

Stock Code : 3093

The logo consists of the letters 'TKK' in a bold, green, sans-serif font. The letters are slightly shadowed, giving them a three-dimensional appearance as if they are floating above a white surface.

TAIWAN KONG KING CO., LTD.

Annual Shareholders' Meeting 2022
Meeting Agenda

June 14, 2022

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Taiwan Kong King Co., Ltd.

Procedure of the 2022 Shareholders' Meeting

1 、 Call Meeting to Order

2 、 Chairman's Address

3 、 Report Items

4 、 Matters for Ratification

5 、 Matters for Discussion

6 、 Extempore motion

7 、 Adjournment

Taiwan Kong King Co., Ltd.

Procedure of the 2022 Shareholders' Meeting

Time : Tue., June 14, 2022 at 10 a.m

Place : Taiwan Kong King Co., Ltd.

(Rm. 1, 5F., No. 65, Sec. 2, Nankan Rd., Luzhu Dist., Taoyuan City 338)

Means of Meeting Convention: Physical communication

1.Meeting Procedure

(1) Call Meeting to Order

(2) Chairman's Address

(3) Report Items

<1>Business Report of 2021

<2> Audit Committee's review report on the 2021 financial statements

<3>Compensation Distribution for Employees and Directors of 2021

<4> Report on the distribution of cash dividends from 2021 earnings

(4) Matters for Ratification

<1>Business Report and Financial Statements of 2021

<2>Appropriation of 2021 earnings

(5) Matters for Discussion

<1>Amend some of the provisions of " Articles of Incorporation "

<2>Amend some of the provisions of the " Measures for the
Administration of Obtaining or Disposing of Assets "

(6) Extempore motion

(7) Adjournment

2. Meeting Agenda

(1) Report Items

<1>

Proposed by the Board of Directors

Proposal: Business Report of 2021

Explanation: Business Report of 2021, attached in Attachment 1 (page 7~9) of the Meeting Agenda.

<2>

Proposed by the Board of Directors

Proposal : Audit Committee's review report on the 2021 financial statements

Explanation:

[1] The Audit Committee completed the review of the Company's 2021 financial statements and prepared the Audit Committee Review Report.

[2] Audit Committee Review Report, attached in Attachment 2 (page 10) of the Meeting Agenda.

<3>

Proposed by the Board of Directors

Proposal: Compensation Distribution for Employees and Directors of 2021

Explanation:

[1] On March 22, 2022, the Board of Directors has resolved that the compensation for employees and directors of 2021 will be paid in cash. The compensation for employees and directors is NT\$3,243,618 and NT\$3,243,618, respectively.

[2] There is no difference between the above resolutions and the number of 2021 recognitions.

<4>

Proposed by the Board of Directors

Proposal : Report on the distribution of cash dividends from 2021 earnings

Explanation:

- [1] In accordance with Article 18 of the Company's Articles of Incorporation, the Board of Directors is authorized to distribute dividends and bonuses or all or part of the legal reserve and capital surplus as provided in Article 241, Paragraph 1 of the Company Act in cash by the presence of at least two-thirds of the directors and by a resolution of a majority of the directors present, and to report such distribution to the shareholders' meeting.
- [2] Allocated NT\$228,620,032 in cash dividends for shareholders, NT\$6.30 per share.
- [3] The cash dividend distribution less than NTD 1 was transferred to Taiwan Kong King Employees' Welfare Committee.

(2) Matters for Ratification

<1>

Proposed by the Board of Directors

Proposal: Business Report and Financial Statement of 2021

Explanation:

- [1] The Company's 2021 business report and financial statements have been approved by the board of directors and reviewed by the Audit Committee. The financial statements of 2021 were verified by Ernst & Young accountants Chang, Chih-Ming and Hsh, Jung-Huang, and an audit report was issued.
- [2] For the business report and financial statement, please refer to [Attachment 1] (page 7~9), [Attachment 3] (page 11~21) and [Attachment 4] (page 22~32).
- [3] For your adoption.

Resolution:

<2>

Proposed by the Board of Directors

Proposal: Appropriation of 2021 earnings.

Explanation:

1. Our 2021 earnings distribution was approved by the board of directors and audited by the Audit Committee. The available earnings for the year is allocated according to The Company Act and TTK Articles of Incorporation as follows:

2021 annual earnings allocation table

Unit: NTD

2021 net profit	
2021 after-tax net profit	269,063,401
Less: Legal reserve	(26,565,081)
Less: Special reserve	(8,438,305)
Less: Other consolidated profit or loss (Actuarial profit or loss on the defined benefit plan)	(3,412,593)
2021 distributable earnings	230,647,422
Plus: Beginning distributable earnings	94,917,787
Accumulated Distributable Earnings	325,565,209
Distributable items	
Less: Shareholder bonus - cash (NTD 6.30/share)	(228,620,032)
Unappropriated retained earnings	96,945,177

2. For your adoption.

Resolution:

(3) Matters for Discussion

<1>

Proposed by the Board of Directors

Proposal: Amend some of the provisions of "Articles of Incorporation"

Explanation:

1. In order to comply with the competent authority's policy of promoting the convene of shareholders' meetings by video conferencing and provide shareholders with convenient channels to participate in shareholders' meetings in response to the needs of the digital era, this Article is added in accordance with the amended regulations, such that the Company's shareholders' meetings may be

held by video conference or other means announced by the Ministry of Economic Affairs.

2. In addition, in order to maintain the soundness and stability of the company's financial structure, the company's dividend policy was revised in accordance with the provisions of the FSC - Chin-Guan-Cheng-Fa-Zhi No. 1090150022 to set aside a special reserve.
3. Please refer to [Attachment 5] (page 33~36) for amendments.
2. Please proceed with resolution.

Resolution:

<2>

Proposed by the Board of Directors

Proposal: Amend some of the provisions of the " Measures for the Administration of Obtaining or Disposing of Assets "

Explanation:

1. Some Articles of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" are amended in accordance with the Decree Chin-Guan-Cheng-Fa-Zhi No. 1110380465 from FSC; hence, some Articles of the Company's "Regulations Governing the Acquisition and Disposal of Assets" are amended accordingly.
2. Please refer to [Attachment 6] (page 37~40) for amendments.
2. Please proceed with resolution.

Resolution:

(4) Extempore motion

(5) Adjournment

《Attachment 1》 Business Report

Dear shareholders, distinguished guests:

Major industry in Taiwan anticipated the prosperity this year as follows: Global coronavirus epidemic (COVID-19) has made a huge impact on global macroeconomy. In addition to the continued expansion of investment in the semiconductor industry and PCB high-end carrier boards, the sales market for end products in the electronics industry has been significantly reduced and the proportion of investment has slowed down; However, the Company is expected to maintain a stable growth trend this year. To become the staunchest backing of our customers, the Company as a professional agent of high-end products for the electronics industry has maintained existing advanced equipment, materials and general agent of key components and parts and actively crossed to new production field in the electronics industry to grow jointly with customers and suppliers.

The performance in 2021 grew significantly compared with the previous two years. In the future, we will continue to adhere to the solid operation, and endeavor to maintain profitability by controlling operating costs and improving business performance. The results of the 2021 business are as follows:

The consolidated operating income of the Company as of December 31, 2021 was NTD 2,023,463 thousand, an increase of 45.95% compared with NTD 1,386,400 thousand in 2020. The net profit attributable to owners of the parent company was NTD 269,063 thousand, which was 52.71% increase from NTD 176,191 thousand in 2020. The earnings per share was NTD 7.41, an increase of 52.47% from NTD 4.86 in 2020.

1. 2021 Consolidated Business Results:

A. Operational implementation results

Units: NT\$ in thousands, %

Item	2020	2021	Diff	Diff%
Operating income	1,386,400	2,023,463	637,063	45.95
Operating gross profit	498,723	692,309	193,586	38.82
Operating net income	202,971	354,142	151,171	74.48
Net profit before tax	210,122	333,704	123,582	58.81
Net profit	176,641	269,997	93,356	52.85
Net profit attributable to owners of the parent company	176,191	269,063	92,872	52.71
Basic earnings per share (NT\$)	4.86	7.41	2.55	52.47

B. Consolidated Financial income and expenditures

Units: NT\$ in thousands

Item	2020	2021
Cash flow from operating activities	255,454	431,035
Cash flow from investment activities	11,776	(62,656)
Cash flow from financing activities	(60,445)	(157,094)
Gains (losses) on cash and cash equivalents	204,180	210,498
Cash and cash equivalents at the beginning of the period	505,967	710,147
Cash and cash equivalents at the end of the period	710,147	920,645

C. Profitability

Item	2020	2021	
Return on assets (%)	14.52	17.49	
Return on equity (%)	19.99	27.25	
Ratio to paid-in capital (%)	Operating profit margin	55.93	97.59
	Income before Tax	57.90	91.96
Net Profit Margin (%)	12.74	13.34	
EPS (NT\$)	4.86	7.41	

2. 2022 Business Plan

- A. Enhance customer satisfaction and provide instant service.
- B. Develop new product distributorship that respond to customer needs.
- C. Update information architecture and process optimization continuously to improve management performance with computer systems.
- D. Strengthen employee education and training to serve customers with professional employees.
- E. Steady operation and increase shareholders' equity.

3. The Future Development Strategy of The Company

- A. Seeking local and international strategic alliance partners, and distribute products in high-tech fields.
- B. Establish a talent network in the high-tech field and find talented employees to serve customers.
- C. Strict and reasonable implementation of credit control and continuous

strengthening of risk control.

4. The influence of external competitive environment, regulatory environment and overall business environment:

Under the global concern about corporate social responsibility and environmental protection issues, Taiwan Kong King will fulfill its corporate social responsibility with a sense of mission to society. In order to protect the earth, we will continue to introduce the most advanced green energy equipment, materials and key technologies from the electronics industry to the Taiwan market to provide products with low energy consumption and high production value.

Finally, I would like to thank all the shareholders of Taiwan Kong King. With the long-term support of the shareholders and the efforts of the company's employees, I believe Taiwan Kong King can continue to grow in stability. I wish you good health and good luck!

Taiwan Kong King Co., Ltd.

Chairman: Ho, Shu-Chan

General Manager: Liao, Hung-Ying

Accounting Supervisor: Zhou, Cui-Xia

《Attachment 2》 Audit Committee's Review Report

Taiwan Kong King Co., Ltd.

Audit Committee's Review Report

The Board of Directors prepared the Company's 2021 Business Report, financial statements, and proposal for earnings distribution, among which the financial statements have been audited by Accountants, Zhang, Zhi-Ming and Xu, Rong-Huang, from Ernst & Young Global Limited, by whom a Review Report with no qualifications and other matters have been issued accordingly. The said Business Report, Financial Statements, and the Proposal for Earnings Distribution have been audited by the Audit Committee and determined to be in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To

2022 Annual Shareholders' Meeting of Taiwan Kong King Co. ,Ltd.

Convenor of the Audit Committee: Wei Hsing-Hai

March 22,2022

《Attachment 3》 Consolidated Financial Statements and Independent Auditor's Report



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Independent Auditors' Report Translated from Chinese

To TAIWAN KONG KING CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of TAIWAN KONG KING CO., LTD and its subsidiaries (the "Company") as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of a Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of 31 December 2021 and 2020, and its consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. 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.

Allowance for impairment losses of accounts receivables

Accounts receivables and allowance for impairment losses by the Company and its subsidiaries amounted to NT\$304,454 thousand and NT\$449 thousand as of 31 December 2021, respectively. The net amount of accounts receivables was approximately 17% of total assets and which is significant to the Company. Considering the assessment of allowance for impairment losses is measured by lifetime expected credit loss; the process of measurement must appropriately divide accounts receivables into groups, determine and analyze the use of relevant assumptions in the process of measurement, including appropriate aging intervals, the aging loss rate for each interval and the use of forward-looking information, that reflected the measurement of the expected credit loss involving judgment, analysis and estimates, and the result of measurement affect the net amount of accounts receivables, we determined this as a key audit matter.

Our audit procedures included, but not limited to, understanding and evaluating whether the internal control is appropriate; when performing internal control, randomly selecting sales orders and vouching them to aging schedule to ensure the accuracy of aging intervals of accounts receivables; confirming whether the customer properly grouped by significantly different loss types and evaluating the reasonableness of management's estimates of assumptions; testing provision matrix, including evaluating the appropriateness of aging intervals and the accuracy of raw data by vouching them to supporting evidences, testing statistical information for the credit loss rate computed by roll rate over a one-year period, considering the reasonableness of forward-looking information used on the credit loss rate, and evaluating whether such forward-looking information would affect credit loss rate. In addition, performing the analytical review procedure to identify whether any material unusual fluctuations between the two-period of accounts receivables turnover exist. Also, reviewing the collections of accounts receivables during the subsequent period for customers with material period-end balances.

We also assessed the adequacy of disclosures of accounts receivables. Please refer to Note 5, 6 and 12 to the Company's consolidated financial statements.

Valuation of inventories

Net inventories by the Company and its subsidiaries amounted to NT\$106,589 thousand, was approximately 6% of total assets as of 31 December 2021. Considering the possibility of impairment of the inventory driven by economic conditions, the industry competition, and the unexpected decrease of total sales, we determined this as a key audit matter.

Our audit procedures included, but not limited to, understanding the internal control of management's inventory valuation process. When performing internal control, sampling purchase orders and vouching them to supporting evidences to ensure the inventory aging and the calculation of write-downs from slow-moving inventories are accurate and reasonable; performing the analytical review procedure to assess whether any material unusual fluctuation of ending balances, inventory turnover and gross margin per product between the year ended 31 December 2021 and the prior year exists; sampling sales orders and purchase orders to verify the calculation of allowance for inventory valuation losses to evaluate whether the valuation of inventories is appropriate.

We also assessed the adequacy of disclosures of inventories. Please refer to Note 4, 5 and 6 to the Company's consolidated financial statement.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain subsidiaries. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. These assets of NT\$200,867 thousand and NT\$158,571 thousand, constituting 11% and 12% of consolidated total assets as of 31 December 2021 and 2020, respectively. The operating revenues from the subsidiaries amounted to NT\$38,098 thousand and NT\$61,692 thousand, constituting 2% and 4% of consolidated operating revenues for the years ended 31 December 2021 and 2020, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements 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.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2021 and 2020.

CHANG, CHIH-MING

HSU, JUNG-HUANG

Ernst & Young, Taipei, Taiwan
22 March 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN KONG KING CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	NOTES	As of 31 December	
		2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4,6&12	\$920,645	\$710,147
Notes receivable, net	4,6&12	32,851	1,348
Accounts receivable, net	4,6&12	304,005	179,640
Accounts receivable from related parties, net	4,6,7&12	-	831
Other receivables	12	1,145	3,256
Inventories, net	4&6	106,589	85,237
Prepayments		53,066	28,806
Other current assets		2,319	3,186
Total Current Assets		1,420,620	1,012,451
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss, noncurrent	4,6&12	9,844	15,758
Financial assets at fair value through other comprehensive income, noncurrent	4,6&12	26,285	25,411
Property, plant and equipment	4&6	268,025	229,677
Right-of-use asset	4&6	5,097	1,017
Intangible assets	4&6	3,826	3,410
Deferred tax assets	4&6	25,795	27,551
Other noncurrent assets	4&12	8,045	4,516
Total Non-Current Assets		346,917	307,340
TOTAL ASSETS		\$1,767,537	\$1,319,791

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN KONG KING CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	NOTES	As of 31 December	
		2021	2020
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Contract liabilities, current	6	\$205,516	\$65,470
Notes payable	12	24,725	24
Accounts payable	12	187,261	137,455
Accounts payable-related parties, net	7&12	74,135	6,838
Other payables	12	151,543	106,459
Other payables-related parties	7	350	159
Current tax liabilities	4	37,564	27,598
Lease liabilities, current	4&6	1,686	1,039
Other current liabilities		1,631	306
Total Current Liabilities		<u>684,411</u>	<u>345,348</u>
NON-CURRENT LIABILITIES			
Non-current provisions	4&6	35,768	32,154
Deferred tax liabilities	4&6	2,151	2,455
Lease liabilities, noncurrent	4&6	3,343	-
Total Non-Current Liabilities		<u>41,262</u>	<u>34,609</u>
TOTAL LIABILITIES		<u>725,673</u>	<u>379,957</u>
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY			
Capital			
Common stock	6	<u>362,888</u>	<u>362,888</u>
Total Capital stock		<u>362,888</u>	<u>362,888</u>
Capital surplus	6	44,670	46,759
Retained earnings			
Legal reserve		282,175	264,613
Special reserve		43,967	38,245
Unappropriated earnings		<u>360,569</u>	<u>270,616</u>
Total Retained earnings		<u>686,711</u>	<u>573,474</u>
Other components of equity		(52,405)	(43,967)
NON-CONTROLLING INTERESTS	6	-	680
TOTAL EQUITY		<u>1,041,864</u>	<u>939,834</u>
TOTAL LIABILITIES AND EQUITY		<u>\$1,767,537</u>	<u>\$1,319,791</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN KONG KING CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

ITEM	NOTES	For the years ended 31 December	
		2021	2020
OPERATING REVENUES	4,6&7	\$2,023,463	\$1,386,400
COST OF GOODS SOLD	4&7	<u>(1,331,154)</u>	<u>(887,677)</u>
GROSS PROFIT		<u>692,309</u>	<u>498,723</u>
OPERATING EXPENSES	4&7		
Sales and marketing expense		(170,148)	(152,626)
General and administrative expense		(163,539)	(138,622)
Research and development expenses		<u>(4,480)</u>	<u>(4,504)</u>
Total Operating Expense		<u>(338,167)</u>	<u>(295,752)</u>
OPERATING INCOME		<u>354,142</u>	<u>202,971</u>
NON-OPERATING INCOME AND EXPENSES			
Interest income	6	1,488	2,900
Other income	6	2,589	3,425
Other gains and losses	6	(24,510)	956
Financial cost	6	<u>(5)</u>	<u>(130)</u>
Subtotal		<u>(20,438)</u>	<u>7,151</u>
INCOME BEFORE INCOME TAX		333,704	210,122
INCOME TAX EXPENSE	4&6	<u>(63,707)</u>	<u>(33,481)</u>
PROFIT FROM CONTINUING OPERATIONS		<u>269,997</u>	<u>176,641</u>
NET INCOME		<u>269,997</u>	<u>176,641</u>
OTHER COMPREHENSIVE (LOSS) INCOME	6		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit pension plans		(4,265)	(715)
Unrealized gains (losses) from investments in equity instruments			
measured at fair value through other comprehensive income		923	(4,363)
Income tax related to items that will not be reclassified subsequently		668	1,016
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		<u>(9,177)</u>	<u>(2,232)</u>
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		<u>(11,851)</u>	<u>(6,294)</u>
TOTAL COMPREHENSIVE INCOME		<u>\$258,146</u>	<u>\$170,347</u>
NET INCOME ATTRIBUTABLE TO:			
Stockholders of the parent		\$269,063	\$176,191
Non-controlling interests		934	450
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Stockholders of the parent		\$257,212	\$169,897
Non-controlling interests		934	450
Earnings per share (NTD)			
Basic earnings per share	6		
Basic earnings (loss) per share from continuing operations		7.41	4.86

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 TAIWAN KONG KING CO., LIMITED AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the years ended 31 December 2021 and 2020
 (Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company								Non-Controlling Interests	Total Equity
	Retained earnings					Other components of equity				
	Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total		
Balance as of 1 January 2020	\$362,888	\$46,759	\$257,163	\$23,968	\$174,786	\$(20,528)	\$(17,717)	\$827,319	\$230	\$827,549
Appropriation and distribution of 2019 retained earnings:										
Legal reserve	-	-	7,450	-	(7,450)	-	-	-	-	-
Special reserve	-	-	-	14,277	(14,277)	-	-	-	-	-
Cash dividends	-	-	-	-	(58,062)	-	-	(58,062)	-	(58,062)
Other changes in capital surplus:										
Net income for the year ended 31 December 2020	-	-	-	-	176,191	-	-	176,191	450	176,641
Other comprehensive income (loss) for the year ended 31 December 2020, net of income tax	-	-	-	-	(572)	(2,232)	(3,490)	(6,294)	-	(6,294)
Total comprehensive income	-	-	-	-	175,619	(2,232)	(3,490)	169,897	450	170,347
Balance as of 31 December 2020	\$362,888	\$46,759	\$264,613	\$38,245	\$270,616	\$(22,760)	\$(21,207)	\$939,154	\$680	\$939,834
Balance as of 1 January 2021	\$362,888	\$46,759	\$264,613	\$38,245	\$270,616	\$(22,760)	\$(21,207)	\$939,154	\$680	\$939,834
Appropriation and distribution of 2020 retained earnings:										
Legal reserve	-	-	17,562	-	(17,562)	-	-	-	-	-
Special reserve	-	-	-	5,722	(5,722)	-	-	-	-	-
Cash dividends	-	-	-	-	(152,413)	-	-	(152,413)	-	(152,413)
Net income for the year ended 31 December 2021	-	-	-	-	269,063	-	-	269,063	934	269,997
Other comprehensive income (loss) for the year ended 31 December 2021, net of income tax	-	-	-	-	(3,413)	(9,177)	739	(11,851)	-	(11,851)
Total comprehensive income	-	-	-	-	265,650	(9,177)	739	257,212	934	258,146
from difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual	-	(2,089)	-	-	-	-	-	(2,089)	(1,614)	(3,703)
Balance as of 31 December 2021	\$362,888	\$44,670	\$282,175	\$43,967	\$360,569	\$(31,937)	\$(20,468)	\$1,041,864	\$-	\$1,041,864

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN KONG KING CO., LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

ITEM	For the years ended 31 December		ITEM	For the years ended 31 December	
	2021	2020		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income before tax	\$333,704	\$210,122	Acquisition of property, plant and equipment	(65,169)	(9,951)
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Disposal of property, plant and equipment	8,695	23,525
Depreciation expense	23,445	23,798	Acquisition of intangible assets	(2,653)	(3,820)
Amortization expense	2,240	2,195	Disposal of intangible assets	-	2,250
Net loss on financial assets or liabilities at fair value through profit or loss	5,914	6,809	Increase in refundable deposits	(3,543)	-
Interest expense	5	130	Decrease in refundable deposits	-	243
Interest income	(1,488)	(2,900)	Increase in other non-current assets	-	(471)
Dividend income	(892)	(1,328)	Decrease in other non-current assets	14	-
Gain on disposal of property, plant and equipment	(4,392)	(18,471)	Net cash (used in) generated by investing activities	(62,656)	11,776
Gain on disposal of intangible assets	-	(1,925)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Gain on disposal of investments	(9,235)	-	Repayment of lease principal	(978)	(2,383)
Other-loss on lease modification	-	22	Cash dividends	(152,413)	(58,062)
Total adjustments to reconcile profit (loss)	15,597	8,330	Acquired equity in subsidiary	(3,703)	-
Changes in operating assets and liabilities:			Net cash used in financing activities	(157,094)	(60,445)
Notes receivable	(31,503)	1,508	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(787)	(2,605)
Accounts receivable	(124,365)	(13,356)	NET INCREASE IN CASH AND CASH EQUIVALENTS	210,498	204,180
Accounts receivable from related parties	831	(831)	CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	710,147	505,967
Other receivable	1,577	(12)	CASH AND CASH EQUIVALENTS, END OF PERIOD	\$920,645	\$710,147
Inventories	(21,352)	(16,221)			
Prepayments	(24,260)	3,622			
Other current assets	867	8			
Contract liabilities	140,046	20,876			
Notes payable	24,701	8			
Accounts payable	49,806	22,993			
Accounts payable-related parties	67,297	5,917			
Other payable	45,084	30,251			
Other payable-related parties	191	(2,883)			
Provisions	201	(362)			
Other current liabilities	1,325	(166)			
Total changes in operating assets and liabilities	130,446	51,352			
Cash generated from operations	479,747	269,804			
Interest received	2,022	3,087			
Dividends received	892	1,328			
Interest expense paid	(5)	(130)			
Income taxes paid	(51,621)	(18,635)			
Net cash generated by operating activities	431,035	255,454			

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

《Attachment 4》 Stand-alone Financial Statements and Independent Auditor's Report



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Independent Auditors' Report Translated from Chinese

To TAIWAN KONG KING CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of TAIWAN KONG KING CO., LTD. (the "Company") as of 31 December 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of a Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2021 and 2020, and its financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for impairment losses of accounts receivables

Accounts receivables and allowance for impairment losses by the Company amounted to NT\$246,002 thousand and NT\$449 thousand as of 31 December 2021, respectively. The net amount of accounts receivables was approximately 16% of total assets and which is significant to the Company. Considering the assessment of allowance for impairment losses is measured by lifetime expected credit loss; the process of measurement must appropriately divide accounts receivables into groups, determine and analyze the use of relevant assumptions in the process of measurement, including appropriate aging intervals, the aging loss rate for each interval and the use of forward-looking information, that reflected the measurement of the expected credit loss involving judgment, analysis and estimates, and the result of measurement affect the net amount of accounts receivables, we determined this as a key audit matter.

Our audit procedures included, but not limited to, understanding and evaluating whether the internal control is appropriate; when performing internal control, randomly selecting sales orders and vouching them to aging schedule to ensure the accuracy of aging intervals of accounts receivables; confirming whether the customer properly grouped by significantly different loss types and evaluating the reasonableness of management's estimates of assumptions; testing provision matrix, including evaluating the appropriateness of aging intervals and the accuracy of raw data by vouching them to supporting evidences, testing statistical information for the credit loss rate computed by roll rate over a one-year period, considering the reasonableness of forward-looking information used on the credit loss rate, and evaluating whether such forward-looking information would affect credit loss rate. In addition, performing the analytical review procedure to identify whether any material unusual fluctuations between the two-period of accounts receivables turnover exist. Also, reviewing the collections of accounts receivables during the subsequent period for customers with material period-end balances.

We also assessed the adequacy of disclosures of accounts receivables. Please refer to Note 5, 6 and 12 to the parent company only financial statements.

Valuation of inventories

Net inventories by the Company amounted to NT\$28,543 thousand, was approximately 2% of total assets as of 31 December 2021. Considering the possibility of impairment of the inventory driven by economic conditions, the industry competition, and the unexpected decrease of total sales, we determined this as a key audit matter.

Our audit procedures included, but not limited to, understanding the internal control of management's inventory valuation process. When performing internal control, sampling purchase orders and vouching them to supporting evidences to ensure the inventory aging and the calculation of write-downs from slow-moving inventories are accurate and reasonable; performing the analytical review procedure to assess whether any material unusual fluctuation of ending balances, inventory turnover and gross margin per product between the year ended 31 December 2021 and the prior year exists; sampling sales orders and purchase orders to verify the calculation of allowance for inventory valuation losses to evaluate whether the valuation of inventories is appropriate.

We also assessed the adequacy of disclosures of inventories. Please refer to Note 4, 5 and 6 to the parent company only financial statement.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. These subsidiaries, associates and joint ventures under equity method amounted to NT\$119,070 thousand and NT\$100,495 thousand, representing 8% of total assets as of both 31 December 2021 and 2020. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$22,188 thousand and NT\$22,753 thousand, representing 7% and 11% of the income before tax for the years ended 31 December 2021 and 2020, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$(1,217) thousand and NT\$5,097 thousand, representing 10% and (81)% of the comprehensive income (loss) for the years ended 31 December 2021 and 2020, respectively.

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 ability to continue as a going concern of the Company, 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 or supervisors, are responsible for overseeing the financial reporting process of the Company.

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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

7. 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.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. 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.

11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. Obtain sufficient appropriate audit evidence regarding the financial information of the 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 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 2021 parent company only financial statements 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.

CHANG, CHIH-MING

HSU, JUNG-HUANG

Ernst & Young, Taipei, Taiwan
22 March 2022

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in
Chinese

TAIWAN KONG KING CO., LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	NOTES	As of 31 December	
		2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4,6&12	\$578,772	\$451,072
Notes receivable, net	4,6&12	354	141
Accounts receivable, net	4,6&12	244,437	158,182
Accounts receivable- related parties, net	4,6&12	1,116	781
Other receivables	12	146	640
Other receivables-related parties, net	7&12	511	2,906
Inventories, net	4&6	28,543	25,376
Prepayments		19,333	22,464
Other current assets		2,305	3,187
	Total Current Assets	875,517	664,749
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss, non current	4,6&12	9,844	15,758
Financial assets at fair value through other comprehensive income, non current	4,6&12	25,584	20,724
Investments accounted for using equity method	4&6	356,588	301,109
Property, plant and equipment	4&6	221,022	173,849
Investment property, net	4&6	12,720	12,877
Intangible assets	4&6	2,650	2,116
Deferred tax assets	4&6	24,121	26,139
Other noncurrent assets	4&12	7,897	4,368
	Total Non- Current Assets	660,426	556,940
TOTAL ASSETS		<u>\$1,535,943</u>	<u>\$1,221,689</u>

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in
Chinese

TAIWAN KONG KING CO., LIMITED
PARENT COMPANY ONLY BALANCE SHEETS

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	NOTES	As of 31 December	
		2021	2020
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Contract liabilities, current	6	\$133,215	\$22,933
Notes payable	12	20	24
Accounts payable	12	91,989	75,872
Accounts payable-related parties, net	7&12	97,153	47,987
Other payables	12	104,035	75,551
Other payables-related parties	7	472	384
Current tax liabilities	4	28,002	25,618
Other current liabilities		1,406	122
Total Current Liabilities		456,292	248,491
NON-CURRENT LIABILITIES			
Non-current provisions	4&6	35,637	31,589
Deferred tax liabilities	4&6	2,150	2,455
Total Non-Current Liabilities		37,787	34,044
TOTAL LIABILITIES		494,079	282,535
EQUITY			
Capital	6		
Common stock		362,888	362,888
Total Capital stock		362,888	362,888
Capital surplus	6	44,670	46,759
Retained earnings			
Legal reserve		282,175	264,613
Special reserve		43,967	38,245
Unappropriated earnings		360,569	270,616
Total Retained earnings		686,711	573,474
Other components of equity		(52,405)	(43,967)
TOTAL EQUITY		1,041,864	939,154
TOTAL LIABILITIES AND EQUITY		\$1,535,943	\$1,221,689

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
TAIWAN KONG KING CO., LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

For the years ended 31
December

ITEM	NOTES	2021	2020
OPERATING REVENUES	4,6&7	\$1,495,600	\$1,024,853
COST OF GOODS SOLD	4&7	(999,165)	(663,986)
GROSS PROFIT		<u>496,435</u>	<u>360,867</u>
OPERATING EXPENSES	4&7		
Sales and marketing expense		(170,335)	(152,914)
General and administrative expense		(60,477)	(51,973)
Total Operating Expense		<u>(230,812)</u>	<u>(204,887)</u>
OPERATING INCOME		<u>265,623</u>	<u>155,980</u>
NON-OPERATING INCOME AND EXPENSES			
Interest income	6	1,107	1,348
Other income	6	4,512	3,913
Other gains and losses	6	(30,075)	(7,564)
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net		<u>76,707</u>	<u>52,913</u>
Subtotal		<u>52,251</u>	<u>50,610</u>
INCOME BEFORE INCOME TAX		317,874	206,590
INCOME TAX EXPENSE	4&6	(48,811)	(30,399)
PROFIT FROM CONTINUING OPERATIONS		<u>269,063</u>	<u>176,191</u>
NET INCOME		<u>269,063</u>	<u>176,191</u>
OTHER COMPREHENSIVE (LOSS) INCOME	6		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit pension plans		(4,579)	(899)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		4,860	(4,555)
Share of other comprehensive income of associates and joint ventures accounted for using equity method		(3,686)	339
Income tax related to items that will not be reclassified subsequently		731	1,053
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(9,177)	(2,232)
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		<u>(11,851)</u>	<u>(6,294)</u>
TOTAL COMPREHENSIVE INCOME		<u>\$257,212</u>	<u>\$169,897</u>
Earnings per share (NTD)			
Basic earnings per share	6		
Basic earnings (loss) per share from continuing operations		7.41	4.86

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
 TAIWAN KONG KING CO., LIMITED
 PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
 For the years ended 31 December 2021 and 2020
 (Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other components of equity		Total equity	
	Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations		or losses on financial assets measured at fair value through other comprehensive income
Balance as of 31 December 2020	\$362,888	\$46,759	\$257,163	\$23,968	\$174,786	\$(20,528)	\$(17,717)	\$827,319
Appropriation and distribution of 2019 retained earnings:								
Legal reserve	-	-	7,450	-	(7,450)	-	-	-
Special reserve	-	-	-	14,277	(14,277)	-	-	-
Cash dividends	-	-	-	-	(58,062)	-	-	(58,062)
Net income for the year ended 31 December 2020	-	-	-	-	176,191	-	-	176,191
Other comprehensive income (loss) for the year ended 31 December 2020, net of income tax	-	-	-	-	(572)	(2,232)	(3,490)	(6,294)
Total comprehensive income	-	-	-	-	175,619	(2,232)	(3,490)	169,897
Balance as of 31 December 2020	\$362,888	\$46,759	\$264,613	\$38,245	\$270,616	\$(22,760)	\$(21,207)	\$939,154
Balance as of January 1, 2021	\$362,888	\$46,759	\$264,613	\$38,245	\$270,616	\$(22,760)	\$(21,207)	\$939,154
Appropriation and distribution of 2020 retained earnings:								
Legal reserve	-	-	17,562	-	(17,562)	-	-	-
Special reserve	-	-	-	5,722	(5,722)	-	-	-
Cash dividends	-	-	-	-	(152,413)	-	-	(152,413)
Net income for the year ended 31 December 2021	-	-	-	-	269,063	-	-	269,063
Other comprehensive income (loss) for the year ended 31 December 2021, net of income tax	-	-	-	-	(3,413)	(9,177)	739	(11,851)
Total comprehensive income	-	-	-	-	265,650	(9,177)	739	257,212
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual acquisition	-	(2,089)	-	-	-	-	-	(2,089)
Balance as of 31 December 2021	\$362,888	\$44,670	\$282,175	\$43,967	\$360,569	\$(31,937)	\$(20,468)	\$1,041,864

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TAIWAN KONG KING CO., LIMITED

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

ITEM	For the years ended		ITEM	For the years ended	
	2021	2020		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income before tax	\$317,874	\$206,590	Acquisition of investments accounted for using equity method	(3,703)	-
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Acquisition of property, plant and equipment	(62,504)	(5,648)
Depreciation expense	11,344	10,836	Disposal of property, plant and equipment	8,320	1,085
Amortization expense	1,448	1,379	Decrease in refundable deposits	-	390
Net loss on financial assets or liabilities at fair value through profit or loss	5,914	6,809	Acquisition of intangible assets	(1,982)	(2,237)
Interest income	(1,107)	(1,348)	Disposal of intangible assets	-	2,250
Dividends income	-	(19)	Refundable deposits	(3,529)	(138)
Share of loss of associates and joint ventures accounted for using equity method	(76,707)	(52,913)	Net cash used in investing activities	(63,398)	(4,298)
Gain on disposal of property, plant and equipment	(4,176)	(578)			
Gain on disposal of intangible assets	-	(1,925)	CASH FLOWS FROM FINANCING ACTIVITIES:		
Total adjustments to reconcile (loss) profit	(63,284)	(37,759)	Cash dividends paid	(152,413)	(58,062)
Changes in operating assets and liabilities:			Net cash used in financing activities	(152,413)	(58,062)
Notes receivable	(213)	685			
Accounts receivable	(86,255)	(15,657)	NET INCREASE IN CASH AND CASH EQUIVALENTS	127,700	127,875
Accounts receivable-related parties	(335)	2,910	CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	451,072	323,197
Other receivables	(45)	(1)	CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$578,772</u>	<u>\$451,072</u>
Other receivable-related parties	2,395	(2,453)			
Inventories	(3,167)	1,958			
Prepayments	3,131	4,850			
Other current assets	882	(472)			
Contract liabilities	110,282	(6,822)			
Notes payable	(4)	8			
Accounts payable	16,117	(3,675)			
Accounts payable-related parties	49,166	32,693			
Other payables	28,484	20,354			
Other payables-related parties	88	(2,720)			
Provisions	(531)	(391)			
Other current liabilities	1,284	(162)			
Total changes in operating assets and liabilities	121,279	31,105			
Cash generated from operations	375,869	199,936			
Interest received	1,646	1,488			
Dividends received	9,979	6,256			
Income taxes paid	(43,983)	(17,445)			
Net cash generated by operating activities	343,511	190,235			

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

《Attachment 5》 Comparison Table of Amendments to " Articles of Incorporation "

Comparison Table of Amendments to " Articles of Incorporation "

Article	Modified provisions	Current provisions	Change cause
<p align="center"><u>Article</u> <u>8-1</u></p>	<p><u>The Company's shareholders' meeting may be held by video conferencing or the method announced by the competent authorities.</u></p>		<p>This article is added; The amendment to Article 172-2 of the Company Act was announced on December 29, 2021, which states that public companies may be applicable to the regulations for shareholders' meeting by video conferencing. And in accordance with the provisions in Article 1 of the Article, public companies may state in their Articles of Incorporation, "The Company's shareholders' meeting may be held by video conferencing or the method announced by the competent authorities". In order to comply with the competent authority's policy of promoting the convene of shareholders' meetings by video conferencing and provide shareholders with convenient channels to participate in shareholders' meetings in response to the needs of the digital era, this Article is added in accordance with the amended regulations, such that the Company's shareholders' meetings may be held by video</p>

Article	Modified provisions	Current provisions	Change cause
			conference or other means announced by the Ministry of Economic Affairs.
Article 18	<p>(1) If the company is profitable, it should be deducted from the employee's remuneration and the remuneration of the directors and supervisors in advance of the pre-tax profit, and the employee's remuneration shall be 1% to 8% and the director and supervisor's remuneration shall be less than 1%. However, when the company still has accumulated losses, the amount of compensation should be retained in advance.</p> <p>(2) <u>For the surplus in the annual final accounts, if any, its allocation shall be prioritized by the following order:</u></p> <ol style="list-style-type: none"> 1. <u>Payment of taxes.</u> 2. <u>Making up for loss.</u> 3. <u>The Company shall set aside 10% of the net income for the current period plus the amount of items other than net income for the current period included in the current year's undistributed earnings as legal reserve. Where such legal reserve accumulates to the Company's total paid-in capital, this provision shall not apply.</u> 4. <u>Special reserve should be appropriated or reversed in accordance with laws or regulations, and the same amount of special reserve shall be provided from the current period's net income after tax plus the amount of items other than the current period's net income</u> 	<p>(1) If the company is profitable, it should be deducted from the employee's remuneration and the remuneration of the directors and supervisors in advance of the pre-tax profit, and the employee's remuneration shall be 1% to 8% and the director and supervisor's remuneration shall be less than 1%. However, when the company still has accumulated losses, the amount of compensation should be retained in advance.</p> <p>(2) The company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. The balance is calculated by accumulating undistributed earnings, and after accumulating or reversing the special reserve, it is the accumulated distributable earnings. The preceding accumulated distributable earnings is used to measure the necessity of the earnings to support the capital demand. According to the basic principles of the company's dividend policy, the amount of earnings reserve or distribution and the distribution are determined. According to the plan, the earnings distribution is proposed and submitted to the shareholders' meeting for resolution.</p>	Amended in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act

Article	Modified provisions	Current provisions	Change cause
	<p><u>included in the current period's undistributed earnings, or from the prior period's undistributed earnings if there is still a shortfall.</u> <u>If a net decrease in other equity was accumulated in prior periods, the same amount of special reserve from prior period's undistributed earnings shall not be distributed. If there is still a shortfall, the amount of undistributed earnings for the period is provided for in the net income for the period plus any items other than net income for the period.</u></p> <p>The preceding accumulated distributable earnings is used to measure the necessity of the earnings to support the capital demand. According to the basic principles of the company's dividend policy, the amount of earnings reserve or distribution and the distribution are determined. According to the plan, the earnings distribution is proposed and submitted to the shareholders' meeting for resolution.</p> <p>(3) The company's dividend policy is based on the consideration of the best capital budget and the dilution of earnings per share. The amount of dividend from shareholders should be 50%~100% of the distributable earnings for the year. † And in the dividends for the year, cash dividends are issued at a rate of not less than 30%. The cash dividend distribution rate depends on the profit and capital status of the year. After the board of</p>	<p>(3) The company's dividend policy is based on the consideration of the best capital budget and the dilution of earnings per share. The amount of dividend from shareholders should be 50%~100% of the distributable earnings for the year. † And in the dividends for the year, cash dividends are issued at a rate of not less than 30%. The cash dividend distribution rate depends on the profit and capital status of the year. After the board of directors proposes a distribution plan, it will be adjusted after the resolution of the shareholders' meeting.</p> <p>(4) In accordance with Article 240(5) of the Company Act, the Board of Directors is authorized to distribute dividends and bonuses or legal reserve and the capital reserve in accordance with Article 241 (1) in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and report the shareholders meeting.</p>	

Article	Modified provisions	Current provisions	Change cause
	<p>directors proposes a distribution plan, it will be adjusted after the resolution of the shareholders' meeting.</p> <p>(4) In accordance with Article 240(5) of the Company Act, the Board of Directors is authorized to distribute dividends and bonuses or legal reserve and the capital reserve in accordance with Article 241 (1) in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and report the shareholders meeting.</p>		
Article 21	<u>The thirty- nine amendment was made on June 14, 2022</u>		Add the date of revision

《Attachment 6》

Comparison Table of Amendments to " Measures for the Administration of Obtaining or Disposing of Assets "

Comparison Table of Amendments to " Measures for the Administration of Obtaining or Disposing of Assets "

Article	Modified provisions	Current provisions	Change cause
Article 7	<p>When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and then submitted to the Board for approval:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction 	<p>When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and then submitted to the Board for approval:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness 	<ol style="list-style-type: none"> 1. Some Articles of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” are amended in accordance with the Decree Chin-Guan-Cheng-Fa-Zhi No. 1110380465 from FSC; hence, some Articles of the Company’s “Regulations Governing the Acquisition and Disposal of Assets” are amended accordingly. 2. To strengthen the management of related party transactions, if a public company or its non-domestic public company subsidiary acquires or disposes of assets from a related party and the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit the

Article	Modified provisions	Current provisions	Change cause
	<p>terms in accordance with Article 8 and Article 9.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>2. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the board of</p>	<p>of the preliminary transaction terms in accordance with Article 8 and Article 9.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 21, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters</p>	<p>relevant information to the shareholders' meeting for approval before doing so.</p>

Article	Modified provisions	Current provisions	Change cause
	<p>directors pursuant to preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>If the transaction in paragraph 1 between the Company or a subsidiary not belong to a domestic public company amounts to more than 10% of the Company's total assets, the public company shall submit the information listed in the paragraph 1 to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this does not apply to transactions between this Corporation and its parent, subsidiaries, or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in the <u>first paragraph and the preceding paragraph</u> shall be done in accordance with Article 21, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to <u>shareholders' meeting</u>, and the board of directors' meeting for approval in accordance with the provisions in these Procedures are exempt from counted toward the transaction amount.</p>	<p>when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	
Article 21	Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed	Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as	1. Some Articles of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” are

Article	Modified provisions	Current provisions	Change cause
	<p>by regulations within 2 days counting inclusively from the date of occurrence of the event: (Items 1~6 below are omitted)</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1)Trading of domestic government bonds <u>or foreign government bonds with credit ratings not lower than the sovereign rating of our country.</u></p> <p>(2)Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, subscription or buy back exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (Omitted below)</p>	<p>prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (Items 1~6 below are omitted)</p> <p>7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1)Trading of domestic government bonds.</p> <p>(2)Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (Omitted below)</p>	<p>amended in accordance with the Decree Chin-Guan-Cheng-Fa-Zhi No. 1110380465 from FSC; hence, some Articles of the Company’s “Regulations Governing the Acquisition and Disposal of Assets” are amended accordingly.</p> <p>2. Information disclosure of transactions is relaxed, and some transactions are also exempted from disclosure.</p>

《Appendix 1》 TKK Rules and Procedure of Shareholders' Meeting

- Article 1 The shareholders' meeting shall be handled in accordance with these rules, unless otherwise provided by the law.
- Article 2 The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book.
- The number of shares in attendance is calculated according to the signature book or the signed card and the shareholding of the voting rights in writing or electronically.
- Article 3 Voting and attendance at a shareholders' meeting shall be calculated based the number of shares.
- Article 4 The venue for the shareholders' meeting shall be within the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 If a shareholders meeting is called by the board of directors, the board chairman shall preside at the said shareholders meeting. In case the chairman is on leave of absence, or cannot exercise his powers and authority, the vice chairman shall act in lieu of him. there is no vice chairman, or the vice chairman is also on leave of absence, or cannot exercise his powers and authority, the chairman shall designate a managing director to act in lieu of him; if there is no managing director, the chairman shall designate a director to act in lieu of him. the chairman does not designate a director, the managing directors or directors shall elect one from among themselves to act in lieu of the chairman. If a shareholders meeting is called by any other person than the board of directors, who has the right to call the meeting, said person shall preside at that meeting.
- Article 6 The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting. Those handling the business of a shareholders meeting shall wear an identification card or a badge.
- Article 7 The Company shall record with an audio or video tape the whole proceedings of the shareholders meeting, and said video tape or audio tape shall be kept for at

least one year.

Article 8 When it is time to convene a shareholders meeting, the chairman shall immediately convene the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present still do not represent a majority of the total amount of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Act by shareholders representing one-third of the total amount of issued shares. Before the close of the said meeting if the shareholders present represent a majority of the total amount of issued shares, the chairman may present the tentative resolution so adopted to the meeting for resolution in accordance with the provisions of Article 174 of the Company Act.

Article 9 If a shareholders meeting is called by the board of directors, the proceedings of the meeting shall be formulated by the board of directors, and the meeting shall be proceeded with in accordance with the said proceedings. The proceedings shall not be changed without a resolution made by the shareholders meeting. If a shareholders meeting shall be called by any other person than the board of directors, the preceding provisions shall apply mutatis mutandis to the said meeting. The chairman shall not adjourn a meeting without resolution adopted by shareholders if the motions (including extraordinary motions) covered in the proceedings so arranged in the above two Paragraphs shall not have been resolved. After close of the said meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place. However, if the chairman violated the rules of procedure and adjourn the meeting, it is possible to be adopted by a majority vote of the shareholders' voting rights to elect one person to serve as the chairman to continue the meeting.

Article 10 A shareholder wishing to speak in a shareholders meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder (or number of attendance) and his name, and the chairman shall determine his order of giving a speech. A shareholder who submits his slip for a

speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail. When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman and the said shareholder, and the chairman may prevent others from interrupting.

Article 11 A shareholder shall not speak more than two times for one motion, unless he has obtained the prior consent from the chairman, and each speech shall not exceed 5 minutes. If a shareholder violates the above provisions or his speech exceeds the scope of the motion, the chairman may prevent him from doing so.

Article 12 A corporate shareholder being entrusted to attend in a shareholders meeting may designate only one representative to represent it in the meeting. If a corporate shareholder which designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one motion.

Article 13 After a shareholder has given a speech, the chairman may personally or designate relevant person to respond.

Article 14 When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

Article 15 The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. The results of resolution shall be announced in the meeting, and recorded in the meeting minutes.

Article 16 During the proceedings of a meeting, the chairman may consider the schedule and announce for a break.

Article 17 Unless otherwise specifically provided for in the Company Act or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority vote at a meeting attended by the shareholders. When voting on the resolution, the chairman or his designee shall announce the voting rights of the shareholders and the shareholders shall vote.

Article 18 If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

Article 19 The chairman may direct disciplinary personnel (or security personnel) to maintain the order of the meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel".

Article 20 These rules shall be implemented after the approval of the shareholders' meeting, and the same shall apply to the amendments.

《Appendix 2》 TKK Articles of Incorporation

Chapter 1 General Provisions

Article 1 The company was organized in accordance with the provisions of the Company Act and was named Taiwan Kong King Co., Ltd.

Article 2 The company's businesses are as follows:

- (1) C802120 Industrial Catalyst Manufacturing
- (2) C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff Manufacturing
- (3) CB01010 Machinery and Equipment Manufacturing
- (4) CB01020 Office Machines Manufacturing
- (5) CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
- (6) CC020170 Wired Communication Equipment and Apparatus Manufacturing
- (7) CC020180 Telecommunication Equipment and Apparatus Manufacturing
- (8) CC020190 Electronic Parts and Components Manufacturing
- (9) CC01110 Computers and Computing Peripheral Equipments Manufacturing
- (10) CC01990 Electrical Machinery, Supplies Manufacturing
- (11) CD01050 Bicycles and Parts Manufacturing
- (12) CE01010 Precision Instruments Manufacturing
- (13) CF01011 Medical Materials and Equipment Manufacturing
- (14) EZ05010 Apparatus Installation Construction
- (15) EZ13010 Nucleus Construction
- (16) F2018200 Wholesale of Chemistry Raw Material
- (17) F2018990 Wholesale of Other Chemical Products
- (18) F2019031 Wholesale of Drugs, Medical Goods
- (19) F113010 Wholesale of Machinery
- (20) F113030 Wholesale of Precision Instruments
- (21) F113050 Wholesale of Computing and Business Machinery Equipment
- (22) F113990 Wholesale of Other Machinery and Equipment
- (23) F119010 Wholesale of Electronic Materials
- (24) F207200 Retail sale of Chemistry Raw Material
- (25) F207990 Retail Sale of Other Chemical Products
- (26) F208031 Retail sale of Medical Equipments
- (27) F213030 Retail sale of Computing and Business Machinery Equipment
- (28) F213040 Retail Sale of Precision Instruments

- (29) F213080 Retail Sale of Machinery and Equipment
- (30) F213990 Retail Sale of Other Machinery and Equipment
- (31) F219010 Retail Sale of Electronic Materials
- (32) H703110 Senior Citizen's Development
- (33) I301010 Software Design Services
- (34) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company has its head office in Taoyuan County, Taiwan, and the Company may establish branches in and out of this country.

Article 4

- (1) When the company is a limited liability shareholder of other companies, it is not subject to Article 13 of the Company Act and may not exceed the limit of 40% of the company's paid-in capital.
- (2) The company may guarantee the external by the needs of the business.
- (3) The board of directors may invest in the mainland China according to the upper limit set by the competent authority.

Chapter 2 **Shares**

Article 5 The total amount of the Company's capital is NTD450 million, which is further divided into 45 million Shares, with the value per share NTD10, and the Board is authorized to issue shares in installments.

Article 6 The Company shall issue nominal shares under the signature or seal of a director on behalf of the company and with a visa from a bank legally entitled to act as the issuer of the shares. When the Company issues shares, those shares shall not be printed. The shares not printed shall be kept and recorded by the centralized securities depository enterprise.

Article 7 The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Article 7-1 The company buys back treasury shares, which can be transferred to employees based on the average price of the actual shares bought back. Subject to the

relevant laws and the attendance of more than half of the shareholders of the total number of issued shares of the shareholders' meeting, more than two-thirds of the voting rights of the shareholders shall agree to do so.

Chapter 3 **Shareholders' Meeting**

Article 8 There are two types of shareholders' meeting, namely, regular meeting and special meeting. The regular meeting shall be convened within six months after the close of each fiscal year. Whereas, special meetings are held in accordance with the law, when necessary. The shareholders' meeting shall be convened by the Board of Directors in addition to the provisions of the Company Act.

Article 9 If a shareholder cannot attend a shareholders' meeting for any reason, he or she may issue a proxy form in accordance with the company, stating the scope of authorization, to authorize an agent by signature and stamp to attend the meeting on his or her behalf.

Article 10 A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares under Article 179 and 197-1 of the Company Act.

Article 11 Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

Chapter 4 **Board of Directors and Audit Committee**

Article 12 The Company established seven to eleven directors. The terms of office for the directors shall be three years, and they may be eligible for re-election. The total shares of the Company held by all directors shall not less than the percentage in accordance with the laws and regulations of competent agencies. In accordance with Article 14-2 of Securities and Exchange Act, there shall be at least three seats for independent directors among the seats for directors in the preceding paragraph. The Company adopted a candidates nomination system for election of the directors of the company and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Relevant matters, such as the method of accepting the roster of director candidates nominated in the preceding paragraph and announcements, shall be handled in accordance with the

relevant provisions in Company Act, Securities and Exchange Act. The Board of Directors may establish functional committee. The qualifications, authority exertions and relevant matters to its members shall be handled in accordance with relevant laws and regulations and established by the Board of Directors. The Company will establish committee to replace supervisors in accordance with Article 14-4 of Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and its authority exertions and relevant matters shall be handled in accordance with relevant laws and regulations and established by the Board of Directors. The company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship after the Board passed the resolution. The Company granted the Board of Directors to determine the remuneration of all directors by referencing the standards given by companies in the same industry.

Article 13 The board of directors shall be organized by the directors. The board of directors is organized by the directors. More than two-thirds of the directors present and more than half of the attended directors agree to elect the chairman, and the vice-chairman can be elected as the business needs. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case of the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 13-1 The convening of the board of directors shall be notified to the directors by written, email or fax by 7 days. The company may call the board of directors at any time

in case of emergency and may also do so by written, email or fax.

Article 14 The directors are able to entrust other directors to attend the board of directors on their behalf by executing a power of attorney stating proxy therein the scope of power authorized, and may exercise voting rights on all matters arising from the meeting. However, any director may only act as the agent of one director.

Article 15 In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, his agent is handled in accordance with the provisions of Article 208 of the Company Act.

Chapter 5 Managerial personnel

Article 16 The company may have one or more managerial personnel. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Articles 29 of the Company Act.

Chapter 6 Accounting

Article 17 At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to audit committee for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders, then send to the shareholders' meeting for ratification:

(1)the business report. (2)the financial statements. (3)the surplus earning distribution or loss off-setting proposals.

Article 18

- (1) If the company is profitable, it should be deducted from the employee's remuneration and the remuneration of the directors and supervisors in advance of the pre-tax profit, and the employee's remuneration shall be 1% to 8% and the director and supervisor's remuneration shall be less than 1%. However, when the company still has accumulated losses, the amount of compensation should be retained in advance.
- (2) The company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. The balance is calculated by accumulating undistributed earnings, and after accumulating or reversing the

special reserve, it is the accumulated distributable earnings. The preceding accumulated distributable earnings is used to measure the necessity of the earnings to support the capital demand. According to the basic principles of the company's dividend policy, the amount of earnings reserve or distribution and the distribution are determined. According to the plan, the earnings distribution is proposed and submitted to the shareholders' meeting for resolution.

- (3) The company's dividend policy is based on the consideration of the best capital budget and the dilution of earnings per share. The amount of dividend from shareholders should be 50%~100% of the distributable earnings for the year. ' And in the dividends for the year, cash dividends are issued at a rate of not less than 30%. The cash dividend distribution rate depends on the profit and capital status of the year. After the board of directors proposes a distribution plan, it will be adjusted after the resolution of the shareholders' meeting.
- (4) In accordance with Article 240(5) of the Company Act, the Board of Directors is authorized to distribute dividends and bonuses or legal reserve and the capital reserve in accordance with Article 241 (1) in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and report the shareholders meeting.

Chapter 7 Supplemental Provisions

Article 19 The shareholders of the company's directors who supervise the execution of the business are paid wages or traveling expenses according to the level of the industry, and are paid regardless of profits and losses.

Article 20

- (1) Matters not covered in this article shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.
- (2) The company's organization procedures and rules of procedure are separately set.

Article 21 The Article was enacted on May 20, 1977:
The first amendment was on December 24, 1977.
The second amendment was on November 1, 1978.
The third amendment was made on May 27, 1982.
The fourth amendment was on August 28, 1983.
The fifth amendment was on August 15, 1985.

The sixth amendment was on December 16, 1985.
The seventh amendment was made on May 26, 1987.
The eighth amendment was made on August 10, 1988.
The ninth amendment was on July 20, 1990.
The tenth amendment was on December 18, 1990.
The eleventh amendment was made on March 20, 1991.
The twelfth amendment was made on July 1, 1991.
The thirteenth amendment was made on April 27, 1995.
The fourteenth amendment was made on September 1, 1995.
The fifteenth amendment was made on October 31, 1995.
The sixteenth amendment was made on October 1, 1998.
The seventeenth amendment was made on July 5, 2000.
The eighteenth amendment was on October 5, 2000.
The nineteenth amendment was made on November 17, 2000.
The twentieth amendment was made on February 5, 2001.
The twenty-first amendment was on June 25, 2002.
The twenty-second amendment was made on May 30, 2003.
The twenty-third amendment was made on May 24, 2004.
The twenty-fourth amendment was made on May 16, 2005.
The twenty-fifth amendment was made on May 16, 2005.
The twenty-sixth amendment was made on May 25, 2006.
The twenty-seventh amendment was made on June 13, 2007.
The twenty-eighth amendment was made on June 25, 2008.
The twenty-ninth amendment was made on June 16, 2009.
The 30th amendment was made on June 18, 2010.
The thirty-first amendment was made on June 22, 2011.
The thirty-second amendment was made on June 20, 2012.
The thirty-third amendment was made on June 11, 2015.
The thirty-fourth amendment was made on June 17, 2016.
The thirty- fifth amendment was made on June 21, 2017.
The thirty- sixth amendment was made on June 20, 2018.
The thirty- seven amendment was made on June 15, 2020.
The thirty- eight amendment was made on August 10, 2021

《Appendix 3》 Impact of the Proposed Bonus Shares on the Company's Operating

Unit: Except for cash dividends per share and earnings per share are NTD1, the others are NTD 1,000.

Item / Year		2021
Initial paid-in capital		362,888.94
Share allotment of the year	Cash dividends per share	6.30
	Capital increase by earning allotment per share (shares)	0
	Capital increase by capital reserve allotment per share (shares)	0
Changes in operating performance	Operating profit	(Remark 1)
	Operating profit increase compared to the same period last year (%)	
	Net profit after tax	
	Net profit after tax increase compared to the same period last year (%)	
	Earnings per share	
	Earnings per share increase compared to the same period last year (%)	
Pro forma earnings per share and P/E ratio	If the capital increase by earnings is fully transferred to the cash dividend	Pro forma earnings per share
		Pro forma annual average return
	If the capital increase by capital reserve is not processed	Pro forma earnings per share
		Pro forma annual average return
	If the capital increase by capital reserve is not processed and capital increase by earnings is transferred to the cash dividend	Pro forma earnings per share
		Pro forma annual average return

Remark 1 : The financial forecast for 2021 was not prepared.

Explanation of the shareholders' proposal on the shareholders' meeting:

According to Article 172-1 and Article 192-1 of the Company Act, the period in which the Company accepts the written proposal of the shareholders is from April 1, 2022 to April 15, 2022 at 5 pm. The acceptance office is the Management Department of Taiwan Kong King Co., Ltd. (1st Floor, No. 6, Section 2, Nantun Road, Luzhu Township, Taoyuan County), and has been publicly announced in the market observatory post system.

《Appendix 4》 Shareholdings and The Minimum Shareholdings of All Directors

1. Types of issued shares and total number of shares: 36,288,894 common shares
The minimum required combined shareholding of all directors by law: 3,600,000 shares.
2. As the company has three independent directors, according to the law, the minimum shareholding of directors should be reduced to 80%.
3. Shareholding roster:

Date: April 16, 2022

Title	Name	The shares held in the shareholder list on book closure date	
		Current shareholding	Shareholding ratio (%)
Chairman (Remark 1)	Ho, Shu-Chan	24,473,836	67.44
Director (Remark 1)	Wong, Senta	24,473,836	67.44
Director (Remark 1)	Tsui, Ying-Chun	24,473,836	67.44
Director (Remark 1)	Hsu, Hung-Chieh	24,473,836	67.44
Director (Remark 1)	Chang, Jui-Shum	24,473,836	67.44
Director	Liao, Hung-Ying	530,000	1.46
Director	Chen, Mei-Fen	287,035	0.79
Independent Director	Huang, Wen-Yuean	1,050	0
Independent Director	Chen, Chao-Huang	0	0
Independent Director	Wei, Hsing-Hai	0	0
Number of shares held by all directors		25,291,921	69.69

(Remark 1) The corporate representative of “Wong’s Kong King International (Holdings) Ltd. , incorporated in Bermuda” .