

King Chou Marine Technology Co., Ltd.
Minutes for 2023 Annual Shareholders' Meeting

Type: In-person shareholder's meeting

Date and Time: 10 a.m., June 12, 2023 (Monday)

Venue: Kaohsiung Business Convention Center (4F., No. 5, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.))

I. Chairman: Chia-Jen Chen, the chairman of the board of directors **Recorded by:** Kuo-Jung Lo

Attending shareholders:

Total number of issued shares: 83,971,399 shares.

Total shares represented by shareholders present in person or by proxy: 46,067,910 shares.

Percentage of shares held by shareholders present in person or by proxy: 54.86%

Attending directors: Chairman Chia-Jen Chen 、

Representative of Birkin Technology Co., Ltd. : Chien-Fu Chen 、

Independent Director Su-Ching Chang 、

Independent Director Hung-Chih Sun

Other attendees: Deloitte & Touche Chia-Ling Chiang

II. Call meeting to order: The Chairman announced the commencement of the meeting as shares represented by attending shareholders had reached the number legally required for shareholders' meetings.

III. Chairman's opening remarks

IV. Report Items

1. To report the 2022 operation report

Explanation: Please refer to page 4 to 6 for the 2022 operation report.

2. To report the Audit Committee's review report on 2022 financial statements

Explanation: Please refer to page 7 for the Audit Committee's review report.

3. To report the distribution of 2022 compensation to employees, Directors and Supervisors

Explanation:

(1) Compensation is distributed in accordance with Article 26 of the Articles of Incorporation. The amount has been reviewed by the Compensation Committee and approved by the Board of Directors to be distributed in cash. Details are as follows:

A. Compensation to employees: NT\$19,800,000

B. Remuneration to Directors and Supervisors: NT\$16,350,000

(2) There is no difference between the aforementioned amount and the amount accrued as expenses in 2022.

4. To report the amendments to the “Rules Governing the Transfer of Repurchased Shares to Employees”

Explanation: In compliance with amendments made by the competent authorities, the Company proposes to amend some articles within the “Rules Governing the Transfer of Repurchased Shares to Employees”. Please refer to page 8 for the comparison table of amendments.

V. Proposed Resolutions

1. To accept the 2022 operation report and financial statements (Proposed by the Board of Directors)

Explanation: The Company’s 2022 consolidated and parent company only financial statements were audited by independent auditors, Ms Chia-Ling Chiang and Mr. Hung-Ju Liao, of Deloitte & Touche with an unqualified opinion. The financial statements together with the operation report were reviewed by the Audit Committee which then issued a review report. Please refer to page 9 to 26 for details.

Resolution: Voting results for this proposal was as follows:

Shares represented at the time of voting : 46,067,910

Voting results	Number of shareholder votes	Proportion of shareholder votes present during vote
Approval votes	45,535,582 (Including 8,223,596 electronic votes)	98.84%
Disapproval votes	43,686 (Including 43,686 electronic votes)	0.1%
Abstention votes/no votes	488,642 (Including 148,642 electronic votes)	1.06%

2. To approve the proposal for 2022 earnings distribution (proposed by the Board of Directors)

Explanation:

- (1) The 2022 earnings distribution table prepared in accordance with Article 26 of the Articles of Incorporation has been approved by the Board of Directors. Please refer to page 27 for details.
- (2) The distribution would be paid out from 2022 earnings first.
- (3) The cumulative distributable earnings amounted to NT\$1,439,357,799 in 2022. The Company proposes for shareholders to receive a cash dividend of NT\$2.9 per share. With 83,971,399 shares outstanding, the overall cash dividends would be NT\$243,517,057.

Cash dividends to an individual shareholder are rounded down to the nearest dollar and fractional dollar amount is recognized as the Company's other income.

- (4) After the proposal has been approved in the shareholders' meeting, the Chairman would be authorized to set the ex-dividend record date and handle relevant matters.
- (5) In the event that there are changes in the total number of outstanding shares due to the Company's repurchase, transfer or cancellation of its treasury shares or other reasons and the dividend payout ratio needs to be revised, it is proposed for the shareholders' meeting to authorize the Chairman in making necessary adjustments.

Resolution: Voting results for this proposal was as follows:

Shares represented at the time of voting : 46,067,910

Voting results	Number of shareholder votes	Proportion of shareholder votes present during vote
Approval votes	45,637,982 (Including 8,325,996 electronic votes)	99.06%
Disapproval votes	41,686 (Including 41,686 electronic votes)	0.1%
Abstention votes/no votes	388,242 (Including 48,242 electronic votes)	0.84%

VI. Special motions : None

VII. Q & A summary : None

VIII.Meeting closed : 10:23 a.m., June 12, 2023

King Chou Marine Technology Co., Ltd.

Operation Report

1. 2022 Operation Report

(1) Financial performance and profitability analysis

A. Financial performance (In Thousands of New Taiwan Dollars)

Year Item	2022	2021	Change (in Dollar Amount)	Change (in Percentage)
Net operating revenue	3,266,960	2,379,223	887,737	37
Gross profit	964,342	693,984	270,358	39
Operating income	536,755	331,775	204,980	62
Pre-tax income	567,318	354,193	213,125	60
Net income	401,758	265,112	136,646	52

B. Profitability analysis

Item		Profitability	
		2022	2021
Return on assets (%)		9.06	6.36
Return on shareholders' equity (%)		13.32	9.27
% to paid-in capital	Operating income	63.92	39.51
	Pre-tax income	67.56	42.18
Net margin (%)		12.29	11.14
Earnings per share (NT\$) (retrospectively adjusted)		4.80	3.12

(2) Results from the execution of business plans

- A. The increase in operating revenue was due to the 3-month production suspension of our Vietnam factory in 2021. Shipments of orders during the suspension period were postponed to 2022.
- B. The increase in gross profit was due to an increase in operating revenue.
- C. The increase in gross profit and a slight increase in operating expenses led to an increase in operating income in 2022.
- D. The increase in pre-tax income was due to reasons listed above.

(3) Budget implementation

The Company did not prepare financial forecasts for 2022.

(4) Research and development

To achieve higher profitability and enhance competitiveness, the Company developed a diverse product range:

- A. Specialized in aquaculture nets and a variety of purse seine nets.
- B. Continued to improve production technology for products to better meet the demand from customers worldwide.
- C. Collaborated with suppliers in developing higher-valued material applications and more advanced production facilities.
- D. Participated in researches conducted by customers and academic institutions both at home and abroad and shared the research results.

2. Overview of 2023 business plans

(1) Business policy

- A. Expand the land-use net business.
- B. Aggressively explore possible applications of marine nets besides mariculture and capture fisheries.
- C. For subsidiaries to work together in achieving the goals of on-time delivery and minimum costs.
- D. Utilize our advantages of setting up factories in mainland China, Vietnam and Indonesia for lowering production costs as well as developing local markets, thereby expanding our presence worldwide.
- E. Implement our internal control system thoroughly and improve deficiencies in order to establish operating procedures with higher efficiency.
- F. Continually carry out researches on expanding the extent of processing, thereby enhancing product value.
- G. Nurture new generations for passing on the technology.

(2) Sales forecast and basis

The Company did not prepare sales forecasts for 2023.

(3) Key production and sales policies

A. Production strategies

- (a) Supervise subsidiaries in implementing their quality control systems, thereby improving yield.
- (b) Integrate production and sales plans to lower inventory levels and reduce obsolete materials.

B. Sales strategies

- (a) Compete for orders of assembled products (including the floating cage nets) to boost profits.
- (b) Expand the business of land-use nets as well as marine nets apart from the existing applications.
- (c) Aggressively explore markets of high-margin products.

3. Strategies for future developments

- (1) Proactively develop differentiated products with high unit prices.
- (2) Strengthen corporate governance and corporate social responsibility practices.
- (3) Support the government's green energy policy.

4. Impacts from external competitions, regulatory compliance and macro-environment

Our production relies heavily on manual labor; thus, labor cost is one of the deciding factors in profitability. As labor cost is lower in Asia compare to the western world, our major competitors are mostly located in Asia.

In recent years, the government has started to take actions concerning the recycling of old fishing nets by initiating the “fishing nets recycling and reuse program” and establishing the “measures for marking fishing gears of the gillnet fishery” in order to prevent waste fishing nets from harming marine life as well as the ecological environment. Aligning with the government’s policies, we continue to promote the concept of recycling waste fishing nets to our customers and work with Formosa Chemicals & Fibre Corporation in nylon nets recycling and reuse.

Affected by changes in market trends and rising awareness of ecological conservation, countries with fishing rights have implemented total catch control or even quota allocation while many regions have carried out trawling bans. Cage aquaculture has become the mainstream of global aquaculture.

Chairman: Chia-Jen Chen

General Manager: Chia-Jen Chen

Accounting Officer: Kuo-Jung Lo

Audit Committee's Review Report

The Board of Directors has prepared the 2022 operation report, financial statements, and earnings distribution proposal. Certified public accountants of Deloitte & Touche, Ms Chia-Ling Chiang and Mr. Hung-Ju Liao, are retained to audit the financial statements and they have issued independent auditors' reports. The above-mentioned operation report, financial statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by us. Thus, according to Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act, we hereby submit this report.

To: 2023 Annual Shareholders' Meeting of King Chou Marine Technology Co., Ltd.

Convener of the Audit Committee: Chin-Tseng Chang

March 13, 2023

King Chou Marine Technology Co., Ltd.
Comparison Table of Amendments to “Rules Governing the Transfer of Repurchased Shares to Employees”

Article	Amended Article	Original Article	Note
Article 3	<p>Procedures for the transfer of repurchased shares to employees:</p> <p><u>1. The proposal shall be submitted to the Compensation Committee or the Audit Committee for approval before presenting to the Board of Directors for approval.</u></p> <p><u>2.</u> Public announcement, filing and repurchase of the Company’s shares within the planned period shall be carried out in accordance with the resolution of the Board of Directors.</p> <p><u>3.</u> The Board of Directors would determine and publicly announce matters including the record date for the subscription, criteria for number of shares subscribable, payment period, rights and restrictions pursuant to the Rules.</p> <p><u>4.</u> The actual number of shares subscribed and paid would be calculated for the registration of share transfers.</p>	<p>Procedures for the transfer of repurchased shares to employees:</p> <p>1. Public announcement, filing and repurchase of the Company’s shares within the planned period shall be carried out in accordance with the resolution of the Board of Directors.</p> <p>2. The Board of Directors would determine and publicly announce matters including the record date for the subscription, criteria for number of shares subscribable, payment period, rights and restrictions pursuant to the Rules.</p> <p>3. The actual number of shares subscribed and paid would be calculated for the registration of share transfers.</p>	To include review procedures for the transfer of shares to employees.
Article 10	The Rules and amendments hereto shall be submitted for <u>reporting</u> in the shareholders’ meeting.	The Rules and amendments hereto shall be submitted for <u>ratification</u> in the shareholders’ meeting.	To revise the wording.

Independent Auditors' Report

The Board of Directors and Shareholders
King Chou Marine Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of King Chou Marine Technology Co., Ltd. and its subsidiaries (hereinafter referred to as “the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion, and we do not provide a separate opinion on these matters.

Details of key audit matters in the Group's consolidated financial statements for the year ended December 31, 2022 are as follows:

Authenticity of sales revenue

The Group's operating revenue for the year ended December 31, 2022 included sales revenue from specific customers. As these revenues had a higher correlation to the calculation of key performance indicators of sales personnel, the authenticity of sales revenue from specific customers was determined to be the key audit matter based on the presumption in the statements of auditing standards that significant risk exists in revenue recognition.

Audit procedures carried out in response to specific aspects stated in the aforementioned key audit matter included:

1. We understood and tested internal controls relevant to the authenticity of revenue recognition, including whether the internal controls over order and shipment operations were effective and sales revenues were recognized accordingly; and

2. We obtained details on sales revenues of specific customers and randomly selected an adequate number of samples, examined shipping documents or the existence of export declaration documents, and sent out confirmation letters or verified whether the amounts collected, payers and sales customers were in agreement with one another to confirm the authenticity of revenue.

Other Matters

King Chou Marine Technology Co., Ltd. has also prepared parent company only financial statements for the years ended December 31, 2022 and 2021, which we had audited and issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and maintains necessary internal control associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

We also provide those charged with governance with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China 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 the key audit matters in the audit of the consolidated financial statements for the year ended December 31, 2022. We describe these matters in the independent auditors' report, unless law and regulation prohibit the public disclosure of specific items, or in extremely rare cases, where we decide not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

The engagement partners on the audits resulting in this independent auditors' report are Chia-Ling Chiang and Hung-Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

KING CHOU MARINE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 & 6)	\$ 630,709	13	\$ 538,994	13
Financial assets at fair value through profit or loss - current (Notes 4 & 7)	48,178	1	54,396	1
Financial assets at amortized cost - current (Notes 4 & 11)	210,118	4	186,182	4
Notes receivable (Notes 4, 5, 9 & 22)	39,001	1	17,157	-
Accounts receivable, net (Notes 4, 5, 9 & 22)	815,143	17	578,196	14
Accounts receivable - related parties (Notes 4, 5, 9, 22 & 28)	25,811	1	7,676	-
Other receivable (Note 9)	22,785	1	17,216	-
Current tax assets (Notes 4 & 24)	8,964	-	2,986	-
Inventories (Notes 4 & 10)	1,124,670	23	1,065,281	25
Other current assets (Note 16)	106,678	2	116,519	3
Total current assets	3,032,057	63	2,584,603	60
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 & 8)	3,600	-	3,000	-
Financial assets at amortized cost - non-current (Notes 4 & 11)	6,111	-	6,018	-
Property, plant and equipment (Notes 4, 13, 29 & 30)	1,452,785	30	1,384,090	32
Right-of-use assets (Notes 4, 14 & 29)	177,819	4	179,790	4
Investment property (Notes 4 & 15)	15,069	-	16,077	1
Intangible assets (Note 4)	832	-	1,209	-
Deferred tax assets (Notes 4 & 24)	91,862	2	82,187	2
Prepayments for equipment	35,118	1	27,607	1
Net defined benefit assets (Notes 4 & 20)	16,004	-	8,318	-
Other non-current assets	3,005	-	2,686	-
Total non-current assets	1,802,205	37	1,710,982	40
TOTAL	\$ 4,834,262	100	\$ 4,295,585	100

(Continued)

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

KING CHOU MARINE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - (Continued)
DECEMBER 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17, 28 & 29)	\$ 849,757	18	\$ 592,029	14
Short-term bills payable (Notes 4 & 17)	-	-	49,961	1
Contract liabilities (Notes 4 & 22)	52,046	1	51,716	1
Accounts payable (Note 18)	57,793	1	42,708	1
Other payables (Notes 19 & 28)	203,886	4	160,788	4
Current tax liabilities (Notes 4 & 24)	76,468	2	29,601	-
Current portion of long-term borrowings (Notes 4, 17, 28 & 29)	46,065	1	81,063	2
Other current liabilities	1,530	-	2,019	-
Total current liabilities	1,287,545	27	1,009,885	23
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 17, 28 & 29)	30,710	1	119,200	3
Deferred tax liabilities (Notes 4 & 24)	351,920	7	300,598	7
Guarantee deposits received	132	-	58	-
Total non-current liabilities	382,762	8	419,856	10
Total liabilities	1,670,307	35	1,429,741	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Ordinary shares	839,713	17	839,713	19
Capital surplus	38,917	1	38,917	1
Retained earnings				
Legal reserve	382,274	8	355,983	8
Special reserve	213,696	4	193,381	5
Undistributed earnings	1,430,448	30	1,243,722	29
Total retained earnings	2,026,418	42	1,793,086	42
Other equity	(162,855)	(4)	(212,733)	(5)
Total equity attributable to owners of the Company	2,742,193	56	2,458,983	57
NON-CONTROLLING INTERESTS (Note 21)	421,762	9	406,861	10
Total equity	3,163,955	65	2,865,844	67
TOTAL	\$ 4,834,262	100	\$ 4,295,585	100

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

(Concluded)

KING CHOU MARINE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

	2022		2021	
	Amount	%	Amount	%
Operating revenue (Notes 4, 22 & 28)	\$ 3,266,960	100	\$ 2,379,223	100
Operating costs (Notes 10 & 23)	2,302,618	70	1,685,239	71
Gross profit	964,342	30	693,984	29
Operating expenses (Notes 9 & 23)				
Selling and marketing expenses	168,108	5	143,776	6
General and administrative expenses	216,636	7	183,229	8
Research and development expenses	3,519	-	3,528	-
Expected credit loss	39,324	1	31,676	1
Total operating expenses	427,587	13	362,209	15
Profit from operations	536,755	17	331,775	14
Non-operating income and expenses (Note 23)				
Interest income	16,323	1	8,280	-
Other income	11,213	-	8,896	-
Other gains and losses	19,823	1	13,045	1
Finance costs	(16,796)	(1)	(7,803)	-
	30,563	1	22,418	1
Consolidated profit before income tax	567,318	18	354,193	15
Income tax expense (Notes 4 & 24)	165,560	5	89,081	4
Net profit	401,758	13	265,112	11
Other comprehensive income (loss) (Notes 4, 20, 21 & 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plan	8,369	-	1,347	-
Income tax related to items that will not be reclassified subsequently	(1,674)	-	(269)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	80,602	2	(36,357)	(1)
Income tax related to items that may be reclassified subsequently	(12,470)	-	5,079	-
Other comprehensive income (loss), net of income tax	74,827	2	(30,200)	(1)
Total comprehensive income	\$ 476,585	15	\$ 234,912	10
Net profit (loss) attributed to:				
Owners of the Company	\$ 402,977	12	\$ 261,836	11
Non-controlling interests	(1,219)	-	3,276	-
	\$ 401,758	12	\$ 265,112	11
Total comprehensive income attributed to:				
Owners of the Company	\$ 459,550	14	\$ 242,599	10
Non-controlling interests	17,035	1	(7,687)	-
	\$ 476,585	15	\$ 234,912	10
Earnings per share (Note 25)				
Basic	\$ 4.80		\$ 3.12	
Diluted	\$ 4.77		\$ 3.10	

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

KING CHOU MARINE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Item	Equity Attributable to Owners of the Company						Other Equity		Non-controlling Interest	Total Equity
	Retained Earnings					Exchange Differences on Translating the Financial Statements of Foreign Operations	Total			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			Total		
Balance as of January 1, 2021	\$ 839,713	\$ 38,917	\$ 324,336	\$ 138,577	\$ 1,277,187	\$ 1,740,100	(\$ 192,418)	\$ 2,426,312	\$ 427,165	\$ 2,853,477
Appropriation and distribution of 2020 earnings (Note 21)										
Legal reserve	-	-	31,647	-	(31,647)	-	-	-	-	-
Special reserve	-	-	-	54,804	(54,804)	-	-	-	-	-
Cash dividends to shareholders of the Company	-	-	-	-	(209,928)	(209,928)	-	(209,928)	-	(209,928)
	-	-	31,647	54,804	(296,379)	(209,928)	-	(209,928)	-	(209,928)
Cash dividends to shareholders of the subsidiaries (Note 21)	-	-	-	-	-	-	-	-	(12,617)	(12,617)
Net income in 2021	-	-	-	-	261,836	261,836	-	261,836	3,276	265,112
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	1,078	1,078	(20,315)	(19,237)	(10,963)	(30,200)
Total comprehensive income (loss) in 2021	-	-	-	-	262,914	262,914	(20,315)	242,599	(7,687)	234,912
Balance as of December 31, 2021	839,713	38,917	355,983	193,381	1,243,722	1,793,086	(212,733)	2,458,983	406,861	2,865,844
Appropriation and distribution of 2021 earnings (Note 21)										
Legal reserve	-	-	26,291	-	(26,291)	-	-	-	-	-
Special reserve	-	-	-	20,315	(20,315)	-	-	-	-	-
Cash dividends to shareholders of the Company	-	-	-	-	(176,340)	(176,340)	-	(176,340)	-	(176,340)
	-	-	26,291	20,315	(222,946)	(176,340)	-	(176,340)	-	(176,340)
Cash dividends to shareholders of the subsidiaries (Note 21)	-	-	-	-	-	-	-	-	(2,134)	(2,134)
Net income (loss) in 2022	-	-	-	-	402,977	402,977	-	402,977	(1,219)	401,758
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	6,695	6,695	49,878	56,573	18,254	74,827
Total comprehensive income (loss) in 2022	-	-	-	-	409,672	409,672	49,878	459,550	17,035	476,585
Balance as of December 31, 2022	\$ 839,713	\$ 38,917	\$ 382,274	\$ 213,696	\$ 1,430,448	\$ 2,026,418	(\$ 162,855)	\$ 2,742,193	\$ 421,762	\$ 3,163,955

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

KING CHOU MARINE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Consolidated profit before income tax	\$ 567,318	\$ 354,193
Adjustments:		
Depreciation	122,595	102,434
Amortization	2,596	2,284
Expected credit loss	39,324	31,676
Net loss (gain) on financial instruments at fair value through profit or loss	12,953	(18,327)
Finance costs	16,796	7,803
Interest income	(16,323)	(8,280)
Dividend income	(4,746)	(2,395)
Net loss on disposal of property, plant and equipment	31	598
Impairment loss on non-financial assets	22,800	5,111
Net changes in operating assets and liabilities		
Notes receivable	(21,844)	27,959
Notes receivable - related parties	-	2,150
Accounts receivable	(277,227)	48,434
Accounts receivable - related parties	(18,135)	5,407
Other receivable	(1,729)	325
Inventories	(84,565)	(148,237)
Other current assets	9,841	(18,683)
Contract liabilities	330	(21,512)
Accounts payable	15,085	(45,722)
Other payable	42,993	(16,196)
Other current liabilities	(489)	(404)
Net defined benefit assets	683	841
Cash generated from operations	428,287	309,459
Interest received	12,483	8,264
Dividend received	4,746	2,395
Interest paid	(17,653)	(7,779)
Income tax paid	(96,483)	(75,259)
Net cash generated by operating activities	<u>331,380</u>	<u>237,080</u>

(Continued)

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

KING CHOU MARINE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 600)	\$ -
Acquisition of financial assets mandatorily at fair value through profit or loss	(20,778)	(48,875)
Proceeds from sale of financial assets mandatorily at fair value through profit or loss	14,043	73,782
Acquisition of financial assets at amortized cost	(24,029)	(61,131)
Acquisition of property, plant and equipment	(155,425)	(94,981)
Proceeds from disposal of property, plant and equipment	1,296	999
Acquisition of intangible assets	(13)	(864)
Increase in other non-current assets	(2,379)	(1,061)
Net cash used in investing activities	<u>(187,885)</u>	<u>(132,131)</u>
Cash flows from financing activities		
Increase in short-term borrowings	3,077,294	1,946,053
Decrease in short-term borrowings	(2,841,038)	(1,802,471)
Increase in short-term bills payable	300,000	360,000
Decrease in short-term bills payable	(350,000)	(340,000)
Increase in long-term borrowings	-	83,563
Repayment of long-term borrowings	(140,615)	(114,114)
Increase in guarantee deposits received	74	58
Distribution of dividends to owners of the Company	(176,340)	(209,928)
Distribution of cash dividends to non-controlling interests	(2,134)	(12,617)
Net cash used in financing activities	<u>(132,759)</u>	<u>(89,456)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>80,979</u>	<u>(21,105)</u>
Net increase (decrease) in cash and cash equivalents	91,715	(5,612)
Cash and cash equivalents at beginning of year	<u>538,994</u>	<u>544,606</u>
Cash and cash equivalents at end of year	<u>\$ 630,709</u>	<u>\$ 538,994</u>

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

(Concluded)

Independent Auditors' Report

The Board of Directors and Shareholders
King Chou Marine Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of King Chou Marine Technology Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion, and we do not provide a separate opinion on these matters.

Details of key audit matters in the Company's parent company only financial statements for the year ended December 31, 2022 are as follows:

Authenticity of sales revenue

The Company's operating revenue for the year ended December 31, 2022 included sales revenue from specific customers. As these revenues had a higher correlation to the calculation of key performance indicators of sales personnel, the authenticity of sales revenue from specific customers was determined to be the key audit matter based on the presumption in the statements of auditing standards that significant risk exists in revenue recognition.

Audit procedures carried out in response to specific aspects stated in the aforementioned key audit matter included:

1. We understood and tested internal controls relevant to the authenticity of revenue recognition, including whether the internal controls over order and shipment operations were effective and sales revenues were recognized accordingly; and
2. We obtained details on sales revenues of specific customers and randomly selected an adequate number of samples, examined shipping documents or the existence of export declaration documents, and sent out confirmation letters or verified whether the amounts collected, payers and sales customers were in agreement with one another to confirm the authenticity of revenue.

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 maintains necessary internal control associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

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

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

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

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

As part of an audit in accordance with the auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China 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 the key audit matters in the audit of the parent company only financial statements for the year ended December 31, 2022. We describe these matters in the independent auditors' report, unless law and regulation prohibit the public disclosure of specific items, or in extremely rare cases, where we decide not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

The engagement partners on the audits resulting in this independent auditors' report are Chia-Ling Chiang and Hung-Ju Liao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

KING CHOU MARINE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 & 6)	\$ 456,187	9	\$ 354,488	8
Financial assets at fair value through profit or loss - current (Notes 4 & 7)	48,178	1	54,396	1
Financial assets at amortized cost - current (Notes 4 & 11)	-	-	27,680	1
Notes receivable (Notes 4, 9 & 19)	35,121	1	13,206	-
Accounts receivable, net (Notes 4, 5, 9 & 19)	696,276	13	455,563	10
Accounts receivable - related parties (Notes 4, 5, 9, 19 & 25)	26,344	-	18,767	-
Inventories (Notes 4 & 10)	662,826	13	662,890	15
Other current assets	58,063	1	65,630	2
Total current assets	1,982,995	38	1,652,620	37
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 & 8)	3,600	-	3,000	-
Financial assets at amortized cost - non-current (Notes 4 & 11)	134	-	134	-
Investments accounted for using the equity method (Notes 4 & 12)	2,699,590	51	2,348,739	52
Property, plant and equipment (Notes 4, 13 & 26)	456,605	9	438,452	10
Intangible assets (Note 4)	699	-	1,057	-
Deferred tax assets (Notes 4 & 21)	79,736	2	63,263	1
Net defined benefit assets (Notes 4 & 17)	16,004	-	8,318	-
Other non-current assets	535	-	1,069	-
Total non-current assets	3,256,903	62	2,864,032	63
TOTAL	\$ 5,239,898	100	\$ 4,516,652	100

(Continued)

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

KING CHOU MARINE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS - (Continued)
DECEMBER 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 14, 25 & 26)	\$ 574,721	11	\$ 461,405	10
Short-term bills payable (Notes 4 & 14)	-	-	49,961	1
Contract liabilities (Notes 4 & 19)	39,354	1	40,191	1
Accounts payable (Note 15)	46,429	1	28,641	1
Accounts payable - related parties (Notes 15 & 25)	-	-	2,321	-
Other payables (Note 16)	118,121	2	86,583	2
Other payables - related parties (Note 25)	1,301,371	25	1,024,037	23
Current tax liabilities (Notes 4 & 21)	51,114	1	12,675	-
Other current liabilities	1,255	-	1,257	-
Total current liabilities	2,132,365	41	1,707,071	38
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 14, 25 & 26)	-	-	50,000	1
Deferred tax liabilities (Notes 4 & 21)	365,340	7	300,598	7
Total non-current liabilities	365,340	7	350,598	8
Total liabilities	2,497,705	48	2,057,669	46
EQUITY (Note 18)				
Ordinary shares	839,713	16	839,713	18
Capital surplus	38,917	1	38,917	1
Retained earnings				
Legal reserve	382,274	7	355,983	8
Special reserve	213,696	4	193,381	4
Undistributed earnings	1,430,448	27	1,243,722	28
Total retained earnings	2,026,418	38	1,793,086	40
Other equity	(162,855)	(3)	(212,733)	(5)
Total equity	2,742,193	52	2,458,983	54
TOTAL	\$ 5,239,898	100	\$ 4,516,652	100

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

(Concluded)

KING CHOU MARINE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings per Share)

	2022		2021	
	Amount	%	Amount	%
Operating revenue, net (Notes 4, 19 & 25)	\$ 2,755,247	100	\$ 1,956,720	100
Operating costs (Notes 10, 20 & 25)	2,203,981	80	1,570,814	80
Gross profit	551,266	20	385,906	20
Realized profit with subsidiaries	-	-	8,188	-
Realized gross profit	551,266	20	394,094	20
Operating expenses (Notes 9 & 20)				
Selling and marketing expenses	129,110	5	111,914	6
General and administrative expenses	108,537	4	87,728	4
Research and development expenses	3,519	-	3,528	-
Expected credit loss	31,597	1	15,099	1
Total operating expenses	272,763	10	218,269	11
Profit from operations	278,503	10	175,825	9
Non-operating income and expenses (Note 20)				
Interest income	4,302	-	1,561	-
Other income	10,816	-	7,869	-
Other gains and losses	(63,638)	(2)	26,490	1
Finance costs	(7,939)	-	(4,941)	-
Share of profit or loss of subsidiaries accounted for using the equity method	288,503	11	114,888	6
Total non-operating income and expenses	232,044	9	145,867	7
Profit before income tax	510,547	19	321,692	16
Income tax expense (Notes 4 & 21)	107,570	4	59,856	3
Net profit	402,977	15	261,836	13
Other comprehensive income (loss) (Notes 4, 17, 18 & 21)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plan	8,369	-	1,347	-
Income tax related to items that will not be reclassified subsequently	(1,674)	-	(269)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations	246,387	9	(50,628)	(2)
Share of other comprehensive income of subsidiaries accounted for using the equity method	(184,039)	(7)	25,234	1
Income tax related to items that may be reclassified subsequently	(12,470)	-	5,079	-
Other comprehensive income (loss), net of income tax	56,573	2	(19,237)	(1)
Total comprehensive income	\$ 459,550	17	\$ 242,599	12
Earnings per share (Note 22)				
Basic	\$ 4.80		\$ 3.12	
Diluted	\$ 4.77		\$ 3.10	

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

KING CHOU MARINE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Item	Retained Earnings						Other Equity	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	
Balance as of January 1, 2021	\$839,713	\$ 38,917	\$324,336	\$138,577	\$ 1,277,187	\$ 1,740,100	(\$ 192,418)	\$ 2,426,312
Appropriation and distribution of 2020 earnings (Note 18)								
Legal reserve	-	-	31,647	-	(31,647)	-	-	-
Special reserve	-	-	-	54,804	(54,804)	-	-	-
Cash dividends to shareholders	-	-	-	-	(209,928)	(209,928)	-	(209,928)
	-	-	31,647	54,804	(296,379)	(209,928)	-	(209,928)
Net income in 2021	-	-	-	-	261,836	261,836	-	261,836
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	1,078	1,078	(20,315)	(19,237)
Total comprehensive income (loss) in 2021	-	-	-	-	262,914	262,914	(20,315)	242,599
Balance as of December 31, 2021	839,713	38,917	355,983	193,381	1,243,722	1,793,086	(212,733)	2,458,983
Appropriation and distribution of 2021 earnings (Note 18)								
Legal reserve	-	-	26,291	-	(26,291)	-	-	-
Special reserve	-	-	-	20,315	(20,315)	-	-	-
Cash dividends to shareholders	-	-	-	-	(176,340)	(176,340)	-	(176,340)
	-	-	26,291	20,315	(222,946)	(176,340)	-	(176,340)
Net income in 2022	-	-	-	-	402,977	402,977	-	402,977
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	6,695	6,695	49,878	56,573
Total comprehensive income (loss) in 2022	-	-	-	-	409,672	409,672	49,878	459,550
Balance as of December 31, 2022	\$ 839,713	\$ 38,917	\$382,274	\$213,696	\$ 1,430,448	\$ 2,026,418	(\$ 162,855)	\$ 2,742,193

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

KING CHOU MARINE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before income tax	\$ 510,547	\$ 321,692
Adjustments:		
Depreciation	12,051	11,632
Amortization	600	418
Expected credit loss	31,597	15,099
Net loss (gain) on financial instruments at fair value through profit or loss	12,953	(18,327)
Finance costs	7,939	4,941
Interest income	(4,302)	(1,561)
Dividend income	(4,746)	(2,395)
Share of profit or loss of subsidiaries accounted for using the equity method	(288,503)	(114,888)
Realized profit with subsidiaries	-	(8,188)
Other non-cash items	5,561	(2,139)
Net changes in operating assets and liabilities		
Notes receivable	(21,915)	26,453
Notes receivable - related parties	-	2,150
Accounts receivable	(272,310)	42,699
Accounts receivable - related parties	(7,577)	(4,239)
Inventories	(5,497)	(100,645)
Other current assets	7,767	(28,600)
Contract liabilities	(837)	(25,265)
Accounts payable	17,788	(44,951)
Accounts payable - related parties	(2,321)	(3,512)
Other payable	31,539	(1,572)
Other payable - related parties	277,334	93,002
Other current liabilities	(2)	130
Net defined benefit assets	683	841
Cash generated from operations	308,349	162,775
Interest received	4,102	1,544
Dividend received	4,746	2,395
Interest paid	(7,901)	(5,017)
Income tax paid	(35,006)	(51,636)
Net cash generated by operating activities	<u>274,290</u>	<u>110,061</u>

(Continued)

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

KING CHOU MARINE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS - (Continued)
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 600)	\$ -
Acquisition of financial assets mandatorily at fair value through profit or loss	(20,778)	(48,875)
Proceeds from sale of financial assets mandatorily at fair value through profit or loss	14,043	73,782
Disposal of financial assets at amortized cost	27,680	800
Acquisition of property, plant and equipment	(30,204)	(25,336)
Proceeds from disposal of property, plant and equipment	-	63
Acquisition of intangible assets	-	(851)
Decrease in other non-current assets	292	-
Dividends received from subsidiaries	-	8,471
Net cash (used in) generated by investing activities	<u>(9,567)</u>	<u>8,054</u>
Cash flows from financing activities		
Increase in short-term borrowings	2,701,526	1,736,778
Decrease in short-term borrowings	(2,588,210)	(1,608,788)
Increase in short-term bills payable	300,000	360,000
Decrease in short-term bills payable	(350,000)	(340,000)
Repayment of long-term borrowings	(50,000)	(60,000)
Distribution of cash dividends	(176,340)	(209,928)
Net cash used in financing activities	<u>(163,024)</u>	<u>(121,938)</u>
Net increase (decrease) in cash and cash equivalents	101,699	(3,823)
Cash and cash equivalents at beginning of year	<u>354,488</u>	<u>358,311</u>
Cash and cash equivalents at end of year	<u><u>\$ 456,187</u></u>	<u><u>\$ 354,488</u></u>

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

(Concluded)

King Chou Marine Technology Co., Ltd.
2022 Earnings Distribution Table

Item	In New Taiwan Dollars	
	Amount	
Undistributed earnings, beginning balance	\$	1,020,774,994
Remeasurement of defined benefit plans recognized in retained earnings		6,694,852
Undistributed earnings after adjustment		1,027,469,846
Net income in 2022		402,977,010
Legal reserve (10%)		(40,967,186)
Reversal of special reserve		49,878,129
Distributable earnings	\$	1,439,357,799
Distribution item		
Dividends to shareholders - cash (NT\$2.9/share)		(243,517,057)
Undistributed earnings, ending balance	\$	1,195,840,742

※Based on the number of shares outstanding (83,971,399 shares) as of March 13, 2023.

※Cash dividends to be paid are rounded down to the nearest dollar.

Chairman: Chia-Jen Chen General Manager: Chia-Jen Chen Accounting Officer: Kuo-Jung Lo