u>\$ 190,137</u>)	(<u>\$ 19,392</u>)	(<u>\$ 9,274</u>)	<u>\$ -</u>	<u>\$ 3,264,214</u>

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu

Manager: Kuo Wei-Wu

Accounting Manager: Huang Chien-Feng

K Laser Technology Inc.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before tax	\$ 300,431	\$ 121,241
A20010	Adjustments for:		
A20100	Depreciation expense	34,646	37,395
A20200	Amortization expense	371	345
A20300	Expected credit loss	-	140
A20400	Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	140	(2,027)
A20900	Interest expense	24,123	28,537
A21200	Interest income	(7,476)	(10,476)
A21300	Dividend income	(4,286)	(978)
A21900	Compensation cost of share-based payments	2,365	5,965
A22400	Share of (profit) loss of subsidiaries and associates accounted for using the equity method	(1,963)	17,039
A22500	Loss (gain) on disposal and write- down of property, plant and equipment	(13)	92
A23100	Gain on disposal of investments	(198,686)	(47,010)
A23800	(Reversal of) write-down of inventories	530	(3,742)
A23900	Unrealized loss on transactions with associates	26,861	34,853
A24000	Realized gain on transactions with associates	(34,853)	(54,144)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	2,220	1,762
A31150	Trade receivables	(51,734)	(30,071)
A31160	Trade receivables from related parties	(12,591)	21,114
A31180	Other receivables	37,960	(4,987)
A31200	Inventories	1,492	2,449
A31240	Other current assets	24,342	(23,406)
A31990	Other non-current assets	(14,067)	(14,530)
A32150	Trade payables	44,056	(36,268)
A32160	Trade payables to related parties	17,018	5,032
A32180	Other payables	14,094	(13,374)
A32230	Other current liabilities	9,098	(191)
A32240	Net defined benefit liabilities - current	(1,352)	91

(continued)

<u>Code</u>		<u>2024</u>	<u>2023</u>
A33000	Cash generated from operations	\$ 212,726	\$ 34,851
A33100	Interest received	7,476	10,476
A33300	Interest paid	(7,415)	(9,506)
A33500	Income tax paid	(18,414)	(27,340)
AAAA	Net cash generated from operating activities	<u>194,373</u>	<u>8,481</u>
	Cash flows from investing activities		
B00020	Disposal of financial assets at fair value through other comprehensive income	-	6,007
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	11,228
B02200	Net cash outflow on acquisition of subsidiaries	(557,952)	(32,144)
B02300	Net cash inflow on disposal of subsidiaries	453,184	16,345
B02600	Proceeds from disposal of assets	-	53,745
B02700	Purchase of property, plant and equipment	(18,593)	(13,398)
B02800	Proceeds from disposal of property, plant and equipment	13	278
B03800	Decrease (increase) in refundable deposits	3,472	(4,112)
B04500	Purchase of intangible assets	-	(714)
B06600	Decrease (increase) in other financial assets	(27,811)	155,272
B07600	Dividends received	<u>140,027</u>	<u>18,498</u>
BBBB	Net cash generated from (used in) investing activities	<u>(7,660)</u>	<u>211,005</u>
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(65,000)	(85,000)
C00600	Increase (decrease) in short-term bills payable	100,000	(50,000)
C01600	Proceeds from long-term borrowings	120,000	546,000
C01700	Repayments of long-term borrowings	(290,000)	(510,000)
C04200	Repayment of the principal portion of lease liabilities	(5,810)	(5,728)
C04500	Issuance of cash dividends	(143,779)	(230,030)
CCCC	Net cash used in financing activities	<u>(284,589)</u>	<u>(334,758)</u>

(continued)

<u>Code</u>		<u>2024</u>	<u>2023</u>
EEEE	Net decrease in cash and cash equivalents in the current period	(\$ 97,876)	(\$ 115,272)
E00100	Cash and cash equivalents at the beginning of the year	<u>161,851</u>	<u>277,123</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 63,975</u>	<u>\$ 161,851</u>

(concluded)

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche auditors' report dated March 12, 2025)

Chairman: Kuo Wei-Wu Manager: Kuo Wei-Wu Accounting Manager: Huang Chien-Feng

K Laser Technology Inc.
2024 Earnings Distribution Table

Item	Unit: NT\$ Amount
Undistributed profits at the beginning of period	111,973,837
Net income after tax of 2024	266,645,583
Less:	
Adjusted retained earnings using equity method	(9,383,862)
Plus:	
Adjusted retained earnings from Remeasurement of Defined Benefit Obligation	8,460,313
Undistributed profits after adjustment	377,695,871
Less: 10% of legal profit reserves according to law	(26,572,203)
Plus: Special profit reserves according to law	132,690,549
Retained Earnings Available for Distribution as of December 31, 2024	483,814,217
Distribution Item (Note)	
2Q24 Cash Dividends to Common Share Holders (NT\$ 0.19963689 per share)	(33,647,680)
4Q24 Cash Dividends to Common Share Holders(NT\$ 0.80 per share)	(136,346,627)
Unappropriated Retained Earnings	313,819,910

Note 1: Shareholders' bonus is based on 170,433,284 outstanding shares in February 2025.

If the Company subsequently repurchases the Company's shares or transfers, converts or cancels the treasury shares, the corporate bond creditors execute the conversion rights or the employees execute the share options according to the share option rule, etc., resulting in the change of the outstanding shares and the need to adjust the dividend rate, the Chairman shall be authorized to take full measures.

Note 2: Authorize the chairman to handle the ex-dividend base date.

Chairman: Kuo Wei-Wu Manager: Kuo Wei-Wu Accounting Manager: Huang Chien-Feng

K Laser Technology Inc.
Provision Comparison Table Before/After Revision of Corporation Bylaws

Provision After Revision	Original Provision	Revision Description
<p>Article 32:</p> <p>If the company makes a profit in a year (before deducting the current pre-tax benefits of employees' remuneration and directors' remuneration), it shall allocate 4% to 8% of the pre-tax net profit as employees' remuneration <i>(from the amount of the employee remuneration referred to in the preceding paragraph, 40% shall be set aside as remuneration to the employees at the lowest level)</i> and no more than 2% of directors' remuneration, which shall be distributed by the board of directors and reported to the shareholders' meeting. However, if the company still has accumulated losses (including adjustment of undistributed profit amount), it shall reserve the compensation amount in advance, and then allocate employee compensation and director compensation according to the ratio mentioned in the preceding paragraph.</p> <p>The employees' remuneration referred to in the preceding paragraph shall be paid to the objects of stock or cash, including employees of controlled or subordinate companies who meet certain conditions, and the conditions shall be authorized by the board of directors to set.</p>	<p>Article 32:</p> <p>If the company makes a profit in a year (before deducting the current pre-tax benefits of employees' remuneration and directors' remuneration), it shall allocate 4% to 8% of the pre-tax net profit as employees' remuneration and no more than 2% of directors' remuneration, which shall be distributed by the board of directors and reported to the shareholders' meeting. However, if the company still has accumulated losses (including adjustment of undistributed profit amount), it shall reserve the compensation amount in advance, and then allocate employee compensation and director compensation according to the ratio mentioned in the preceding paragraph.</p> <p>The employees' remuneration referred to in the preceding paragraph shall be paid to the objects of stock or cash, including employees of controlled or subordinate companies who meet certain conditions, and the conditions shall be authorized by the board of directors to set.</p>	<p>In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act and in response to the Company's operational needs</p>
<p>Chapter 7 By-law (Ignored)</p> <p>The 25th revision on May 31, 2019.</p> <p>The 26th revision on May 28, 2020.</p> <p>The 27th revision on July 2, 2021.</p> <p>The 28th revision on May 27, 2022.</p> <p><u>The 29th revision on May 28, 2025.</u></p>	<p>Chapter 7 By-law (Ignored)</p> <p>The 25th revision on May 31, 2019.</p> <p>The 26th revision on May 28, 2020.</p> <p>The 27th revision on July 2, 2021.</p> <p>The 28th revision on May 27, 2022.</p>	<p>Add revision date</p>