

Stock Code : 2359

Solomon Technology Corporation

2024 Annual Shareholders' Meeting

Meeting Agenda (Translation)

June 7 , 2024 9:00AM

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CH 1. Meeting Procedure

Announcing the total number of shares represented at the meeting: Call the meeting to order

Chairperson takes the chair and gives a speech

I. Management Presentation (Company Reports)

II. Matters to be Ratified

III. Extempore Motions

IV. Adjournment

CH 2. Meeting Agenda

Time: June 7, 2024 (Friday) 9 AM.

Manner of meeting: Physical annual general meeting.

Place: Meeting Room, 5F, No. 42, Xingzhong Rd., Neihu Dist., Taipei City.

Announcing the total number of shares represented at the meeting: Call the meeting to order.

Chairperson takes chairs and gives a speech.

I. Management Presentation (Company Reports):

- (I) The Company's 2023 business report.
- (II) Audit Committee's 2023 audit report.
- (III) Report on the distribution of remuneration to employees and to directors in 2023.
- (IV) Report on the distribution of shareholder bonuses in 2023.

II. Matters to be Ratified:

- (I) The Company's 2023 business report and financial statements are hereby submitted for ratification.
- (II) The proposal for the distribution of earnings in 2023 is hereby submitted for ratification.

III. Extempore Motions.

IV. Adjournment.

I. Management Presentation (Company Reports)

(I) The Company's 2023 business report.

The Company's 2023 business report. (Please refer to Attachment 1 [p9-p12])

(II) Audit Committee's 2023 audit report.

1. To proceed according to Articles 219 and 228 of the Company Act.
2. Audit Committee's 2023 audit report. (Please refer to Attachment 2 [p13])

(III) Report on the distribution of remuneration to employees and to directors in 2022.

1. To proceed according to the "Company Act" and Article 28 of the Articles of Incorporation.
2. The percentage and amount of remuneration to employees and to directors and supervisors in 2023 are as follows and the remuneration was distributed in cash:
 - (1) 1% for employee remuneration: NT\$5,851,248 in total
 - (2) 2% for remuneration to directors: NT\$11,702,496 in total

(IV) Report on the distribution of shareholder bonuses in 2023.

1. To proceed according to the "Company Act" and Article 28 of the Articles of Incorporation.
2. The Company's 2023 shareholder bonus determined by a resolution of the Board of Directors is reported as follows:
 - (1) The shareholder bonus for the first half of the year was NT\$0.
 - (2) The shareholder bonus for the second half of the year was NT\$291,500,788 and was distributed in cash, with NT\$1.7 per share.

II. Matters to be Ratified

Motion No. 1

Proposed by the Board of Directors

Summary: The Company's 2023 business report and financial statements are hereby submitted for ratification.

Description:

- I. To proceed according to Article 20 of the Company Act.
- II. The Company's 2023 financial statements (including the consolidated and parent-only financial statements) have been prepared by the Board of Directors, on which CPA Liang Yi-Chang and CPA Amanda Wen of PricewaterhouseCoopers Taiwan have issued an independent auditor's report. The financial statements along with the business report have been submitted to and reviewed by the Audit Committee.
- III. For the aforementioned business report, independent auditor's audit report and financial statements, please refer to Attachments 1 [p9-p12] and 3 [p14-p34].
- IV. Please ratify.

Resolution:

Motion No. 2**Proposed by the Board of Directors**

Summary: The proposal for the distribution of earnings in 2023 is hereby submitted for ratification.

Description:

- I. To proceed according to Article 20 of the Company Act.
- II. The Company's distribution of earnings in 2023 is described as follows:
 - (I) The 2023 Statement of Earnings Distribution is attached below.
 - (II) The amount of the proposed cash dividend shall be calculated and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and transferred to the account of the Employee Welfare Committee.
 - (III) The “**ex-dividend date**” for the proposed cash dividend was set on July 16, **2024**.
 - (IV) Where a revision associated with this earning distribution is required prior to the ex-dividend date due to a change in the number of outstanding shares or other changes as a result of any legislation amendments, amendments approved by the competent authority, or circumstantial changes, the Chairman shall be authorized to handle the matter with full power at the annual general meeting.
- III. Please ratify.

Resolution:

SOLOMON Technology Corporation
2023 Statement of Earnings Distribution

Unit: NT\$

Item	Amount
Opening undistributed earnings	2,264,345,502
Plus (less): Remeasurement of defined benefit plans	1,495,094
Plus (less): Special reserves set aside	532,241,001
Less: 10% set aside as legal reserves	(53,373,610)
Plus (less): Net profit after tax in the current year	(8,959,987)
Distributable earnings	2,735,748,000
Distributable items:	
Shareholder bonus (a cash dividend of NT\$1.7 per share)	(291,500,788)
Closing undistributed earnings	2,444,247,212

Note: The Ministry of Finance's Tai-Tsai-Shui Letter No. 871941343 dated 04.30.1998 specifies that separate recognition is required for earning distribution. Priority is given to the 2023 earnings for this earning distribution.

III. Extempore Motions.

IV. Adjournment.

CH 3. Attachment

Attachment 1

SOLOMON Technology Corporation

2023 Business Report

The consolidated operating income in 2023 amounted to NT\$4.22 billion. The profit after tax was NT\$558 million and the after-tax EPS was NT\$3.11. The Company's operating results in 2023 and the business plan for 2024 are hereby presented as follows:

I.2022 Business Report:

(I)2022 business plan implementation results and profitability analysis:

1. SOLOMON and subsidiaries (consolidated):

Unit: NT\$ Thousand

Item	2023		2022		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Operating income	4,219,903	100.00%	5,249,928	100.00%	(1,030,025)	-19.62%
Gross operating profit	968,719	22.96%	1,083,514	20.64%	(114,795)	-10.59%
Operating profit	143,145	3.39%	264,528	5.04%	(121,383)	-45.89%
Pre-tax profit	638,524	15.13%	655,837	12.49%	(17,313)	-2.64%
Net profit (loss) in the current period	557,787	13.22%	475,943	9.07%	81,844	17.20%
Net profit attributable to owners of the parent company	532,241	12.61%	458,232	8.73%	74,009	16.15%
Net profit attributable to non-controlling interests	25,546	0.61%	17,711	0.34%	7,835	44.24%
Earnings per share (NT\$)	3.11		2.67		0.44	

2. SOLOMON (parent-only):

Unit: NT\$ Thousand

Item	2023		2022		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Operating income	2,555,512	100.00%	3,157,169	100.00%	(601,657)	-19.06%
Gross operating profit	543,546	21.27%	546,707	17.32%	(3,161)	-0.58%
Operating profit	80,296	3.14%	98,955	3.13%	(18,659)	-18.86%
Pre-tax profit	567,571	22.21%	543,276	17.21%	24,295	4.47%
Net profit (loss) in the current period	532,241	20.83%	458,232	14.51%	74,009	16.15%
Earnings per share (NT\$)	3.11		2.67		0.44	

(II) Financial revenue and expenditure in 2022

Unit: NT\$ Thousand

Item	Consolidated		Parent-only	
	2023	2022	2023	2022
Net cash inflow (outflow) from operating activities	(105,193)	1,075,571	7,008	555,993
Net cash inflow (outflow) from investing activities	(540,363)	483,681	(15,810)	98,534
Net cash inflow (outflow) from financing activities	(555,802)	(501,855)	(317,924)	(501,639)
Effect of exchange rate	6,388	13,570	33	663
Increase (Decrease) in cash and cash equivalents in the current period	(1,194,970)	1,070,967	(326,693)	153,551

(III) R&D performance in 2023:

No.	R&D results
1	Accupick can plan the optimal anti-collision path for multiple targets at the same time
2	Accupick's anti-collision system supports dynamic switching between gripper tools and environmental obstacles, and updates the anti-collision path immediately after switching
3	Accupick can control two arms at the same time to grip objects in the same bin, achieving high-speed gripping
4	The Company has added multiple functional modules to Accupick to meet customization needs in a more flexible manner
5	Solvision has been equipped with a new model management interface
6	We have optimized Solvision's annotation function and added several rapid annotation tools
7	We have optimized Solvision's model effect analysis interface
8	Solmotion supports deformed objects and can modify the processing path according to workpiece deformation
9	We completed the first-version website and app development for META-aivi
10	The Company has enhanced Solmotion's drilling, derusting, cleaning, tin soldering, engraving and cutting functions used in conjunction with laser engraving machines

(IV) Budget implementation:

Not applicable since SOLOMON did not make the financial forecast public in 2023.

II. Overview of the 2024 Business Plan:

(I) Operating strategies and production and sales policies

Solomon Group has a diversified business scope covering energy equipment, smart automated industrial products, AI & 3D visual technology integration, and other applications, and has accumulated decades of industry experience. In 2024, Solomon Group will continue to increase R&D capacity and prioritize business expansion. Important policies and implementation strategies are shown below:

1. Energy equipment business:

- (1) In addition to continuous business expansion in the semiconductor industry, SOLOMON will branch out into emerging industries such as EV supply chains, reshoring investment and manufacturing, 5G, AI, and other energy-intensive industries to meet developing customer requirements for power and energy.
- (2) We will integrate the Group's resources and service advantages, and seek opportunities to collaborate with Taiwan Power Company and related generating set suppliers.
- (3) In view of the energy reform under ESG and carbon emission policies, we will pursue application opportunities in the industrial biogas market to increase our service capacity in the foremarket and in the aftermarket.
- (4) SOLOMON will participate in public construction, commercial and urban renewal projects and provide comprehensive energy solutions.
- (5) We will continue to promote our existing products, and expand new products and application integration.

2. Smart automation business:

- (1) In the following year, the Company will align strategies for technologies, products, and channels with a focus on "connecting with partners and discovering more AI-powered smart applications."
- (2) We will use key technologies to link products from ecosystem partners that are in high demand and in need of AI upgrades. In combination with partner products, we can meet the demand for functional expansion and cross-industry applications, achieving AI empowerment and new product creation.
- (3) We will continue to accumulate diverse smart application cases, seek new, suitable partners, develop new channels, and expand sales channels.
- (4) The Company will implement a full-scale digital corporate transformation, and expand the business in automation equipment, AI & 3D vision, AMR and robotic arm markets.
- (5) With a focus on ESG issues, SOLOMON will promote various solutions for production lines and plants.

(II) Anticipated sales volume and the basis

In the field of smart automation, we will continuously strengthen the R&D and innovation of 3D vision and AI technologies, and integrate them into solving the pain points of enterprises, in order to improve business processes and enhance competitiveness. For the energy business, in response to global concerns about energy conservation, carbon reduction, and ESG issues, we will commit to the development and application of green energy generation and grid infrastructure solutions. This will help us adapt to changes in the energy industry and contribute to global environmental protection and sustainable development goals.

III. Future Strategies for the Development of SOLOMON and the Impact of External Competitive, Legal and Overall Business Environments on SOLOMON:

Entering 2024, global macroeconomic and geopolitical factors still exist. With the post-pandemic reconstruction of business operations and an increasing international focus on ESG and green sustainability, it is as if we are entering a whole new competition. Each step must be taken with greater caution.

For Solomon Group, it has always been our mission to maintain professional R&D capabilities, excellent teamwork, and solid industry experience while continuously creating value for our customers, employees, and shareholders. Therefore, in the coming year, we will continue to strive for product and service quality and create our own products to meet market demand through technological innovation and application integration, further expanding our overall competitiveness.

For the energy business, in addition to continuously optimizing the quality of operations, we will also focus on technology and manufacturing plants with higher energy demands to meet the need for power applications in innovative industries. In response to rising sustainability awareness in recent years, we will integrate internal and external resources to launch ESG-compliant products and services and provide high value-added energy solutions.

As for the smart automation business, the popularization of AI has increased the market demand for AI products and services. Machine vision enables machines to “see” and understand the world around them like human eyes. This is of great significance for making products smarter and improving user experience.

In recent years, machine vision combined with deep learning technology has made its application more extensive. How we respond to the rapid development of open source software and AI technology in the maturing field of machine vision will be the key to the development of innovative products and services for SOLOMON.

Chairman : Chen Cheng-Lung

General Manager : Chen Cheng-Lung

Chief Accountant : Huang Chien-Chi

Attachment 2

**SOLOMON Technology Corporation
Audit Committee's 2023 Audit Report**

CPA Liang Yi-Chang and CPA Amanda Wen of PricewaterhouseCoopers Taiwan commissioned by the Board of Directors have issued an independent auditor's report on the 2023 parent-only and consolidated financial statements prepared by the Board of Directors. The Audit Committee has audited the financial statements along with the 2023 business report and earning distribution proposal and found no misstatement. The report is hereby issued in accordance with the provisions of the Company Act and the Securities and Exchange Act.

Respectfully yours,

SOLOMON's 2024 Annual General Meeting

Convener of the Audit Committee: Huang Ming-Yu

March 11, 2024

Attachment 3

Independent Auditors' Report

(2024) Letter Cai-Shen-Bao-Zi No. 23002314

To SOLOMON Technology Corporation:

Audit Opinions

We audited the consolidated balance sheets of SOLOMON Technology Corporation and its subsidiaries (hereinafter referred to as "Solomon Group") as of December 31, 2023 and 2022, and their consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to December 31, 2023 and 2022 and the notes to the consolidated financial statements (including the summary of material accounting policies).

In our opinion, based on our audit results and other independent auditors' reports (Please refer to Other Matters paragraphs), with respect to all material aspects, the foregoing consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation pronouncements endorsed and issued into effect by the Financial Supervisory Commission, and thus provided a fair presentation of the consolidated financial positions of Solomon Group on December 31, 2023 and 2022 and the consolidated financial performance and cash flows for the periods from January 1 to December 31, 2023 and 2022.

Basis for Audit Opinions

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under such standards are further described in the paragraph of Responsibilities of CPAs for the Audit of the Consolidated Financial Statements. As CPAs who are subject to independence requirements, we have, in accordance with the Standards of Professional Ethics for Certified Public Accountants of the Republic of China, remained independent from Solomon Group and fulfilled all other responsibilities under the requirements. According to our audit results and other independent auditors' reports, we believe that we have acquired sufficient and appropriate audit evidence as the basis of our audit opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Solomon Group for 2023. Such matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinions thereon, we have not provided any separate opinions on these matters.

The key audit matters for Solomon Group's consolidated financial statements for 2023 are described as follows:

Impairment Assessment of Accounts Receivable

Matter description

Please refer to Notes 4 (9) and 4 (10) to the consolidated financial statements for the accounting policies for accounts receivable. Please refer to Note 5 (2) to the consolidated financial statements for the uncertainty of accounting estimates and assumptions for impairment on accounts receivable. Please refer to Note 6 (4) to the consolidated financial statements for the description of the accounts receivable account. Solomon Group's accounts receivable and loss allowance as of December 31, 2023, were NT\$974,212 thousand and NT\$16,730 thousand, respectively.

Solomon Group's assessment of impairment on accounts receivable is affected by many factors,

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such as customers' financial position, internal credit ratings, and historical transaction records, which may affect the credit quality of customers, and the expected credit losses are assessed based on the assessment results. Considering that the aforementioned assessment often involves the subjective judgment of the management and the influence of Solomon Group's accounts receivable and its valuation amount on the financial statements is material, we deem the impairment assessment of accounts receivable to be one of the key audit matters.

Responsive audit procedures

The responsive procedures that we implemented for the impairment assessment of accounts receivable are listed as follows:

1. Understanding the credit risk management procedures of Solomon Group, including the management of customer credit limits and the assessment of expected credit losses; reviewing and testing the correctness of each aging interval; and recalculating the expected credit losses.
2. Understanding the reason for failure to collect material accounts receivable after the normal loan period expired or reviewing the subsequent collection of the accounts receivable to assess the recoverability of accounts receivable.

Valuation of Inventory

Matter description

Please refer to Note 4 (13) to the consolidated financial statements for the accounting policies for inventory valuation. Please refer to Note 5 (2) to the consolidated financial statements for the uncertainty of accounting estimates and assumptions for inventory valuation. Please refer to Note 6 (5) to the consolidated financial statements for the description of the inventory account. Solomon Group's inventory and allowance for devaluation losses as of December 31, 2023, were NT\$1,979,834 thousand and NT\$87,196 thousand, respectively.

Solomon Group is mainly engaged in the manufacturing and sale of generators, semiconductors, electronic parts and LCDs. Solomon Group's inventory is measured at the lower of the cost or net realizable value. Due to the short life cycle of electronic products and fierce market competition, there is a higher risk of inventory devaluation and obsolescence. For inventory whose age exceeds a certain period of time, the net realizable value is extrapolated based on the level of destocking. Considering that the amount of inventory is material with plenty of items and the net realizable value used for the valuation of obsolete inventory often involves the subjective judgment of the management, we deem inventory valuation to be one of the key audit matters.

Responsive audit procedures

The responsive procedures that we implemented for inventory valuation are listed as follows:

1. Assessing Solomon Group's accounting assumption policies for inventory devaluation losses and reviewing the consistency of the financial statements for the periods presented according to our understanding of its business and the industry that it is in.
2. Reviewing Solomon Group's annual inventory plan and participating in its annual inventory to assess the effectiveness of the management's separation and control of obsolete inventory.
3. Verifying the appropriateness of the logic of the inventory aging reporting system used by the management for valuation to make sure the information in the financial statements was consistent with Solomon Group's policies.
4. Verifying the amount that Solomon Group used to determine if its inventory was obsolete and the net realizable value of its inventory, and recalculating the inventory devaluation losses to assess the reasonableness of the devaluation losses.

Other Matters – Reference to the Audits of Other CPAs

The financial statements of some subsidiaries of Solomon Group included in its consolidated financial statements and of its investee companies accounted for using the equity method were audited by other CPAs instead of us. Therefore, our opinions expressed on the foregoing consolidated financial statements with respect to the amounts in the financial statements of such companies were

based on the CPAs' reports. The subsidiaries' total assets on December 31, 2023 and 2022, were NT\$572,425 thousand and NT\$500,333 thousand, respectively, accounting for 6.4% and 5.9% of the total consolidated assets. Their operating income for the periods from January 1 to December 31, 2023 and 2022, was NT\$142,413 thousand and NT\$109,174 thousand, respectively, accounting for 3.4% and 2.1% of the consolidated net operating income. The balance of investments in the investee companies accounted for using the equity method on December 31, 2023 and 2022, amounted to NT\$74,517 thousand and NT\$64,872 thousand, respectively, accounting for 0.8% and 0.8% of the total consolidated assets. Their comprehensive (loss) profit for the periods from January 1 to December 31, 2023 and 2022, amounted to NT\$10,112 thousand and NT\$4,265 thousand, respectively, accounting for 1.9% and 0.9% of the total consolidated comprehensive income.

Other Matters – Parent-only Financial Statements

SOLOMON Technology Corporation prepared its parent-only financial statements for 2023 and 2022. For the parent-only financial statements, we have issued an audit report with an unqualified opinion and Other Matters paragraphs for reference.

Responsibilities of the Management and Governance Unit for the Consolidated Financial Statements

The management was responsible for preparing the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation pronouncements endorsed and issued into effect by the Financial Supervisory Commission and maintaining necessary internal control related to preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatements due to fraud or error.

In preparing the consolidated financial statements, the management was also responsible for evaluating Solomon Group's going concern ability, disclosure of relevant matters and use of the going concern basis of accounting, unless the management intended to liquidate or cease the operation of Solomon Group, or there were no actual feasible solutions other than liquidation or cessation of operation.

The governance unit (including the Audit Committee) of Solomon Group was responsible for supervising the financial reporting process.

Responsibilities of CPAs for the Audit of the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements was to obtain reasonable assurance about whether or not the consolidated financial statements were free of material misstatements due to fraud or error, with an audit report issued thereafter. Reasonable assurance means a high degree of assurance. However, there was no guarantee that any material misstatement contained in the consolidated financial statements could be discovered during the audit conducted in accordance with the auditing standards in the Republic of China. A misstatement may be due to fraud or error. A misstatement was deemed material if the individual or aggregate amount misstated was reasonably expected to affect the economic decisions made by the users of the consolidated financial statements.

We relied on our professional judgment and maintained our professional skepticism during the audit conducted pursuant to the auditing standards in the Republic of China. We also performed the following tasks:

1. Identifying and assessing the risk of misstatements in the consolidated financial statements due to fraud or error; designing and implementing appropriate measures in response to the assessed risk; and acquiring sufficient and appropriate audit evidence as the basis of our audit opinions. Since fraud may involve collusion, forgery, intentional omission, fraudulent statement or violation of internal control, the risk of not detecting a material misstatement resulting from fraud

is higher than that resulting from error.

2. Acquiring necessary understanding of the internal control related to the audit to design audit procedures appropriate for the current circumstances, provided that the purpose of the foregoing was not to express opinions regarding the effectiveness of the internal control of Solomon Group.
3. Assessing the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.
4. Drawing a conclusion about the appropriateness of the management's use of the going concern basis of accounting and whether there was material uncertainty in an event or circumstance which might cast a significant doubt about the ability of Solomon Group to remain as a going concern. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the audit report for the users of the consolidated financial statements to pay attention to the relevant disclosures therein, or revise our audit opinions when any such disclosure was inappropriate. Our conclusion was based on the audit evidence obtained as of the date of this audit report. However, future events or circumstances could result in a situation where Solomon Group is no longer able to remain as a going concern.
5. Assessing the overall presentation, structure and contents of the consolidated financial statements (including relevant notes) and whether or not the consolidated financial statements provided a fair presentation of the relevant transactions and events.
6. Acquiring sufficient and appropriate audit evidence of the financial information of Solomon Group's investee companies to provide opinions regarding the consolidated financial statements. We are responsible for guidance, supervision and implementation in relation to Solomon Group's audit cases and for the formation of audit opinions for Solomon Group.

The matters for which we communicated with the governance unit include the planned scope and time of the audit and our material audit findings (including significant internal control deficiencies identified during the audit).

We also provided a declaration to the governance unit stating that as CPAs who are subject to independence requirements, we have complied with the independence requirements in the Standards of Professional Ethics for Certified Public Accountants of the Republic of China. We also communicated with the governance unit regarding all relationships and other matters (including relevant safeguard measures) which were deemed likely to affect the independence of CPAs.

The key audit matters in the audit of the consolidated financial statements of Solomon Group for 2023 were determined by us from the matters regarding which we communicated with the governance unit. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by applicable laws or regulations or where, under very exceptional circumstances, we have decided not to communicate certain matters in the audit report due to the reasonable expectation that any negative effect arising from such communication would be greater than the public interest enhanced.

PricewaterhouseCoopers Taiwan

Liang Yi-Chang

CPA

Wen Ya-Fang

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1070303009

Jin-Guan-Zheng-Shen-Zi No. 1100350706

March 11, 2024

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SOLOMON Technology Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Assets	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100 Cash and cash equivalents	6 (1)	\$ 1,255,387	14	\$ 2,450,357	29
1110 Financial assets measured at fair value through profit or loss – current	6 (2)				
1136 Financial assets measured at amortized cost – current	6 (3)	368,120	4	237,933	3
1150 Net notes receivable	6 (4)	526,931	6	35,610	1
1170 Net accounts receivable	6 (4)	45,582	1	93,369	1
1200 Other receivables		957,482	11	752,778	9
1220 Income tax assets in the current period		20,658	-	23,422	-
130X Inventory	6 (5)	130	-	235	-
1410 Prepayments	6 (6)	1,892,638	21	1,272,774	15
1470 Other current assets	8	379,430	4	520,941	6
11XX Total current assets		<u>5,446,358</u>	<u>61</u>	<u>5,387,727</u>	<u>64</u>
Non-current assets					
1510 Financial assets measured at fair value through profit or loss – non-current	6 (2)	307,309	3	93,523	1
1535 Financial assets measured at amortized cost – non-current	6 (3) and 8	1,389,834	15	1,381,950	16
1550 Investments accounted for using the equity method	6 (7)	74,517	1	64,872	1
1600 Property, plant and equipment	6 (8) and 8	433,387	5	436,016	5
1755 Right-of-use assets	6 (9)	211,134	2	31,709	-
1760 Net investment property	6 (11) and 8	871,320	10	882,428	11
1780 Intangible assets		1,483	-	2,920	-
1840 Deferred income tax assets	6 (27)	66,668	1	14,046	-
1900 Other non-current assets	6 (12) (16) and 8	146,082	2	155,772	2
15XX Total non-current assets		<u>3,501,734</u>	<u>39</u>	<u>3,063,236</u>	<u>36</u>
1XX Total assets		<u>\$ 8,948,092</u>	<u>100</u>	<u>\$ 8,450,963</u>	<u>100</u>

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SOLOMON Technology Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Liabilities and equity	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities:					
2100 Short-term loans	6 (13)	\$ 673,000	8	\$ 994,000	12
2130 Contractual liabilities – current	6 (20)	1,131,473	13	1,150,020	14
2150 Notes payable		10,054	-	11,185	-
2170 Accounts payable		885,710	10	512,754	6
2200 Other payables	6 (14)	193,111	2	204,031	2
2230 Income tax liabilities in the current period		71,538	1	74,870	1
2250 Liability provisions – current	6 (15)	1,749	-	3,592	-
2280 Lease liabilities – current	6 (9)	23,593	-	28,688	-
2300 Other current liabilities		21,016	-	51,589	1
21XX Total current liabilities:		<u>3,011,244</u>	<u>34</u>	<u>3,030,729</u>	<u>36</u>
Non-current liabilities:					
2570 Deferred income tax liabilities	6 (27)	82,127	1	80,976	1
2580 Lease liabilities – non-current	6 (9)	187,960	2	2,758	-
2600 Other non-current liabilities		8,357	-	7,943	-
25XX Total non-current liabilities:		<u>278,444</u>	<u>3</u>	<u>91,677</u>	<u>1</u>
2XXX Total liabilities		<u>3,289,688</u>	<u>37</u>	<u>3,122,406</u>	<u>37</u>
Share capital	6 (17)				
3110 Common share capital		1,714,711	19	1,714,711	20
Capital reserves	6 (18)				
3200 Capital reserves		262,149	3	215,138	2
Retained earnings	6 (19)				
3310 Legal reserves		463,352	5	417,135	5
3320 Special reserves		116,320	1	147,260	2
3350 Undistributed earnings		2,798,080	31	2,536,828	30
Other equity					
3400 Other equity		(125,280)	(1)	(116,320)	(1)
3500 Treasury stocks	6 (17)	(6,042)	-	(6,042)	-
31XX Total equity attributable to owners of the parent company		<u>5,223,290</u>	<u>58</u>	<u>4,908,710</u>	<u>58</u>
36XX Non-controlling interests		<u>435,114</u>	<u>5</u>	<u>419,847</u>	<u>5</u>
3XXX Total equity		<u>5,658,404</u>	<u>63</u>	<u>5,328,557</u>	<u>63</u>
Material contingent liabilities and unrecognized contractual commitments	9				
3X2X Total liabilities and equity		<u>\$ 8,948,092</u>	<u>100</u>	<u>\$ 8,450,963</u>	<u>100</u>

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

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SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand
(Earnings per share in NT\$)

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating income	6 (20)	\$ 4,219,903	100	\$ 5,249,928	100
5000	Operating costs	6 (5)	(3,251,184)	(77)	(4,166,414)	(79)
5950	Net gross operating profit		968,719	23	1,083,514	21
	Operating expenses	6 (25) (26)				
6100	Marketing expenses		(341,541)	(8)	(343,415)	(7)
6200	Management expense		(355,537)	(9)	(360,311)	(7)
6300	R&D expense		(126,436)	(3)	(114,261)	(2)
6450	Expected credit impairment loss	12 (2)	(2,060)	-	(999)	-
6000	Total operating expenses		(825,574)	(20)	(818,986)	(16)
6900	Operating profit		143,145	3	264,528	5
	Non-operating income and expenses					
7100	Interest income	6 (21)	155,228	4	133,435	2
7010	Other income	6 (22)	123,395	3	98,157	2
7020	Other gains and losses	6 (23)	223,411	5	172,384	3
7050	Financial costs	6 (24)	(16,767)	-	(16,932)	-
7060	Share of profits/losses of associates and joint ventures under the equity method	6 (7)	10,112	-	4,265	-
7000	Total non-operating income and expenses		495,379	12	391,309	7
7900	Pre-tax profit		638,524	15	655,837	12
7950	Income tax expense	6 (27)	(80,737)	(2)	(179,894)	(3)
8200	Net profit in the current period		\$ 557,787	13	\$ 475,943	9

(Continued to next page)

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand
(Earnings per share in NT\$)

Item	Note	2023		2022	
		Amount	%	Amount	%
Other comprehensive income (net)					
8311 Remeasurement of defined benefit plan	6 (16)	\$ 1,871	-	\$ 6,760	-
8349 Income tax related to items not reclassified	6 (27)	(368)	-	(1,177)	-
8310 Total amount of items not reclassified as profit or loss		1,503	-	5,583	-
Items likely to be subsequently reclassified as profit or loss					
8361 Exchange differences on translation of financial statements of foreign operations		(29,119)	-	21,155	1
8360 Total items likely to be subsequently reclassified as profit and loss		(29,119)	-	21,155	1
8300 Other comprehensive income (net)		<u>(\$ 27,616)</u>	<u>-</u>	<u>\$ 26,738</u>	<u>1</u>
8500 Total comprehensive income in the current period		<u>\$ 530,171</u>	<u>13</u>	<u>\$ 502,681</u>	<u>10</u>
Net profit attributable to:					
8610 Owners of the parent company		<u>\$ 532,241</u>	<u>12</u>	<u>\$ 458,232</u>	<u>9</u>
8620 Non-controlling interests		<u>\$ 25,546</u>	<u>1</u>	<u>\$ 17,711</u>	<u>-</u>
Total comprehensive income attributable to:					
8710 Owners of the parent company		<u>\$ 524,776</u>	<u>13</u>	<u>\$ 493,115</u>	<u>10</u>
8720 Non-controlling interests		<u>\$ 5,395</u>	<u>-</u>	<u>\$ 9,566</u>	<u>-</u>
Basic earnings per share	6 (28)				
9750 Basic earnings per share		<u>\$</u>	<u>3.11</u>	<u>\$</u>	<u>2.67</u>
Diluted earnings per share	6 (28)				
9850 Diluted earnings per share		<u>\$</u>	<u>3.10</u>	<u>\$</u>	<u>2.67</u>

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Equity attributable to owners of the parent company										
Retained earnings										
Note	Common share capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Treasury stocks	Total	Non-controlling interests	Total equity
2022										
Balance on January 1, 2022	\$ 1,714,711	\$ 215,138	\$ 397,012	\$ 133,468	\$ 2,262,892	(\$ 147,260)	(\$ 6,042)	\$ 4,569,919	\$ 405,381	\$ 4,975,300
Net profit in the current period	-	-	-	-	458,232	-	-	458,232	17,711	475,943
Other comprehensive income in the current period	-	-	-	-	3,943	30,940	-	34,883	(8,145)	26,738
Total comprehensive income in the current period	-	-	-	-	462,175	30,940	-	493,115	9,566	502,681
Allocation and distribution of earnings:	六(十九)	-	-	-	-	-	-	-	-	-
Set aside as legal reserve	-	-	20,123	-	(20,123)	-	-	-	-	-
Set aside as special reserve	-	-	-	13,792	(13,792)	-	-	-	-	-
Cash dividends	-	-	-	-	(154,324)	-	-	(154,324)	-	(154,324)
Non-controlling interests	-	-	-	-	-	-	-	-	4,900	4,900
Balance on December 31, 2022	\$ 1,714,711	\$ 215,138	\$ 417,135	\$ 147,260	\$ 2,536,828	(\$ 116,320)	(\$ 6,042)	\$ 4,908,710	\$ 419,847	\$ 5,328,557
2023										
Balance on January 1, 2023	\$ 1,714,711	\$ 215,138	\$ 417,135	\$ 147,260	\$ 2,536,828	(\$ 116,320)	(\$ 6,042)	\$ 4,908,710	\$ 419,847	\$ 5,328,557
Net profit in the current period	-	-	-	-	532,241	-	-	532,241	25,546	557,787
Other comprehensive income in the current period	-	-	-	-	1,495	(8,960)	-	(7,465)	(20,151)	(27,616)
Total comprehensive income in the current period	-	-	-	-	533,736	(8,960)	-	524,776	5,395	530,171
Allocation and distribution of earnings:	六(十九)	-	-	-	-	-	-	-	-	-
Set aside as legal reserve	-	-	46,217	-	(46,217)	-	-	-	-	-
Reversed as special reserve	-	-	-	(30,940)	30,940	-	-	-	-	-
Cash dividends	-	-	-	-	(257,207)	-	-	(257,207)	-	(257,207)
Difference between the consideration and carrying amount of subsidiaries acquired or disposed of	六(十八)	-	47,011	-	-	-	-	47,011	9,872	56,883
Balance on December 31, 2023	\$ 1,714,711	\$ 262,149	\$ 463,352	\$ 116,320	\$ 2,798,080	(\$ 125,280)	(\$ 6,042)	\$ 5,223,290	\$ 435,114	\$ 5,658,404

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flows from operating activities</u>			
Pre-tax profit in the current period		\$ 638,524	\$ 655,837
Adjustment items			
Profits and expenses having no effect on cash flows			
Depreciation expense (including investment property and right-of-use assets)	6 (8) (9) (11)	68,863	78,378
Amortization expense	6 (25)	2,846	3,397
Expected credit impairment gain	12 (2)	2,060	999
Net gain (loss) from financial assets and liabilities measured at fair value through profit or loss	6 (2) (23)	(256,563)	112,420
Interest expense	6 (24)	16,767	16,932
Interest income	6 (21)	(155,228)	(133,435)
Dividend income	6 (22)	(15,656)	(19,553)
Share of profits of associates and joint ventures under the equity method	6 (7)	(10,112)	4,265
Loss from disposal of property, plant and equipment	6 (23)	-	2,427
Gain from disposal of investments accounted for using the equity method	6 (23)	-	1,256
Gain from lease modification	6 (23)	(1,839)	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets measured at fair value through profit or loss		(87,410)	(15,007)
Net notes receivable		47,787	33,816
Accounts receivable		(206,764)	(13,454)
Other receivables		2,879	9,284
Inventory		(621,002)	(91,578)
Prepayments		141,511	2,203
Net changes in liabilities related to operating activities			
Contractual liabilities		(18,547)	427,867
Notes payable		(1,131)	10,429
Accounts payable		372,956	4,639
Other payables		(10,763)	(10,540)
Liability provisions – current		(1,843)	1,969
Other current liabilities		(30,573)	16,142
Cash (outflow) inflow from operations		(123,238)	987,767
Interest received		155,647	129,144
Interest paid		(16,924)	(16,738)
Dividends received		15,122	19,553
Income tax paid		(135,800)	(44,155)
Net cash (outflow) inflow from operating activities		(105,193)	1,075,571

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SOLOMON Technology Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flows from investing activities			
Increase in financial assets measured at amortized cost		(\$ 534,815)	(\$ 171,960)
Decrease in financial assets measured at amortized cost		35,610	729,204
Proceeds from disposal of investments accounted for using the equity method		-	15,962
Cost of acquisition of investments accounted for using the equity method	6 (7)	-	(48,652)
Distribution of earnings from investments accounted for using the equity method	6 (7)	467	-
Cost of acquisition of property, plant, and equipment	6 (8)	(18,905)	(27,352)
Acquisition of financial assets measured at fair value through profit or loss	9	(7,500)	-
Proceeds from disposal of property, plant and equipment		-	32
Acquisition of subsidiaries (after deduction of cash acquired)		-	14,995
Cost of acquisition of intangible assets		(570)	(3,440)
Increase in other non-current assets		-	4,437
Decrease in other non-current assets		(14,650)	(29,545)
Net cash (outflow) inflow from investing activities		(540,363)	483,681
Cash flows from financing activities			
Repayment of short-term loans	6 (30)	(1,598,439)	(1,444,825)
Borrowing of short-term loans	6 (30)	1,277,439	1,131,561
Repayment of principal of lease liabilities	6 (30)	(34,575)	(34,798)
Distribution of cash dividends	6 (19)	(257,207)	(154,324)
Disposal of equity in subsidiaries (without loss of control)	6 (30)	56,883	-
Increase in deposits received	6 (30)	414	531
Net cash outflow from financing activities		(555,485)	(501,855)
Effect of exchange rate		6,071	13,570
Increase (decrease) in cash and cash equivalents in the current period		(1,194,970)	1,070,967
Opening balance of cash and cash equivalents		2,450,357	1,379,390
Closing balance of cash and cash equivalents		\$ 1,255,387	\$ 2,450,357

The attached notes to the consolidated financial statements are part of the consolidated financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

Independent Auditors' Report

(2024) Letter Cai-Shen-Bao-Zi No. 23002313

To SOLOMON Technology Corporation:

Audit Opinions

We audited the parent-only balance sheets of SOLOMON Technology Corporation as of December 31, 2023 and 2022, its parent-only statements of comprehensive income, parent-only statements of changes in equity and parent-only statements of cash flows for the periods from January 1 to December 31, 2023 and 2022 and the notes to the parent-only financial statements (including the summary of material accounting policies).

In our opinion, based on our audit results and other independent auditors' reports (Please refer to Other Matters paragraphs), with respect to all material aspects, the foregoing parent-only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and thus provided a fair presentation of the parent-only financial positions of SOLOMON Technology Corporation on December 31, 2023 and 2022 and the parent-only financial performance and cash flows for the periods from January 1 to December 31, 2023 and 2022.

Basis for Audit Opinions

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under such standards are further described in the paragraph of "Responsibilities of CPAs for the Audit of Parent-only Financial Statements." As CPAs who are subject to independence requirements, we have, in accordance with the Standards of Professional Ethics for Certified Public Accountants of the Republic of China, remained independent from SOLOMON Technology Corporation and fulfilled all other responsibilities under the requirements. According to our audit results and other independent auditors' reports, we believe that we have acquired sufficient and appropriate audit evidence as the basis of our audit opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent-only financial statements of SOLOMON Technology Corporation for 2023. Such matters were addressed in the context of our audit of the parent-only financial statements as a whole and, in forming our opinions thereon, we have not provided any separate opinions on these matters.

The key audit matters for SOLOMON Technology Corporation's parent-only financial statements for 2023 are described as follows:

Impairment Assessment of Accounts Receivable

Matter description

Please refer to Notes 4 (8) and 4 (9) to the parent-only financial statements for the accounting policies for accounts receivable. Please refer to Note 5 (2) to the parent-only financial statements for the uncertainty of accounting estimates and assumptions for impairment on accounts receivable. Please refer to Note 6 (4) to the parent-only financial statements for the description of the accounts receivable account. SOLOMON Technology Corporation's accounts receivable and loss allowance as of December 31, 2023, were NT\$636,033 thousand and NT\$960 thousand, respectively.

SOLOMON Technology Corporation's assessment of impairment on accounts receivable is affected by many factors, such as customers' financial position, internal credit ratings, and historical

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transaction records, which may affect the credit quality of customers, and the expected credit losses are assessed based on the assessment results. Considering that the aforementioned assessment often involves the subjective judgment of the management, and the influence of SOLOMON Technology Corporation's accounts receivable and its valuation amount on the financial statements is significant, we deem the impairment assessment of accounts receivable to be one of the key audit matters.

Responsive audit procedures

The responsive procedures that we implemented for the impairment assessment of accounts receivable are listed as follows:

1. Understanding the credit risk management procedures of SOLOMON Technology Corporation, including the management of customer credit limits and the assessment of expected credit losses; reviewing and testing the correctness of each aging interval; and recalculating the expected credit losses.
2. Understanding the reason for failure to collect material accounts receivable after the normal loan period expired or reviewing the subsequent collection of the accounts receivable to assess the recoverability of accounts receivable.

Valuation of Inventory

Matter description

Please refer to Note 4 (12) to the parent-only financial statements for the accounting policies for inventory valuation. Please refer to Note 5 (2) to the parent-only financial statements for the uncertainty of accounting estimates and assumptions for inventory valuation. Please refer to Note 6 (5) to the parent-only financial statements for the description of the inventory account. SOLOMON Technology Corporation's inventory and allowance for devaluation losses as of December 31, 2023, were NT\$1,438,349 thousand and NT\$20,298 thousand, respectively.

SOLOMON Technology Corporation is mainly engaged in the sale of generators, automatic parts and components and LCDs. SOLOMON Technology Corporation's inventory is measured at the lower of the cost or net realizable value. Due to the short life cycle of electronic products and fierce market competition, there is a higher risk of inventory devaluation and obsolescence. For the inventory whose age exceeds a certain period of time, the net realizable value is extrapolated based on the level of destocking. Considering that the amount of inventory is material with plenty of items and the net realizable value used for the valuation of obsolete inventory often involves the subjective judgment of the management, and that the situation also exists in SOLOMON Technology Corporation's subsidiaries (stated as investments accounted for using the equity method), we deem the valuation of SOLOMON Technology Corporation and its subsidiaries' inventory to be one of the key audit matters.

Responsive audit procedures

The responsive procedures that we implemented for inventory valuation are listed as follows:

1. Assessing SOLOMON Technology Corporation's accounting assumption policies for inventory devaluation losses and reviewing the consistency of the financial statements for the periods presented according to our understanding of its business and the industry that it is in.
2. Reviewing SOLOMON Technology Corporation's annual inventory plan and participating in its annual inventory to assess the effectiveness of the management's separation and control of obsolete inventory.
3. Verifying the appropriateness of the logic of the inventory aging reporting system used by the management for valuation to make sure the information in the financial statements was consistent with SOLOMON Technology Corporation's policies.
4. Verifying the amount that SOLOMON Technology Corporation used to determine if its inventory was obsolete and the net realizable value of its inventory, and recalculating the inventory devaluation losses to assess the reasonableness of the devaluation losses.

Other Matters – Reference to the Audits of Other CPAs

The financial statements of the investee companies accounted for using the equity method in the parent-only financial statements of SOLOMON Technology Corporation were audited by other CPAs instead of us. Therefore, our opinions expressed on the foregoing parent-only financial statements with respect to the amounts in the financial statements of such companies were based on the CPAs' reports. The investments in the aforesaid investee companies accounted for using the equity method as of December 31, 2023 and 2022, amounted to NT\$294,789 thousand and NT\$255,674 thousand, respectively, accounting for 3.9% and 3.8% of the total assets. The comprehensive (loss) profit recognized with respect to said companies for the periods from January 1 to December 31, 2023 and 2022, amounted to NT\$7,908 thousand and NT\$(42,235) thousand, respectively, accounting for 1.5% and (8.6%) of the total consolidated comprehensive income.

Responsibilities of the Management and Governance Unit for the Parent-only Financial Statements

The management was responsible for preparing the parent-only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to preparation of the parent-only financial statements to ensure that the parent-only financial statements were free of material misstatements due to fraud or error.

In preparing the parent-only financial statements, the management was also responsible for evaluating SOLOMON Technology Corporation's going concern ability, disclosure of relevant matters and use of the going concern basis of accounting, unless the management intended to liquidate or cease the operations of SOLOMON Technology Corporation, or there were no other actual feasible solutions other than liquidation or cessation of operations.

The governance unit (including the Audit Committee) of SOLOMON Technology Corporation was responsible for supervising the financial reporting process.

Responsibilities of CPAs for the Audit of the Parent-only Financial Statements

The purpose of our audit of the parent-only financial statements was to obtain reasonable assurance about whether or not the parent-only financial statements were free of material misstatements due to fraud or error, with an audit report issued thereafter. Reasonable assurance means a high degree of assurance. However, there was no guarantee that any material misstatement contained in the parent-only financial statements could be discovered during the audit conducted in accordance with the auditing standards in the Republic of China. A misstatement may be due to fraud or error. A misstatement was deemed material if the individual or aggregate amount misstated was reasonably expected to affect the economic decisions made by the users of the parent-only financial statements.

We relied on our professional judgment and maintained our professional skepticism during the audit conducted pursuant to the auditing standards in the Republic of China. We also performed the following tasks:

1. Identifying and assessing the risk of misstatements in the parent-only financial statements due to fraud or error; designing and implementing appropriate measures in response to the assessed risk; and acquiring sufficient and appropriate audit evidence as the basis of our audit opinions. Since fraud may involve collusion, forgery, intentional omission, fraudulent statement or violation of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.
2. Acquiring necessary understanding of the internal control related to the audit to design audit

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procedures appropriate for the current circumstances, provided that the purpose of the foregoing was not to express opinions regarding the effectiveness of the internal control of SOLOMON Technology Corporation.

3. Assessing the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.
4. Drawing a conclusion about the appropriateness of the management's use of the going concern basis of accounting and whether or not there was material uncertainty in an event or circumstance which might cast significant doubt about the ability of SOLOMON Technology Corporation to remain as a going concern. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the audit report for the users of the parent-only financial statements to pay attention to the relevant disclosures therein or revise our audit opinions when any such disclosure was inappropriate. Our conclusion was based on the audit evidence obtained as of the date of this audit report. However, future events or circumstances could result in a situation where SOLOMON Technology Corporation is no longer able to remain as a going concern.
5. Assessing the overall presentation, structure and contents of the parent-only financial statements (including relevant notes) and whether or not the parent-only financial statements provided a fair presentation of the relevant transactions and events.
6. Acquiring sufficient and appropriate audit evidence of the financial information of SOLOMON Technology Corporation's investee companies to provide opinions regarding the parent-only financial statements. We are responsible for guidance, supervision and implementation in relation to SOLOMON Technology Corporation's audit cases and for the formation of audit opinions for the parent-only financial statements.

The matters for which we communicated with the governance unit include the planned scope and time of the audit and our material audit findings (including significant internal control deficiencies identified during the audit).

We also provided a declaration to the governance unit stating that as CPAs who are subject to independence requirements, we have complied with the independence requirements in the Standards of Professional Ethics for Certified Public Accountants of the Republic of China. We also communicated with the governance unit regarding all relationships and other matters (including relevant safeguard measures) which were deemed likely to affect the independence of CPAs.

The key audit matters in the audit of the parent-only financial statements of SOLOMON Technology Corporation for 2023 were determined by us from the matters regarding which we communicated with the governance unit. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by applicable laws or regulations or where, under very exceptional circumstances, we have decided not to communicate certain matters in the audit report due to the reasonable expectation that any negative effect arising from such communication would be greater than the public interest enhanced.

PricewaterhouseCoopers Taiwan

Liang Yi-Chang

CPA

Wen Ya-Fang

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1070303009

Jin-Guan-Zheng-Shen-Zi No. 1100350706

March 11, 2024

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SOLOMON Technology Corporation
Parent-only Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Assets	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100 Cash and cash equivalents	6 (1)	\$ 248,550	3	\$ 575,243	9
1110 Financial assets measured at fair value through profit or loss – current	6 (2)	64,582	1	150,928	2
1136 Financial assets measured at amortized cost – current	6 (3)	95,333	1	-	-
1150 Net notes receivable	6 (4)	14,979	-	20,676	-
1170 Net accounts receivable	6 (4)	635,073	9	240,665	4
1180 Net accounts receivable – related party	7	963	-	5,013	-
1200 Other receivables		13,745	-	19,060	-
1210 Other receivables – related party	7	6,672	-	2,097	-
1220 Income tax assets in the current period		114	-	114	-
130X Inventory	6 (5)	1,418,051	19	788,302	12
1410 Prepayments	6 (6)	67,183	1	144,534	2
11XX Total current assets		<u>2,565,245</u>	<u>34</u>	<u>1,946,632</u>	<u>29</u>
Non-current assets					
1510 Financial assets measured at fair value through profit or loss – non-current	6 (2)	31,760	-	35,593	-
1535 Financial assets measured at amortized cost – non-current	6 (3)	1,074,675	14	1,074,850	16
1550 Investments accounted for using the equity method	6 (7)	2,628,595	35	2,360,782	35
1600 Property, plant and equipment	6 (8) and 8	400,228	5	410,736	6
1755 Right-of-use assets	6 (9)	8,457	-	5,741	-
1760 Net investment property	6 (11) and 8	850,727	11	861,835	13
1780 Intangible assets		1,482	-	2,920	-
1840 Deferred income tax assets	6 (16)	8,240	-	9,416	-
1900 Other non-current assets	6 (12) (25)	50,477	1	54,201	1
15XX Total non-current assets		<u>5,054,641</u>	<u>66</u>	<u>4,816,074</u>	<u>71</u>
1XX Total assets		<u>\$ 7,619,886</u>	<u>100</u>	<u>\$ 6,762,706</u>	<u>100</u>

(Continued to next page)

SOLOMON Technology Corporation
Parent-only Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Liabilities and equity	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term loans	6 (13)	\$ 608,000	8	\$ 964,000	14
2130 Contractual liabilities – current	6 (21)	774,867	10	468,805	7
2150 Notes payable		10,054	-	11,185	-
2170 Accounts payable	7	524,921	7	183,959	3
2200 Other payables	6 (14)	80,592	1	87,442	1
2220 Other payables – related party	7	300,000	4	-	-
2230 Income tax liabilities in the current period	6 (16)	35,491	1	3,774	-
2280 Lease liabilities – current	6 (9)	4,617	-	3,678	-
2300 Other current liabilities		17,757	-	41,755	1
21XX Total current liabilities		<u>2,356,299</u>	<u>31</u>	<u>1,764,598</u>	<u>26</u>
Non-current liabilities					
2570 Deferred income tax liabilities	6 (16)	28,150	-	79,278	1
2580 Lease liabilities – non-current	6 (9)	4,093	-	2,177	-
2600 Other non-current liabilities		8,054	-	7,943	-
25XX Total non-current liabilities		<u>40,297</u>	<u>-</u>	<u>89,398</u>	<u>1</u>
2XXX Total liabilities		<u>2,396,596</u>	<u>31</u>	<u>1,853,996</u>	<u>27</u>
Equity					
Share capital	6 (17)				
3110 Common share capital		1,714,711	23	1,714,711	25
Capital reserves	6 (18)				
3200 Capital reserves		262,149	3	215,138	4
Retained earnings	6 (19)				
3310 Legal reserves		463,352	6	417,135	6
3320 Special reserves		116,320	2	147,260	2
3350 Undistributed earnings		2,798,080	37	2,536,828	38
Other equity	6 (20)				
3400 Other equity		(125,280)	(2)	(116,320)	(2)
3500 Treasury stocks	6 (17)	(6,042)	-	(6,042)	-
3XXX Total equity		<u>5,223,290</u>	<u>69</u>	<u>4,808,710</u>	<u>73</u>
Material contingencies and unrecognized contractual commitments	9				
Material subsequent events	11				
3X2X Total liabilities and equity		<u>\$ 7,619,886</u>	<u>100</u>	<u>\$ 6,762,706</u>	<u>100</u>

The attached notes to the parent-only financial statements are part of the parent-only financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

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SOLOMON Technology Corporation
Parent-only Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand
(Earnings per share in NT\$)

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating income	6 (21) and 7	\$ 2,555,512	100	\$ 3,157,169	100
5000 Operating costs	6 (5) (26) (27)	(2,011,966)	(79)	(2,610,462)	(83)
5950 Net gross operating profit		543,546	21	546,707	17
Operating expenses	6 (26) (27) and 7				
6100 Marketing expenses		(218,032)	(10)	(257,593)	(8)
6200 Management expense		(101,917)	(4)	(97,002)	(3)
6300 R&D expense		(103,332)	(4)	(93,441)	(3)
6450 Expected credit impairment gain	6 (4) and 12 (2)	221	-	284	-
6500 Total operating expenses		(463,220)	(18)	(447,752)	(14)
6900 Operating profit		80,326	3	98,955	3
Non-operating income and expenses					
7100 Interest income	6 (22)	100,359	4	88,968	3
7010 Other income	6 (23) and 7	112,576	5	79,448	3
7020 Other gains and losses	6 (24)	(22,362)	(1)	107,303	3
7050 Financial costs	6 (25)	(16,152)	(1)	(16,046)	(1)
7070 Share of profits/losses of subsidiaries, associates and joint ventures under the equity method	6 (7)				
		312,854	12	184,648	6
7000 Total non-operating income and expenses		487,273	19	444,321	14
7900 Pre-tax profit		567,571	22	543,276	17
7950 Income tax expense	6 (16)	(35,330)	(1)	(81,044)	(2)
8200 Net profit in the current period		\$ 532,241	21	\$ 458,232	15
Other comprehensive income (net)					
Items not reclassified as profit or loss					
8311 Remeasurement of defined benefit plan	6 (15)	\$ 1,864	-	\$ 3,829	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures under the equity method - items not reclassified as profit or loss		4	-	880	-
8349 Income tax related to items not reclassified as profit or loss	6 (16)	(373)	-	(766)	-
8310 Total amount of items not reclassified as profit or loss		1,495	-	3,943	-
Items likely to be subsequently reclassified as profit or loss					
8361 Exchange differences on translation of financial statements of foreign operations	6 (20)	(8,960)	-	30,940	1
8360 Total amount of items likely to be subsequently reclassified as profit or loss		(8,960)	-	30,940	1
8500 Total comprehensive income in the current period		\$ 524,776	21	\$ 493,115	16
Basic earnings per share	6 (28)				
9750 Basic earnings per share		\$ 3.11		\$ 2.67	
Diluted earnings per share	6 (28)				
9850 Diluted earnings per share		\$ 3.10		\$ 2.67	

The attached notes to the parent-only financial statements are part of the parent-only financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

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SOLOMON Technology Corporation
Parent-only Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTS Thousand

	Note	Retained earnings					Exchange differences on translation of financial statements of foreign operations	Treasury stocks	Total
		Common share capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings			
<u>2022</u>									
Balance on January 1, 2022		\$ 1,714,711	\$ 215,138	\$ 397,012	\$ 133,468	\$ 2,262,892	(\$ 147,260)	(\$ 6,042)	\$ 4,569,919
Net profit in the current period		-	-	-	-	458,232	-	-	458,232
Other comprehensive income in the current period	6 (20)	-	-	-	-	3,943	30,940	-	34,883
Total comprehensive income in the current period		-	-	-	-	462,175	30,940	-	493,115
Allocation and distribution of earnings:	6 (19)	-	-	-	-	-	-	-	-
Set aside as legal reserve		-	-	20,123	-	(20,123)	-	-	-
Set aside as special reserve		-	-	-	13,792	(13,792)	-	-	-
Cash dividends		-	-	-	-	(154,324)	-	-	(154,324)
Balance on December 31, 2022		\$ 1,714,711	\$ 215,138	\$ 417,135	\$ 147,260	\$ 2,536,828	(\$ 116,320)	(\$ 6,042)	\$ 4,908,710
<u>2023</u>									
Balance on January 1, 2023		\$ 1,714,711	\$ 215,138	\$ 417,135	\$ 147,260	\$ 2,536,828	(\$ 116,320)	(\$ 6,042)	\$ 4,908,710
Net profit in the current period		-	-	-	-	532,241	-	-	532,241
Other comprehensive income in the current period	6 (20)	-	-	-	-	1,495	(8,960)	-	(7,465)
Total comprehensive income in the current period		-	-	-	-	533,736	(8,960)	-	524,776
Allocation and distribution of earnings:	6 (19)	-	-	-	-	-	-	-	-
Set aside as legal reserve		-	-	46,217	-	(46,217)	-	-	-
Reversed as special reserve		-	-	-	(30,940)	30,940	-	-	-
Cash dividends		-	-	-	-	(257,207)	-	-	(257,207)
Difference between the consideration and carrying amount of subsidiaries acquired (7) or disposed of		-	47,011	-	-	-	-	-	47,011
Balance on December 31, 2023		\$ 1,714,711	\$ 262,149	\$ 463,352	\$ 116,320	\$ 2,798,080	(\$ 125,280)	(\$ 6,042)	\$ 5,223,290

The attached notes to the parent-only financial statements are part of the parent-only financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

SOLOMON Technology Corporation
Parent-only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flows from operating activities</u>			
Pre-tax profit in the current period		\$ 567,571	\$ 543,276
Adjustment items			
Profits and expenses			
Depreciation expense (including investment property and right-of-use assets)	6 (8) (9) (11)	31,419	32,758
Amortization expense	6 (26)	2,007	1,889
Expected credit impairment gain	12 (2)	(231)	(284)
Net loss (gain) from financial assets and liabilities measured at fair value through profit or loss	6 (2) (24)	(7,394)	45,236
Interest expense	6 (25)	16,152	16,046
Interest income	6 (22)	(100,359)	(88,968)
Dividend income	6 (23)	(8,017)	(7,171)
Share of profits of subsidiaries, associates and joint ventures under the equity method	6 (7)	312,854	(184,648)
Gain from disposal of property, plant and equipment	6 (24)	-	(13)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets and liabilities measured at fair value through profit or loss - current		97,573	(121,421)
Notes receivable		5,697	(11,885)
Accounts receivable	(	394,177)	28,101
Net accounts receivable - related party		4,050	(2,890)
Other receivables		5,586	(13,074)
Inventory	(	630,887)	29,850
Prepayments		77,811	3,970
Net changes in liabilities related to operating activities			
Contractual liabilities		306,062	277,528
Notes payable	(	1,131)	10,429
Accounts payable		340,962	(46,117)
Other payables	(	6,389)	13,382
Other current liabilities	(	23,998)	14,672
Cash (outflow) inflow from operations	(	30,547)	480,966
Interest received		100,088	88,760
Dividends received		8,017	7,171
Interest paid	(	16,613)	(15,853)
Income tax paid	(	53,937)	(5,051)
Net cash inflow from operating activities		7,008	555,993

(Continued to next page)

SOLOMON Technology Corporation
Parent-only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flows from investing activities</u>			
Increase in financial assets measured at amortized cost		(\$ 95,158)	(\$ 106,050)
Decrease in financial assets measured at amortized cost		-	110,720
Cost of acquisition of investments accounted for using the equity method – subsidiaries	6 (7)	(64,038)	(93,581)
Proceeds from disposal of investments accounted for using the equity method – subsidiaries	6 (7)	19,569	-
Share payments returned on capital reduction in investee companies accounted for using the equity method	6 (7)	-	51,482
Cost of acquisition of property, plant, and equipment	6 (8)	(3,699)	(10,868)
Proceeds from disposal of property, plant and equipment		-	13
Decrease (increase) in deposits paid		5,128	(573)
Decrease (increase) in other receivables – related party		(4,575)	23,573
Cost of acquisition of intangible assets		(570)	(3,440)
Cash dividends received from investments accounted for using the equity method	6 (7)	127,533	127,258
Net cash (outflow) inflow from investing activities		(15,810)	98,534
<u>Cash flows from financing activities</u>			
Increase in other payables – related party	7 (2)	300,000	-
Repayment of short-term loans	6 (30)	(1,598,439)	(1,444,825)
Borrowing of short-term loans	6 (30)	1,242,439	1,101,561
Repayment of principal of lease liabilities	6 (9) (30)	(4,828)	(4,582)
Decrease in deposits received	6 (30)	111	531
Distribution of cash dividends	6 (19)	(257,207)	(154,324)
Net cash outflow from financing activities		(317,924)	(501,639)
Effect of exchange rate		33	663
Increase (decrease) in cash and cash equivalents in the current period		(326,693)	153,551
Opening balance of cash and cash equivalents		575,243	421,692
Closing balance of cash and cash equivalents		\$ 248,550	\$ 575,243

The attached notes to the parent-only financial statements are part of the parent-only financial statements and should be read in conjunction.

Chairman: Chen Cheng-Lung

General Manager: Chen Cheng-Lung

Chief Accountant: Huang Chien-Chi

CH 4. Appendix

Appendix 1

SOLOMON Technology Corporation

Articles of Incorporation (Current)

Chapter 1 General Rules

Article 1: The Company is incorporated pursuant to the definition of a company limited by shares under the Company Act and named 所羅門股份有限公司 (English name: SOLOMON Technology Corporation).

Article 2: The scope of business of SOLOMON includes the following:

- | | | |
|----|---------|---|
| 1 | C501990 | Manufacture of other products of wood |
| 2 | C901010 | Ceramic and Ceramic Products Manufacturing |
| 3 | CA02090 | Metal Wire Products Manufacturing |
| 4 | CA02990 | Other Metal Products Manufacturing |
| 5 | CB01010 | Mechanical Equipment Manufacturing |
| 6 | CB01990 | Other Machinery Manufacturing |
| 7 | CC01010 | Manufacture of Power Generation, Transmission and Distribution Machinery |
| 8 | CC01030 | Electrical Appliances and Audiovisual Electronic Products Manufacturing |
| 9 | CC01060 | Wired Communication Mechanical Equipment Manufacturing |
| 10 | CC01070 | Wireless Communication Mechanical Equipment Manufacturing |
| 11 | CC01080 | Electronics Components Manufacturing |
| 12 | CC01090 | Manufacture of Batteries and Accumulators |
| 13 | CC01101 | Restrained Telecom Radio Frequency Equipment and Materials Manufacturing |
| 14 | CC01110 | Computer and Peripheral Equipment Manufacturing |
| 15 | CF01011 | Medical Devices Manufacturing |
| 16 | E601010 | Electric Appliance Construction |
| 17 | E601020 | Electric Appliance Installation |
| 18 | E603050 | Automatic Control Equipment Engineering |
| 19 | E603100 | Electric Welding Engineering |
| 20 | E604010 | Machinery Installation |
| 21 | E605010 | Computer Equipment Installation |
| 22 | F102180 | Wholesale of Alcohol |
| 23 | F106010 | Wholesale of Hardware |
| 24 | F107990 | Wholesale of Other Chemical Products |
| 25 | F109070 | Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies |
| 26 | F111090 | Wholesale of Building Materials |
| 27 | F113010 | Wholesale of Machinery |
| 28 | F113020 | Wholesale of Electrical Appliances |

29	F113030	Wholesale of Precision Instruments
30	F113050	Wholesale of Computers and Clerical Machinery Equipment
31	F113070	Wholesale of Telecommunication Apparatus
32	F118010	Wholesale of Computer Software
33	F203030	Retail Sale of Alcohol
34	F206010	Retail Sale of Hardware
35	F207990	Retail Sale of Other Chemical Products
36	F209060	Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
37	F211010	Retail Sale of Building Materials
38	F213010	Retail Sale of Electrical Appliances
39	F213030	Retail Sale of Computers and Clerical Machinery Equipment
40	F213040	Retail Sale of Precision Instruments
41	F213060	Retail Sale of Telecommunication Apparatus
42	F213080	Retail Sale of Machinery and Tools
43	F218010	Retail Sale of Computer Software
44	F219010	Retail Sale of Electronic Materials
45	F401010	International Trade
46	F401021	Restricted Telecom Radio Frequency Equipment and Materials Import
47	G801010	Warehousing
48	H701010	Housing and Building Development and Rental
49	H701020	Industrial Factory Development and Rental
50	H703090	Real Estate Business
51	I301010	Information Software Services
52	I301020	Data Processing Services
53	I301030	Electronic Information Supply Services
54	I501010	Product Designing
55	IZ06010	Tally Packaging
56	IZ99990	Other Industrial and Commercial Services
57	J303010	Magazine(Periodical) Publishing
58	JE01010	Rental and Leasing
59	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is headquartered in Taipei City, and branches may be established domestically or abroad, if needed, subject to a resolution of the Board of Directors.

Article 4: Deleted.

Chapter 2 Shares

Article 5: The Company has stated capital of NT\$5,000,000,000 divided into 500,000,000 shares at NT\$10 per share. The Board of Directors is authorized to issue the shares in tranches. 56,000,000 shares of the above shares, amounting to NT\$560,000,000, are reserved for the exercise of employee stock warrants, preferred shares with warrants, corporate bonds with warrants.

Taiwan Depository & Clearing Corporation may request to change small-denomination securities into large-denomination securities.

- Article 5-1: The Company may be engaged in endorsement/guarantee business in accordance with the government's regulations and the requirements established by the Board of Directors with authorization. The Company may invest in another company and become a shareholder of limited liability of the company and the total amount of such investments is not limited to 40% of the paid-in share capital under Article 13 of the Company Act.
- Article 6: The shares of the Company are registered, signed or stamped by the director(s) representing the Company, and issued after being certified by the bank that is qualified to act as an attester for the issuance of the shares according to laws. The Company may issue shares in dematerialized form or print share certificates collectively for all the newly issued shares, provided that the shares shall be registered with a centralized securities depository enterprise.
- Article 7: The shareholders shall handle share-related matters with the Company or exercise stock rights in accordance with the "Company Act" and the "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 8: Changes in the shareholder register are not permitted within 60 days prior to the scheduled date of the annual general meeting, within 30 days prior to the scheduled date of any special shareholders' meeting, or within 5 days prior to the Company's record date of dividend, bonus or other interests.
- Article 9: The Company's employees, including the employees of the parent or subsidiaries of the Company meeting certain specific requirements, are entitled to receive the stocks purchased by the Company pursuant to the Company Act.
- The Company's employees, including the employees of the parent or subsidiaries of the Company meeting certain specific requirements, are entitled to receive employee stock warrants.
- The Company's employees, including the employees of the parent or subsidiaries of the Company meeting certain specific requirements, are entitled to purchase the new shares issued by the Company.
- The Company's employees, including the employees of the parent or subsidiaries of the Company meeting certain specific requirements, are entitled to receive the restricted stock awards for employees issued by the Company.

Chapter 3 Shareholders' Meetings

- Article 10: The Company holds two types of shareholders' meetings:
- I. The annual general meeting is convened within six months after the end of a financial year.
 - II. Special shareholders' meetings may be held whenever deemed necessary, subject to compliance with laws.
- The shareholders' meetings of the Company may be convened in the form of a video conference or in other ways promulgated by the central competent authority. The conditions, procedures and other rules (if any) established by the competent securities authority for holding shareholders' meetings through video conferencing shall be followed.

Article 11: Where a shareholder's meeting is convened by the Board of Directors, the chairperson's powers shall be delegated in accordance with Article 20 of the Articles of Incorporation. Where the shareholder's meeting is convened by any person other than the Board of Directors with the power to convene such meeting, the person shall chair the meeting. If there are two or more such persons, one person shall be chosen among themselves to chair the meeting.

Article 12: The shareholders shall be informed about the convening of the annual general meeting 30 days before the scheduled date of the meeting. For special shareholders' meetings, a convening notice shall be given to the shareholders 15 days prior to the scheduled date of the meeting.

The aforementioned convening notice may be given in electronic form at the consent of the respondents. Shareholders holding less than 1,000 registered shares shall be informed by means of announcements.

Article 13: If a shareholder cannot attend the shareholders' meeting, such shareholder may appoint a proxy to attend the meeting by providing a proxy form stating the authorization scope.

Article 14: Unless otherwise specified in the Company Act, the Company's shareholders are entitled to one voting right per share and may exercise the right by correspondence or electronic means.

Article 15: Unless otherwise provided by the Company Act, resolutions at a shareholders' meeting are subject to the presence of shareholders representing more than half of the total outstanding shares at the meeting and the consent of attending shareholders holding a majority of the voting rights. A motion is considered passed if the chairperson receives no objection from any attending shareholders. This voting method shall carry the same effect as the conventional ballot method.

The aforesaid adopted resolutions shall be recorded in the minutes of the meeting which shall be signed or stamped by the chairperson of the shareholders' meeting, distributed to all shareholders within 20 days after the meeting, and retained persistently throughout the lifetime of the Company.

The distribution of the meeting minutes referred to in the preceding paragraph may be effected by means of announcements.

Chapter 4 Directors, Supervisors and Managerial Officers

Article 16: The Company shall have seven to nine directors (including independent directors) with tenure of 3 years. The candidate nomination system shall be adopted for the election of directors. The directors are elected by shareholders from among the nominees listed in the roster of director candidates and may assume a second term of office if reelected.

Of all the seats of directors mentioned above, the number of independent directors shall not be less than three and one-fifth of the total seats of directors. The professional qualification, shareholding, restrictions on concurrent positions, methods of nomination and election, applicable periods, and other matters for compliance for the independent directors shall be subject to the requirements of the competent securities authority.

- Article 16-2: When the number of vacancies in the Board of Directors equals to one-third of the total directors, the Board of Directors shall call a special shareholders' meeting within 60 days to co-opt to fill vacancies. Co-option for filling independent director vacancies shall be held in accordance with Article 14-2 of the Securities and Exchange Act.
- Article 17: The Board of Directors consists of directors who have the following powers:
- I. Preparing business plans.
 - II. Proposing earnings distribution or loss reimbursement proposals.
 - III. Proposing capital increase or reduction proposals.
 - IV. Drawing up important rules and regulations, organizational rules, and contracts.
 - V. Appointing and dismissing the Company's managerial officers.
 - VI. Establishing and dissolving branches.
 - VII. Budgeting and conducting account closing.
 - VIII. Except for decisions that are subject to resolutions adopted at a shareholders' meeting under the Company Act or the provisions of the Articles of Incorporation, all business decisions of the Company shall be resolved by the Board of Directors.
- Article 18: A Chairman shall be elected among board members during a board meeting with more than two-thirds of directors present, and with the consent of more than half of all attending directors. In addition, if necessary, a Vice Chairman may be elected through the same method described above. The Chairman serves as the Company's representative to the outside world.
- Article 19: Unless otherwise specified in the Company Act, the Company's board meetings shall be convened by the Chairman. Unless otherwise specified in the Company Act, the resolutions of the Board of Directors shall be adopted with the consent of a majority of all attending directors at a meeting attended by more than half of directors.
- The Board of Directors shall specify the reasons for convening a meeting and inform all directors 7 days prior to the meeting. However, in case of emergency, a board meeting may be convened at any time.
- Notification of the convention of board meetings mentioned above may be effected by means of written notice or via e-mail or fax.
- Article 20: The Chairman serves as the chair of the Board of Directors. Where the Chairman is on leave or unable to perform his/her duties for whatever reason, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to perform his/her duties for whatever reason, the Chairman shall appoint a director to act on his/her behalf. Where the Chairman has failed to make such appointment, the directors shall select among themselves one person to act on his/her behalf.
- The directors shall attend board meetings in person. Any directors who are unable

to be present at a board meeting for whatever reason may authorize another director to act as his/her proxy. Each director may serve as the proxy for one director only.

Board meetings may be held via video conferencing. Any director attending the meeting through video conferencing shall be deemed to have attended the meeting in person.

Article 21: Deleted.

Article 22: The Board of Directors is authorized to determine the remuneration of the Company's directors based on their individual participation in and contribution to the Company's operations and with reference to the general level in the industry at home and abroad.

Article 22-1: The Company may take out liability insurance for the directors.

Article 23: The Company shall employ managerial officers and their job titles, appointment, dismissal, and remuneration shall be put forward at a board meeting and is subject to the presence of more than half of directors at the meeting and a resolution adopted with the consent of a majority of all attending directors.

Article 24: The General Manager shall take charge of the Company's business as a representative to the outside world pursuant to the resolutions adopted by the Board of Directors.

Chapter 5 Accounting

Article 25: The fiscal year of the Company shall commence January 1 and end on December 31. Account closing shall be carried out at the end of each fiscal year.

Article 26: The Board of Directors is responsible for preparing the following statements and reports at the end of each financial year in accordance with the provisions of Article 228 of the Company Act. These statements and reports shall be submitted to the annual general meeting for ratification.

I. A business report.

II. Financial statements.

III. Earning distribution or loss reimbursement proposals.

Article 27: Dividends and bonuses shall be distributed based on the percentage of shares held by each shareholder. No dividend and bonus shall be distributed if the Company has no earnings.

Article 28: The Company shall subtract any accumulated losses from earnings in the year (i.e. pre-tax profit before deduction of the profit distributed as remuneration to employees and to directors). A minimum amount of 1% of the remaining (if any) shall be appropriated as remuneration to employees and a maximum amount of 2% shall be appropriated as remuneration to directors.

The distribution of employees' remuneration in cash or in shares and the distribution of directors' remuneration in cash are subject to a resolution adopted with the consent of a majority of all attending directors at a board meeting with more than two-thirds of board members present and shall be subsequently reported at a shareholders' meeting.

The Company's employees, including the employees of the parent or subsidiaries of the Company meeting certain specific requirements, are entitled to receive employees' remuneration paid in shares or cash.

The Company may distribute earnings or offset losses after the end of each half of a fiscal year.

If there are earnings at the half-year end closing of a fiscal year, they shall first be used to pay taxes, offset accumulated losses, and estimate retained remuneration to employees and to directors and supervisors. 10% of the earnings shall also be set aside as legal reserves, unless the balance of the legal reserve has accumulated to the same amount as the Company's paid-in capital. Provision for or reversal of special reserves is then required pursuant to laws. The remaining earnings, if any, shall be added to the undistributed earnings carried from the previous fiscal year as the shareholder bonus. The Board of Directors shall draw up a distribution proposal. Distribution of the earnings by issuing new shares is subject to a resolution adopted at a shareholders' meeting; distribution of the earnings in cash is subject to a resolution of the Board of Directors.

Where the Company has earnings at the year-end closing in a fiscal year, 10% thereof shall be set aside as legal reserves as required by laws after they are used to pay taxes and offset accumulated losses, unless the balance of the legal reserve has accumulated to the same amount as the Company's paid-in capital. Provision for or reversal of special reserves is then required pursuant to laws. The remaining earnings, if any, shall be added to the undistributed earnings carried from the first half of the fiscal year as accumulated distributable earnings. The Board of Directors shall subsequently draw up a distribution proposal and submit the same to a shareholders' meeting for a resolution on the distribution of bonuses to shareholders.

The Board of Directors is authorized to adopt a resolution to distribute the abovementioned earnings, legal reserve, and capital reserve in cash at a meeting attended by more than two-thirds of directors with the consent of a majority of all attending directors and the distribution shall be reported at a shareholders' meeting. The distribution of the earnings, legal reserve, and capital reserve by issuing new shares is subject to a resolution adopted at a shareholders' meeting according to the preceding paragraph.

Article 29: The industry where the Company operates is at a stage of steady growth in its development cycle. In consideration of the demand for funds in the future and long-term financial planning, the Company not only distributes earnings in accordance with the preceding article, but also ensures that the percentage of cash dividends distributed is not less than 20% of the shareholders' bonuses distributed in the year. However, if the cash dividends are less than NT\$0.5 per share, the bonuses may be distributed in the form of stock dividends.

The Company may adopt the most appropriate dividend policy and distribution method based on the Company's actual operations in the current year and in consideration of capital budgeting for the following year.

Article 30: Deleted

Chapter 6 Supplementary Provisions

- Article 31: The Company's Articles of Incorporation and execution rules shall be established separately.
- Article 32: Matters not provided in the Articles of Incorporation shall be subject to the Company Act and other applicable laws and regulations.
- Article 33: The Articles of Incorporation were established on April 28, 1990. The 1st amendment was made on June 1, 1990. The 2nd amendment was made on July 28, 1990. The 3rd amendment was made on May 31, 1991. The 4th amendment was made on December 24, 1991. The 5th amendment was made on June 14, 1992. The 6th amendment was made on December 14, 1992. The 7th amendment was made on May 29, 1993. The 8th amendment was made on January 10, 1994. The 9th amendment was made on April 9, 1994. The 10th amendment was made on December 17, 1994. The 11th amendment was made on June 24, 1995. The 12th amendment was made on November 18, 1995. The 13th amendment was made on April 13, 1996. The 14th amendment was made on March 28, 1997. The 15th amendment was made on October 14, 1997. The 16th amendment was made on June 8, 1998. The 17th amendment was made on June 21, 1999. The 18th amendment was made on May 26, 2000. The 19th amendment was made on May 26, 2000. The 20th amendment was made on May 15, 2001. The 21st amendment was made on June 17, 2002. The 22nd amendment was made on June 11, 2004. The 23rd amendment was made on June 15, 2006. The 24th amendment was made on June 15, 2007. The 25th amendment was made on March 14, 2008. The 26th amendment was made on May 21, 2009. The 27th amendment was made on June 18, 2010. The 28th amendment was made on June 15, 2012. The 28th amendment was made on June 15, 2012. The 29th amendment was made on June 11, 2013. The 30th amendment was made on June 12, 2015. The 31st amendment was made on June 7, 2016. The 32nd amendment was made on June 2, 2017. The 33rd amendment was made on June 12, 2019. The 34th amendment was made on June 2, 2020. The 35th amendment was made on July 15, 2021. The 36th amendment was made on June 8, 2022.

Appendix 2

SOLOMON Technology Corporation

Rules of Procedure for Shareholders' Meetings (Current)

Article 1 To establish a good governance system and sound supervisory capabilities for the Company's shareholders' meetings and to strengthen the management capabilities, the Rules have been established pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Unless otherwise provided by law or the Articles of Incorporation, the rules of procedures for the Company's shareholders' meetings shall be subject to the Rules.

Article 3 (Convention and notice of shareholders' meetings)

Unless otherwise provided by law, the Company's shareholders' meetings shall be convened by the Board of Directors.

Any changes to the way of holding the shareholders' meetings of the Company shall be resolved by the Board of Directors and put into effect no later than the delivery of the notice of the shareholders' meeting.

The Company shall prepare an electronic version of the meeting notice, proxy form, and materials containing the summary and description of ratification motions, discussions, the election or dismissal of directors, and other motions and upload the electronic file to the MOPS 30 days before the scheduled date of the annual general meeting or 15 days prior to the scheduled date of a special shareholders' meeting. The shareholders' meeting handbook and supplementary meeting materials shall be prepared in electronic form and uploaded to the MOPS 21 days before the scheduled date of the annual general meeting or 15 days prior to the scheduled date of a special shareholders' meeting. However, where the aggregate shareholding percentage of foreign investors and Chinese investors in the Company's capital reached 30% or more as recorded in the shareholder roster at the time of holding the annual general meeting in the most recent fiscal year, the Company shall upload the aforesaid electronic files 30 days prior to the day on which the annual general meeting is to be held.

The hard copies of the shareholders' meeting handbook and supplementary meeting materials shall be prepared and made available at the offices of the Company and the professional share registration agent commissioned by the Company 15 days before a shareholders' meeting.

The Company shall make the shareholders' meeting handbook and supplementary materials referred to in the preceding paragraph available to the shareholders on the day of the shareholders' meeting by the following means:

- I. They shall be distributed at the site where the shareholders' meeting is held physically.
- II. They shall be distributed at the site where the hybrid shareholders' meeting is held and uploaded in electronic form to the video conferencing platform.

III. They shall be uploaded in electronic form to the video conferencing platform for virtual shareholders' meetings.

The notice and announcement shall contain information on the reason for convening a shareholders' meeting and may be made in electronic form with the consent of the respondents.

Motions on the election or dismissal of directors, alteration of the Articles of Incorporation, capital reduction, application for ceasing the Company's status as a public company, approval for directors to engage in competing operations, surplus profits distributed in the form of new shares, reserves distributed in the form of new shares, the dissolution, merger, demerger of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be briefly explained in the reason for convening a shareholders' meeting and may not be proposed as extempore motions.

Where the full re-election of directors along with the date for assuming office has been specified in the reason for convening a shareholders' meeting, such date may not be changed by proposing an extempore motion or through other methods at the same shareholders' meeting where the re-election is held.

Shareholders holding 1% or more of the total number of the issued shares may present one proposal at the annual general meeting with the Company. Where there are more than one proposal are presented, all the proposals shall not be included as motions. In addition, in case of any of the circumstances set forth in Article 172-1, Paragraph 4 of the Company Act, the Board of Directors may not include the proposals presented by the shareholders as motions. The shareholders may present suggestive proposals with the aim of urging the Company to promote public interest or fulfill social responsibility. Procedurally speaking, each shareholder can only present one proposal according to the provisions of Article 172-1 of the Company Act. Where there is more than one proposal presented, all the proposals shall not be included as motions.

The Company shall announce a call for proposals from the shareholders, the method for accepting the proposals in written or electronic form, acceptance sites, and the acceptance period which shall not be shorter than 10 days before the book closure date prior to the annual general meeting.

The proposals presented by the shareholders are limited to 300 words and those with over 300 words shall not be included as motions. The shareholders presenting proposals shall attend the annual general meeting in person or by proxy and participate in the discussion of the proposal.

The Company shall inform the presenting shareholders of the handling result prior to the date of notice of the shareholders' meeting and list the proposals consistent with the provision of the Article in the meeting notice. The Board of Directors shall explain the reason why there are proposals from shareholders not included as motions at the shareholders' meeting.

Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing a proxy form issued by the Company and stating the authorization scope.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company 5 days before the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to revoke the previous proxy appointment.

If the shareholder intends to attend the meeting in person or to exercise his/her/its voting right by correspondence instead after a proxy form has been delivered to the Company, a written notice of appointment revocation shall be submitted to the Company 2 days before the meeting date; if the revocation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If the shareholder intends to attend the meeting through video conferencing instead after a proxy form has been delivered to the Company, a written notice of appointment revocation shall be submitted to the Company 2 days before the meeting date; if the revocation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles for determining the time and place of shareholders' meetings)

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for holding the shareholders' meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the venue and time of the meeting.

The said restriction on the venue for the meeting, however, shall not apply to the Company's shareholders' meetings held through video conferencing.

Article 6 (Preparation of documents for shareholders' meetings)

The Company shall specify in the notice of shareholders' meetings the time during which attendance for shareholders, solicitors and proxies (hereinafter collectively referred to as shareholders) will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place to register for attendance shall be clearly marked and a sufficient number of competent personnel shall be assigned to accept attendance registrations. At a virtual shareholders' meeting, shareholders may begin to register on the video conferencing platform of the shareholders' meeting 30 minutes before the meeting starts. Shareholders completing registration are considered as having attended the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company shall not arbitrarily add requirements for other certifying documents beyond those showing eligibility for attendance by shareholders. Solicitors soliciting proxy forms shall also bring their identification documents for verification.

The Company shall provide the attending shareholders with the shareholders' meeting handbook, annual report, attendance card, speaker's slips, voting slips and other

meeting materials, as well as the election ballots if directors are to be elected at the meeting.

Where the government or a corporate is a shareholder, more than one representative may be assigned to attend the meeting. Where a corporate shareholder is appointed as a proxy to attend a shareholders' meeting, such shareholder may appoint only one representative to the meeting.

Where a virtual shareholders' meeting is convened, shareholders intending to attend the meeting through video conferencing shall register with the Company 2 days before the meeting date.

Where a virtual shareholders' meeting is convened, the Company shall upload the shareholders' meeting handbook, annual report and other meeting materials to the video conferencing platform of the shareholders' meeting at least 30 minutes before the meeting starts and keep them disclosed until the end of the meeting.

Article 6-1 (Particulars that should be specified in the notice of virtual shareholders' meetings)

When the Company convenes a virtual shareholders' meeting, the following particulars shall be included in the notice of the shareholders' meeting:

- I. Methods for the shareholders to attend the virtual meeting and exercise their rights.
- II. Actions to be taken in the event of obstructions to the virtual meeting platform or participation in the virtual meeting due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is rescheduled or from what time the meeting will resume if the above obstructions continue and cannot be removed, and the date to which the meeting is rescheduled or on which the meeting will resume.
 - (II) Shareholders who did not register to attend the affected shareholders' meeting through video conferencing may not attend the rescheduled or resumed session.
 - (III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot proceed and the total number of shares represented by shareholders present at the meeting reaches the statutory threshold for holding a shareholders' meeting after the shares represented by shareholders attending the meeting through video conferencing are deducted therefrom, the shareholders' meeting shall continue. The shares represented by the shareholders attending the meeting through video conferencing shall be counted towards the total number of shares represented by the shareholders present at the meeting, and the shareholders attending the meeting through video conferencing shall be considered as having abstained from voting on all the motions at the shareholders' meeting.
 - (IV) Actions to be taken if the outcome of all motions has been announced and extempore motions have not been carried out.

- III. When a virtual shareholders' meeting is convened, appropriate alternative measures available to shareholders with difficulties in attending such meeting through video conferencing shall be specified.

Article 7 (The chairperson and participants of shareholders' meetings)

Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is on leave or unable to perform his/her duties for whatever reason, the Chairman shall appoint one director to act on his/her behalf. If no director is appointed, one director shall be chosen from among all the directors to preside over the meeting.

Where the shareholder's meeting is convened by any person other than the Board of Directors with the power to convene such meeting, the person shall chair the meeting. If there are two or more such persons, one person shall be chosen among themselves to chair the meeting.

The Company may appoint the retained attorney, CPA, or any related person to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Video or audio records of shareholders' meetings)

The Company shall record the shareholders' meetings through video or audio recording and keep the records for at least one year. Where any shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, the video or audio record shall be retained until conclusion of the lawsuit.

Article 9 Attendance at shareholders' meetings shall be calculated based on shares. The number of shares represented by all attending shareholders shall be calculated based on the submitted sign-in cards and the number of shares registered for attendance on the video conferencing platform, added with the number of shares with voting rights that are exercised by correspondence or electronic means.

The chairperson shall call the meeting to order at the scheduled meeting time and announce the number of shares without voting rights and the number of shares represented by all attending shareholders. However, when the attending shareholders do not represent a majority of the total number of the issued shares, the chairperson may announce a postponement of the commencement of the meeting. The postponements shall be limited to two times and may not exceed one hour cumulatively. In the event that, after two postponements, the number of shares represented by the present shareholders is still less than one-third of the total number of the issued shares, the chairperson may announce the adjournment of the meeting. Where a virtual shareholders' meeting is convened, the Company shall also declare the meeting adjourned on the video conferencing platform of the shareholders' meeting.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of the issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all the shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. Where a virtual shareholders' meeting is convened, shareholders intending to

attend the meeting through video conferencing shall re-register with the Company in accordance with Article 6.

If the attending shareholders represent a majority of the total issued shares before the end of the meeting, the chairperson may re-propose the tentative resolution for voting at the meeting in accordance with Article 174 of the Company Act.

Article 10 (Motion discussion)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors and the resolutions of relevant motions (including extempore motions and the amendments to the original motions) shall be put to a vote one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The preceding paragraph shall also apply to any shareholders' meeting convened by any person other than the Board of Directors with the power to convene such a meeting.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions).

The chairperson shall grant adequate opportunities for clarification and discussion on amendments or extempore motions posed by shareholders. If a motion in discussion is considered ready for voting, the chairperson may discontinue the discussion and put the motion to a vote and shall ensure sufficient time for voting.

Article 11 (Speaking of shareholders)

Before any attending shareholder delivers a statement, the attending shareholder shall submit a speaker's slip containing the purpose of his/her/its statement and his/her/its shareholder account number (or attendance card number) and account name. The chairperson shall determine the order in which the shareholder delivers his/her/its statement.

Any attending shareholder who has submitted a speaker's slip but does not give a statement shall be deemed to have not given any statement. Where a statement given is inconsistent with that specified in the speaker's slip, the statement given shall prevail.

Except with the consent of the chairperson, each shareholder may neither have the floor more than twice on the same motion nor speak for more than 3 minutes each time. Where the shareholder speaks in contravention of the rules or beyond the scope of the subject, the chairperson may stop the shareholder from speaking.

When an attending shareholder is giving a statement, no other shareholder shall interrupt by speaking without the consent of the chairperson and the shareholder giving a statement. The chairperson shall stop any such interruption.

Where a corporate shareholder has appointed two or more representatives to attend a shareholders' meeting, only one of them may give a statement on a motion.

After an attending shareholder concludes his/her/its statement, the chairperson may give a response or appoint any related person to do so.

Where a virtual shareholders' meeting is convened, shareholders participating via video conferencing may, after the chairperson calls the meeting to order and before the chairperson declares the meeting adjourned, make inquiries in text form on the video conferencing platform of the shareholders' meeting for no more than twice for each motion. Each inquiry shall not exceed 200 words, and the provisions of Paragraphs 1 to 5 shall not apply.

Article 12 (Calculation of the number of voting shares and the recusal system)

Shares shall be used as the calculation basis for voting at shareholders' meetings.

Shares held by shareholders having no voting right shall not be counted toward the total number of the issued shares when adopting a resolution at a shareholders' meeting.

Any shareholder who has a personal interest associated with an item under discussion at a meeting and may impair the interest of the Company shall neither vote nor exercise the voting right of another shareholder on his/her/its behalf.

The number of non-voting shares referred to in the preceding paragraph shall not be counted toward the number of the voting rights of all attending shareholders.

Except for trust enterprises or stock agencies approved by the competent securities authority, where a person acts as the proxy for two or more shareholders, the number of voting rights represented by him/her shall not exceed 3% of the total issued voting shares of the Company, otherwise, the portion of excessive voting rights shall not be counted.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

The shareholders of the Company may exercise their voting rights by electronic means and correspondence at shareholders' meetings; when the voting rights are to be exercised by correspondence or electronic means, the means of exercising the voting rights shall be expressly provided in the notice of the shareholders' meeting. Shareholders who exercise their voting rights at a shareholders' meeting by correspondence or electronic means shall be considered as having attended the shareholders' meeting in person. However, they shall be treated as having waived their voting rights in respect of any extempore motion and/or any amendment to the contents of the original motions at the said shareholders' meeting. Thus, it is advisable for the Company to avoid proposing extempore motions or amendments to the contents of the original motions.

In case a shareholder exercises his/her/its voting right by correspondence or electronic means as specified in the preceding paragraph, his/her/its declaration of intention shall be served to the Company 2 days prior to the scheduled date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention received shall prevail, unless a declaration is made to revoke the intention.

In case a shareholder who has exercised his/her/its voting right by correspondence or electronic means intends to attend the shareholders' meeting in person or through video conferencing, the shareholder shall, 2 days prior to the meeting date, serve a

separate declaration of intention to rescind the previous declaration of intention made in exercising the voting right under the preceding paragraph in the same manner previously used in exercising the voting right. In the absence of a timely rescission of the previous declaration of intention, the voting right exercised by correspondence or electronic means shall prevail. Where a shareholder has exercised his/her/its voting right by correspondence or electronic means and also authorized a proxy to attend the shareholders' meeting on his/her/its behalf, the voting right exercised by the authorized proxy for the said shareholder shall prevail.

Unless otherwise provided by the Company Act and the Articles of Incorporation, a motion shall be passed by more than half of the voting rights of all attending shareholders.

A motion is considered passed if the chairperson receives no objection from any attending shareholders. This voting method shall carry the same effect as the conventional ballot method. In case of an objection, the motion shall be put to a vote in accordance with the preceding paragraph.

In case of an amendment or alternative to a motion, the chairperson shall determine the order in which the amendment or alternative together with the original motion will be put to a vote. Where either of them has been approved, the other one shall be deemed rejected and require no further voting.

Vote monitors and counters for voting on motions shall be appointed by the chairperson, provided that the vote monitors shall be the shareholders of the Company.

Vote counting shall be carried out in an open manner in the venue of shareholders' meetings and the voting result shall be announced on the spot immediately and documented in a record.

After the chairperson calls a virtual shareholders' meeting convened by the Company to order, shareholders attending the meeting through video conferencing shall cast their votes for motions and elections on the virtual meeting platform before the chairperson announces the end of the voting session, otherwise they will be considered as abstaining from voting.

Where a virtual shareholders' meeting is convened, votes shall be counted at once after the chairperson announces the end of the voting session, and the voting and election results shall be announced immediately.

If shareholders who have registered to attend a hybrid shareholders' meeting to be convened by the Company through video conferencing in accordance with Article 6 intend to attend the meeting in person instead, they shall revoke their registrations 2 days before the shareholders' meeting in the same manner as for registration, otherwise, they may only attend the shareholders' meeting through video conferencing.

Where shareholders who do not rescind their declarations of intention to exercise their voting rights by correspondence or electronic means and attend the shareholders' meeting through video conferencing, except for extempore motions, they shall not exercise their voting rights on the original motions, make any amendments to the original motions, or exercise their voting rights on amendments to the original motions.

Article 14 (Elections)

Where directors are to be elected at a shareholders' meeting, the election shall be duly conducted in accordance with the relevant election regulations of the Company and the election result shall be announced on-the-spot, including the names of elected directors, number of votes with which they are elected, names of directors not elected, and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitors and properly retained for at least one year. Where any shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until conclusion of the lawsuit.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes which shall be affixed with the signature or seal of the chairperson of the meeting and distributed to all the shareholders of the Company within 20 days after the close of the meeting.

The Company may distribute the meeting minutes referred to in the preceding by means of announcements on the MOPS.

The meeting minutes shall record faithfully the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, a summary and results of the proceedings (including the statistical tallies of the numbers of votes). Where directors are elected at the shareholders' meeting, the number of votes received by them shall be disclosed. The minutes shall be kept persistently throughout the lifetime of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the names of the chairperson and secretary, and the actions to be taken in the event of obstructions to the virtual meeting platform or participation in the virtual meeting due to natural disasters, accidents or other force majeure events, and how the issues are dealt with shall be specified in the minutes.

Article 16 (External announcements)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make an express disclosure of the same in the venue of the shareholders' meeting. Where a virtual shareholders' meeting is convened, the Company shall upload the above materials to the virtual meeting platform of the shareholders' meeting at least 30 minutes before the meeting starts and keep them disclosed until the end of the meeting.

At the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented by shareholders present at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever statistics about the total number of shares represented by all attending shareholders and the number of voting rights are compiled during the meeting.

If resolutions adopted at a shareholders' meeting constitute material information under applicable laws or regulations or under the regulations of Taiwan Stock Exchange Corporation, the Company shall upload such resolutions to the MOPS within the prescribed time period.

Article 17 (Maintenance of order at the meeting venue)

Staff handling the administrative affairs at shareholders' meetings shall wear identification cards or armbands.

The chairperson may instruct disciplinary officers or security guards to help maintain order at the meeting venue. The disciplinary officers or security guards shall wear an armband or identification card bearing the word "Disciplinary Officer" when helping maintain order at the meeting venue.

Where loudspeakers are equipped at the venue of the shareholders' meeting and a shareholder speaks with a loudspeaker not provided by the Company, the chairperson may stop his/her/its speech.

Where any shareholder fails to obey the instructions of the chairperson and obstructs the progress of the meeting in disregard of dissuasion, the shareholder shall be escorted away from the meeting venue by the disciplinary officers or security guards on the instruction of the chairperson.

Article 18 (Breaks, meeting continuations)

When a meeting is in progress, the chairperson may announce a break as appropriate. In the event of force majeure, the chairperson may suspend the meeting and announce a time for resumption of the meeting, depending on the circumstances.

According to Article 182 of the Company Act, a resolution may be adopted to reschedule the shareholders' meeting to or resume the meeting on a date within 5 days from the original meeting date.

Article 19 (Information disclosure at virtual shareholders' meetings)

Where a virtual shareholders' meeting is convened, the Company shall disclose the voting and election results immediately after the end of each voting session and the election on the virtual meeting platform of the shareholders' meeting pursuant to the regulations, and this disclosure shall continue at least for 15 minutes after the chairperson declares the meeting adjourned.

Article 20 (Location where the chairperson and secretary of virtual shareholders' meetings are)

Where the Company convenes a virtual shareholders' meeting, both the chairperson and secretary shall be in the same location in the country, and the chairperson shall announce the address of the location when the meeting is called to order.

Article 21 (Handling of disconnection)

Where a virtual shareholders' meeting is convened, the Company may offer a simple connection test to the shareholders prior to the meeting and provide relevant real-time services before and during the meeting to help resolve technical communication problems.

Where a virtual shareholders' meeting is convened, except for circumstances where the meeting is not required to be rescheduled to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the chairperson shall, when calling the meeting to order, announce the date that the meeting is rescheduled to or resumed on within 5 days from the original meeting date in case any obstruction to the virtual meeting platform or participation in the virtual meeting resulting from natural disasters, accidents or other force majeure events occurring before the chairperson declares the meeting adjourned continues for more than 30 minutes, in which case Article 182 of the Company Act does not apply.

Where a meeting shall be rescheduled or resumed as described in the preceding paragraph, shareholders who did not register to participate in such shareholders' meeting through video conferencing shall not attend the rescheduled or resumed meeting.

Where shareholders who have registered to participate in a shareholders' meeting that shall be rescheduled or resumed under Paragraph 2 through video conferencing and have successfully signed in do not attend the rescheduled or resumed meeting, the shares represented by the shareholders, and the voting rights and election rights exercised thereby at the original shareholders' meeting shall be counted towards the total number of shares, number of voting rights and number of election rights represented by the shareholders present at the rescheduled or resumed meeting.

During a rescheduled or resumed shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for motions for which votes have been cast and counted and for which the voting results or elected directors have been announced.

At a hybrid shareholders' meeting held by the Company, where the virtual meeting cannot be continued due to the circumstances as stated in Paragraph 2 and the total number of shares represented by all attending shareholders reaches the statutory threshold for holding a shareholders' meeting after the shares represented by shareholders attending the meeting through video conferencing are deducted therefrom, the shareholders' meeting shall continue and need not be rescheduled or resumed under Paragraph 2.

Under the circumstances where a shareholders' meeting should continue as stated in the preceding paragraph, the shares represented by shareholders attending the meeting through video conferencing shall be counted towards the total number of shares represented by all attending shareholders, provided that the shareholders attending the meeting through video conferencing shall be considered abstaining from voting on all the motions at the shareholders' meeting.

When rescheduling or resuming a meeting according to Paragraph 2, the Company shall carry out the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

The Company shall meet the requirements set forth in the second half of Article 12 and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the

Administration of Shareholder Services of Public Companies based on the date that a shareholders' meeting is rescheduled to or resumed on under Paragraph 2.

Article 22 (Establishment and amendment)

The Rules and any amendments hereto shall be implemented after adoption thereof at the shareholders' meeting.

The Rules were first established on June 10, 2011. The 1st amendment was made on June 15, 2012. The 2nd amendment was made on June 11, 2013. The 3rd amendment was made on June 12, 2015. The 4th amendment was made on June 2, 2020. The 5th amendment was made on July 15, 2021. The 6th amendment was made on June 8, 2022.

CH 5. Effect of the Proposed Distribution of Bonus Shares at the Current Annual General Meeting on the Business Performance, EPS, and ROE of the Company

The Company's Board of Directors resolved to distribute the earnings as cash dividends at NT\$1.7 per share in 2023. Thus, this is not applicable.

CH 6. Information on Remuneration to Employees and to Directors

- I. Information on remuneration to employees and to directors as specified in the Articles of Incorporation:

Article 28:

The Company shall subtract any accumulated losses from earnings in the year (i.e. pre-tax profit before deduction of the profit distributed as remuneration to employees and to directors). If there is any remaining:

a minimum amount of 1% shall be appropriated as remuneration to employees and a maximum amount of 2% shall be appropriated as remuneration to directors.

The distribution of employees' remuneration in cash or in shares and the distribution of directors' remuneration in cash are subject to a resolution adopted with the consent of a majority of all attending directors at a board meeting with more than two-thirds of board members present and shall be subsequently reported at a shareholders' meeting.

The Company's employees, including the employees of the parent of the Company meeting certain specific requirements, are entitled to receive employees' remuneration paid in shares or cash.

- II. Information on Board-approved remuneration distributed to employees, directors

The percentage and amount of remuneration distributed to employees and to directors in 2023 are as follows and the remuneration was distributed in cash:

(I) 1% for employee remuneration: NT\$5,851,248 in total

(II) 2% for remuneration to directors: NT\$11,702,496 in total

CH 7. Shareholding of All Directors

I. Statement on the minimum shareholding required for all directors and the number of shares held as recorded in the shareholder register

Book closure date: April 9, 2024

Title	Minimum Number of Shares Held	Number of Shares Registered in the Shareholder Roster
Director	10,288,263 shares	38,274,735

Note: The Company's paid-in share capital amounts to 171,471,052 shares.

$171,471,052 \text{ shares} \times 7.5\% \times 80\% = 10,288,263 \text{ shares}$

II. Statement on the number of shares held by directors

Title	Name	Number of Shares Registered in the Shareholder Roster	Remarks
Chairman	Chen Cheng-Lung	15,733,057 shares	
Director	Chen Jan-Sun	8,909,,377 shares	
Director	Chen Lu Su-Yue	13,386,843 shares	
Director	Sheng Xing Investment Co., Ltd.	145,026 shares	Representative: Wang Wei-Chung
Director	Moredel Investment Corp.	100,432 shares	Representative: Kao Sheng-Hui
Independent Director	Huang Ming-Yu	0 share	
Independent Director	Wong Ching-Chang	0 share	
Independent Director	Wong Chu-Ching	0 share	
Independent Director	Huanag Chung-Yuan	0 share	

CH 8. Other Information

I. Description of nomination by shareholders and proposal handling for the annual general meeting:

Description:

- (I) According to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of the issued shares may put forward a proposal in writing and nominate candidates for directors.
- (II) The Company accepted applications for proposals from shareholders for the 2024 Annual General Meeting from March 28 to April 7, 2024.
- (III) There are no written proposals from shareholders for SOLOMON's 2024 Annual General Meeting.