KINIK COMPANY

2026 Annual General Shareholders' Meeting Minutes

Time: 9:00 am, June 23 (Tuesday), 2026

Place: No. 64, Zhongshan Rd., Yingge Dist., New Taipei City (At the staff restaurant in the company's Yingge factory)

Chairman: LIN PO-CHUAN **Recorder:** HUNG PEI-CHIN

Attended Directors and Independent Directors:

LIN PO-CHUAN, PAI WEN-LIANG, HSIEH JUNG-CHE, PAI CHING-CHUNG
LEE WEI-CHANG, HUNG FU-I, TSAI SHING-YUAN, LIAO BAUL-HSIE,
HSIAO WEN-I

I. Total shares represented by shareholders present in person or proxy:

115,586,218 shares, or 77.25% of total outstanding shares of 149,617,480.

II. Call the Meeting to Order : The aggregate shareholding of the shareholders present in person or proxy constituted a quorum.

III. Chairman's Address: (Omitted)

IV. Reporting Items

Report No. 1

Report: 2025 Business Report and 2026 Business Outlook Report.

Explanation: Please refer to Annex 1.

Report No. 2

Report: The Audit Committee's Review Report on the 2025 Financial Statements.

Explanation:

(I) The Company's 2025 consolidated and parent company only financial reports have been checked and verified by accountants. The business report and the proposal for distribution of earnings have been reviewed by the Audit Committee. The audit report and the review report are submitted respectively.

(II) The chairperson of the Audit Committee was invited to read out the review report. Please refer to Annex 2.

Report No. 3

Report: 2025 Remuneration for Directors and and Employees Compensation.

Explanation:

(I) It is proposed to allocate NT$ 185,000,000 of cash compensation for employee and 13,800,000 cash remuneration for directors of 2025, in accordance with the provisions of the Company's Articles of association for employee's and director's distribution ratio.

(II) There is no difference between the estimated amount and the real distributed amount.

Report No. 4

Report: Distribution report on cash disbursement from Capital Surplus.

(I) The company intends to distribute cash in accordance with Article 241 of the Company Law from the capital surplus of NT $193,113,143 that exceeds the par value for the issuance of ordinary shares. The distribution of cash from the capital surplus shall be calculated by the number of shares held by shareholders recorded in the shareholder list on the base date, and per share allotment is NT$1.3. The cash distribution will be calculated to the nearest NT dollar (rounded down below yuan), and the remaind amounts is classified as other income of the company.

(II) The chairman of the board is also authorized by Board of Directors to set the base date of capital surplus, distribution date and other related matters.

(III) If the number of outstanding shares is affected and the shareholders' distribution rate changes as a result of the repurchase of the Company's shares, the transfer or cancellation of treasury stocks, the conversion of convertible bonds, or the exercise of the certificate of executive stock option, etc., it is authorized the chairman of the board to handle and adjust it.

Report No. 5

Report: Distribution report on cash dividends from earnings for the year 2025.

Explanation:

(I) In accordance with the provisions of Article 25-1 of the Company's Articles , the board of directors is authorized to make a resolution to distribute all or part of the dividends to be distributed in the form of cash.

(II) The company will appropriate shareholder dividends of NT$ 549,626,867 from distributable earnings in 2025 and distribute cash dividends of NT$3.7 per share.

(III) The distribution of cash dividends shall be calculated by the number of shares held by shareholders recorded in the shareholder list of ex-dividend base date. The cash distribution will be calculated to the nearest NT dollar (rounded down below yuan), and the remaind amounts is classified as other income of the company.

(IV) The chairman of the board is authorized by Board of Directors to set the ex-dividend bas date, distribution date and other related matters.

(V) If the number of outstanding shares is affected and the shareholders' distribution rate changes as a result of the repurchase of the Company's shares, the transfer or cancellation of treasury stocks, the conversion of convertible bonds, or the exercise of the certificate of executive stock option, etc., it is authorized the chairman of the board to handle and adjust it.

V. Ratified matters

Proposed 1 (Proposed by the board of directors)

Cause of action: To ratify the 2025 Financial Statements

Explanation: The consolidated and individual financial statements of the Company for 2025 have been audited by Chen Chien-Wei and Liu Ming-Hsien, the accountants of Deloitte Taiwan. Please refer to Annex 3 of this Handbook for the financial statements and audit opinion. And for the business report, please refer to Annex 1.

Resolution: **Accepted as submited.**

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：94,355,642 (includes votes casted from the electronic voting platform 41,883,318)	81.63%
Against：38,732 (includes votes casted from the electronic voting platform 38,732)	0.03%
Invalid：0	0.00%
Abstain：21,191,844 (includes votes casted from the electronic voting platform 20,968,984)	18.33%

Proposed 2 (Proposed by the board of directors)

Cause of action: To ratify the 2025 Earnings Distribution Plan.

Explanation:

The Company's earnings in 2025 were distributed in accordance with the distribution ratio of the Company's Articles of Incorporation (listed below) and approved by the Company's Board of Directors on March. 10th, 2026

KINIK Company
The 2025 earnings distribution table

Unit: NT$

Unappropriated retained earnings at the beginning of the period		$ 2,383,147,094
Defined Benefit plan remeasurement recognized in retained earnings confirmed		(2,910,296)
Adjustment to unappropriated earnings due to the adoption of the equity method of investment		464,202
		2,380,701,000
Add: Net profit for the period	1,360,219,847	
Less: Legal reserve	(135,777,375)	
Less: Special surplus reserve	(17,665,735)	
Subtotal		1,206,776,737
Earnings available for distribution for this period		3,587,477,737
The distribution is as follows:		
Bonus to shareholders - cash (2.5/share)		(549,626,867)
Unappropriated retained earnings at the end of the period		$ 3,037,850,870

Note1：Priority is given to the distribution of 2025earnings when distributingNT$549,626,867 in bonuses to shareholders.

Note2：The distribution amount of cash dividends per share of commom stock is calculated based on 148,547,802 issued and outstanding shares as of Feb. 26th, 2026.

Resolution: **Accepted as submited.**

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：94,447,585 (includes votes casted from the electronic voting platform 41,975,261)	81.71%
Against：38,738 (includes votes casted from the electronic voting platform 38,738)	0.03%
Invalid：0	0.00%
Abstain：21,099,895 (includes votes casted from the electronic voting platform 20,877,035)	18.25%

VI. Matters for Discussion

Discussion 1 (Proposed by the board of directors)

Cause of action: Amend the Company's "Operational Procedures for Loaning Funds to Others"

Explanation: In accordance with the current "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and based on practical needs, certain provisions are proposed to be amended. For the comparison table of the amended provisions, please refer to Annex 4.

Resolution: **Accepted as submited.**

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：94,445,631 (includes votes casted from the electronic voting platform 41,973, 307)	81.71%
Against：41,122 (includes votes casted from the electronic voting platform 41,122)	0.03%
Invalid：0	0.00%
Abstain：21,099,465 (includes votes casted from the electronic voting platform 20,876,605)	18.25%

Discussion 2 (Proposed by the board of directors)

Cause of action: Amend the Company's " Regulations Governing Endorsements and Guarantees "

Explanation: In accordance with the current "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and based on practical needs, certain provisions are proposed to be amended. For the comparison table of the amended provisions, please refer to Annex 5.

Resolution: **Accepted as submited**.

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：94,444,741 (includes votes casted from the electronic voting platform 41,972,417)	81.70%
Against：39,111 (includes votes casted from the electronic voting platform 39,111)	0.03%
Invalid：0	0.00%
Abstain：21,102,366 (includes votes casted from the electronic voting platform 20,879,506)	18.25%

Discussion 3 (Proposed by the board of directors)

Cause of action: Amend the Company's "Assets Acquisition or Disposal Handling Procedure"

Explanation: In accordance with the current "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," and in consideration of practical needs, certain provisions of the existing procedures are proposed to be amended. Please refer to Annex 6 for the comparison table of the amended provisions.

Resolution: **Accepted as submited.**

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：94,444,843 (includes votes casted from the electronic voting platform 41,972,519)	81.7%
Against：41,011 (includes votes casted from the electronic voting platform 41,011)	0.03%
Invalid：0	0.00%
Abstain：21,100,364 (includes votes casted from the electronic voting platform 20,877,504)	18.25%

Discussion 4 (Proposed by the board of directors)

Cause of action: Amend the Company's " Rules of Procedure for Shareholders Meeting"

Explanation: In accordance with the current " Regulations Governing the Content and Compliance Requirements of Shareholders' Meeting Agenda Handbooks for Public Companies," and in consideration of practical needs, certain provisions of the existing procedures are proposed to be amended. Please refer to Annex 7 for the comparison table of the amended provisions.

Resolution: **Accepted as submited.**

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：94,446,983 (includes votes casted from the electronic voting platform 41,974,659)	81.71%
Against：40,871 (includes votes casted from the electronic voting platform 40,871)	0.03%
Invalid：0	0.00%
Abstain：21,098,364 (includes votes casted from the electronic voting platform 20,875,504)	18.25%

VII. **Election Matters (Proposed by the board of directors)**

Cause of action: Proposal for the Election of All Directors

Explanation:

I. The term of office of the current directors will expire on June 19, 2026. It is proposed that nine (9) directors (including three (3) independent directors) be fully re-elected at the 2026 Annual Shareholders' Meeting. The election of directors will adopt the candidate nomination system, and shareholders shall elect directors from among the list of candidates publicly announced by the Company.

II. The newly elected directors shall assume office upon the conclusion of the Shareholders' Meeting and serve a three-year term from June 23, 2026 to June 22, 2029. The term of the incumbent directors shall continue until the newly elected directors assume office.

III. The list of director candidates is set forth below (shareholdings as of April 25, 2026).

Name	Education	Experience	Present position	Shareholdings (Unit: share)
Legal representative of KinMean Investment CO. LTD.: PO-CHUAN, LIN	Master of Business Administration Part-time Degree Program National Taiwan University Bachelor of Public Administration, National Chengchi University	Director of Hongia Industry Co. , Ltd. Special Assistant to the Chairman of the Company	Chairman of the company Chairman of KinKi Investment Co., Ltd. Chairman of Hongia Industrial Co., Ltd. Chairman of Kinli Real Estate Management and Development Company Director of KINIK-THAI CO.,LTD Director of Max Kinik Seimitsu Co., Ltd. Chairman of Max Kinik Grinding Technology Co., Ltd.	9,892,423
Legal representative of KinChuan Investment CO. LTD.: WEN-LIANG, PA	Ph.D., Business and Management, Huron International University, USA	Vice Chairman of the company Chairman of KinChuan Investment Co., Ltd.	Vice Chairman of the company Chairman of KinChuan Investment Co., Ltd. Chairman of Kinan Investment Co., Ltd.	4,117,167
Legal representative of KinMean Investment CO. LTD.: JUNG-CHE,HSIEH	Master of Mechanical Engineering, Keio University, Japan EMBA, National Taiwan University	CEO of the company Leader of the Fine Components Technology Group, Mechanical and Mechatronics System Lab., Industrial Technology Research Institute(ITRI) Host	Chairman of Max Kinik Seimitsu Co., Ltd. Director of Max Kinik Grinding Technology Co., Ltd. Vice Chairman of the ITRI Startup Association Director of JC Capital Taiwan Co., Ltd. CEO of the company Director of Hongia Industry Co., Ltd. Director of Kinik-Thai Co., Ltd.	9,892,423

		of the Ministry of Economic Affairs Program Chairman, Hsinchu Business Management Association	Director of Kinli Real Estate Management and Development Company	
Legal representative of LiHei Investment CO. LTD.: CHING-CHUNG, PAI	Master of Materials, University of Southern California,USA	Assistant Manager of R&D department, TSMC Deputy General Manager of the Chairman's Office of the Company	Deputy General Manager of the Chairman's Office of the Company Director of LiHe Investment Co., Ltd. Director of Hongia Industry Co. Ltd. Director of Dongguan Kinik Trading Co., Ltd. (China) Director of Kinli Investment Co., Ltd. Director of Jiangsu Kinli Materials Technology Co., Ltd. Director of Kinli Real Estate Management and Development Company Director of Max Kinik Seimitsu Co., Ltd. Director of Max Kinik Grinding Technology Co., Ltd.	2,471,420
Legal representative of Kinki Investment. LTD.: WEI-CHANG,LEE	Master of Institute of Geosciences, National Taiwan University	Assistant Manager of Glorida Corporation	President of Diamond B.U Spokesperson of Kinik company Chairman of Kinli Investment Co., Ltd. Chairman of Dongguan Kinik Trading Co., Ltd. (China) Independent Director of G.M.I. Technology Inc. Director of Max Kinik Seimitsu Co., Ltd. Director of Max Kinik Grinding Technology Co., Ltd. Director of Shin Hsieh International Limited Chairman of Jiangsu Kinli Materials Technology Co., Ltd.	4,796,000
Legal representative of Kinki Investment. LTD.: FU-I, HUNG	Master of College of Technology Management, National Tsing-Hua University	Deputy Engineer, Institute of Mechanical Engineering, Industrial Technology Research Institute(ITRI)	President of Semiconductor B.U.	4,796,000

IV. The list of Independent Director candidates is as follows (the number of shares held as of April 25, 2026)

Name	Education	Experience	Present position	Shareholdings (Unit: share)
Jih-Hsuan Lin	Doctor of Philosophy (Ph.D.) in Media and Information, Michigan State University, USA Master of Arts (M.A.) in Journalism, Michigan State University, USA	Distinguished Professor, College of Communication, National Chengchi University Chairman, Taiwan Association for Information Society World's Top 2% Scientists (2024–2025)	Distinguished Professor, College of Communication, National Chengchi University	0
Ching-Fu Chang	Department of Accounting, National Taipei University (formerly Department of Accounting, National Chung Hsing University College of Law and Business)	Partner, Deloitte & Touche	-	0
WEN-YI, HSIAO	PhD, Institute of Electronic Engineering, National Kaohsiung University of Science and Technology	Associate Professor of Wufeng University Lecturer, Taiwan Police College Guest Lecturer, Public and Private Universities and Colleges (Ministry of Education, Taiwan)	Chairman of Yuan Ding Capital Co., Ltd. Chairman of Yuan Ding Realty Co., Ltd. Director of Yuan Ding Investment Co., Ltd.	0

Voting Result:

1. The list of elected General Director is as follows:

Account No.	Name	Votes Received
20	Legal representative of KinMean Investment CO. LTD.: PO-CHUAN, LIN	97,463,194

22	Legal representative of KinChuan Investment CO. LTD.: WEN-LIANG, PAI	78,549,994
20	Legal representative of KinMean Investment CO. LTD.: JUNG-CHE,HSIEH	78,530,582
21	Legal representative of LiHeiInvestment CO. LTD.: CHING-CHUNG,PAI	78,530,413
65158	Legal representative of KinkiInvestment. LTD.: WEI-CHANG,LEE	78,530,451
65158	Legal representative of KinkiInvestment. LTD.: FU-I, HUNG	78,526,906

2. The list of elected Independent Director is as follows:

Account No.	Name	Votes Received
	WEN-YI, HSIAO	72,845,559
	Ching-Fu Chang	72,315,560
	Jih-Hsuan Lin	72,842,375

VIII. Other Proposals (Proposed by the board of directors)

Cause of action: Removal of the non-compete restrictions on the newly elected directors.

Explanation:

I. In accordance with Article 209, Paragraph 1 of the Company Law, "A director shall explain the important content of his actions to the shareholders' meeting and obtain their permission for actions that fall within the scope of the company's business for himself or others."

II. If a director candidate is elected as a director by the shareholders' meeting, in response to the needs of the company's business, he intends to submit to the shareholders' meeting for approval to lift the company's new director's non-competition if he acts for himself or others within the scope of the company's business restrictions.

III. Please refer to Annex 8, for the situation of holding concurrent positions.

Resolution: **Accepted as submited.**

The votes represented by the shareholders present: 115,586,218

Items	Votes casted for %
Agree：90,970,104 (includes votes casted from the electronic voting platform 38,497,780)	78.70%
Against：119,588 (includes votes casted from the electronic voting platform 119,588)	0.10%
Invalid：0	0.00%
Abstain：24,496,526 (includes votes casted from the electronic voting platform 24,273,666)	21.19%

IX. **Questions and Motions：None**

X. **Meeting Adjourned (AM 9:40)**

There are no shareholders' questions at this shareholders' meeting.

※This Minutes of the General Meeting of Shareholders records the essentials and results of the proceedings in accordance with the provisions of Article 183, Paragraph 4 of the Company Law. The content, procedures and speeches of the shareholders shall still be subject to the video and audio recordings of the meeting.

※In case of any discrepancy between the English and Chinese version of the minutes of 2026 Annual General Shareholders' Meeting, the Chinese version shall prevail.

Annex 1 Business report

Dear Shareholders,

Looking back on 2025, although emerging technologies such as AI and semiconductors continued to drive demand and some markets showed signs of recovery, the reciprocal tariff policies promoted by the Trump administration in the United States disrupted global financial markets and international trade order, adding uncertainty to the global economic outlook. Overall, the global economy continued to move forward amid headwinds. While the United States has successively reached trade agreements with multiple countries and provided certain exemptions to maintain the functioning of the international trade system, growth momentum in the Eurozone and the United Kingdom has slowed due to tariff pressures, intensified competition from China, and limited fiscal capacity. Although Japan has actively increased investment in key industries, its exports remain constrained by tariffs, resulting in a clearly diverging global economic landscape.

Amid a dynamic and uncertain operating environment, the Kinik Group has continued to steadily advance its global expansion. In April 2025, Kinik completed the acquisition of two grinding wheel plants in Japan and Thailand from the Mitsui Mining & Smelting Group. Combined with its existing diamond disc and wafer reclaim services, this acquisition further strengthened the overall competitiveness of its grinding business. Through technological integration and channel expansion, the Group not only enhanced the completeness of its product portfolio and technological depth, but also reinforced its marketing network in Japan and Southeast Asia, creating new growth opportunities.

In 2025, the Group's consolidated revenue reached NT$8.149 billion, representing a 16.1% increase compared with 2024. Net income after tax amounted to NT$1.397 billion, and earnings per share (EPS) were NT$9.28. A comparison with the budget is summarized in the table below:

Unit: Thousand NT$

For the year 2025			
	Budget Amount	Actual Amount	Achievement Rate (%)
Sale revenue	7,532,000	8,149,475	108%
Net operating profit	1,468,000	1,303,307	89%
Net profit before tax	1,485,000	1,658,850	112%
Net profit after tax	1,187,000	1,396,799	118%
EPS (NT$)	9.28		

Looking ahead to 2026, demand for applications such as AI, high-performance computing, and cloud services remains robust, continuing to drive strong order momentum. As uncertainties surrounding tariff policies gradually ease and AI technologies continue to evolve, major technology companies are expanding capital expenditures and global deployment. However, geopolitical risks have not been fully eliminated, and new policy directions by the United States in tariffs, energy, and technology may still have far-reaching impacts on global supply chain cooperation. As a key global base for advanced semiconductor components and precision manufacturing, Taiwan must continue to strengthen its technological capabilities and supply chain resilience to maintain its competitive advantage amid global uncertainties.

Kinik will uphold its mission of “Pursuing Excellence and Creating Value,” leveraging its core grinding technologies and adopting a strategic approach of “Direction Leadership and Platform Integration” to deepen technological integration and value creation, while embracing the philosophy of shared prosperity. In addition to strengthening its core capabilities, the Company will position ESG as a key driver of long-term development, promoting green manufacturing, smart manufacturing, and digital transformation, and striving toward its vision of becoming “a leading green intelligent manufacturing and service center for grinding solutions.” To this end, the Company has formulated the following key initiatives:

1.Global Integration of Grinding Wheel Business and Advancement of Smart Manufacturing:

Continue integrating manufacturing and marketing resources across Taiwan, Japan, and Thailand to enhance cross-regional synergies, while advancing smart manufacturing through digitalization and automation to improve operational efficiency and overall competitiveness.

2.Enhancement of Key Product R&D and Capacity Expansion:

Actively invest in the development of key products required for advanced processes, such as diamond discs and test wafers, and expand production capacity in response to customer demand to strengthen supply chain resilience and consolidate market leadership.

3.Deepening ESG Governance and Upgrading Carbon Management:

The Company was selected as a member of the 2025 S&P Global Sustainability Yearbook and honored as an Industry Mover, recognizing the Group's achievements in sustainability governance. In 2026, the Company will further enhance carbon management by extending its scope to overseas subsidiaries and suppliers, strengthening product carbon footprint management, introducing an internal carbon pricing mechanism, and linking decarbonization performance to incentive systems. In addition, the Company will continue to improve water resource management and promote circular economy practices to enhance its sustainability competitiveness.

Looking forward, Kinik will continue to build on technological innovation and global expansion, optimize its operational and financial structures, create long-term and stable value for shareholders, and work together with all stakeholders toward a sustainable future.

Finally, we would like to express our sincere gratitude to all shareholders for your long-term support and trust. We look forward to moving forward together and sharing the results of Kinik's steady growth.

Wishing you good health and all the best!

Sincerely, Chairman

PO-CHUAN LIN

March 10, 2026

Annex 2 Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2025 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of Deloitte & Touche was retained to audit Kinik Company's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Kinik Company Limited. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Kinik Company Limited.

Chairman of the Audit Committee:

March 10, 2026

Kinik Company and Subsidiaries

Consolidated Financial Statements
for the Years Ended December 31, 2025 and 2024
and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Kinik Company

Opinion

We have audited the accompanying consolidated financial statements of Kinik Company and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). In our opinion, based on our audits and the report of other auditors (refer to the 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China..

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement 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 based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

Occurrence of Revenue

Refer to Note 4 to the accompanying financial statements for disclosures regarding the accounting policies and detailed information on revenue.

The Group's revenue mainly comes from the production and sale of grinding wheels, semiconductor diamond disks and recycled wafer products. Specific sales revenue is generated in both the domestic and foreign markets, and this specific sales revenue is material to the consolidated financial statements, which is one of the evaluation criteria for operating performance as well. The main significant risk to the Company is the occurrence of sales revenue. Therefore, we identified the occurrence of revenue as a key audit matter.

In response to this key audit matter, we performed the following audit procedures:

1. We obtained an understanding of and evaluated the appropriateness of the accounting policies on revenue recognition.

2. We obtained an understanding of and evaluated the effectiveness of the internal control on revenue recognition and the occurrence of sales.

3. We selected samples and tested specific sales transactions of the current year and verified the relevant internal and external documents to substantiate the shipments. We also checked shipping and delivery receipts and subsequent collections for any major abnormalities to ensure the occurrence of sales transactions.

Other Matter

We did not audit the financial statements of KINIK-THAI CO., LTD., a subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for KINIK-THAI CO., LTD., is based solely on the reports of other auditors. As of December 31, 2024, the total assets of KINIK-THAI CO., LTD. were NT$631,168 thousand, representing 6% of the consolidated total assets; for the year ended December 31, 2024, total revenue was NT$313,784 thousand, representing 4% of consolidated total revenue.

We have also audited the parent company only financial statements of Kinik Company as of and for the year ended December 31, 2025 on which we have issued an unmodified opinion.

We have also audited the parent company only financial statements of Kinik Company as of and for the year ended December 31, 2024 on which we have issued an unmodified 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 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, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 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 consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Wei Chen and Ming-Hsien Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2026

Notice to Readers

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

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

KINIK COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,573,289	12	$ 2,000,757	18
Financial assets at fair value through profit or loss - current (Note 7)	5,197	-	-	-
Notes receivable (Note 9)	106,085	1	48,609	-
Trade receivables (Note 9)	1,252,410	10	1,037,749	9
Trade receivables from related parties (Notes 9 and 29)	61,427	-	62,502	1
Other receivables (Note 29)	13,499	-	9,360	-
Inventories (Note 10)	2,431,232	18	2,048,696	19
Prepayments	24,767	-	20,857	-
Other current assets	13,998	-	8,064	-
Total current assets	5,481,904	41	5,236,594	47
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	366,241	3	192,471	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	704,385	6	609,773	6
Investments accounted for using the equity method (Note 12)	-	-	19,082	-
Property, plant and equipment (Notes 13, 29 and 30)	5,416,834	41	4,248,650	39
Right-of-use assets (Notes 14 and 29)	44,267	-	38,975	-
Investment properties, net (Note 15)	304,906	2	303,927	3
Deferred tax assets (Note 23)	39,244	-	36,662	-
Prepayments for equipment	745,014	6	240,050	2
Refundable deposit	15,972	-	14,793	-
Net defined benefit assets - non-current (Note 19)	87,354	1	80,476	1
Other non-current assets	51,890	-	29,410	-
Total non-current assets	7,776,107	59	5,814,269	53
TOTAL	$ 13,258,011	100	$ 11,050,863	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 343,740	2	$ 60,500	1
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	3,298	-
Notes payable	22,421	-	7	-
Trade payables (Note 29)	467,968	4	416,871	4
Other payables (Notes 18 and 29)	1,004,303	7	791,725	7
Current tax liabilities	190,235	1	150,095	1
Lease liabilities - current (Notes 14 and 29)	11,101	-	7,533	-
Current portion of long-term borrowings (Notes 16 and 29)	68,468	1	14,383	-
Other current liabilities	73,852	1	30,500	-
Total current liabilities	2,182,088	16	1,474,912	13
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	928,260	7	908,972	8
Long-term borrowings (Notes 16 and 29)	1,009,751	8	1,078,219	10
Deferred tax liabilities (Note 23)	333,745	3	69,223	1
Lease liabilities - non-current (Notes 14 and 29)	34,107	-	32,820	1
Net defined benefit liabilities - non-current (Note 19)	195,457	1	30,140	-
Deposits received	4,111	-	2,325	-
Other non-current liabilities (Note 20)	81,882	1	27,937	-
Total non-current liabilities	2,587,313	20	2,149,636	20
Total liabilities	4,769,401	36	3,624,548	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Ordinary shares	1,472,919	11	1,459,504	13
Capital surplus	1,688,223	13	1,636,863	15
Retained earnings				
Legal reserve	1,260,213	9	1,152,058	10
Special reserve	15,582	-	14,983	-
Unappropriated earnings	3,740,921	28	2,886,220	26
Other equity interests				
Exchange differences on translation of the financial statements of foreign operations	(22,164)	-	18,448	-
Unrealized gain - financial instrument at FVTOCI	(11,084)	-	(34,030)	-

Total equity attributable to owners of the Company	8,144,610	61	7,134,046	64
NON-CONTROLLING INTERESTS	344,000	3	292,269	3
Total equity	8,488,610	64	7,426,315	67
TOTAL	$ 13,258,011	100	$ 11,050,863	100

The accompanying notes are an integral part of the consolidated financial statements.(With Deloitte & Touche auditors' report dated March 10, 2026)

KINIK COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 29)	$ 8,149,475	100	$ 7,019,493	100
OPERATING COSTS (Notes 10, 22 and 29)	(5,502,434)	(68)	(4,831,377)	(69)
GROSS PROFIT	2,647,041	32	2,188,116	31
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	(608,017)	(7)	(507,616)	(7)
General and administrative expenses	(542,398)	(7)	(359,363)	(5)
Research and development expenses	(191,203)	(2)	(164,104)	(3)
Expected credit loss	(2,116)	-	(1,836)	-
Total operating expenses	(1,343,734)	(16)	(1,032,919)	(15)
PROFIT FROM OPERATIONS	1,303,307	16	1,155,197	16
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 29)				
Interest income	51,924	1	62,274	1
Other income	62,897	1	48,032	1
Other gains and losses	293,206	3	77,062	1
Finance costs	(48,398)	(1)	(44,092)	(1)
Share of loss of associates	(4,086)	-	(9,691)	-
Total non-operating income and expenses	355,543	4	133,585	2
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,658,850	20	1,288,782	18
INCOME TAX EXPENSE (Note 23)	(262,051)	(3)	(226,792)	(3)
NET PROFIT FOR THE YEAR	1,396,799	17	1,061,990	15
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	(3,201)	-	58,188	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	10,427	-	13,289	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(1,946)	-	(11,638)	-
	5,280	-	59,839	1

(Continued)

KINIK COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(28,457)	-	39,868	1
Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	15,220	-	(32,786)	(1)
	(13,237)	-	7,082	-
Other comprehensive income for the year, net of income tax	(7,957)	-	66,921	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,388,842	17	$ 1,128,911	16
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,360,220	17	$ 1,035,003	15
Non-controlling interests	36,579	-	26,987	-
	$ 1,396,799	17	$ 1,061,990	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,340,108	16	$ 1,080,954	15
Non-controlling interests	48,734	1	47,957	1
	$ 1,388,842	17	$ 1,128,911	16
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	$ 9.28		$ 7.10	
Diluted	$ 9.10		$ 6.90	

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

(With Deloitte & Touche auditors' report dated March 10, 2026) (Concluded)

KINIK COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity Interests			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2024	$ 1,449,435	$ 1,399,657	$ 1,065,919	$ 14,449	$ 2,253,891	$(450)	$(14,533)	$ 304,047	$ 6,472,415
Appropriation of 2023 earnings									
Legal reserve	-	-	86,139	-	(86,139)	-	-	-	-
Special reserve	-	-	-	534	(534)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(362,551)	-	-	-	(362,551)
Equity component of convertible bonds issued by the Company	-	274,390	-	-	-	-	-	-	274,390
Changes in capital surplus from investments in associates accounted for using the equity method	-	(154)	-	-	-	-	-	-	(154)
Issuance of cash dividends from capital surplus	-	(217,531)	-	-	-	-	-	-	(217,531)
Exercised disgorgement	-	34	-	-	-	-	-	-	34
Conversion of convertible corporate bonds	17	435	-	-	-	-	-	-	452
Share-based payment	10,052	180,032	-	-	-	-	-	-	190,084
Cash dividends from subsidiary	-	-	-	-	-	-	-	(59,735)	(59,735)
Net profit for the year ended December 31, 2024	-	-	-	-	1,035,003	-	-	26,987	1,061,990
Other comprehensive income/(loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	46,550	18,898	(19,497)	20,970	66,921
BALANCE AT DECEMBER 31, 2024	1,459,504	1,636,863	1,152,058	14,983	2,886,220	18,448	(34,030)	292,269	7,426,315
Appropriation of 2024 earnings									
Legal reserve	-	-	108,155	-	(108,155)	-	-	-	-
Special reserve	-	-	-	599	(599)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(394,319)	-	-	-	(394,319)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(28,641)	-	-	-	-	-	-	(28,641)
Issuance of cash dividends from capital surplus	-	(189,857)	-	-	-	-	-	-	(189,857)
Conversion of convertible corporate bonds	4	88	-	-	-	-	-	-	92
Share-based payment	13,411	269,770	-	-	-	-	-	-	283,181
Changes in non-controlling interests	-	-	-	-	-	-	-	2,997	2,997
Net profit for the year ended December 31, 2025	-	-	-	-	1,360,220	-	-	36,579	1,396,799
Other comprehensive income/(loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(2,446)	(40,612)	22,946	12,155	(7,957)
BALANCE AT DECEMBER 31, 2025	$ 1,472,919	$ 1,688,223	$ 1,260,213	$ 15,582	$ 3,740,921	$(22,164)	$(11,084)	$ 344,000	$ 8,488,610

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

(With Deloitte & Touche auditors' report dated March 10, 2026)

KINIK COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,658,850	$ 1,288,782
Adjustments for:		
Depreciation expense	641,771	569,161
Amortization expense	10,341	8,851
Expected credit loss recognized on trade receivables	2,116	1,836
Net gain on fair value changes of financial assets at fair value through profit or loss	(44,989)	(9,463)
Finance costs	48,398	44,092
Interest income	(51,924)	(62,274)
Dividends income	(9,547)	(4,240)
Compensation costs of employee share options	122,019	77,373
Share of loss of associates	4,086	9,691
Gain on disposal of property, plant and equipment	(5,957)	(1,719)
Gain on disposal of equity method investments	(26,734)	-
Loss on inventory write-downs and retirement	65,459	55,733
Unrealized net loss/(gain) on foreign currency exchange	34,894	(50,868)
Other	(241,259)	21,807
Changes in operating assets and liabilities		
Notes receivable	1,481	30,370
Trade receivables	(87,235)	(86,856)
Trade receivables from related parties	1,075	6,452
Other receivables	2,778	(421)
Inventories	(142,775)	(172,573)
Prepayments	786	12,110
Other current assets	(4,293)	(3,163)
Notes payable	4,996	7
Trade payables	31,927	8,957
Other payables	73,946	42,681
Other current liabilities	38,251	3,695
Net defined benefit plans	(12,858)	(1,147)
Other non-current liabilities	(10,394)	1,227
Cash generated from operations	2,105,209	1,790,101
Interest received	52,307	61,884
Dividends received	9,547	4,240
Interest paid	(29,009)	(35,179)
Income tax paid	(223,971)	(203,687)
Net cash generated from operating activities	1,914,083	1,617,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(56,542)	(65,054)
Proceeds from sale of financial assets at amortized cost	-	3,000

(Continued)

KINIK COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
Purchase of financial assets at fair value through profit or loss	(124,187)	(70,343)
Proceeds from sale of financial assets at fair value through profit or loss	-	21,128
Net cash outflow on acquisition of subsidiary (Note 27)	(677,296)	(7,893)
Payments for property, plant and equipment	(1,059,573)	(348,508)
Proceeds from disposal of property, plant and equipment	9,478	2,223
Decrease in refundable deposits	5,703	991
Increase in other non-current assets	(10,322)	-
Decrease in other non-current assets	-	2,080
Net cash used in investing activities	(1,912,739)	(462,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(8,740)	(894,500)
Proceeds from bonds payable	-	1,178,509
Proceeds from long-term borrowings	-	1,079,500
Repayment of long-term borrowings	(14,383)	(200,898)
Repayments of long-term bills payable	-	(800,000)
Proceeds from guarantee deposits received	-	51
Refund of guarantee deposits received	(1,217)	-
Repayment of the principal portion of lease liabilities	(15,042)	(8,202)
Dividends paid to owners of the Company	(584,176)	(580,082)
Proceeds from employee share options exercised	161,162	112,711
Dividends paid to non-controlling interests	(11)	(59,735)
Exercised disgorgement	-	34
Net cash used in financing activities	(462,407)	(172,612)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	33,595	26,268
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(427,468)	1,008,639
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,000,757	992,118
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,573,289	$ 2,000,757

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

(With Deloitte & Touche auditors’ report dated March 10, 2026)

Kinik Company

Parent Company Only
Financial Statements for the Years Ended
December 31, 2025 and 2024
and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Kinik Company

Opinion

We have audited the accompanying parent company only financial statements of Kinik Company (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the other matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only 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 Statement 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 Parent Company Only 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 based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2025 is stated as follows:

<u>Occurrence of Revenue</u>

Refer to Note 4 to the accompanying financial statements for disclosures regarding the accounting policies and detailed information on revenue.

The Company's revenue mainly comes from the production and sale of grinding wheels, semiconductor diamond discs and recycled wafer products. Specific sales revenue is generated in both the domestic and foreign markets, and this specific sales revenue is material to the parent company only financial statements, which is one of the evaluation criteria for operating performance as well. The main significant risk to the Company is the occurrence of sales revenue. Therefore, we identified occurrence of revenue as a key audit matter.

In response to this key audit matter, we performed the following audit procedures:

1. We obtained an understanding of and evaluated the appropriateness of the accounting policies on revenue recognition.

2. We obtained an understanding of and evaluated the effectiveness of the internal control on revenue recognition and the occurrence of sales.

3. We selected samples and tested specific sales transactions of the current year and checked the relevant internal and external vouchers to support the facts of the shipment; we checked shipping and delivery receipts and payments received for any major abnormalities, to confirmed that sales revenue transactions did occur.

Other Matter

We did not audit the financial statements of KINIK-THAI CO., LTD., an investee of the Company which was accounted for using the equity method for the year ended December 31, 2024; however, such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for KINIK-THAI CO., LTD., is based solely on the reports of other auditors. As of December 31, 2024, the aforementioned investment accounted for using the equity method were NT$256,954 thousand, representing 2% of the Company's total assets. For the year ended December 31, 2024, the comprehensive income of the investee was NT$42,784 thousand, representing 4% of the Company's comprehensive income.

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

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only 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 those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Wei Chen and Ming-Hsien Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2026

Notice to Readers

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

KINIK COMPANY

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,086,110	9	$ 1,694,966	16
Financial assets at fair value through profit or loss -current (Note 7)	5,197	-	-	-
Notes receivable (Note 9)	33,833	-	43,264	1
Trade receivables (Notes 9 and 27)	1,085,523	9	987,277	9
Other receivables (Note 27)	256,665	2	8,493	-
Inventories (Note 10)	1,963,708	17	1,859,016	18
Prepayments	15,252	-	15,152	-
Other current assets	6,048	-	7,998	-
Total current assets	4,452,336	37	4,616,166	44
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	366,241	3	192,471	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	660,899	6	609,773	6
Investments accounted for using the equity method (Note 11)	1,249,192	10	366,451	3
Property, plant and equipment (Note 12)	4,082,481	34	4,011,527	38
Right-of-use assets (Note 13)	32,948	-	38,975	-
Investment property (Note 14)	377,900	3	385,266	4
Deferred tax assets (Note 22)	28,415	-	31,416	-
Prepayment for equipment	715,984	6	237,101	2
Refundable deposit	10,007	-	9,843	-
Net defined benefit assets - non-current (Note 18)	87,354	1	80,476	1
Other non-current assets	21,452	-	20,271	-
Total non-current assets	7,632,873	63	5,983,570	56
TOTAL	$ 12,085,209	100	$ 10,599,736	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	$ 250,000	2	$ 50,000	1
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	3,298	-
Notes payable	46	-	7	-
Trade payables (Note 27)	406,277	4	384,260	4
Other payables (Notes 17 and 27)	935,278	8	758,401	7
Current tax liabilities	187,636	2	149,264	1
Lease liabilities - current (Notes 13 and 27)	4,636	-	7,533	-
Current portion of long-term borrowings (Note 15)	52,500	-	-	-
Other current liabilities	56,049	-	16,747	-
Total current liabilities	1,892,422	16	1,369,510	13
NON-CURRENT LIABILITIES				
Bonds payable (Note 16)	928,260	8	908,972	9
Long-term borrowings (Note 15)	1,007,500	8	1,060,000	10
Deferred tax liabilities (Note 22)	64,431	1	64,884	1
Lease liabilities - non-current (Notes 13 and 27)	29,790	-	32,820	-
Deposit received	1,426	-	2,325	-
Other non-current liabilities (Note 19)	16,770	-	27,179	-
Total non-current liabilities	2,048,177	17	2,096,180	20
Total liabilities	3,940,599	33	3,465,690	33
EQUITY (Note 20)				
Ordinary shares	1,472,919	12	1,459,504	14
Capital surplus	1,688,223	14	1,636,863	15
Retained earnings				
Legal reserve	1,260,213	10	1,152,058	11
Special reserve	15,582	-	14,983	-
Unappropriated earnings	3,740,921	31	2,886,220	27
Other equity interests				
Exchange differences on translation of the financial statements of foreign operations	(22,164)	-	18,448	-
Unrealized gain - financial instrument at FVTOCI	(11,084)	-	(34,030)	-
Total equity	8,144,610	67	7,134,046	67
TOTAL	$ 12,085,209	100	$ 10,599,736	100

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

(With Deloitte & Touche auditors' report dated March 10, 2026))

KINIK COMPANY

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 27)	$ 7,169,428	100	$ 6,606,247	100
OPERATING COSTS (Notes 10, 21 and 27)	(4,738,149)	(66)	(4,535,502)	(69)
GROSS PROFIT	2,431,279	34	2,070,745	31
REALIZED GAIN ON THE TRANSACTIONS	974	-	1,533	-
UNREALIZED GAIN ON THE TRANSACTIONS	(1,207)	-	(974)	-
REALIZED GROSS PROFIT	2,431,046	34	2,071,304	31
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	(497,529)	(7)	(481,087)	(7)
General and administrative expenses	(383,896)	(5)	(309,935)	(5)
Research and development expenses	(191,101)	(3)	(164,778)	(2)
Expected credit gain/(loss)	210	-	(1,821)	-
Total operating expenses	(1,072,316)	(15)	(957,621)	(14)
PROFIT FROM OPERATIONS	1,358,730	19	1,113,683	17
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Interest income	53,187	1	58,958	1
Other income	54,919	1	55,213	1
Other gains and losses	258,280	4	73,650	1
Finance costs	(46,776)	(1)	(43,836)	(1)
Share of profit of subsidiaries and associates	(60,333)	(1)	5,899	-
Total non-operating income and expenses	259,277	4	149,884	2
PROFIT BEFORE INCOME TAX	1,618,007	23	1,263,567	19
INCOME TAX EXPENSE (Note 22)	(257,787)	(4)	(228,564)	(4)
NET PROFIT FOR THE YEAR	1,360,220	19	1,035,003	15

(Continued)

KINIK COMPANY

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	$ (3,638)	-	$ 55,384	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,824	-	13,289	-
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	6,366	-	2,243	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	728	-	(11,077)	-
	5,280	-	59,839	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(40,612)	-	18,898	-
Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	15,220	-	(32,786)	-
	(25,392)	-	(13,888)	-
Other comprehensive income for the year, net of income tax	(20,112)	-	45,951	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,340,108	19	$ 1,080,954	16

EARNINGS PER SHARE (Note 23)

From continuing operations		
Basic	$ 9.28	$ 7.10
Diluted	$ 9.10	$ 6.90

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

(With Deloitte & Touche auditors' report dated March 10, 2026) (Concluded)

KINIK COMPANY

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity Interests		
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2024	$ 1,449,435	$ 1,399,657	$ 1,065,919	$ 14,449	$ 2,253,891	$(450)	$(14,533)	$ 6,168,368
Appropriation of the 2023 earnings								
Legal reserve	-	-	86,139	-	(86,139)	-	-	-
Special reserve	-	-	-	534	(534)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(362,551)	-	-	(362,551)
Equity component of convertible bonds issued by the Company	-	274,390	-	-	-	-	-	274,390
Changes in capital surplus from investments in associates accounted for using the equity method	-	(154)	-	-	-	-	-	(154)
Issuance of cash dividends from capital surplus	-	(217,531)	-	-	-	-	-	(217,531)
Exercised disgorgement	-	34	-	-	-	-	-	34
Conversion of convertible corporate bonds	17	435	-	-	-	-	-	452
Share-based payment	10,052	180,032	-	-	-	-	-	190,084
Net profit for the year ended December 31, 2024	-	-	-	-	1,035,003	-	-	1,035,003
Other comprehensive income/(loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	46,550	18,898	(19,497)	45,951
BALANCE AT DECEMBER 31, 2024	1,459,504	1,636,863	1,152,058	14,983	2,886,220	18,448	(34,030)	7,134,046
Appropriation of the 2024 earnings								
Legal reserve	-	-	108,155	-	(108,155)	-	-	-
Special reserve	-	-	-	599	(599)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(394,319)	-	-	(394,319)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(28,641)	-	-	-	-	-	(28,641)
Issuance of cash dividends from capital surplus	-	(189,857)	-	-	-	-	-	(189,857)
Conversion of convertible corporate bonds	4	88	-	-	-	-	-	92
Share-based payment	13,411	269,770	-	-	-	-	-	283,181
Net profit for the year ended December 31, 2025	-	-	-	-	1,360,220	-	-	1,360,220
Other comprehensive income/(loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	(2,446)	(40,612)	22,946	(20,112)
BALANCE AT DECEMBER 31, 2025	$ 1,472,919	$ 1,688,223	$ 1,260,213	$ 15,582	$ 3,740,921	$(22,164)	$(11,084)	$ 8,144,610

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

(With Deloitte & Touche auditors' report dated March 10, 2026)

KINIK COMPANY

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,618,007	$ 1,263,567
Adjustments for:		
Depreciation expense	558,156	552,844
Amortization expense	8,546	6,367
Expected credit loss (reversed)/recognized on trade receivables	(210)	1,821
Net gain on fair value changes of financial assets at fair value through profit or loss	(44,989)	(9,370)
Finance costs	46,776	43,836
Interest income	(53,187)	(58,958)
Dividend income	(8,400)	(4,240)
Compensation costs of employee share options	120,968	76,447
Share of loss/(profit) of subsidiaries and associate	60,333	(5,899)
Gain on disposal of property, plant and equipment	(5,127)	(1,178)
Gain on disposal of equity-method investments	(26,734)	-
Loss on inventory write-downs and retirement	52,148	52,441
Unrealized gain on transactions with subsidiaries	1,207	974
Realized gain on transactions with subsidiaries	(974)	(1,533)
Unrealized net loss/(gain) on foreign currency exchange	37,715	(49,428)
Other	(188,182)	21,807
Changes in operating assets and liabilities		
Notes receivable	9,431	29,973
Trade receivables	(96,629)	(91,490)
Other receivables	(289)	125
Inventories	(156,840)	(143,775)
Prepayments	(100)	16,945
Other current assets	1,950	(3,098)
Notes payable	39	7
Trade payables	21,467	8,882
Other payables	79,943	42,749
Other current liabilities	39,302	(6,503)
Net defined benefit plans	(10,516)	(6,618)
Other non-current liabilities	(10,409)	1,254
Cash generated from operations	2,053,402	1,737,949
Interest received	49,845	58,511
Dividend received	10,402	57,715
Interest paid	(27,387)	(34,923)
Income tax paid	(216,139)	(201,264)
Net cash generated from operating activities	1,870,123	1,617,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(56,000)	(65,054)

(Continued)

KINIK COMPANY

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	2025	2024
Purchase of financial assets at fair value through profit or loss	(124,187)	(70,343)
Proceeds from sale of financial assets at fair value through profit or loss	-	14,861
Acquisition of investments accounted for using the equity method	(808,918)	-
Payments for property, plant and equipment	(998,560)	(323,143)
Proceeds from disposal of property, plant and equipment	8,344	1,644
Increase in refundable deposits	(164)	-
Decrease in refundable deposits	-	201
Increase in other receivables-related parties	(257,755)	-
Increase in other non-current assets	(9,727)	(1,764)
Net cash used in investing activities	(2,246,967)	(443,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	200,000	-
Repayments of short-term borrowings	-	(905,000)
Proceeds from bonds payable	-	1,178,509
Proceeds from long-term borrowings	-	1,060,000
Repayment of long-term borrowings	-	(200,000)
Repayments of long-term bills payable	-	(800,000)
Proceeds from guarantee deposits received	-	51
Refund of guarantee deposits received	(899)	-
Repayment of the principal portion of lease liabilities	(8,099)	(8,202)
Dividends paid to owners of the Company	(584,176)	(580,082)
Proceeds from employee share options exercised	161,162	112,711
Exercised disgorgement	-	34
Net cash used in financing activities	(232,012)	(141,979)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(608,856)	1,032,411
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,694,966	662,555
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,086,110	$ 1,694,966

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

(With Deloitte & Touche auditors' report dated March 10, 2026)

Annex 4 The Comparison Table for Revision of “Operational Procedures for Loaning Funds to Others”

Kinik Company

Comparison Table for Revision of

“Operational Procedures for Loaning Funds to Others”

June,23th,2026

After the Revision	Before the Revision	Explanatory Notes
Article 8: Loan Processing and Detailed Review Procedures I. Application: When a borrower applies for a loan from the Company, it shall issue an application or an official letter to the Company’s business unit. The competent business department shall review whether it is necessary to approve the loan. II. Credit Investigation and Evaluation: The business supervisory unit shall conduct a credit investigation and risk assessment based on the borrower's basic information and financial status, and then issue the evaluation results to the Finance Department to review the loan limit and duration. The review procedures of the Finance Department shall include the following: (1) The necessity and reasonableness of the loan of funds. (2) Credit investigation and risk evaluation of the borrower. (3) The impact on the Company’s operational risk, financial condition, and shareholders’ equity. (4) Whether the appraised value of the collateral is reasonable. III. Loan Approval: After credit investigation and evaluation, if the borrower's credit	Article 8: Loan Processing and Detailed Review Procedures I. Application: When a borrower applies for a loan from the Company, it shall issue an application or an official letter to the Company’s business unit. The competent business department shall review whether it is necessary to approve the loan. II. Credit Investigation and Evaluation: The business supervisory unit shall conduct a credit investigation and risk assessment based on the borrower's basic information and financial status, and then issue the evaluation results to the Finance Department to review the loan limit and duration. The review procedures of the Finance Department shall include the following: (1) The necessity and reasonableness of the loan of funds. (2) Credit investigation and risk evaluation of the borrower. (3) The impact on the Company’s operational risk, financial condition, and shareholders’ equity. (4) Whether the appraised value of the collateral is reasonable. III. Loan Approval: After credit investigation and evaluation, if the borrower's credit evaluation is	Amended in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

After the Revision	Before the Revision	Explanatory Notes
evaluation is good and the purpose of the loan is proper, the manager shall issue a letter of loan approval and submit it to the board of directors for review. IV. Collateral: In principle, collateral or promissory notes shall be obtained. However, in the case of loans of funds provided by the Company to its subsidiaries, where the risk has been assessed as controllable and approval has been obtained from the Board of Directors, the requirement for collateral or promissory notes may be waived or replaced with other alternative security measures. V. If , due to changes in circumstances, the borrower no longer complies with the requirements of these Regulations or the loan balance exceeds the limit due to circumstance changes within the Company, an improvement plan shall be formulated, and the relevant improvement plan shall be submitted to the audit committee. VI. Before the Company lends to others; it shall carefully assess whether the loan complies with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereafter "the Regulations") and the provisions of this Operating Procedures. The evaluation results according to Subparagraphs 1-4 shall be submitted to the board of directors for resolution before implementation, which shall not be delegated to others.	good and the purpose of the loan is proper, the manager shall issue a letter of loan approval and submit it to the board of directors for review. IV. Collateral: ~~The borrower shall provide real property or securities of the equivalent value to the Company, sign a guaranteed check with the repayment date as the maturity date, and submit it to the Company as collateral.~~ V. If the loan balance exceeds the limit due to circumstance changes within the Company, an improvement plan shall be formulated, and the relevant improvement plan shall be submitted to the audit committee. VI. Before the Company lends to others; it shall carefully assess whether the loan complies with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereafter "the Regulations") and the provisions of this Operating Procedures. The evaluation results according to Subparagraphs 1-4 shall be submitted to the board of directors for resolution before implementation, which shall not be delegated to others.	
Article 9: Board of Directors Resolution Cases involving loans to others shall be submitted to the Board of Directors for resolution before implementation. Loans between this Company and its subsidiaries or between this Company's subsidiaries shall be submitted to	Article 9: Board of Directors Resolution Cases involving loans to others shall be submitted to the Board of Directors for resolution before implementation. Loans between this Company and its subsidiaries or between this Company's subsidiaries shall be submitted to	Amended in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

After the Revision	Before the Revision	Explanatory Notes
the board of directors for resolution, and the chairman may be authorized to give loans in installments or to make a revolving credit line available for a specific borrowing counterparty to draw down within a period not exceeding one year. The total amount authorized shall not exceed 10% of the Company's net worth.	the board of directors for resolution, and the chairman may be authorized to give loans in installments or to make a revolving credit line available for a specific borrowing counterparty to draw down within a period not exceeding one year. The total amount authorized shall not exceed 10% of the Company's net worth.~~The Company's capital loans to others and related matters shall be to the shareholders' meeting for reference.~~	

Annex5　The Comparison Table for Revision of "Regulations Governing Endorsements and Guarantees"

Kinik Company

Comparison Table for Provisions of the "Regulations Governing Endorsements and Guarantees" Before and After Revision

June 23, 2026

After the Revision	Before the Revision	Explanatory Notes
Article 4: Endorsement Guarantee Subjects I. Companies with business transactions. II. A company in which the Company directly or indirectly holds over 50% of the voting shares. III. A company that directly or indirectly holds over 50% of the voting rights in the Company. The Company may provide an endorsement guarantee to companies in which the Company directly or indirectly holds over 90% of the voting shares, and the amount shall not exceed 10% of the net worth for the public offering company. However, this restriction shall not apply to inter-company endorsement guarantees in which the public issuing company directly or indirectly holds 100% of the voting shares.	Article 4: Endorsement Guarantee Subjects I. Companies with business transactions. II. A company in which the Company directly or indirectly holds over 50% of the voting shares. III. A company that directly or indirectly holds over 50% of the voting rights in the Company. The Company may provide an endorsement guarantee to companies in which the Company directly or indirectly holds over 90% of the voting shares, and the amount shall not exceed 10% of the net worth for the public offering company. However, this restriction shall not apply to inter-company endorsement guarantees in which the public issuing company directly or indirectly holds 100% of the voting shares. ~~The capital contribution mentioned in the preceding paragraph refers to the direct capital contribution of the public~~	Amended in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

After the Revision	Before the Revision	Explanatory Notes
	~~offering company or the capital contribution through a subsidiary that holds 100% of the voting shares.~~	
Article 6: Quota The guarantee quota is set as follows: I. The total amount of the Company's external endorsement and guarantee is limited to 40% of the Company's net worth, and the amount of endorsement and guarantee for a single enterprise shall not exceed 20% of the Company's net worth. II. The total amount of the Company or its subsidiaries' external endorsement and guarantee is limited to 40% of the Company's net worth, and the amount of endorsement and guarantee for a single enterprise shall not exceed 20% of the Company's net worth. III. Where endorsements/guarantees are provided due to business relationships, the Company shall assess the appropriateness of the amount of such endorsements/guarantees in relation to the amount of business transactions. The amount of endorsements/guarantees shall not exceed the lower of (i) the total amount of business transactions between the	Article 6: Quota The guarantee quota is set as follows: I. The total amount of the Company's external endorsement and guarantee is limited to 40% of the Company's net worth, and the amount of endorsement and guarantee for a single enterprise shall not exceed 20% of the Company's net worth. II. The total amount of the Company or its subsidiaries' external endorsement and guarantee is limited to 40% of the Company's net worth, and the amount of endorsement and guarantee for a single enterprise shall not exceed 20% of the Company's net worth. ~~Suppose~~ the ~~subject matter of endorsement~~ is a subsidiary ~~whereby the net value~~ is less than one-half of the paid-in capital. ~~In that case, the Company shall submit a report on the status of the subsidiary during each board of directors meeting.~~ If the subsidiary's stock has no par value or the par value per share is not NT$10, the calculated paid-in capital shall be the sum of the	Amended in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

After the Revision	Before the Revision	Explanatory Notes
Company and the counterparty over the preceding twelve (12) months, or (ii) ten percent (10%) of the Company's net worth as shown in its most recent financial statements. The term "amount of business transactions" as used in the preceding paragraph refers to the higher of the purchase amount or the sales amount between the two parties. Where the subject of an endorsement/guarantee is a subsidiary whose net worth is less than one-half of the paid-in capital,the Finance Department shall track the financial condition of such subsidiary at least on a quarterly basis. In the event of any material changes, the Chairman shall be promptly notified, and, if necessary, the matter shall be reported to the Board of Directors for appropriate handling in accordance with its instructions. If the subsidiary's stock has no par value or the par value per share is not NT$10, the calculated paid-in capital shall be the sum of the share capital plus the issuance premium of the capital reserve.	share capital plus the issuance premium of the capital reserve.	

Annex6 The Comparison Table for Revision of “Assets Acquisition or Disposal Handling Procedure”

Kinik Company

Comparison Table for Provisions of “Assets Acquisition or Disposal Handling Procedure”

June 23, 2026

After the Revision	Before the Revision	Explanatory Notes
III. Assets Acquisition or Disposal Appraisal and Operating Procedure (I) The acquisition or disposal of various assets shall be appraised and approved according to the Company's internal control system. (II) Securities Acquisition or Disposal Procedure 1. Long- and short-term securities investment assets shall be reasonably evaluated according to international accounting standards, and appropriate provision shall be prepared in case of price decline loss. All securities certificates should be registered by the Finance Department and stored in a safe deposit box. 2. If the various equity investments and corporate bond conversions belong to the original subscription or subscribers, the investee company shall obtain securities with the Company as the investor according to the	III. Assets Acquisition or Disposal Appraisal and Operating Procedure (I) The acquisition or disposal of various assets shall be appraised and approved according to the Company's internal control system. (II) Securities Acquisition or Disposal Procedure 1. Long- and short-term securities investment assets shall be reasonably evaluated according to international accounting standards, and appropriate provision shall be prepared in case of price decline loss. All securities certificates should be registered by the Finance Department and stored in a safe deposit box. 2. If the various equity investments and corporate bond conversions belong to the original subscription or subscribers, the investee company shall obtain securities with the Company as the investor according to the	Amended pursuant to Articles 7 and 9 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

After the Revision	Before the Revision	Explanatory Notes
Company Act within thirty days after the invested company has issued the stocks or corporate bonds. If it is necessary to transfer to the acquirer, the transfer procedures shall be processed immediately. (III) Acquisition or Disposal Procedure for Real Property, Equipment, or the Right to Use 1. For the assets acquired or disposed of by this Company; the undertaking unit shall submit the purpose of the transaction, the subject matter, the transaction counterparty, the transfer price, the transaction conditions, the price reference basis, and the matters that must be announced according to this Procedure to the competent and responsible supervisors for determination. 2. If the appraisal for the acquisition of real estate, equipment, or right-of-use assets thereof is within the amount specified in the Company's relevant management measures; the relevant units shall conduct a feasibility appraisal in advance, submit the case to the Finance Department to review the capital expenditure budget, and implement execution and control according to the plan. 3. For the asset disposal appraisal of real estate,	Company Act within thirty days after the invested company has issued the stocks or corporate bonds. If it is necessary to transfer to the acquirer, the transfer procedures shall be processed immediately. (III) Acquisition or Disposal Procedure for Real Property, Equipment, or the Right to Use 1. For the assets acquired or disposed of by this Company; the undertaking unit shall submit the purpose of the transaction, the subject matter, the transaction counterparty, the transfer price, the transaction conditions, the price reference basis, and the matters that must be announced according to this Procedure to the competent and responsible supervisors for determination. 2. If the appraisal for the acquisition of real estate, equipment, or right-of-use assets thereof is within the amount specified in the Company's relevant management measures; the relevant units shall conduct a feasibility appraisal in advance, submit the case to the Finance Department to review the capital expenditure budget, and implement execution and control according to the plan. 3. For the asset disposal appraisal of real estate,	

After the Revision	Before the Revision	Explanatory Notes
equipment, or right-of-use assets thereof, the utilization or management unit shall provide project signature and submit the case to the responsible units for evaluation and approval before implementation. 4. The acquisition or disposal of real property, equipment, or right-of-use assets shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the provisions of this Procedure regarding the obtaining of appraisal reports. Where an appraisal report is required by applicable laws and regulations, the Company shall engage a professional appraiser to issue an appraisal report prior to the occurrence of the event. 5. All of the real estate, equipment, or right-of-use assets thereof shall be insured immediately after acquisition in order to prevent accidental losses. 6. After the assets are acquired, they shall be registered, managed, and utilized according to the relevant asset management regulations of the Company. 7. Where a subsidiary of the Company acquires or disposes of assets, it shall do so in accordance with the procedures	equipment, or right-of-use assets thereof, the utilization or management unit shall provide project signature and submit the case to the responsible units for evaluation and approval before implementation. 4. ~~A professional appraisal agency that is objective, fair, and independent of the real property, equipment, or right-of-use assets thereof shall be consulted for appraisal before the actual acquisition or disposal of the real property, equipment, or right-of-use assets thereof that must be announced and declared according to this Procedure; and an appraisal report shall be issued.~~ 5. All of the real estate, equipment, or right-of-use assets thereof shall be insured immediately after acquisition in order to prevent accidental losses. 6. After the assets are acquired, they shall be registered, managed, and utilized according to the relevant asset management regulations of the Company.	

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adopted by such subsidiary; if no such procedures have been established, it shall follow this Procedure. For any subsidiary that is not a public company, if its acquisition or disposal of assets reaches the thresholds for public announcement and filing as prescribed in this Procedure, it shall promptly notify the Company, and the Company shall handle the public announcement and filing in accordance with applicable regulations.		
IV. Trading Condition Determination Procedure (I) Price Determination Method and Basis of Reference 1. Acquisition or disposal of securities that have been traded on the centralized trading market, the Taipei Exchange (hereafter "TPEx"), open-ended domestic beneficiary certificates, overseas mutual funds, or original subscriptions shall be determined based on the prevailing equity or bond prices. 2. To acquire or dispose of securities that are not traded in the centralized trading market or the TPEx; the net asset value per share, profitability, future development potential, market interest rates, bond coupon rates, and the creditworthiness of the debtor shall be taken into	IV. Trading Condition Determination Procedure (I) Price Determination Method and Basis of Reference 1. Acquisition or disposal of securities that have been traded on the centralized trading market, the Taipei Exchange (hereafter "TPEx"), open-ended domestic beneficiary certificates, overseas mutual funds, or original subscriptions shall be determined based on the prevailing equity or bond prices. 2. To acquire or dispose of securities that are not traded in the centralized trading market or the TPEx; ~~the net value per share, profitability, future development potential, market interest rates, bond coupon rates, and debtors' creditworthiness must be considered; and the opinions of~~	Amended in accordance with Article 10 of the current "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." Under the current regulations, a public company is not necessarily required in all cases to obtain a certified public accountant's opinion on the transaction price when acquiring or disposing of securities that are not traded on a centralized securities exchange market or the Taipei Exchange.

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consideration, and the price shall be determined after obtaining the relevant financial statements and expert opinions in accordance with applicable laws and regulations. 3. The price comparison, price negotiation, or bidding method shall be selected for the acquisition or disposal of real estate, equipment, or right-of-use assets thereof. The present announced value, assessment value, or actual value from nearby real estate transactions shall be referenced. Where an appraisal report is required in accordance with applicable laws and regulations or this Procedure, the appraisal results of a professional appraiser shall be referenced. (II) Authorization Level For acquisition or disposal of long- and short-term securities investment, real estate, equipment, or right-of-use assets thereof in which the transaction amount is less than NT$50 million, the case shall be submitted to the CEO for approval. If the amount exceeds NT$50 million but does not reach NT$100 million, submit the case to the chairman for approval. If the amount exceeds NT$100	~~the certified public accountant (CPA) shall be referenced to determine the price.~~ 3. The price comparison, price negotiation, or bidding method shall be selected for the acquisition or disposal of real estate, equipment, or right-of-use assets thereof. The present announced value, assessment value, or actual value from nearby real estate transactions shall be referenced. ~~If the application standards must be announced according to the requirements of this Procedure, appraisals by professional appraisal agencies must be referenced.~~ (II) Authorization Level For acquisition or disposal of long- and short-term securities investment, real estate, equipment, or right-of-use assets thereof in which the transaction amount is less than NT$50 million, the case shall be submitted to the CEO for approval. If the amount exceeds NT$50 million but does not reach NT$100 million, submit the case to the chairman for approval. If the amount exceeds NT$100 million, submit the case to the board of directors for approval. (III) Major Asset or Derivative Transaction	The wording is therefore revised to follow the requirements of the competent authority's laws and regulations, so as to retain operational flexibility and meet practical needs.

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million, submit the case to the board of directors for approval. (III) Major Asset or Derivative Transaction According to the relevant regulations, major asset or derivative commodity transactions shall be approved by over half of all audit committee members and be submitted to the board of directors for a resolution.	According to the relevant regulations, major asset or derivative commodity transactions shall be approved by over half of all audit committee members and be submitted to the board of directors for a resolution.	
VI. Announcement and Reporting Standards (I) If the Company acquires or disposes of assets under the following circumstances, it shall, within two days from the date of occurrence of the event, report the relevant information in the prescribed format on the information reporting website designated by the competent authority: 1. Acquisition or disposal of real property or right-of-use assets thereof from or to related parties, or acquisition or disposal of assets other than real property or right-of-use assets thereof with related parties where the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT$300 million or more. However, this shall not apply to the trading of domestic government bonds,	VI. Announcement and Reporting Standards (I) If the Company acquires or disposes of assets under the following circumstances, ~~the Company shall follow the prescribed format according to the features of the assets, and report the relevant information on the website designated by the Securities and Futures Bureau within two days from the day of the fact:~~ ~~1. Acquire real estate or right-of-use assets thereof from affiliated parties.~~ ~~2. Engaged in investment in mainland China.~~ ~~3. Implement mergers, divisions, acquisitions, or share transfers.~~ ~~4. Asset transactions other than the preceding 3 items or the disposal of debt by financial institutions whereby the~~	Amended pursuant to Article 31 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

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bonds with repurchase or resale conditions, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Execution of mergers, demergers, acquisitions, or share transfers. 3. Losses from engaging in derivative transactions reaching the maximum limit for total or individual contract losses as specified in the applicable handling procedures. 4. Acquisition or disposal of equipment for business use or right-of-use assets thereof, where the counterparty is not a related party and the transaction amount meets any of the following criteria: (1) Where the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. (2) Where the Company's paid-in capital is NT$10 billion or more but less than NT$50 billion, the transaction amount reaches NT$1 billion or more. (3) Where the Company's paid-in capital is NT$50 billion or more, the transaction amount reaches 5% or more of the Company's paid-in capital.	~~transaction amount is equivalent to 20% of the Company's paid-in capital or NT$300 million or higher. However, the following circumstances shall not apply:~~ ~~(1) Trading of domestic government bonds or foreign government bonds with credit ratings not lower than the sovereign rating of Taiwan.~~ ~~(2) Where done by professional investors, securities trading on domestic and overseas stock exchanges or business premises of securities firms, foreign government bonds, or general corporate bonds and financial bonds not involving equity (excluding subordinate bonds) subscribed and issued in the domestic primary market, or subscribed or repurchased securities investment trust funds or futures trust funds made by professional investors; or subscribed or sold back the exchange traded notes; or the securities subscribed according to the regulations of the TPEx based on the recommendation by a securities firm acting as an ESM company counselor due to underwriting business needs.~~ ~~(3) Bond trades with buy-back or sell-back conditions, or subscribing to or buying back money market funds issued by~~	

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5. Acquisition of real property through commissioned construction on owned land, commissioned construction on leased land, joint construction with allocation of housing units, joint construction with allocation of ownership percentages, or joint construction with separate sale, where the counterparty is not a related party and the expected transaction amount reaches NT$500 million or more. 6. Asset transactions other than those specified in the preceding five subparagraphs, disposal of claims by financial institutions, or investments in mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more. However, this shall not apply to the following circumstances: (1) Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of Taiwan. (2) Trading of bonds with repurchase or resale conditions, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.	~~domestic securities investment trust enterprises.~~ ~~(4) The type of assets acquired or disposed of is machinery and equipment for business use or right-of-use assets thereof, the transaction counterpart is not an affiliated party, and the transaction amount does not meet any **one** of the following requirements:~~ ~~① A public offering company with a paid-in capital of less than NT$10 billion, and the transaction amount exceeds NT$500 million.~~ ~~② A public offering company with a paid-in capital of less than NT$10 billion, and the transaction amount exceeds NT$1 billion.~~ ~~(5) Real estate acquisition via engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale whereby the transaction counterpart is not an affiliated party; and the amount the company expects to invest does not exceed NT$500 million.~~ ~~5. The loss suffered from engaging in derivative~~	

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(II) The transaction amount referred to above shall be calculated as follows: 1. the amount of each single transaction for acquisition or disposal of assets; 2. the cumulative amount of several transactions with the same party for the acquisition or disposal of the same kind of assets within one year; 3. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of real estate or related right-of-use assets under the same development project within one year; 4. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of the same security within one year. (III) Subsidiary Announcement and Declaration Matters 1. The subsidiaries' acquisition or disposal of assets shall also be handled according to the "Acquisition of Asset Appraisal or Analysis Reports" related provisions of this Procedure. 2. If the subsidiary is not a public company and when the assets obtained or disposed of meet the requirements for notification and reporting, the	~~commodity transactions has reached the maximum cap for all or individual contract losses stipulated in the prescribed handling procedures.~~ (II) The transaction amount referred to above shall be calculated as follows: 1. the amount of each single transaction for acquisition or disposal of assets; 2. the cumulative amount of several transactions with the same party for the acquisition or disposal of the same kind of assets within one year; 3. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of real estate or related right-of-use assets under the same development project within one year; 4. the cumulative amount for acquisition or disposal (acquisition and disposal shall be accumulated separately) of the same security within one year. (III) Subsidiary Announcement and Declaration Matters 1. The subsidiaries' acquisition or disposal of assets shall also be handled according to the "Acquisition of Asset Appraisal or Analysis Reports" related provisions of this Procedure.	

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Company shall handle the announcement, reporting, and transcription matters. 3. The so-called “20% of the Company's paid-in capital” or “10% of total assets” in the subsidiary declaration standards shall be based on the Company’s paid-in capital or total assets.	2. If the subsidiary is not a public company and when the assets obtained or disposed of meet the requirements for notification and reporting, the Company shall handle the announcement, reporting, and transcription matters. 3. The so-called “20% of the Company's paid-in capital” or “10% of total assets” in the subsidiary declaration standards shall be based on the Company’s paid-in capital or total assets.	
VII. Announcement and Reporting (I) If the Company and non-public traded subsidiaries have acquired or disposed of assets, and the transaction amount has reached the standard that must be announced and declared according to this procedure, the online announcement and declaration shall be executed within two days after the day of the fact. (II) The date of occurrence of the fact mentioned in the preceding paragraph shall be based on the contract signing date, payment date, entrusted transaction date, transfer date, board of directors resolution date, or other dates of sufficient fund transfer that can determine the transaction subject	VII. Announcement and Reporting (I) If the Company and non-public traded subsidiaries have acquired or disposed of assets, and the transaction amount has reached the standard that must be announced and declared according to this procedure, the online announcement and declaration shall be executed within two days after the day of the fact. (II) The date of occurrence of the fact mentioned in the preceding paragraph shall be based on the contract signing date, payment date, entrusted transaction date, transfer date, board of directors resolution date, or other dates of sufficient fund transfer that can determine the transaction subject	To clarify the determination of the date of occurrence of the event and align the wording with current regulations, the term “overseas investments” is amended to “investments requiring approval from the competent authority.”

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and transaction amount (whichever occurs first). The dates above or the date of receipt of the competent authority's approval letter (whichever occurs first) shall prevail for investors requiring approval from the competent authority. (III) If announcement and declaration must be made according to this handling Procedure, the financial department shall enter the transaction status into the Market Observation Post System for online declaration and announcement. (IV) All items shall be amended and disclosed in full again within two days from the date the Company becomes aware of any error or incompleteness therein. (V) The public offering company shall enter the data specified herein regarding the derivative commodity transactions engaged by the company and its non-domestic public offering subsidiaries until the end of the previous month according to the prescribed format before the 10th day of each month.	and transaction amount (whichever occurs first). The dates above or the competent authority approval letter receiving date (whichever occurs first) shall prevail for ~~overseas investors~~. (III) If announcement and declaration must be made according to this handling Procedure, the financial department shall enter the transaction status into the Market Observation Post System for online declaration and announcement. (IV) All items shall be amended and disclosed in full again within two days from the date the Company becomes aware of any error or incompleteness therein. (V) The public offering company shall enter the data specified herein regarding the derivative commodity transactions engaged by the company and its non-domestic public offering subsidiaries until the end of the previous month according to the prescribed format before the 10th day of each month.	

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VIII. Corporate Mergers, Divisions, Acquisitions, or Share Transfers (I) A CPA, attorney, or securities underwriter shall be appointed to express opinions on the rationality of the conversion ratio, purchase price, or allotment of shareholders' cash or other assets during mergers, divisions, acquisitions, or share transfers. Such cases shall be submitted to the board of directors for discussion and approval before the board of directors' resolution. However, if the Company merges its subsidiaries whereby the company directly or indirectly hold 100% of the issued shares or total capital or a merger occurs between subsidiaries whereby the company directly or indirectly hold 100% of the issued shares or total capital, obtaining reasonable opinions published by the preceding experts may be omitted. (II) When the Company participates in a merger, division, or acquisition; the Company shall combine the contents of the merger, division, or acquisition into a public document and submit the document along with the expert opinions stipulated in Paragraph (I) of this Article to the shareholders before the	VIII. Corporate Mergers, Divisions, Acquisitions, or Share Transfers (I) A CPA, attorney, or securities underwriter shall be appointed to express opinions on the rationality of the conversion ratio, purchase price, or allotment of shareholders' cash or other assets during mergers, divisions, acquisitions, or share transfers. Such cases shall be submitted to the board of directors for discussion and approval before the board of directors' resolution. However, if the ~~public offering company~~ merges its subsidiaries whereby the company directly or indirectly hold 100% of the issued shares or total capital or a merger occurs between subsidiaries whereby the company directly or indirectly hold 100% of the issued shares or total capital, obtaining reasonable opinions published by the preceding experts may be omitted. (II) When the Company participates in a merger, division, or acquisition; the Company shall combine the contents of the merger, division, or acquisition into a public document and submit the document along with the expert opinions stipulated in Paragraph (I) of this Article to the	Amended pursuant to Article 8 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

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shareholders meeting to serve as a reference on whether to approve the merger, division, or acquisition case. However, this does not apply to those exempted from holding a shareholder meeting to resolve mergers, divisions, or acquisitions pursuant to other laws or regulations. (III) For companies participating in mergers, divisions, or acquisitions; if either parties' shareholders meeting cannot be convened or pass a resolution due to insufficient attendees, lack of voting rights, or other legal restrictions, or the proposal was vetoed by the shareholders meeting; the companies participating in the merger, division, or acquisition shall immediately explain the cause, follow-up processing operations, and the anticipated shareholders meeting date to the public. (IV) Unless otherwise stipulated by the laws or the special factors have been approved by the Securities and Futures Institute in advance, the companies participating in mergers, divisions, or acquisitions shall convene the board of directors and shareholders meeting on the same day to resolve the merger, division, or acquisition-related matters.	shareholders before the shareholders meeting to serve as a reference on whether to approve the merger, division, or acquisition case. However, this does not apply to those exempted from holding a shareholder meeting to resolve mergers, divisions, or acquisitions pursuant to other laws or regulations. (III) For companies participating in mergers, divisions, or acquisitions; if either parties' shareholders meeting cannot be convened or pass a resolution due to insufficient attendees, lack of voting rights, or other legal restrictions, or the proposal was vetoed by the shareholders meeting; the companies participating in the merger, division, or acquisition shall immediately explain the cause, follow-up processing operations, and the anticipated shareholders meeting date to the public. (IV) Unless otherwise stipulated by the laws or the special factors have been approved by the Securities and Futures Institute in advance, the companies participating in mergers, divisions, or acquisitions shall convene the board of directors and shareholders meeting on the same day to resolve the merger,	

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(V) Unless otherwise stipulated by the laws or the special factors have been approved by the Securities and Futures Institute in advance, the companies participating in share transfer shall convene the board of directors meeting on the same day. (VI) A company listed on a stock exchange or whose shares are traded on a securities firm's business premises that participates in a merger, demerger, acquisition, or share transfer shall prepare complete written records of the following information and retain them for five (5) years for inspection: 1. Basic information of personnel: Including the title, name, and national identification number (or passport number for foreign nationals) of all persons involved in the planning or implementation of the merger, demerger, acquisition, or share transfer prior to the disclosure of the information. 2. Dates of material events: Including the dates of signing letters of intent or memoranda of understanding, engaging financial or legal advisors, executing contracts, and convening board of directors meetings.	division, or acquisition-related matters. (V) Unless otherwise stipulated by the laws or the special factors have been approved by the Securities and Futures Institute in advance, the companies participating in share transfer shall convene the board of directors meeting on the same day. (VI) Anyone who participates in or is aware of the company's merger, division, acquisition, or share transfer plan shall sign a written confidentiality commitment agreement to refrain from disclosing the contents of the plan before the information becomes public or buy or sell the stocks or other securities of equity in nature involving all companies related to the merger, division, acquisition, or share transfer in person or under the name of others. (VII) Unless under any of the circumstances listed below, share swap ratio or purchase price in a merger, division, acquisition, or share transfer case shall not be arbitrarily changed; and any such changes shall be stipulated in the merger, division, acquisition, or share transfer contract: 1. Handling cash capital increase, issuance and conversion	

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3. Important documents and minutes: Including documents such as merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda of understanding, material contracts, and minutes of board of directors meetings. (VII) A company listed on a stock exchange or whose shares are traded on a securities firm's business premises that participates in a merger, demerger, acquisition, or share transfer shall, within two (2) days from the date of the board of directors' resolution, report the information specified in Subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation via the Internet-based information reporting system in the prescribed format. (VIII) Anyone who participates in or is aware of the company's merger, division, acquisition, or share transfer plan shall sign a written confidentiality commitment agreement to refrain from disclosing the contents of the plan before the information becomes public or buy or sell the stocks or other securities of equity in nature involving all companies related to the merger,	of corporate bonds, free allotment, and issuance of corporate bonds with warrants, special stocks with warrants, as well as warrants and other securities of equity in nature. 2. Actions that can affect the Company's financial business, such as disposition of the company's major assets. 3. The occurrence of major disasters, major technological changes, and other events that can affect the rights and interests of the company's shareholders or the prices of its securities. 4. Any party participating in a merger, division, acquisition, or share transfer shall buy back treasury shares according to the law. 5. Changes in the number of entities or companies participating in mergers, divisions, acquisitions, or share transfers. 6. Other conditions that can be changed as stipulated in the contract and disclosed to the public. (VIII) The merger, division, acquisition, or share transfer contract shall stipulate the rights and obligations of the company participating in the merger, division, acquisition, or share	

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division, acquisition, or share transfer in person or under the name of others. (IX) Unless under any of the circumstances listed below, share swap ratio or purchase price in a merger, division, acquisition, or share transfer case shall not be arbitrarily changed; and any such changes shall be stipulated in the merger, division, acquisition, or share transfer contract: 1. Handling cash capital increase, issuance and conversion of corporate bonds, free allotment, and issuance of corporate bonds with warrants, special stocks with warrants, as well as warrants and other securities of equity in nature. 2. Actions that can affect the Company's financial business, such as disposition of the company's major assets. 3. The occurrence of major disasters, major technological changes, and other events that can affect the rights and interests of the company's shareholders or the prices of its securities. 4. Any party participating in a merger, division, acquisition, or share transfer shall buy back treasury shares according to the law. 5. Changes in the number of entities or companies	transfer and specify the following: 1. Breach of contract handling. 2. Handling principle for the equity securities issued or the treasury stocks repurchased by the Company divided or eliminated due to the merger. 3. The number of treasury stocks that can be bought back according to the law and the handling principles for the participating companies after the conversion ratio calculation base date. 4. Handling method for increasing or decreasing the number of participating entities or companies. 5. Anticipated plan implementation progress and completion schedule. 6. The relevant handling procedures, such as the scheduled date for the shareholder meeting to be held according to the law when the plan is not completed within the planned deadline. (IX) After any parties of the companies participating in a merger, division, acquisition, or share transfer has disclosed the information to the public intend to merge, divide, acquire or transfer shares with other companies; all procedures or legal actions that were completed	

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participating in mergers, divisions, acquisitions, or share transfers. 6. Other conditions that can be changed as stipulated in the contract and disclosed to the public. (X) The merger, division, acquisition, or share transfer contract shall stipulate the rights and obligations of the company participating in the merger, division, acquisition, or share transfer and specify the following: 1. Breach of contract handling. 2. Handling principle for the equity securities issued or the treasury stocks repurchased by the Company divided or eliminated due to the merger. 3. The number of treasury stocks that can be bought back according to the law and the handling principles for the participating companies after the conversion ratio calculation base date. 4. Handling method for increasing or decreasing the number of participating entities or companies. 5. Anticipated plan implementation progress and completion schedule. 6. The relevant handling procedures, such as the scheduled	shall be reimplemented again by all participating companies unless the number of participating companies has decreased, the shareholders meeting has resolved and authorized the board of directors to change the authority, and the participating companies are exempted from holding the shareholders meeting again. (X) If the company participating in the merger, division, acquisition, or share transfer is not a public offering company; the ~~public~~ company shall sign an agreement with the non-public company and handle the matters according to Subparagraphs (IV), ~~(V),~~ and ~~(IX)~~.	

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date for the shareholder meeting to be held according to the law when the plan is not completed within the planned deadline. (XI) After any parties of the companies participating in a merger, division, acquisition, or share transfer has disclosed the information to the public intend to merge, divide, acquire or transfer shares with other companies; all procedures or legal actions that were completed shall be reimplemented again by all participating companies unless the number of participating companies has decreased, the shareholders meeting has resolved and authorized the board of directors to change the authority, and the participating companies are exempted from holding the shareholders meeting again. (XII)If the company participating in the merger, division, acquisition, or share transfer is not a public offering company; the Company shall sign an agreement with the non-public company and handle the matters according to Subparagraphs (IV), through (VIII), and Subparagraph (XI).		

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IX. Handling Procedures for the Company to Engage in Derivative Commodity Transactions The types of derivative commodity transactions that the company can engage in are divided into 2 categories: "investment" (for trading purposes) and "hedging" (for non-trading purposes). The former refers to the purpose of holding or issuing derivative products to earn transaction spreads while bearing risks, and the latter refers to the reduction of risks for existing assets, liabilities, irrevocable commitments, anticipated business operations, or financial transactions through derivative commodity transactions. The Company's derivative commodity transaction engagement strategy is to strengthen the company's assets and liabilities management while improving the capital use and risk hedging efficiency. (I). The Company's derivatives trading quota and upper cap for loss are as follows: 1. Hedging transactions: (1) The total amount of hedging derivative commodity transaction contracts shall not exceed the amount the board of directors authorized.	IX. Handling Procedures for the Company to Engage in Derivative Commodity Transactions The types of derivative commodity transactions that the company can engage in are divided into 2 categories: "investment" (for trading purposes) and "hedging" (for non-trading purposes). The former refers to the purpose of holding or issuing derivative products to earn transaction spreads while bearing risks, and the latter refers to the reduction of risks for existing assets, liabilities, irrevocable commitments, anticipated business operations, or financial transactions through derivative commodity transactions. The Company's derivative commodity transaction engagement strategy is to strengthen the company's assets and liabilities management while improving the capital use and risk hedging efficiency. The Company's derivatives trading quota and upper cap for loss are as follows: ~~(I).~~ Hedging transactions: ~~1~~ The total amount of hedging derivative commodity transaction contracts shall not exceed the amount the board of directors authorized.	Amended pursuant to Article 22 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

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(2) The upper limit of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. (3) The upper cap of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. 2. Investment transactions: (1) The total contract value for investment derivative commodity transactions shall not exceed 15% of the total assets. (2) The upper limit of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. (3) The upper cap of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. (II). The division of powers and responsibilities for the Company's derivatives transactions is as follows: 1. When the Company is engaged in derivative product transactions, the CFO shall submit the type of the product, the amount of the transaction, the purpose and strategy of the transaction, the maximum amount of loss, etc., to the board of directors for approval. (III). When the company engages in derivative product transactions, the CFO's powers and	~~2.~~ The upper limit of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. ~~3.~~ The upper cap of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. ~~(II).~~ Investment transactions: ~~1.~~The total contract value for investment derivative commodity transactions shall not exceed 15% of the total assets. ~~2.~~ The upper limit of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. ~~3.~~ The upper cap of all contract losses in the same fiscal year shall be limited to 20% of the total contract amount. The division of powers and responsibilities for the Company's derivatives transactions is as follows: ~~(I).~~ When the Company is engaged in derivative product transactions, the CFO shall submit the type of the product, the amount of the transaction, the purpose and strategy of the transaction, the maximum amount of loss, etc., to the board of directors for approval. ~~(II).~~ When the company engages in derivative product transactions, the CFO's powers and	

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responsibilities shall be as follows: 1. Control the quota authorized set by the board of directors. 2. Transaction confirmation. 3. Decision for the appointment and removal of trading personnel. (IV) When the company engages in derivative product transactions, the rights and responsibilities of the traders are as follows: 1. Grasp market information and collect trading products, market risk characteristics, and credit status of possible counterparties to serve as a reference for transaction feasibility assessment. 2. Formulate trading strategies and negotiate trading conditions directly with counterparties. 3. Formulate transaction reports. (V) When the company engages in derivative product transactions, the rights and responsibilities of the delivery personnel are as follows: 1. Handling of account opening operations. 2. Provide various transaction receipts and vouchers immediately. 3. Handle delivery and settlement operations. (VI) When the Company engages in derivative commodity	responsibilities shall be as follows: 1. Control the quota authorized set by the board of directors. 2. Transaction confirmation. 3. Decision for the appointment and removal of trading personnel. ~~(III).~~ When the company engages in derivative product transactions, the rights and responsibilities of the traders are as follows: 1. Grasp market information and collect trading products, market risk characteristics, and credit status of possible counterparties to serve as a reference for transaction feasibility assessment. 2. Formulate trading strategies and negotiate trading conditions directly with counterparties. 3. Formulate transaction reports. ~~(IV).~~ When the company engages in derivative product transactions, the rights and responsibilities of the delivery personnel are as follows: 1. Handling of account opening operations. 2. Provide various transaction receipts and vouchers immediately. 3. Handle delivery and settlement operations.	

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transactions, the accounting personnel shall recognize the account based on the transaction documents and vouchers provided by the delivery personnel. (VII)A company engaging in derivative commodity transactions shall adopt the following risk management measures: 1. Scope of Risk Management (1). Credit risk: In principle, transaction counterparts shall be limited to banks that have had dealings with the company or an internationally renowned financial institution that can provide professional information. (2). Market risk: The Company shall control the market change risks caused by interest or exchange rate changes or other derivative commodity transaction factors at all times. (3). Liquidity risk: The Company must consider whether the derivative products it is engaged in are general and universal in the market to prevent insufficient liquidity. (4) Cash flow: Pay attention to the Company's cash flow at all times to ensure delivery operations can be completed smoothly when all transactions mature.	~~(V).~~ When the Company engages in derivative commodity transactions, the ~~CPA~~ shall recognize the account based on the transaction documents and vouchers provided by the delivery personnel. A company engaging in derivative commodity transactions shall adopt the following risk management measures: ~~(I).~~ Scope of Risk Management ~~1.~~ Credit risk: In principle, transaction counterparts shall be limited to banks that have had dealings with the company or an internationally renowned financial institution that can provide professional information. ~~2.~~ Market risk: The Company shall control the market change risks caused by interest or exchange rate changes or other derivative commodity transaction factors at all times. ~~3.~~ Liquidity risk: The Company must consider whether the derivative products it is engaged in are general and universal in the market to prevent insufficient liquidity. ~~4.~~ Cash flow: Pay attention to the Company's cash flow at all times to ensure delivery operations can be completed	

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(5) Operational risks: The authorized quota and operation procedures must be strictly followed. The transaction personnel shall have complete and correct professional knowledge for derivative commodity transactions in order to prevent operational risks. (6) Legal risk: The contracts, commitment letters, agreements, and other documents signed by the Company and the counterparties must be reviewed by internal legal personnel or external legal advisers before they can be officially signed. 2. The Company does engage in derivative commodity transactions, and its transaction, confirmation, and delivery personnel shall be respectively responsible by different personnel in the financial department who shall not share responsibility for each other. 3. When engaging in derivative commodity transactions, the risk measurement, supervision, and control personnel shall belong to different departments from the personnel mentioned in the preceding paragraph, and they shall report to the board of directors or high-level executives who are not responsible for the	smoothly when all transactions mature. ~~5.~~ Operational risks: The authorized quota and operation procedures must be strictly followed. The transaction personnel shall have complete and correct professional knowledge for derivative commodity transactions in order to prevent operational risks. ~~6.~~ Legal risk: The contracts, commitment letters, agreements, and other documents signed by the Company and the counterparties must be reviewed by internal legal personnel or external legal advisers before they can be officially signed. ~~(II).~~ The Company does engage in derivative commodity transactions, and its transaction, confirmation, and delivery personnel shall be respectively responsible by different personnel in the financial department who shall not share responsibility for each other. ~~(III).~~ When engaging in derivative commodity transactions, the risk measurement, supervision, and control personnel shall belong to different departments from the personnel mentioned in the preceding paragraph, and they shall report to the board of	

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transaction or position-related decision-making. (VIII)Regular assessment methods and abnormal situation handling: 1. The positions held by the derivative commodity exchanges shall be evaluated at least once a week, but hedge transactions processed due to business needs must be evaluated at least twice a month. The evaluation report shall be submitted to the senior executives authorized by the board of directors. If the loss exceeds the upper limit, the CFO shall report to the latest board of directors to explain the countermeasures. 2. When the company is engaged in derivative commodity transactions, the board of directors shall provide supervision and management according to the following principles: (1) The designated high-level executives shall always pay attention to the supervision and control of derivative commodity transaction risks. (2) Regularly assess whether the performances of the derivative commodity transactions satisfy the established business strategy and if the risks assumed are	directors or high-level executives who are not responsible for the transaction or position-related decision-making. Regular assessment methods and abnormal situation handling: ~~(I).~~ The positions held by the derivative commodity exchanges shall be evaluated at least once a week, but hedge transactions processed due to business needs must be evaluated at least twice a month. The evaluation report shall be submitted to the senior executives authorized by the board of directors. If the loss exceeds the upper limit, the CFO shall report to the latest board of directors to explain the countermeasures. ~~(II).~~ When the company is engaged in derivative commodity transactions, the board of directors shall provide supervision and management according to the following principles: ~~1.~~ The designated high-level executives shall always pay attention to the supervision and control of derivative commodity transaction risks. ~~2.~~ Regularly assess whether the performances of the derivative commodity transactions satisfy the established business strategy and if the risks assumed are	

After the Revision	Before the Revision	Explanatory Notes
within the company's acceptable range. 3. The senior executives authorized by the board of directors shall manage derivative commodity transactions according to the following principles: (1) Regularly assess whether the currently used risk management measures are appropriate and ensure compliance with the provisions provided in this handling procedure. (2) Supervise the transaction and profit or loss status. If any anomaly is found, take the necessary corresponding measures and report immediately to the board of directors. The board of directors shall have the independent directors present to express their opinions. When the Company engages in derivative commodity transactions, it shall establish a reference for the types and amounts of derivative commodity transactions involved in, the date of approval by the board of directors, matters that must be carefully evaluated according to Subparagraphs 1 and 2, and Item 1 of Subparagraph 3, of Paragraph 8 in this Article.	within the company's acceptable range. ~~(III).~~ The senior executives authorized by the board of directors shall manage derivative commodity transactions according to the following principles: ~~1.~~ Regularly assess whether the currently used risk management measures are appropriate and ensure compliance with the provisions provided in this handling procedure. ~~2.~~ Supervise the transaction and profit or loss status. If any anomaly is found, take the necessary corresponding measures and report immediately to the board of directors. The board of directors shall have the independent directors present to express their opinions. When the Company engages in derivative commodity transactions, it shall establish a reference for the types and amounts of derivative commodity transactions involved in, the date of approval by the board of directors, matters that must be carefully evaluated according to Subparagraph 1 ~~of Paragraph 6, Item 2 of Subparagraph 2, and Item 1 of Subparagraph 3~~ in this Article.	

After the Revision	Before the Revision	Explanatory Notes
X. Acquisition of Asset Appraisal or Analysis Reports (I) For acquisition or disposal of real property, equipment, or right-of-use assets thereof, except where the assets are acquired from domestic government agencies, where the Company commissions others to build on its own land, commissions others to build on leased land, or acquires or disposes of equipment for business use or right-of-use assets thereof, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more,~~-~~the Company shall obtain an appraisal report issued by a professional appraiser prior to the date of occurrence of the event and handle the matters according to the following provisions: 1. If, due to special reasons,a limited, specific, or special price is used as the reference basis for the transaction price ,the transaction shall first be submitted to the board of directors for approval. The same shall apply to subsequent changes in trading conditions. 2. Unless the appraisal results indicated that the assets acquired are all higher than the transaction amount or the results indicated that the assets disposed of are all	X. Acquisition of Asset Appraisal or Analysis Reports ~~(I) The acquisition or disposal of real property, equipment, or right-of-use assets thereof in compliance with the requirements of this Procedure shall be announced and declared unless the acquisition, engaging others to build on the Company's land, or acquisition or disposal of business-use machinery, equipment, or right-of-use assets thereof were from domestic government agencies.~~ The Company shall ~~retain an objective, fair, and independent professional appraisal agency to issue an appraisal report before the fact (the report format and record items must comply with the FSC regulations)~~ and handle the matters according to the following provisions: 1. ~~The appraisal price type shall be based on the normal price principle. In case of a limited, specific, or special price, specify whether the case conforms to provisions provided by Articles 10 or 11 of the Regulations on Land Appraisal. Suppose~~ a limited, specific, or special price is used as the ~~referential basis~~ for the transaction price ~~due to special reasons. In that case~~, the transaction shall first be	Amended pursuant to Articles 5, 9, 10, and 13 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

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lower than the transaction amount, if the discrepancy between the appraisal results and the transaction amount reaches 20% or more of the transaction amount, the CPA shall be retained to express specific opinions on the cause of discrepancy as well as the transaction price fairness. The discrepancy between the appraisal results and the transaction price shall be calculated based on the transaction price. 3. If the transaction amount reaches NT$1 billion or more, two or more professional appraisers shall be retained for appraisal. Suppose the difference between the appraisal results from 2 or more professional appraisers reaches 10% or more of the transaction amount. In that case, a CPA shall be retained to express an opinion on the fairness of the transaction price. 4. The report issuance date and the contract establishment date shall not exceed three months. However, if the current value announcement for the same period is applicable and is less than six months old, the original professional appraiser may issue an opinion to supplement and correct the report.	submitted to the board of directors for approval, ~~the audit committee shall be notified, and the matter shall be submitted to the next shareholder meeting report~~. The same shall apply to subsequent changes in trading conditions. ~~The appraisal report shall evaluate the normal, limited, specific, and special prices, respectively; list the limited or specific conditions one by one, determine whether the conditions are currently met, and specify the reason and rationality for the difference from the normal price; and indicate whether the limited, specific, or special price is sufficient to serve as a reference for buying and selling prices.~~ 2. Unless the appraisal results indicated that the assets acquired are all higher than the transaction amount or the results indicated that the assets disposed of are all lower than the transaction amount, ~~require~~ the CPA to express specific opinions on the cause of discrepancy as well as the transaction price ~~adequacy~~. The ~~so-called difference between the evaluation result and the transaction price is based on the transaction price.~~ 3. If the transaction amount ~~exceeds~~ NT$1 billion, ~~retain 2 or more professional appraisal~~	

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5. When professional appraisers and their appraisal personnel, certified public accountants, attorneys, and securities underwriters issue an appraisal report or opinion, they shall comply with the self-regulatory rules of their respective associations. (II) For acquisition or disposal of securities investments, the Company shall, prior to the date of occurrence of the event, obtain the target company's most recent financial statements audited or reviewed by a certified public accountant as a reference for evaluating the transaction price. In addition, where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall, prior to the date of occurrence of the event, engage a certified public accountant to express an opinion on the reasonableness of the transaction price. However, this requirement shall not apply where the securities have publicly quoted prices in an active market or where the Financial Supervisory Commission provides otherwise. (III) Where assets are acquired or disposed of through court auction procedures, the certification	~~agencies for appraisal~~. Suppose the difference between the appraisal results from 2 or more ~~appraisal agencies exceeds~~ 10% of the transaction amount. In that case, a CPA shall be retained to express ~~specific opinions on the cause of discrepancy and the transaction price adequacy~~. 4. The report issuance date and the contract establishment date shall not exceed three months ~~for appraisal before the contract establishment.~~ However, if the current value announcement for the same period is applicable and is less than six months old, the original ~~appraisal agency must issue a supplement correction opinion.~~ ~~5. Unless adopting the limited, specific, or special price as the reference basis for transaction prices, if there are good grounds for failing to obtain the appraisal report or CPA's opinion according to Items 1 & 2 above, such report shall be obtained within 2 weeks after the fact and the original transaction amount announcement, and the appraisal results shall be supplemented and corrected. If there are conditions specified in Items 1 & 2, the reason for the difference and the CPA's opinions must be announced.~~	

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documents issued by the court may be used in place of the appraisal report or the opinion of a certified public accountant.	~~6. If an appraisal agency issues a "Time Value Appraisal Report" to replace the appraisal report, the recorded content must comply with the preceding provisions regarding the items recorded in the appraisal report. The so-called "professional appraisal agency" refers to an agency whereby its articles of association or business registration certificate has specified real estate or equipment that appraisal as its business item, and the appraisal agency and its appraisers have no related party or substantive related party to the Company as specified by the Statement of Financial Accounting Standards (SFAS) No.6.~~ ~~7. Those who obtain or dispose of assets via court auction procedure may substitute the appraisal report or the CPA's opinion with the certification document issued by the court.~~ 8. When professional appraisers and their ~~officers~~, certified public ~~accounts~~, attorneys, and securities underwriters ~~issuing~~ an appraisal report or opinion, they shall comply with the self-regulatory rules of their respective associations. (II) ~~Acquisition or Disposal of Security Investment~~	

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	~~1. Unless for the following circumstances, the target company's most recent financial statements that have been verified by a CPA or reviewed according to regulations must be obtained before the fact, and a CPA shall issue an opinion on the difference between the net value per share shown in said financial statements and the transaction price. Suppose the difference between the net value per share and the transaction price exceeds 20%. In that case, the CPA must still express specific opinions on the cause of discrepancy and the transaction price adequacy. The difference between the net value per share of the target company and the transaction price shall be based on the transaction price.~~ (~~1) Securities trading in a centralized trading market or the TPEx.~~ ~~(2) Trading of open-ended domestic beneficiary certificates or overseas mutual funds.~~ ~~(3) Original subscription (including establish subscription and cash capital increase subscription).~~ ~~(4) Obtaining or disposing of the target company's securities for public sale to comply with the pre-listing (OTC) equity diversification.~~	

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	~~(5) Bond trading.~~ ~~2. Those who obtain or dispose of assets via court auction procedure may substitute the CPA's opinion with the certification document issued by the court.~~	
XII. Other Matters (I) Where the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT$300 million or more, except for trading of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall submit the following information to the audit committee for approval	XII. Other Matters (I) ~~If this Company acquires real estate or right-of-use assets thereof from an affiliate, the matters shall be handled according to the provisions provided in the Affiliate Transaction Section of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" in addition to the contract provisions. The transaction status shall be entered into the Market Observation Post System for online declaration and announcement. The Company shall also compile the anticipated cash income and expenditure forecast table for each month in the coming year starting from the contract month, evaluate the necessity and the fund utilization rationale, and submit the case to the board of directors for approval as well as the audit committee for recognition before implementation.~~	Amended pursuant to Article 15 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

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and to the board of directors for resolution before entering into the transaction contract and making any payment: 1. The purpose, necessity, and expected benefits of the acquisition or disposal of assets. 2. The reason for selecting the related party as the transaction counterparty. 3. For acquisition of real property or right-of-use assets thereof from a related party, relevant information on the evaluation of the reasonableness of the proposed transaction terms in accordance with the relevant regulations of the competent authority. 4. The original acquisition date and price by the related party, the transaction counterparty, and the relationship between the transaction counterparty and the Company and the related party. 5. A cash income and expenditure forecast table for each month in the	~~(II) The relevant personnel who violate the provisions of this handling Procedure shall be punished according to the Company's personnel management provisions.~~	

After the Revision	Before the Revision	Explanatory Notes
coming year starting from the month in which the contract is expected to be signed, together with an evaluation of the necessity of the transaction and the reasonableness of the fund utilization. 6. The appraisal report issued by a professional appraiser or the opinion of a certified public accountant obtained in accordance with the preceding Article. 7. The restrictions and other important stipulations of the transaction. (II) Where the Company, or a subsidiary that is not a domestic public company, engages in a transaction referred to in Paragraph I, and the transaction amount reaches 10% or more of the total assets of the public company, the public company shall submit all information listed in the subparagraphs of Paragraph I to the shareholders' meeting for approval before entering into the transaction contract and making any payment. However, this restriction shall not apply		

After the Revision	Before the Revision	Explanatory Notes
to transactions between the Company and its subsidiaries, or among its subsidiaries.		
XIII. Relevant personnel who violate the provisions of this Procedure shall be punished in accordance with the Company's personnel management regulations.	(Added)	Amended pursuant to Article 7 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
~~XIII.~~ XIV. This Procedure ~~processing procedure~~ must be approved by the audit committee, resolved by the board of directors, and then submitted to the shareholders' meeting for approval before implementation. The same shall apply to its revisions. If the Company has established independent directors, ~~the opinions of the independent directors shall be fully considered~~ the Procedures for Acquisition or Disposal of Assets are submitted to the board of directors for discussion~~when an asset acquisition or disposal handling procedure is submitted to the board of directors for discussion~~ under the preceding Paragraph, the opinions of all independent directors shall be fully considered	~~XIII.~~ This ~~processing procedure~~ must be approved by the audit committee, resolved by the board of directors, and then submitted to the shareholders' meeting for approval before implementation. The same shall apply to its revisions. If the Company has established independent directors, ~~the opinions of the independent directors shall be fully considered when an asset acquisition or disposal handling procedure is submitted to the board of directors for discussion~~ under the preceding Paragraph, and the opinions ~~or the reasons of their agreement or disapproval~~ shall be recorded in the meeting minutes.	Amended pursuant to Article 8 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

After the Revision	Before the Revision	Explanatory Notes
and the opinions ~~or the reasons of their agreement or disapproval~~ expressing reservations or objections and the reasons therefor shall be recorded in the meeting minutes.		

Annex7 The Comparison Table for Revision of "Rules of Procedure for Shareholders Meeting"

Kinik Company

Comparison Table for Provisions of

"Rules of Procedure for Shareholders Meeting"

June 23, 2026

After the Revision	Before the Revision	Explanatory Notes
Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders meeting notice. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors, as well as the shareholders meeting agenda and supplemental meeting materials, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders meeting or fifteen days before the date of an extraordinary	Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders meeting notice. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of Directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an ordinary shareholders meeting or fifteen days before the date of an extraordinary shareholders meeting. ~~The Company shall prepare electronic~~	Amended in accordance with Paragraph 4 of Article 6 of the "Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies," expanding the scope of companies required to disclose the shareholders' meeting agenda handbook and related information 30 days before the annual general shareholders' meeting to all TWSE- and TPEx-listed companies.

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shareholders meeting. In addition, 15 days prior to the shareholders meeting date, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated. The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting: I. For physical shareholders meetings, to be distributed on-site at the meeting. II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the	~~versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the Market Observation Post System 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made 30 days before the regular shareholders meeting.~~ In addition, 15 days prior to the shareholders meeting date, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated. The Company shall make the meeting agenda and supplemental	

After the Revision	Before the Revision	Explanatory Notes
meeting notice may be given in electronic form. Matters pertaining to election or discharge of Directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185, Article 26-1 and 43-6 of the Securities and Exchange Act, and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation. Such website shall be indicated in the above notice. Where re-election of all Directors and as well as their inauguration date is stated in the notice of the	meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting: I. For physical shareholders meetings, to be distributed on-site at the meeting. II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Matters pertaining to election or discharge of Directors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by Directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185,	

After the Revision	Before the Revision	Explanatory Notes
reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding 1% or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a ordinary shareholders' meeting. However, the number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. Nevertheless, since shareholders’ proposals are recommendations made to promote the Company to improve the public interest or fulfill corporate social responsibility, the Board of Directors may still list such proposals for meeting discussion. In addition, when the circumstances described in Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. The Company shall publicly announce its acceptance of shareholder proposals in writing or electronically and the location	Article 26-1 and 43-6 of the Securities and Exchange Act, and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation. Such website shall be indicated in the above notice. Where re-election of all Directors and as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding 1% or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a ordinary shareholders' meeting. However, the number of items so proposed is limited to one only, and no proposal containing more than	

After the Revision	Before the Revision	Explanatory Notes
and time period for their submission before the book closure date prior to the convention of the general shareholders’ meeting; the period for submission of shareholder proposals may not be less than ten days. Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such a proposal is not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the ordinary shareholders' meeting and discuss the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to this article's provisions. At the shareholders meeting, the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.	one item will be included in the meeting agenda. Nevertheless, since shareholders’ proposals are recommendations made to promote the Company to improve the public interest or fulfill corporate social responsibility, the Board of Directors may still list such proposals for meeting discussion. In addition, when the circumstances described in Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. The Company shall publicly announce its acceptance of shareholder proposals in writing or electronically and the location and time period for their submission before the book closure date prior to the convention of the general shareholders’ meeting; the period for submission of shareholder proposals may not be less than ten days. Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such a proposal is not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the ordinary	

After the Revision	Before the Revision	Explanatory Notes
	shareholders' meeting and discuss the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to this article's provisions. At the shareholders meeting, the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.	
Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act. When the Company holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed	Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act. When the Company holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed	1.For proposals involving contested elections of directors, dismissal of directors, or major mergers and acquisitions, provisions are added to recommend the appointment of professionals such as attorneys, certified public accountants, or notaries to serve as vote supervisors, so as to enhance fairness and impartiality. 2.With reference to international standards, independence requirements for vote

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to have attended the shareholder's meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before	to have attended the shareholder's meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before	supervisors are added, specifying that any person serving as a vote supervisor shall not participate in voting-related operations and shall not be a related party of the Company or its affiliated enterprises. 3.It is expressly provided that vote supervisors shall sign the vote tally sheet to evidence their responsibility, and that the name and title of any professional vote supervisor shall be recorded in the meeting minutes, so as to enhance transparency.

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the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Unless provided in the Company Act and the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. In addition, on the same day after the conclusion of the shareholders meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS).	the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Unless provided in the Company Act and the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. In addition, on the same day after the conclusion of the shareholders meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS).	

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When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal and the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall have the identity of shareholders of the Company. Where a shareholders meeting includes a proposal for the election of directors and the number of candidates exceeds the number of seats to be elected, a proposal for the dismissal of directors, or a proposal under Article 185 or Article 316 of the Company Act, Article 18, Article 27, Article 29, or Article 35 of the Business Mergers and Acquisitions Act, or Subparagraph 1, Paragraph 2, Article 24 or Subparagraph 1, Paragraph 2, Article 26 of the Financial Holding Company Act, it is advisable that the chair appoint an attorney, certified public accountant, or notary	When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal and the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall have the identity of shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the shareholders' meeting. Immediately after vote counting has been completed, the voting results, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. When the Company convenes a virtual shareholders meeting, after the chairman declares the meeting begin, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairman	

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public to serve as the vote monitor. The person appointed by the chair under the preceding paragraph shall not be a person responsible for voting-related operations, nor shall such person be a director, managerial officer, or employee of the Company or its affiliated enterprises. The vote monitor shall supervise the voting and vote-counting process and sign the election results tally sheet. If a vote monitor is appointed pursuant to the preceding paragraph, the name and title of the vote monitor shall be recorded in the shareholders meeting minutes. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the shareholders' meeting. Immediately after vote counting has been completed, the voting results, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. When the Company convenes a virtual shareholders meeting, after the chairman declares the meeting begin, shareholders	announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chairman announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online. Except for other business and special motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting	

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attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairman announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chairman announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online. Except for other business and special motions, they will not	rights on amendments to the original proposal.	

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exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.		

Annex8 Status of Concurrent Positions Held by Director Candidates

Candidate Name	Concurrent Company Name	Position
Kinmean Company LTD. Corporate Representative - Po-Chuan Lin	Kinki Investment Ltd. Co.	Chairman
	Hongia Industry Co.,LTD.	Chairman
	Kinli Real Estate Management and Development Company	Chairman
	KINIK-THAI CO.,LTD	Director
	Max Kinik Seimitsu Co., Ltd.	Director
	Max Kinik Grinding Technology Co., Ltd.	Chairman
Kinchuan Investment Co., Ltd. Corporate Representative - Wen-Liang Pai	Kinchuan Investment Co., Ltd.	Chairman
	Kinan Investment Co., Ltd.	Chairman
Kinmean Company LTD. Corporate Representative - Jung-Che Hsieh	Hongia Industry Co.,LTD.	Director
	Kinli Real Estate Management and Development Company	Director
	JC Capital Taiwan Co., Ltd.	Director
	KINIK-THAI CO.,LTD	Director
	Max Kinik Seimitsu Co., Ltd.	Chairman
	Max Kinik Grinding Technology Co., Ltd.	Director
LI-HE Investment LTD. Company Corporate Representative - Ching-Chung Pai	LI-HE Investment LTD. Company	Director
	Hongia Industry Co.,LTD.	Director
	Kinli Investment Co., Ltd.	Director
	Kinli Real Estate Management and Development Company	Director
	Dongguan Kinik Trading Co., Ltd. (China)	Director
	Jiangsu Kinli Material Technology Co., Ltd.	Director
	Max Kinik Seimitsu Co., Ltd.	Director
	Max Kinik Grinding Technology Co., Ltd.	Director
Kinki Investment Ltd. Co. Corporate Representative - Wei-Chang Lee	GMI Technology Inc.	Independent Director
	Kinli Investment Co., Ltd.	Chairman
	Dongguan Kinik Trading Co., Ltd. (China)	Chairman
	Jiangsu Kinli Material Technology Co., Ltd.	Chairman
	Shin Hsieh International Limited	Director
	Max Kinik Seimitsu Co., Ltd.	Director
	Max Kinik Grinding Technology Co., Ltd.	Director
Wen-Yi Hsiao	Yuan Ding Capital Co., Ltd.	Chairman
	Yuan Ding Investment Co., Ltd.	Director
	Yuan Ding Realty Co., Ltd.	Chairman
	Phoenix Tours International, Inc.	Independent Director
Ching-Fu Chang	Dahua Metal Industrial Co., Ltd.	Independent Director