SOLOMON Technology Corporation

Parent-only Financial Statements and Independent Auditors' Report

2025 and 2024

(Stock Code 2359)

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SOLOMON Technology Corporation

2025 and 2024 Parent-only Financial Statements and Independent Auditors' Report

Table of Contents

Independent Auditors' Report

(2026) Letter Cai-Shen-Bao-Zi No. 25004470

To SOLOMON Technology Corporation:

Audit Opinions

We audited the parent-only balance sheets of SOLOMON Technology Corporation as of December 31, 2025 and 2024, 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, 2025 and 2024 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, 2025 and 2024 and the parent-only financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024.

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 2025. 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 opinion on these matters.

The key audit matters for SOLOMON Technology Corporation's parent-only financial statements for 2025 are described as follows:

Impairment Assessment of Accounts Receivable

<u>Matter description</u>

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, 2025, were NT$446,905 thousand and NT$1,684 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 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, 2025, were NT$1,417,547 thousand and NT$9,894 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 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.

- 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, 2025 and 2024, amounted to NT$143,910 thousand and NT$176,433 thousand, respectively, accounting for 1.8% and 2.2% of the total assets. The comprehensive income recognized with respect to said companies for the periods from January 1 to December 31, 2025 and 2024, amounted to NT$(32,209) thousand and NT$(19,663) thousand, respectively, accounting for (17.0%) and (11.6%) of the total comprehensive income.

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

The management is 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 are free of material misstatement 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 the necessary understanding of the internal controls related to the audit is essential to design audit procedures appropriate for the current circumstances, provided that the purpose of the foregoing is not to express opinions regarding the effectiveness of the internal controls 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 management's use of the going concern basis of accounting and whether there is material uncertainty regarding an event or circumstance that might cast significant doubt on the ability of SOLOMON Technology Corporation to remain a going concern. If any material uncertainty is deemed to exist in such events or circumstances, we must include a reminder in the audit report for users of the parent-only financial statements to pay attention to the relevant disclosures therein or revise our audit opinions if any such disclosures are found to be 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 the entities forming SOLOMON Technology Corporation 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 2025 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 decide not to communicate certain matters in the audit report due to the reasonable expectation that any negative effect arising from such communication would outweigh the benefit to public interest.

PricewaterhouseCoopers Taiwan

Wen Ya-Fang

CPA

Lin Se-Kai

Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1100350706
Former Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan
Approval No.: Jin-Guan-Zheng-Liu-Zi No.0960072936

March 23, 2026

SOLOMON Technology Corporation
Parent-only Balance Sheet
December 31, 2025 and 2024

Unit: NT$ Thousand

	Assets	Note	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets					
1100	Cash and cash equivalents	6 (1)	$ 592,853	7	$ 521,904	7
1110	Financial assets measured at fair value through profit or loss – current	6 (2)	67,520	1	106,948	1
1136	Financial assets measured at amortized cost – current	6 (3)	1,082,963	13	1,147,475	14
1150	Net notes receivable	6 (4)	9,097	-	11,085	-
1170	Net accounts receivable	6 (4)	445,221	6	450,048	6
1180	Net accounts receivable – related party	7	29,091	-	3,045	-
1200	Other receivables		13,368	-	13,759	-
1210	Other receivables – related party	7	2,966	-	3,614	-
130X	Inventory	6 (5)	1,407,653	18	1,225,979	15
1410	Prepayments	6 (6)	152,694	2	316,358	4
11XX	**Total current assets**		3,803,426	47	3,800,215	47
	Non-current assets					
1510	Financial assets measured at fair value through profit or loss – non-current	6 (2)	108,227	2	65,032	1
1550	Investments accounted for using the equity method	6 (7)	2,841,387	35	2,872,945	36
1600	Property, plant and equipment	6 (8) and 8	408,022	5	401,123	5
1755	Right-of-use assets	6 (9)	9,263	-	8,044	-
1760	Net investment property	6 (11) and 8	831,238	10	842,691	10
1780	Intangible assets		3,058	-	1,601	-
1840	Deferred income tax assets	6 (27)	8,463	-	5,882	-
1900	Other non-current assets	6 (12) (16)	71,672	1	59,128	1
15XX	**Total non-current assets**		4,281,330	53	4,256,446	53
1XXX	**Total assets**		$ 8,084,756	100	$ 8,056,661	100

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SOLOMON Technology Corporation
Parent-only Balance Sheet
December 31, 2025 and 2024

Unit: NT$ Thousand

Code	Liabilities and equity	Note	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities					
2100	Short-term loans	6 (13)	$ 650,000	8	$ 688,000	9
2130	Contractual liabilities – current	6 (20)	869,044	11	817,562	10
2150	Notes payable		4,264	-	3,964	-
2170	Accounts payable	7	569,908	7	613,387	8
2200	Other payables	6 (14)	87,403	1	78,955	1
2220	Other payables – related party	7	937	-	-	-
2230	Income tax liabilities in the current period		21,121	-	16,340	-
2250	Liability provisions – current	6(15)	36,050	1	-	-
2280	Lease liabilities – current	6 (9)	5,297	-	5,033	-
2300	Other current liabilities		13,115	-	17,355	-
21XX	**Total current liabilities**		2,257,139	28	2,240,596	28
	Non-current liabilities					
2570	Deferred income tax liabilities	6 (27)	44,082	1	52,059	2
2580	Lease liabilities – non-current	6 (9)	4,093	-	3,314	-
2600	Other non-current liabilities		10,464	-	10,214	(1
25XX	**Total non-current liabilities**		58,639	1	65,587	1
2XXX	**Total liabilities**		2,315,778	29	2,306,183	29
	Equity					
	Share capital	6 (17)				
3110	Common share capital		1,714,711	21	1,714,711	21
	Capital reserves	6 (18)				
3200	Capital reserves		911,351	11	911,355	11
	Retained earnings	6 (19)				
3310	Legal reserves		532,061	7	516,726	6
3320	Special reserves		109,147	1	125,280	2
3350	Undistributed earnings		2,642,787	33	2,597,595	32
	Other equity					
3400	Other equity		(135,037)	(2)	(109,147)	(1)
3500	Treasury stocks	6 (17)	(6,042)	-	(6,042)	-
3XXX	**Total equity**		5,768,978	71	5,750,478	71
	Material contingencies and unrecognized contractual commitments	9				
	Material subsequent events	11				
3X2X	**Total liabilities and equity**		$ 8,084,756	100	$ 8,056,661	100

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 Comprehensive Income
January 1 to December 31, 2025 and 2024

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

	Item	Note	2025 Amount	2025 %	2024 Amount	2024 %
4000	Operating income	6 (20) and 7	$ 2,624,109	100	$ 2,125,586	100
5000	Operating costs	6 (5) (25) (26)	(2,099,876)	(80)	(1,692,371)	(80)
5950	Net gross operating profit		524,233	20	433,215	20
	Operating expenses	6 (24) (25) and 7				
6100	Marketing expenses		(273,678)	(11)	(264,451)	(12)
6200	Management expense		(101,061)	(4)	(95,495)	(5)
6300	R&D expense		(131,166)	(5)	(115,461)	(5)
6450	Expected credit impairment (loss) gain	12 (2)	(635)	-	(89)	-
6000	Total operating expenses		(506,540)	(20)	(475,496)	(22)
6900	Operating profit (loss)		17,693	-	(42,281)	(2)
	Non-operating income and expenses					
7100	Interest income	6 (21) and 7	109,753	4	110,517	5
7010	Other income	6 (22) and 7	87,282	3	97,025	5
7020	Other gains and losses	6 (23)	(89,728)	(3)	112,556	5
7050	Financial costs	6 (24) and 7	(12,953)	-	(16,193)	(1)
7055	Expected credit impairment loss	12(2)	(17,087)	(1)	-	-
7070	Share of profits/losses of subsidiaries, associates and joint ventures under the equity method	6 (7)	128,746	5	(55,403)	(2)
7000	Total non-operating income and expenses		206,013	8	248,502	12
7900	**Pre-tax profit**		223,706	8	206,221	10
7950	Income tax expense	6 (27)	(12,432)	-	(62,209)	(3)
8200	**Net profit in the current period**		$ 211,274	8	$ 144,012	7
	Other comprehensive income (net)					
	Items not reclassified as profit or loss					
8311	Remeasurement of defined benefit plan	6 (16)	$ 4,653	-	$ 9,011	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures under the equity method – items not reclassified as profit and loss		(24,665)	(1)	(2,344)	-
8349	Income tax related to items not reclassified	6 (27)	(931)	-	(1,802)	-
8310	Total amount of items not reclassified as profit or loss		(20,943)	(1)	4,865	-
	Items likely to be subsequently reclassified as profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		(356)	-	20,606	1
8360	Total amount of items likely to be subsequently reclassified as profit or loss		(356)	-	20,606	1
8500	**Total comprehensive income in the current period**		$ 189,975	7	$ 169,483	8
	Basic earnings per share	6 (28)				
9750	Basic earnings per share		$	1.23	$	0.84
	Diluted earnings per share	6 (28)				
9850	Diluted earnings per share		$	1.23	$	0.84

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 Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	Note	Common share capital	Capital reserves	Retained earnings: Legal reserves	Retained earnings: Special reserves	Retained earnings: Undistributed earnings	Other equity: Exchange differences on translation of financial statements of foreign operations	Other equity: Unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive income	Treasury stocks	Total
2024										
Balance on January 1, 2024		$ 1,714,711	$ 262,149	$ 463,352	$ 116,320	$ 2,798,080	($ 125,280)	$ -	($ 6,042)	$ 5,223,290
Net profit in the current period		-	-	-	-	144,012	-	-	-	144,012
Other comprehensive income in the current period		-	-	-	-	9,338	20,606	(4,473)	-	25,471
Total comprehensive income in the current period		-	-	-	-	153,350	20,606	(4,473)	-	169,483
Allocation and distribution of earnings:	6 (19)									
Set aside as legal reserve		-	-	53,374	-	(53,374)	-	-	-	-
Set aside as special reserve		-	-	-	8,960	(8,960)	-	-	-	-
Cash dividends		-	-	-	-	(291,501)	-	-	-	(291,501)
Recognized changes in ownership interests in subsidiaries	6 (18)	-	(75)	-	-	-	-	-	-	(75)
Difference between the consideration and carrying amount of subsidiaries disposed of	6 (7)(18)	-	649,281	-	-	-	-	-	-	649,281
Balance as of December 31, 2024		$ 1,714,711	$ 911,355	$ 516,726	$ 125,280	$ 2,597,595	($ 104,674)	($ 4,473)	($ 6,042)	$ 5,750,478
2025										
Balance on January 1, 2025		$ 1,714,711	$ 911,355	$ 516,726	$ 125,280	$ 2,597,595	($ 104,674)	($ 4,473)	($ 6,042)	$ 5,750,478
Net profit in the current period		-	-	-	-	211,274	-	-	-	211,274
Other comprehensive income in the current period		-	-	-	-	4,591	(356)	(25,534)	-	(21,299)
Total comprehensive income in the current period		-	-	-	-	215,865	(356)	(25,534)	-	189,975
Allocation and distribution of earnings:	6 (19)									
Set aside as legal reserve		-	-	15,335	-	(15,335)	-	-	-	-
Reversed aside as special reserve		-	-	-	(16,133)	16,133	-	-	-	-
Cash dividends		-	-	-	-	(171,471)	-	-	-	(171,471)
Recognized changes in ownership interests in subsidiaries	6 (7)(18)	-	(4)	-	-	-	-	-	-	(4)
Balance as of December 31, 2025		$ 1,714,711	$ 911,351	$ 532,061	$ 109,147	$ 2,642,787	($ 105,030)	($ 30,007)	($ 6,042)	$ 5,768,978

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, 2025 and 2024

Unit: NT$ Thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
Cash flows from operating activities			
Pre-tax profit in the current period		$ 223,706	$ 206,221
Adjustment items			
Profits and expenses			
Depreciation expense (including investment property and right-of-use assets)	6 (8) (9) (11)	34,571	30,242
Amortization expense	6 (25)	5,161	1,809
Expected credit impairment loss (gain)	12 (2)	17,722	89
Net gain from financial assets measured at fair value through profit or loss	6 (2) (23)	(9,963)	(4,341)
Interest expense	6 (24)	12,953	16,193
Interest income	6 (21)	(109,753)	(110,517)
Dividend income	6 (22)	(4,544)	(1,832)
Share of profits of subsidiaries, associates and joint ventures under the equity method	6 (7)	(128,746)	55,403
Gain from disposal of property, plant and equipment	6 (23)	-	(1,350)
Gain from disposal of investments accounted for using the equity method	6 (23)	(165)	-
Gain from lease modification	6 (23)	(132)	-
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 – current		6,196	(71,297)
Notes receivable		1,988	3,894
Accounts receivable		4,192	184,936
Net accounts receivable – related party		(26,046)	(2,082)
Other receivables		391	126
Inventory		(189,278)	187,070
Prepayments		163,988	(248,573)
Net changes in liabilities related to operating activities			
Contractual liabilities		51,482	42,695
Notes payable		300	(6,090)
Accounts payable		(43,478)	88,466
Other payables (including related party)		12,011	(1,539)
Liability provisions – current		36,050	-
Other current liabilities		(4,240)	2,448
Cash inflow (outflow) from operations		54,366	371,971
Interest received		109,753	110,377
Dividends received	6 (7) (22)	142,388	162,622
Interest paid		(12,953)	(16,162)
Income tax paid		(20,975)	(56,782)
Net cash inflow from operating activities		272,579	572,026

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SOLOMON Technology Corporation
Parent-only Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: NT$ Thousand

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
Cash flows from investing activities			
Decrease in financial assets measured at amortized cost		$ 47,425	$ 22,533
Cost of acquisition of investments accounted for using the equity method – subsidiaries	6 (7)	(7,356)	(33,746)
Proceeds from disposal of investments accounted for using the equity method – subsidiaries	6 (7)	5,373	240,023
Cost of acquisition of property, plant, and equipment	6 (30)	(18,509)	(9,893)
Proceeds from disposal of property, plant and equipment		-	1,350
(Increase) Decrease in deposits paid		(7,517)	(243)
Decrease (increase) in other receivables – related party		648	3,058
Cost of acquisition of intangible assets		(6,764)	(1,928)
Additional proceeds from investment property	6 (11)	-	(3,110)
Net cash inflow from investing activities		13,300	218,044
Cash flows from financing activities			
(Decrease) Increase in other payables – related party	6 (31)	-	(300,000)
Repayment of short-term loans	6 (31)	(580,353)	(833,848)
Borrowing of short-term loans	6 (31)	542,353	913,848
Repayment of principal of lease liabilities	6 (31))	(5,291)	(5,175)
(Increase) Decrease in deposits received	6 (31))	250	(690)
Distribution of cash dividends	6 (19)	(171,471)	(291,501)
Net cash outflow from financing activities		(214,512)	(517,366)
Effect of exchange rate		(418)	650
Increase in cash and cash equivalents in the current period		70,949	273,354
Opening balance of cash and cash equivalents		521,904	248,550
Closing balance of cash and cash equivalents		$ 592,853	$ 521,904

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
Notes to the Parent-only Financial Statements
2025 and 2024

Unit: NT$ Thousand
(Unless otherwise specified)

I. Company history

(I) SOLOMON Technology Corporation (hereinafter referred to as the "Company") was established in the Republic of China and commenced operations in May 1990. The Company was merged with its 100%-owned subsidiaries Mo Dao Investment Co., Ltd., Long Men Technology Corporation, and De Li Investment Co., Ltd. during 2007 and 2006. After the merger, the Company survived and Mo Dao Investment Co., Ltd., Long Men Technology Corporation, and De Li Investment Co., Ltd. were dissolved. The Company is mainly engaged in the sale, manufacturing, agency, and import of generators, semiconductors, electronic parts, and LCDs.

(II) The Company's stock was listed on Taiwan Stock Exchange Corporation in December 1996.

II. Approval date and procedures of the financial statements

The parent-only financial statements were approved for publication by the Board of Directors on March 13, 2026.

III. Application of new and amended standards and interpretations

(I) Effect of adopting the newly promulgated or revised IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The newly promulgated, amended and revised standards and interpretations of IFRSs endorsed and issued into effect by the FSC and applicable in 2025 are listed in the following table:

New, revised or amended standards and interpretations	Effective date per IASB
Amendments to IAS 21, "Lack of Exchangeability"	January 1, 2025

As evaluated by the Company, the above standards and interpretations have no significant impact on the financial position and performance of the Company.

(II) Effect of not adopting the newly promulgated or revised IFRSs endorsed by the FSC

The newly promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC and applicable in 2026 are listed in the following table:

New, revised or amended standards and interpretations	Effective date per IASB
Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

As evaluated by the Company, the above standards and interpretations have no significant impact on the financial position and performance of the Company.

(III) Effect of the IFRSs issued by the IASB but not yet endorsed by the FSC

The newly promulgated or revised standards and interpretations of the IFRSs issued by the IASB but not yet endorsed by the FSC are listed in the following table:

New, revised or amended standards and interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Related party or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IFRS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note: On September 25, 2025, the Financial Supervisory Commission (FSC) announced in a press release that publicly issued companies will be required to adopt International Financial Reporting Standard 18 (hereinafter referred to as "IFRS 18") beginning in fiscal year 2028. Entities that elect to adopt IFRS 18 early may do so after the FSC's endorsement of IFRS 18.

As evaluated by the Group, except for IFRS 18 "Presentation and Disclosure in Financial Statements" to be assessed, the above standards and interpretations have no significant impact on the financial position and performance of the Company.

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1. IFRS 18 updates the structure of the statement of profit or loss, required disclosures for management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IV. Summary of material accounting policies

The main accounting policies used for preparing the parent-only financial statements are described as follows. Unless otherwise specified, such policies are consistently applicable to all reporting periods.

(I) Statement of compliance

The parent-only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. The parent-only financial statements were prepared on the basis of historical cost, except for the key items listed below:

   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss, measured at fair value.

   (2) Defined benefit assets recognized at the net amount calculated as pension fund assets less the present value of defined benefit obligations.

2. Preparing financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, interpretations and pronouncements of interpretation endorsed and issued into effect by the FSC (hereinafter collectively referred to as IFRSs) requires the use of some important accounting estimates. During the adoption of the Company's accounting policies, the management needs to rely on their judgment when it comes to items that require demanding judgments, or which are highly complex or involve material assumptions and estimates in parent-only financial statements. For details, please refer to the description in Note 5.

(III) Foreign currency translation

The parent-only financial statements use the Company's functional currency, "NT dollars," as the presentation currency.

1. Foreign currency transactions and balances

   (1) Foreign currencies in foreign currency transactions are translated into the functional currency based on the spot exchange rate on the transaction or measurement date. The translation difference generated by the translation is recognized as profit or loss in the current period.

   (2) Valuation adjustments are made to the balance of monetary foreign currency assets and liabilities based on the spot exchange rate on the balance sheet date. The translation difference generated by the adjustments is recognized as profit or loss in the current period.

   (3) If the balance of non-monetary foreign currency assets and liabilities is measured at fair value through profit or loss, valuation adjustments are made based on the spot exchange rate on the balance sheet date. The exchange difference generated by the adjustments is recognized as profit or loss in the current period. If the balance is measured at fair value through other comprehensive income, valuation adjustments are made based on the spot exchange rate on the balance sheet date. The exchange difference generated by the adjustments is recognized as other comprehensive income in the current period. If the balance is not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.

   (4) All exchange differences are recognized as "other gains and losses" in the income statement based on the nature of transaction.

2. Translation of foreign operations

   (1) The business results and financial position of all the entities and associates whose functional currency and presentation currency are different are translated into the presentation currency using the following methods:

      A. Assets and liabilities presented in each balance sheet are translated at the closing rate on the balance sheet date;

      B. Profits and losses presented in each statement of comprehensive income are translated at the average exchange rate in the current period; and

      C. All exchange differences generated from translation are recognized as other comprehensive income.

(2) When a foreign operation that is partially disposed of or sold is a subsidiary, the accumulated exchange difference recognized as other comprehensive income is re-attributed proportionally to the non-controlling interests of the foreign operation. However, when the Company retains a partial interest in the former foreign subsidiary after losing control over it, such transactions should be accounted for as a disposal of all interest in the foreign operation.

(IV) Criteria for classification of current and non-current assets and liabilities

1. Assets that match any of the following conditions shall be classified as current assets:

   (1) The asset is expected to be realized or is intended to be sold or depleted over normal business cycles.

   (2) The liability is held primarily for the purpose of trading.

   (3) The asset is expected to be realized within 12 months after the reporting period.

   (4) The asset is cash or cash equivalents, excluding those that are restricted from being used for exchange or settlement of liabilities at least within 12 months after the reporting period.

   The Company classifies all assets that do not match the above conditions as non-current.

2. Liabilities that match any of the following conditions shall be classified as current liabilities:

   (1) The liability is expected to be settled over normal business cycles.

   (2) The liability is held primarily for the purpose of trading.

   (3) The liability is expected to be due to be settled within 12 months after the reporting period.

   (4) Having no right to defer settlement of the liability for at least 12 months after the reporting period.

   The Company classifies all liabilities that do not match the above conditions as non-current.

(V) Cash equivalents

Cash equivalents refer to short-term investments with high liquidity that can be converted into specified amounts of cash at any time with little risk of value changes. Time deposits that fit the aforesaid definition and are held for the purpose of meeting short-term operating cash commitments are classified as cash equivalents.

(VI) Financial assets measured at fair value through profit or loss

1. Financial assets measured at fair value through profit or loss refer to financial assets not measured at amortized cost or at fair value through other comprehensive income.

2. The Company uses settlement date accounting for financial assets measured at fair value through profit or loss in accordance with the trading practice.

3. The Company measures the financial assets at fair value at initial recognition and relevant transaction costs are recognized as profit or loss. The financial assets are subsequently measured at fair value and any gains or losses arising therefrom are recognized as profit or loss.

4. When the right to receive dividends is established, the Company recognizes the dividend income as profit or loss, provided that the economic benefits related to the dividends are likely to flow in and the amount of the dividends can be measured reliably.

(VII) Financial assets measured at amortized cost

1. Financial assets measured at amortized cost refer to financial assets that meet all the following conditions:
   (1) The financial asset is held under an operating model with the purpose of receiving contractual cash flows.
   (2) The contractual terms of the financial asset generate cash flows on a specific date that are solely payments of principal and interest.
2. The Company uses trade date accounting for financial assets measured at amortized cost on a regular way purchase or sale basis.
3. The Company measures the financial assets at fair value plus transaction costs at initial recognition and subsequently recognizes interest income using the effective interest method over the circulation period according to the amortization procedure as well as impairment losses. Derecognition gains or losses are then recognized as profit or loss.

(VIII) Accounts and notes receivable

1. Accounts and notes receivable refer to accounts and notes with the right to unconditionally receive the consideration for which goods or services are exchanged pursuant to contractual agreements.
2. They are short-term accounts and notes receivable without payment of interest. As the discount of the accounts and notes receivable does not have significant effect, the Company measures them at the initial invoice amount.

(IX) Impairment of financial assets

On each balance sheet, the Company measures the loss allowance for financial assets measured at amortized cost and accounts receivable containing significant financing components, whose credit risk has not significantly increased after initial recognition, at the amount of the 12-month expected credit losses in consideration of all reasonable and supportable information (including forward-looking information). If their credit risk significantly increases after initial recognition, the loss allowance is measured at the amount of the expected credit losses throughout the lifetime. For accounts receivable that do not contain significant financing components, the loss allowance is measured at the amount of the expected credit losses throughout the lifetime.

(X) Derecognition of financial assets

When the Company's contractual rights to receive the cash flows from financial assets become invalid, the financial assets will be derecognized.

(XI) Lessor's lease transactions – operating leases

The lease income from operating leases less any incentive given to the lessee is amortized under the straight-line method over the lease term and recognized as profit or loss in the current period.

(XII) Inventory

Inventory is measured at the lower of cost or net realizable value, and its cost is determined using the moving average approach. The item-by-item method is adopted to determine the lower of cost or net realizable value. Net realizable value means the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated cost necessary to make the sale.

(XIII) Investments accounted for using the equity method – subsidiaries

1. Subsidiaries refer to entities controlled by the Company. An entity is controlled by the Company when the Company is exposed and has rights to variable returns from its involvement in the entity and has the ability to affect the returns with its power over the entity.
2. Unrealized gains or losses arising from transactions between the Company and its subsidiaries have been eliminated. Necessary adjustments have been made to the accounting policies of the subsidiaries to keep them consistent with those of the Company.
3. The Company recognizes its share of profits or losses after the acquisition of subsidiaries as profit or loss in the current period and recognizes its share of other comprehensive income after the acquisition as other comprehensive income. If the Company's share of losses of a subsidiary equals or exceeds our interest in the subsidiary, the Company will continue to recognize losses in proportion to its shareholding.
4. Changes in the Company's shareholding in its subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, namely transactions with the owners. The difference between the adjusted amount of non-controlling interests and the fair value of considerations paid or received is directly recognized as equity.
5. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income in the current period presented in the parent-only financial statements shall be the same as the allocations of profits or losses attributable to owners of the parent company in the current period presented in the financial statements prepared on the basis of consolidation. Owners' equity in the parent-only financial statements shall also be the same as equity attributable to owners of the parent company in the financial statements prepared on the basis of consolidation.

(XIV) Property, plant and equipment

1. Property, plant and equipment are accounted for at the acquisition cost.
2. Subsequent costs are included in the carrying amount of the asset or recognized as an individual asset only when future economic benefits associated with the item are likely to flow in the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other maintenance expenses are recognized as profit or loss in the current period at the time of their occurrence.
3. The property, plant and equipment are subsequently measured under the cost model. Except for land that is not depreciated, all property, plant and equipment are depreciated using the straight-line method over the estimated useful life. If the property, plant and equipment comprise any significant components, they are depreciated individually.
4. The Company reviews the residual value, useful life and depreciation method of all assets at the end of each fiscal year. If the expected residual value and useful life differ from the previous estimates, or if there has been a significant change in the pattern of how the future economic benefits of the asset are expected to be consumed, such a change shall be treated in accordance with the requirements on changes in accounting estimates in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on the date of its occurrence.

The useful life of different types of assets is as follows:

Premises and buildings	3–55 years
Machines/equipment	3–6 years
Office equipment	3–6 years
Other equipment	3–15 years

(XV) Lessee's lease transactions – right-of-use assets and lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date on which they become available for use by the Company. For short-term leases or leases of low-value underlying assets, the lease payments are recognized as expense using the straight-line method over the lease term.
2. As for lease liabilities, the unpaid lease payments are recognized at present value discounted at the incremental loan interest rate of the Company on the lease commencement date. Lease payments include fixed payments, less any receivable lease incentives.

   The lease liabilities are subsequently measured at amortized cost using the interest method and interest expenses are amortized over the lease term. If changes in the lease term or lease payments do not result from contract revisions, the lease liabilities are reassessed and a remeasurement is made to adjust right-of-use assets.
3. The right-of-use assets are recognized at cost (including the initially measured amount of the lease liabilities and any initial direct cost incurred) on the lease commencement date.

   The right-of-use assets are subsequently measured under the cost model and are depreciated when the useful life of the right-of-use assets or the lease term expires, whichever is earlier. When reassessing the lease liabilities, any remeasurement of the lease liabilities is adjusted for the right-of-use assets.
4. For lease modifications that are changes in the lease scope, the lessee reduces the carrying amount of the right-of-use assets to reflect the partial or whole termination of the lease and recognizes the difference between the carrying amount and the remeasured amount of the lease liabilities as profit or loss.As for all the other lease modifications, the amount of the lease liabilities is remeasured, and the right-of-use assets are adjusted correspondingly.

(XVI) Investment property

Investment property is recognized at acquisition cost and subsequently measured under the cost model. Except for land, the investment property is depreciated using the straight-line method over an estimated useful life of 3–55 years.

(XVII) Intangible assets

Computer software is recognized at acquisition cost and amortized using the straight-line method over an estimated useful life of 1–3 years.

(XVIII) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value of an asset less the disposal cost and the value in use. When an asset impairment recognized in prior years may no longer exist or has decreased, the impairment loss is reversed, provided that the carrying amount of the asset increased after the reversal of the impairment loss does not exceed the carrying amount of the asset less amortization or depreciation expense without recognition of the impairment loss.

(XIX) Loans

Loans refer to short-term borrowings from banks. At initial recognition, the Company measures the loans at fair value less transaction costs and subsequently uses the effective interest method to recognize interest expenses at the difference between the proceeds net of transaction costs and the redemption value as profit or loss over the circulation period according to the amortization procedure.

(XX) Accounts and notes payable

1. Accounts and notes payable refer to debts incurred due to the purchase of raw materials, goods, or services on credit terms and notes payable arising from operating and non-operating activities.
2. They are short-term accounts and notes payable without payment of interest. As the discount of the accounts and notes payable does not have significant effect, the Company measures them at the initial invoice amount.

(XXI) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the obligations specified in contracts are fulfilled, canceled, or expired.

(XXII) Liability provisions

Liability provisions (including warranties and maintenance) mean that a present or constructive obligation is incurred due to past events, which is likely to result in the need for the outflow of resources with economic benefits to settle the obligation, and the obligation shall be recognized when its amount can be estimated reliably. The liability provisions are measured at the best estimated present value of expenses required for settling the obligation on the balance sheet date. The discount rate before tax that reflects the market's current assessment of the time value of money and liability-specific risk is used. The discounted amortization amount is recognized as interest expenses. Future operating losses shall not be recognized as liability provisions

(XXIII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at an undiscounted amount expected to be paid and recognized as expense when the related services are provided.

2. Pension

   (1) Defined contribution plan

   Under the defined contribution plan, pension contributions that shall be made are recognized as pension cost in the current period on an accrual basis. Pre-paid contributions are recognized as assets to the extent that a cash refund or reduction in future payments is available.

(2) Defined benefit plan

A. Under the defined benefit plan, net obligations are calculated based on the discounted future benefits earned by employees for services rendered during the current period or in the past and stated at the present value of the defined benefit obligations on the balance sheet date less the fair value of plan assets. The defined benefit obligations are calculated by an actuary using the projected unit credit method every year. The discount rate is the yield rate of government bonds that have the same currency and period under the defined benefit plan on the balance sheet date.

B. Remeasurements arising from the defined benefit plan are recognized as other comprehensive income and recorded in retained earnings in the period of their incurrence.

C. Expenses related to past service costs are immediately recognized as profit or loss.

3. Remuneration to employees and to directors

Remuneration to employees and to directors is recognized as expense and liabilities when it is subject to legal or constructive obligations and its amount can be estimated reasonably. Any difference between the amount of remuneration actually distributed to employees and directors as resolved and the estimated amount is treated as an accounting estimate change. If employees' remuneration is distributed in shares, the closing price on the day before the date of the Board's resolution is used as a basis for calculating the number of shares to be distributed.

(XXIV) Income tax

1. Income tax expense includes current and deferred income taxes. Income taxes related to the items recognized as other comprehensive income or directly recognized as equity are recognized as comprehensive income or directly recognized as equity, respectively. The other income taxes are recognized as profit or loss.

2. The Company calculates the current income tax based on the tax rates and laws of countries where the Company operates or generates taxable income that have been enacted or substantively enacted by the balance sheet date. The management regularly assesses the reporting of income taxes in accordance with applicable income tax laws and regulations and estimates income tax liabilities based on tax payments expected to be made to the taxation authority, if applicable. The income tax imposed on undistributed earnings according to the Income Tax Act is recognized as income tax on undistributed earnings based on the actual distribution of earnings only after the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.

3. Deferred income taxes are recognized at temporary difference between the carrying amounts of assets and liabilities on the parent-only balance sheet and their tax bases using the balance sheet approach. Temporary differences resulting from investments in subsidiaries are not recognized if the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to be applicable when the relevant deferred income tax assets are realized or deferred income tax liabilities are settled are adopted for the deferred income taxes.

4. Deferred income tax assets are recognized when it is probable that temporary differences will be available for offsetting future taxable income. Unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

5. When there is a legally enforceable right to offset the amounts of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously, the current income tax assets may be offset against the current income tax liabilities. When there is a legally enforceable right to offset the amounts of current income tax assets and liabilities, and when deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities that intend to settle on a net basis or realize the assets and settle the liabilities simultaneously, the deferred income tax assets and liabilities may be offset against each other.

(XXV) Share capital

1. Common shares are classified as equity. The incremental cost directly attributable to the issue of new shares and stock options is recognized as a debit item of the proceeds in equity, net of income taxes.
2. When repurchasing issued shares, the Company recognizes the considerations paid, including any directly attributable incremental cost, at the net amount after tax as a debit item of shareholders' equity. When reissuing the repurchased shares, the difference between the received considerations less any directly attributable incremental cost and income tax effects and the carrying amount is recognized as an adjustment to shareholders' equity. In addition, since January 1, 2002, the Company's shares held by its subsidiaries have been treated as treasury stocks.

(XXVI) Distribution of dividends

Dividends distributed to the Company's shareholders are recognized in the financial statements when a resolution to distribute the dividends is adopted at a board meeting. Cash dividends distributed are recognized as liabilities. Stock dividends are recognized as stock dividends to be distributed after a resolution at a shareholders' meeting and are transferred to common shares on the share issuance date.

(XXVII) Recognition of income

1. Sale of goods

(1) Sales income is recognized when control over products is transferred to a customer. The customer has discretion regarding the sales channels and prices of the products and the Company has no unfulfilled performance obligations that may affect the customer's acceptance of the products. At the time the products are delivered to the designated location, the risk of the products being out of date and lost is already transferred to the customer. When the customer accepts the products pursuant to the sales contract or there is objective evidence demonstrating that all acceptance criteria have been met, the goods are deemed delivered.

(2) Accounts receivable are recognized when goods are delivered to a customer as the Company has had unconditional rights to contract proceeds since that time and may collect consideration from the customer after that time.

2. Costs of obtaining contracts with customers

Although it is expectable that the Company's incremental costs incurred for obtaining contracts with customers can be recovered, the costs are recognized as expenses at the time of their incurrence since the relevant contract terms are shorter than one year.

(XXVIII) Government subsidies

Government subsidies shall be recognized when it is reasonable to ensure that the business will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively. If the government subsidies in nature are used to offset the expenses incurred by the Company, they are recognized as profit or loss on a systematic basis in the period during which the relevant expenses are incurred.

V. Main sources of uncertainty of material accounting judgments, estimates and assumptions

When the Company prepared the parent-only financial statements, the management used their judgment to determine which accounting policies were to be adopted and made accounting estimates and assumptions based on reasonable expectations of future events and according to the situation on the balance sheet date. There might be differences between the material accounting estimates and assumptions and the actual results. Hence, historical experience and other factors would be taken into account to make continuous assessments and adjustments. Such estimates and assumptions led to a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the following fiscal year. The following is the description of the uncertainty of material accounting judgments, estimates and assumptions:

(I) Important judgments for accounting policies adopted:

None.

(II) Important accounting estimates and assumptions

1. Valuation of accounts receivable

   In the process of assessing impairment on accounts receivable, the Group must use judgments and estimates to determine the future recoverability of accounts receivable. The future recoverability is subject to a number of factors that may affect customers' ability to pay, such as their financial position, internal credit ratings within the Group, and historical transaction records. When there is doubt about the recoverability of accounts receivable, the Group shall assess the possibility of recovery and make appropriate allowances for the accounts receivable separately. The impairment assessment is based on the reasonable expectation of future events according to the situation on the balance sheet date. However, the actual result may differ from the estimate, which may result in a significant change. Please refer to Note 6 (4) for the description of the estimated impairment on accounts receivable.

2. Valuation of inventory

   Inventory shall be evaluated on the basis of the lower of cost or net realizable value. Hence, the Company must use judgments and estimates to determine the net realizable value of the inventory on the balance sheet date. As technology advances rapidly, the Company assesses the amount of inventory with normal wear and tear and obsolescence and without market sales value on the balance sheet date and writes down the cost of the inventory to the net realizable value. The valuation of inventory is mainly estimated according to the product demand within a certain period in the future; therefore, significant changes may occur. Please refer to Note 6 (5) for the description of inventory valuation.

VI. Description of major accounts

(I) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash:		
Check deposits and demand deposits	$ 118,422	$ 154,394
Cash on hand and petty cash	75	91
Cash equivalents:		
Time deposits	474,356	367,419
	$ 592,853	$ 521,904

1. The Company deals with financial institutions with good credit ratings and has dealings with multiple financial institutions to spread credit risk. Thus, the possibility of defaults is expected to be extremely low.
2. The Company did not pledge the cash and cash equivalents as collateral.

(II) Financial assets measured at fair value through profit or loss

Item	December 31, 2025	December 31, 2024
Current items:		
Financial assets measured at fair value through profit or loss on a mandatory basis		
Listed/OTC stocks	$ 56,573	$ 62,123
Domestic and foreign funds	30,000	70,000
	86,573	132,123
Valuation adjustments	(19,053)	(25,175)
	$ 67,520	$ 106,948
Non-current items:		
Financial assets measured at fair value through profit or loss on a mandatory basis		
Listed/OTC stocks	$ -	$ 193,714
Non-listed/non-OTC stocks	48,000	48,000
Limited partnership	75,280	33,980
	123,280	275,694
Valuation adjustments	(15,053)	(210,662)
	$ 108,227	$ 65,032

1. Details on financial assets measured at fair value through profit or loss and recognized as profit or loss are as follows:

	2025	2024
Financial assets measured at fair value through profit or loss on a mandatory basis		
Equity instruments	$ 5,923	$ 4,861
Beneficiary certificates	1,460	972
Limited partnership	2,580	(1,492)
	$ 9,963	$ 4,341
- Dividend income	4,544	1,832
	$ 14,507	$ 6,173

2. The Company did not pledge the financial assets measured at fair value through profit or loss.

(III) Financial assets measured at amortized cost

Item	December 31, 2025	December 31, 2024
Current items:		
Common corporate bonds	$ 1,100,050	$ 1,147,475
Less: Loss allowance	(17,087)	-
	$ 1,082,963	$ 1,147,475

1. Details on financial assets measured at amortized cost recognized as profit or loss are as follows:

	2025	2024
Net (loss) gain from foreign currency exchange	($ 47,425)	$ 72,800
Interest income	87,423	90,068
Expected credit impairment loss	(17,087)	-
	$ 22,911	$ 162,868

2. The Company did not pledge the financial assets measured at amortized cost as collateral.
3. Without considering other credit enhancements, the carrying value can best represent the maximum amount of the Company's financial assets measured at amortized cost exposed to credit risk as of December 31, 2025 and 2024.
4. During 2025, given the increased likelihood of the corporate bond issuer extending the principal maturity date and uncertainty regarding the interest rate during the extension period, the Group assessed that a significant increase in credit risk had occurred over the life of the instrument and measured expected credit losses $17,087 based on probability-weighted possible outcomes. For related credit risk information, please refer to Note 12(2)

On October 1, 2025, the Group received notification from the aforementioned bond issuer that the bond maturity has been extended to September 25, 2026, with the annual interest rate and monthly interest payment dates remaining unchanged.

(IV) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 9,097	$ 11,085
Accounts receivable	$ 446,905	$ 451,097
Less: Loss allowance	(1,684)	(1,049)
	$ 445,221	$ 450,048

1. The Company's notes receivable were not overdue. Please refer to the description in Note 12 (2) for the aging analysis of accounts receivable based on the number of days overdue.
2. The balances of the accounts and notes receivable on December 31, 2025 and 2024, were derived from customer contracts. The amount of total receivables from customer contracts on January 1, 2024, was $651,012, and the loss allowance was $960.
3. The Company did not pledge the notes and accounts receivable as collateral.
4. Without considering other credit enhancements, the amount that can best represent the maximum amount of the Company's accounts receivable and notes receivable exposed to credit risk as of December 31, 2025 and 2024 was $454,318 and $461,133, respectively.
5. Please refer to Note 12 (2) for information on the credit risk of the accounts receivable.

(V) Inventory

	December 31, 2025		
	Cost	Allowance for devaluation loss	Carrying amount
Inventory of goods	$ 1,417,547	($ 9,894)	$ 1,407,653

	December 31, 2024		
	Cost	Allowance for devaluation loss	Carrying amount
Inventory of goods	$ 1,240,690	($ 14,711)	$ 1,225,979

The inventory-related expenses and losses recognized in the current period are as follows:

	2025	2024
Cost of sold inventory	$ 2,104,693	$ 1,697,958
Loss from inventory devaluation (Gain from price recovery)	(4,817)	(5,587)
	$ 2,099,876	$ 1,692,371

The Company sold the inventories for which an allowance for devaluation losses was recognized in 2025, resulting in a recovery of the net realizable value of the inventories, which was recognized as a decrease in the cost of sales.

(VI) Prepayments

	December 31, 2025	December 31, 2024
Prepayment for purchase	$ 145,976	$ 266,004
Overpaid tax for offsetting future tax payable	30	46,626
Others	6,688	3,728
	$ 152,694	$ 316,358

(VII) Investments accounted for using the equity method

Subsidiary	December 31, 2025	December 31, 2024
Solomon Goldentek Display Corp.	$ 1,251,377	$ 1,244,633
Moredel Investment Corp.	610,541	584,307
Solomon Smartnet Corp.	428,443	466,989
Solomon Cayman International Corp.	266,331	237,389
Solomon Energy Technology Corp.	104,228	135,480
Solomon Data International Corp.	119,440	116,010
Cornucopia Innovation Corp.	39,682	40,953
Solomon Technology (USA) Corp.	1,665	17,530
Solomon Science Technology (VN) Co., Ltd.	5,778	13,566
Sheng-Peng Technology Corp.	4,458	5,778
Solomon Robotics (THAI) Ltd.	-	5,208
Solomon Technology Japan Co., Ltd.	1,905	3,677
Solomon Automation (Malaysia) Sdn. Bhd.	7,180	
Total Profit Holdings Ltd.	343	1,409
Solomon Wireless Technology Corp.	16	16
	$ 2,841,387	$ 2,872,945

1. Please refer to Note 4 (3) to the Company's consolidated financial statements for 2025 for information on the Company's subsidiaries.
2. The Company's Board of Directors resolved in November 2025 to invest $7,356 in cash to establish the subsidiary, Solomon Automation (Malaysia) Sdn. Bhd.
3. The Company's Board of Directors resolved in October 2024 to increase the capital of its subsidiaries, Solomon Technology (USA) Corp. and Solomon Science Technology (VN) Co., Ltd., with $20,904 and $12,842 in cash, respectively.

4. Solomon Robotics (THAI) Ltd., a subsidiary of the Company, completed its liquidation in February 2025, and the Company recovered the remaining equity investment of NT$5,373
5. In 2024, the Company sold 5.56% of its equity in its subsidiary, Solomon Data International, for $240,023, and its shareholding was reduced to 24.04%. Please refer to Note 6 (29) for details.
6. The Company recognized investment gains(losses) of $128,746 and ($55,403) with respect to investments accounted for using the equity method in 2025 and 2024, respectively, which were calculated based on the financial statements of investee companies for the same periods audited by CPAs. Changes in the account are as follows:

	2025	2024
January 1	$ 2,872,945	$ 2,628,595
Increase in investments accounted for using the equity method	7,356	33,746
Disposal of investments accounted for using the equity method	(5,208)	(240,023)
Share of gains or losses form investments accounted for using the equity method	128,746	(55,403)
Distribution of earnings accounted for using the equity method	(137,844)	(160,790)
Changes in capital reserves	(4)	649,206
Changes in other equity	(24,604)	17,614
December 31	$ 2,841,387	$ 2,872,945

7. The Company's subsidiary Moredel Investment Corp. held the Company's shares to ensure financial operations before the Company Act was amended on November 12, 2001, and recognized a gain (loss) on valuation of financial assets of ($4,268) and $12,947 in 2025 and 2024, respectively. The Company treated the shares as treasury stocks pursuant to the financial accounting standards and did not recognize relevant profits and losses.

(VIII) Property, plant and equipment

	Land	Premises and buildings	Machines/ equipment	Office equipment	Others	Unfinished construction and equipment pending for inspection	Total
January 1, 2025							
Cost	$ 261,233	$ 201,154	$ 71,188	$ 20,485	$ 21,032	$ -	$ 575,092
Accumulated depreciation	-	(86,766)	(54,395)	(14,202)	(18,606)	-	(173,969)
	$ 261,233	$ 114,388	$ 16,793	$ 6,283	$ 2,426	$ -	$ 401,123
2025							
January 1	$ 261,233	$ 114,388	$ 16,793	$ 6,283	$ 2,426	$ -	$ 401,123
Addition	-	-	3,918	5,408	1,390	6,450	17,166
Reclassification	-	-	3,730	-	3,874	-	7,604
Depreciation expense	-	(3,538)	(9,410)	(3,000)	(1,923)	-	(17,871)
December 31	$ 261,233	$ 110,850	$ 15,031	$ 8,691	$ 5,767	$ 6,450	$ 408,022
December 31, 2025							
Cost	$ 261,233	$ 201,154	$ 78,836	$ 25,893	$ 26,296	$ 6,450	$ 599,862
Accumulated depreciation	-	(86,766)	(54,395)	(14,202)	(18,606)	-	(173,969)
	$ 261,233	$ 110,850	$ 15,031	$ 8,691	$ 5,767	$ 6,450	$ 408,022

	Land	Premises and buildings	Machines/ equipment	Office equipment	Others	Unfinished construction and equipment pending for inspection	Total
January 1, 2024							
Cost	$ 261,233	$ 201,154	$ 65,202	$ 13,859	$ 20,486	$ -	$ 561,934
Accumulated depreciation	-	(83,228)	(48,134)	(13,133)	(17,211)		(161,706)
	$ 261,233	$ 117,926	$ 17,068	$ 726	$ 3,275		$ 400,228
2024							
January 1	$ 261,233	$ 117,926	$ 17,068	$ 726	$ 3,275		$ 400,228
Addition	-	-	2,786	6,432	546		9,764
Reclassification	-	-	4,808	194	-		5,002
Disposal	-	-	(1,607)	-	-		(1,607)
Disposal – accumulated depreciation	-	-	1,607	-	-		1,607
Depreciation expense	-	(3,538)	(7,869)	(1,069)	(1,395)		(13,871)
December 31	$ 261,233	$ 114,388	$ 16,793	$ 6,283	$ 2,426		$ 401,123
December 31, 2024							
Cost	$ 261,233	$ 201,154	$ 71,188	$ 20,485	$ 21,032		$ 575,092
Accumulated depreciation	-	(86,766)	(54,395)	(14,202)	(18,606)		(173,969)
	$ 261,233	$ 114,388	$ 16,793	$ 6,283	$ 2,426		$ 401,123

1. Please refer to the description in Note 8 for information on the Company's provision of the property, plant and equipment as collateral.
2. There was no interest capitalization on the property, plant and equipment.

(IX) Lease transactions – lessee

1. The Company's leased assets include buildings and company vehicles and the leases often have a term of 2 to 4 years. The leases are individually negotiated and contain a variety of terms and conditions. The leased assets shall not be used as collateral for loans and are subject to no other limitations.
2. The business vehicles leased by the Company are leased for no more than 12 months, and some of the low-value assets leased are photocopiers.
3. Changes in the Company's right-of-use assets during January 1 to December 31, 2025 and 2024, are as follows:

	2025		
	Premises	Transportation equipment (company vehicles)	Total
January 1	$ 5,700	$ 2,344	$ 8,044
Addition	6,104	3,084	9,188
Lease Modification	(1,933)	(789)	(2,722)
Depreciation expense	(3,546)	(1,701)	(5,247)
December 31	$ 6,325	$ 2,938	$ 9,263

	2024		
	Premises	Transportation equipment (company vehicles)	Total
January 1	$ 4,542	$ 3,915	$ 8,457
Addition	4,812	-	4,812
Depreciation expense	(3,654)	(1,571)	(5,225)
December 31	$ 5,700	$ 2,344	$ 8,044

4. Information on the profit or loss items related to leases is as follows:

	2025	2024
Items that affect profit or loss in the current period		
Interest expense on lease liabilities	$ 155	$ 121
Short-term lease expense	$ 5,307	$ 5,667
Low-value asset lease expense	$ 2,446	$ 2,008
Gain on lease modification	($ 132)	$ -

5. The total cash outflow for leases of the Company in 2025 and 2024 was $13,199 and $12,971, respectively.

(X) Lease transactions – lessor

1. The Company's assets leased out are buildings and the leases often have a term of two to four years. The leases are individually negotiated and contain a variety of terms and conditions. To secure the use of the assets leased out, the lessee is often prohibited from using the leased assets as collateral for loans or from providing them for use by others using any other methods.
2. The Company recognized $66,769 and $64,791 as rental income pursuant to operating leases in 2025 and 2024, respectively. There were no variable lease payments included.
3. The Company's rent received in advance as of December 31, 2025 and 2024, was $9,639 and $12,132, respectively, and stated as other current liabilities.
4. A maturity analysis of lease payments under the Company's operating leases is as follows:

	December 31, 2025	December 31, 2024
2025	$ -	$ 47,323
2026	52,815	24,431
2027	28,499	4,399
2028	13,604	-
After 2029	2,731	-
	$ 97,649	$ 76,153

(XI) Investment property

	Land	Premises and buildings	Total
January 1, 2025			
Cost	$ 546,336	$ 588,368	$ 1,134,704
Accumulated depreciation	-	(292,013)	(292,013)
	$ 546,336	$ 296,355	$ 842,691
2025			
January 1	$ 546,336	$ 296,355	$ 842,691
Depreciation expense	-	(11,453)	(11,453)
December 31	$ 546,336	$ 284,902	$ 831,238
December 31, 2025			
Cost	$ 546,336	$ 588,368	$ 1,134,704
Accumulated depreciation	-	(303,466)	(303,466)
	$ 546,336	$ 284,902	$ 831,238

	Land		Premises and buildings		Total	
January 1, 2024						
Cost	$	546,336	$	585,258	$	1,131,594
Accumulated depreciation		-	(	280,867)	(	280,867)
	$	546,336	$	304,391	$	850,727
2024						
January 1	$	546,336	$	304,391	$	850,727
Addition		-		3,110		3,110
Depreciation expense		-	(	11,146)	(	11,146)
December 31	$	546,336	$	296,355	$	842,691
December 31, 2024						
Cost	$	546,336	$	588,368	$	1,134,704
Accumulated depreciation		-	(	292,013)	(	292,013)
	$	546,336	$	296,355	$	842,691

1. Rental income and direct operating expenses on investment property:

	2025		2024	
Rental income on investment property	$	66,769	$	64,791
Direct operating expenses incurred from investment property generating rental income in the current period	$	16,864	$	16,027
Direct operating expenses incurred from investment property not generating rental income in the current period	$	206	$	864

2. The fair value of the investment property held by the Company on December 31, 2025 and 2024was $1,815,575 and $1,738,154, respectively, according to the valuation results provided by the independent valuation experts. The fair values were valuated using the income approach and the comparative approach, calculated with a certain weight taken into account, and are classified as level 3 fair values. The key assumptions under the income approach are shown below:

	December 31, 2025	December 31, 2024
Income capitalization rate	1.75%~5.75%	1.66%~4.48%

3. Please refer to the description in Note 8 for information on the Company's provision of the investment property as collateral.

(XII) Other non-current assets

	December 31, 2025	December 31, 2024
Receivables on demand	$ 22,769	$ 23,094
Less: Loss allowance	(22,769)	(23,094)
Deposits paid	17,457	9,940
Net defined benefit assets	49,742	45,267
Prepayments for equipment-related accounts	552	-
Others	3,921	3,921
	$ 71,672	$ 59,128

(XIII) Short-term loans

	December 31, 2025	December 31, 2024
Bank loans		
Secured loans	$ 650,000	$ 688,000
Range of interest rates	1.85%~1.88%	1.85%~1.88%

For the collateral for the Company's short-term loans, please refer to Note 8.

(XIV) Other payables

	December 31, 2025	December 31, 2024
Salaries and bonuses payable	$ 53,527	$ 46,827
Service expense payable	970	862
Land value tax and house tax payable	2,832	2,779
Freight and import/export fees payable	684	1,169
Labor and health insurance expenses payable	4,151	4,095
Equipment-related accounts payable	1,654	2,445
Other payables	23,585	20,778
	$ 87,403	$ 78,955

(XV) Other payables

	December 31, 2025
Balance on January 1	$ -
Added liability provisions in the current period	36,050
Balance on December 31	$ 36,050

(XVI) Net defined benefit assets

1. Defined benefit plan

(1) The Company has established a defined benefit pension plan in accordance with the "Labor Standards Act." The plan is applicable to the length of service of all full-time employees calculated before the "Labor Pension Act" was implemented on July 1, 2005, and the length of service of employees who choose to stay in the pension scheme under the Labor Standards Act calculated after the implementation of the "Labor Pension Act." The pension paid to employees who meet the criteria for retirement is calculated based on their length of service and their average salary for the 6 months prior to their retirement. Employees whose length of service is no more than 15 years (inclusive) will receive two base points for each year of service and employees whose length of service is more than 15 years will receive one base point for each additional year of service. The maximum number of accumulated base points is 45. The Company makes a pension contribution of 2% of the total salary on a monthly basis and deposits it into a special account with the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. In addition, before the end of each fiscal year, if the balance of the labor pension fund account referred to in the preceding paragraph is insufficient to pay the pension calculated above to employees expected to meet the criteria for retirement in the following fiscal year, the Company will make a full, one-off contribution by the end of March of the next fiscal year.

(2) The Company applied to the Department of Labor, Taipei City Government for approval of a suspension of pension contribution from August 2022 to July 2026.

(3) The amounts recognized in the balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 31,516	$ 30,161
Fair value of plan assets	(81,258)	(75,428)
Net defined benefit assets	($ 49,742)	($ 45,267)

(4) Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
2025			
Balance on January 1	$ 30,161	($ 75,428)	($ 45,267)
Service costs in the current period	902	-	902
Interest expense (income)	483	(1,207)	(724)
	31,546	(76,635)	(45,089)
Remeasurement:			
Return on plan assets (excluding any amount included in interest income or expense)	-	(5,301)	(5,301)
Effect of changes in financial assumptions	463	-	463
Experience adjustments	185	-	185
	648	(5,301)	(4,653)
Pension paid	(678)	678	-
Balance on December 31	$ 31,516	($ 81,258)	($ 49,742)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
2024			
Balance on January 1	$ 32,942	($ 69,800)	($ 36,858)
Service costs in the current period	1,045	-	1,045
Interest expense (income)	395	(838)	(443)
	34,382	(70,638)	(36,256)
Remeasurement:			
Return on plan assets (excluding any amount included in interest income or expense)	-	(6,311)	(6,311)
Effect of changes in financial assumptions	(931)	-	(931)
Experience adjustments	(1,769)	-	(1,769)
	(2,700)	(6,311)	(9,011)
Pension paid	(1,521)	1,521	-
Balance on December 31	$ 30,161	($ 75,428)	($ 45,267)

(5) The Company's defined retirement benefit plan fund assets are entrusted by the Bank of Taiwan through contracted management according to the proportion and amount for contracted management items set forth in the annual investment/utilization plan of the fund and within the scope as defined in Article 6 of the Regulations for Management, Utilization and Supervision of the National Pension Insurance Fund (i.e. being deposited in domestic or foreign financial institutions, invested in domestic/foreign listed, OTC, or privately offered equity securities and in domestic/foreign real estate-related securitized products, etc.) The relevant utilization is supervised by the Labor Pension Fund Supervisory Committee. Regarding the utilization of the fund, the minimum earnings approved to be distributed every year shall not be less than the attainable earnings calculated based on the 2-year time deposit interest rates offered by local banks. Any deficit shall be made up for with the money from the national treasury upon the approval of the competent authority. As the Company has no right to participate in the utilization and management of the fund, the classification of the fair value of plan assets cannot be disclosed in accordance with Paragraph 142 of IAS 19. Please refer to the labor pension fund utilization report for each year published by the government for the fair value of all assets constituting the fund on December 31, 2025 and 2024.

(6) A summary of pension-related actuarial assumptions is shown below:

	2025	2024
Discount rate	1.40%	1.60%
Future salary increase rate	3.00%	3.00%

The assumption of future mortality rates is made based on the 6th Taiwan Standard Ordinary Experience Mortality Table. The present value of defined benefit obligations that has been affected due to changes in the main adopted actuarial assumptions is analyzed as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025				
Effect on the present value of defined benefit obligations	($ 576)	$ 601	$ 512	($ 493)

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2024				
Effect on the present value of defined benefit obligations	($ 553)	$ 575	$ 491	($ 475)

The above sensitivity analysis was conducted to analyze the effect of changes in a single assumption, with all other assumptions remaining unchanged. Changes in many assumptions could be correlated with each other in practice. The sensitivity analysis used the same method as that for calculating the net pension liabilities in the balance sheet.

The method and assumptions used for the sensitivity analysis in the current period are the same as those in the previous period.

(7) The Company expects to pay a defined benefit plan contribution of $0 in 2026.

(8) As of December 31, 2025, the weighted average lifetime of the defined benefit plan was nine years. A maturity analysis of pension payments is as follows:

Less than 1 year	$	5,924
2-5 years		12,336
Over 5 years		8,231
	$	26,491

2. Defined contribution plan

Since July 1, 2005, the Company has had its defined contribution plan in place in accordance with the "Labor Pension Act." The plan is applicable to employees who are of Taiwanese nationality. The Company deposits a labor pension distribution of 2% of the salaries of the employees who choose to opt into the labor pension scheme under "Labor Pension Act" into their personal accounts with the Bureau of Labor Insurance every month. The pension is paid monthly or as a lump sum to the employees, based on the amount of money in their personal pension accounts and the accumulated gains.

The pension cost recognized by the Company in accordance with the aforesaid pension plan in 2025 and 2024 was $15,023 and $14,656, respectively.

(XVII) Common share capital

1. As of both December 31, 2025 and 2024, the Company's authorized capital was $5,000,000 , divided into 500,000 thousand shares with a par value of NT$10 per share. The shares were authorized to be issued in installments by the Board of Directors, of which 56,000 thousand shares were reserved for the exercise of stock warrants attached to employee stock options, preferred shares with warrants, or corporate bonds with warrants. The number of outstanding shares of the Company (excluding treasury shares) was 171,371 thousand shares for both periods. Payment for the issued shares of the Company has been received, and the number of outstanding shares at the beginning and end of the period remained the same.

2. Treasury stocks

(1) The Company's consolidated subsidiary Moredel Investment Corp. held a total of 100 thousand shares in the Company to ensure financial operations before the Company Act was amended on November 12, 2001. The carrying value of the Company's treasury stocks on both December 31, 2025 and 2024, was $6,042.

(2) According to the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged or entitled to any shareholder rights.

(XVIII) Capital reserves

1. Pursuant to the Company Act, the capital reserve generated from the income derived from the issuance of new shares at a premium and from the endowments received may not only be used to offset losses, but also be distributed to shareholders in new shares or cash in proportion to the shares initially held thereby if the Company has no accumulated losses. According to the relevant provisions in the Securities and Exchange Act, the total proportion of the above capital reserve used for capitalization is limited to 10% of the paid-in capital every year. The Company shall not use the capital reserve to offset capital losses, unless the surplus reserve is insufficient to offset such losses.
2. Details on and changes in the Company's capital reserve are shown in the following table:

	2025					
	Trading of treasury stocks	Changes in ownership interests in subsidiaries	Difference between the consideration and the carrying value of subsidiaries acquired or disposed of	Consolidated excess	Others	Total
January 1	$ 32,683	$ 142,591	$ 696,292	$ 9,473	$ 30,316	$ 911,355
Changes in interests in subsidiaries recognized according to shareholding	-	(4)	-	-	-	(4)
December 31	$ 32,683	$ 142,587	$ 696,292	$ 9,473	$ 30,316	$ 911,351

	2024					
	Trading of treasury stocks	Changes in ownership interests in subsidiaries	Difference between the consideration and the carrying value of subsidiaries acquired or disposed of	Consolidated excess	Others	Total
January 1	$ 32,683	$ 142,666	$ 47,011	$ 9,473	$ 30,316	$ 262,149
Changes in interests in subsidiaries recognized according to shareholding	-	(75)	430,923	-	-	430,848
Difference between the consideration and the carrying value of subsidiaries disposed of	-	-	218,358	-	-	218,358
December 31	$ 32,683	$ 142,591	$ 696,292	$ 9,473	$ 30,316	$ 911,355

(XIX) Retained earnings

1. According to the Articles of Incorporation, the Company may distribute earnings or offset losses after the end of each half of the fiscal year. Where the Company has earnings at the year-end closing for the first half of a fiscal year or 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. Provision for special reserves is then required pursuant to the Securities and Exchange Act and related administrative rules. The remaining earnings, if any, shall be added to the undistributed earnings carried over from prior years as distributable earnings. The Board of Directors shall subsequently draw up a distribution proposal and submit it to a shareholders' meeting for a resolution on the distribution of the earnings. 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.
2. The legal reserve shall not be used unless it is used to offset the Company's losses and distributed to shareholders in new shares or cash in proportion to the shares initially held thereby. The legal reserve shall not be distributed in new shares or cash unless the portion distributed exceeds 25% of the paid-in capital.
3. The Company may distribute earnings only after recognizing special reserves based on the debit balance of equity items on the balance sheet in the current year as required by laws. When the debit balance of the equity items is reversed subsequently, the reversed amount may be included as distributable earnings.
4. The Company's 2024 and 2023 earnings distribution proposals resolved at the shareholders' meeting held on June 10, 2025 and June 7, 2024, respectively, are stated as follows:

	2024		2023	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Set aside as legal reserve	$ 15,335		$ 53,374	
Set aside (reversed) as special reserve	(16,133)		8,960	
Cash dividends	171,471	$ 1.00	291,501	$ 1.70

5. The 2025 earnings distribution proposal presented by the Board of Directors on March 13, 2026, is as follows:

	Amount	Dividend per share (NT$)
Set aside as legal reserve	$ 21,586	
Reversed as special reserve	25,890	
Cash dividends	171,471	$ 1.00

The Company's 2025 earnings distribution proposal has not been approved at the shareholders' meeting as of the date of this audit report. For the earnings distribution approved by the Board of Directors and resolved at the shareholders' meeting, please visit the Market Observation Post System.

(XX) Operating income

	2025	2024
Income from sale of goods	$ 2,619,880	$ 2,118,827
Maintenance income	4,229	6,759
Income from contracts with customers	$ 2,624,109	$ 2,125,586

1. Sub-items of income from contracts with customers

The Company's income from goods and services transferred at a specific timing can be disaggregated by products into the following main segments:

2025	Taiwan				
	Electromechanical Business Group	Intelligent Business Group	Optoelectronic manufacturing industry	Electronic channel industry	Total
Income from contracts with customers	$ 1,066,847	$ 1,220,878	$ 255,569	$ 80,815	$ 2,624,109

2024	Taiwan				
	Electromechanical Business Group	Intelligent Business Group	Optoelectronic manufacturing industry	Electronic channel industry	Total
Income from contracts with customers	$ 1,103,915	$ 780,637	$ 171,557	$ 69,477	$ 2,125,586

2. The Company's recognized contractual liabilities related to the income from contracts with customers are as follows:

	December 31, 2025	December 31, 2024	January 1, 2024
Electromechanical Business Group	$ 852,734	$ 792,518	$ 751,499
Others	16,310	25,044	23,368
	$ 869,044	$ 817,562	$ 774,867

The amount of the opening balance of the Company's contractual liabilities recognized as income in 2025 and 2024 was $234,652 and $329,154, respectively.

(XXI) Interest income

	2025	2024
Interest income from financial assets measured at amortized cost	$ 87,423	$ 90,068
Bank deposit interest	22,330	20,211
Interest income from loaning of funds	-	238
	$ 109,753	$ 110,517

(XXII) Other income

	2025	2024
Rental income	$ 66,769	$ 64,791
Government subsidy income	4,120	20,420
Dividend income	4,544	1,832
Insurance claims income	6,786	
Others	5,063	9,982
	$ 87,282	$ 97,025

(XXIII) Other gains and losses

	2025	2024
Net gain (loss) from foreign currency exchange	($ 78,280)	$ 129,680
Depreciation expense of investment property	(11,453)	(11,146)
Net gain from financial assets measured at fair value through profit or loss	9,963	4,341
Gain from disposal of property, plant and equipment	-	1,350
Gain on disposal of equity-method investments	165	
Gain from lease modification	132	
Others	(10,255)	(11,669)
	($ 89,728)	$ 112,556

(XXIV) Financial costs

	2025	2024
Interest expense		
– Bank loans	$ 12,798	$ 12,592
– Loaning of funds	-	3,480
– Leases	155	121
	$ 12,953	$ 16,193

(XXV) Additional information on the nature of expense

	2025	2024
Employee benefit expenses	$ 372,613	$ 361,212
Service expense	13,234	28,082
Depreciation expense (including right-of-use assets)	23,118	19,096
Operating rent	7,753	7,675
Transportation expense	2,294	1,791
Amortization expense	5,161	1,809
	$ 424,173	$ 419,665

(XXVI) Employee benefit expenses

	2025	2024
Salary expense	$ 306,859	$ 295,843
Labor and health insurance expenses	28,333	27,260
Pension expense	15,201	15,258
Remuneration to directors	7,948	7,542
Other employment expenses	14,272	15,309
	$ 372,613	$ 361,212

1. According to the Articles of Incorporation, the Company shall subtract any accumulated losses from earnings in the year. 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 and supervisors. In the remuneration to employees described in the preceding paragraph, no less than 10% shall be distributed to entry-level employees.

2. In 2025 and 2024, the Company's estimated amount of remuneration to employees was $2,306 and $2,126, respectively, and the estimated amount of remuneration to directors was $4,612 and $4,252, respectively. The above amounts were stated as remuneration expense. The remuneration to employees and to directors in 2025 was estimated as 1% and 2%, respectively, of the earnings in the year. The amount actually distributed as resolved by the Board of Directors was $2,306 and $4,612, respectively. The remuneration to employees was distributed in cash.

   There is consistency between the amounts of remuneration to employees and to directors for 2024 resolved by the Board of Directors and the amounts recognized in the financial statements for 2024.

   Please visit the Market Observation Post System for information on the remuneration to employees and to directors resolved by the Board of Directors.

(XXVII) Income tax

1. Income tax expense

   (1) The income tax expenses comprise the following:

	2025	2024
Income tax in the current period:		
Income tax incurred from income in the current period	$ 34,623	$ 29,232
Income tax levied on undistributed earnings	-	8,995
Underestimation (overestimation) of income tax in prior years	(10,702)	(3,645)
Income tax effect of alternative minimum tax	-	3,162
Total income tax in the current period	23,921	37,744
Deferred income tax:		
Initial generation and reversal of temporary differences	(11,489)	24,465
Income tax expense	$ 12,432	$ 62,209

   (2) Income tax expenses related to other comprehensive income:

	2025	2024
Remeasurement of defined benefit obligations	$ 931	$ 1,802

2. The relationship between the income tax expenses and the accounting profit is as follows:

	2025	2024
Income tax on pre-tax profit calculated at the statutory tax rate	$ 44,741	$ 41,244
Income tax effect of adjustment items as per law	(1,494)	220
Deferred tax not recognized on investment gain (loss)	(20,113)	12,233

Underestimation (overestimation) of income tax in prior years	(10,702)	(3,645)
Income tax effect of alternative minimum tax	-	3,162
Income tax levied on undistributed earnings	-	8,995
Income tax expense	$ 12,432	$ 62,209

3. The amount of the deferred income tax assets or liabilities resulting from temporary differences is shown below:

	2025			
	January 1	Recognized as profit or loss	Recognized as other comprehensive income	December 31
- Deferred income tax assets:				
Loss allowance in excess of limit	$ 2,939	$ 127	$ -	$ 3,066
Unrealized inventory devaluation loss	2,943	(963)	-	1,980
Expected credit impairment loss	-	3,417	-	3,417
	$ 5,882	$ 2,581	$ -	$ 8,463
- Deferred income tax liabilities:				
Unrealized exchange gain	($ 37,170)	$ 14,509	$ -	($ 22,661)
Book-tax difference from net defined benefit assets	(9,054)	35	(931)	(9,950)
Gain from overseas investments accounted for using the equity method	(5,835)	(5,636)	-	(11,471)
	($ 52,059)	$ 8,908	($ 931)	($ 44,082)
	($ 46,177)	$ 11,489	($ 931)	($ 35,619)

	2024			
	January 1	Recognized as profit or loss	Recognized as other comprehensive income	December 31
- Deferred income tax assets:				
Loss allowance in excess of limit	$ 4,180	($ 1,241)	$ -	$ 2,939
Unrealized inventory devaluation loss	4,060	(1,117)	-	2,943
	$ 8,240	($ 2,358)	$ -	$ 5,882
- Deferred income tax liabilities:				
Unrealized exchange gain	($ 14,872)	($ 22,298)	$ -	($ 37,170)
Book-tax difference from net defined benefit assets	(12,697)	5,445	(1,802)	(9,054)
Gain from overseas investments accounted for using the equity method	(581)	(5,254)	-	(5,835)
	($ 28,150)	($ 22,107)	($ 1,802)	($ 52,059)
	($ 19,910)	($ 24,465)	($ 1,802)	($ 46,177)

4. The Company did not recognize deferred income tax assets with respect to taxable temporary differences related to investments in several subsidiaries. The amount of temporary differences with respect to unrecognized deferred income tax assets as of December 31, 2025 and 2024, was $329,469 and $273,835.

5. The Company's profit-seeking enterprise income tax returns up to 2022 have been approved by the tax authority.

(XXVIII) Earnings per share

	2025		
	Amount after tax	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to the common shareholders of the parent company in the current period	$ 211,274	171,371	$ 1.23
Diluted earnings per share			
Effect of dilutive potential common shares			
- remuneration to employees		21	
Net profit attributable to the common shareholders of the parent company in the current period plus the effect of potential common shares	$ 211,274	171,392	$ 1.23

	2024		
	Amount after tax	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to the common shareholders of the parent company in the current period	$ 144,012	171,371	$ 0.84
Diluted earnings per share			
Effect of dilutive potential common shares			
- remuneration to employees		42	
Net profit attributable to the common shareholders of the parent company in the current period plus the effect of potential common shares	$ 144,012	171,413	$ 0.84

(XXIX) Transactions with non-controlling interests

Disposal of interests in subsidiaries (not resulting in loss of control)

1. In 2024, the Company sold 5.56% of its equity in its subsidiary, Solomon Data International, for a consideration of $240,023. The transaction increased non-controlling interests by $21,665, and the equity attributable to owners of the parent company by $218,358.
2. The effect of changes in the interests in Solomon Data International in 2024 on the equity attributable to owners of the Company is as follows:

	2024
Cash	$ 240,023
Increase in the carrying amount of non-controlling interests	(21,665)
Capital reserve – difference between the consideration and the carrying value of subsidiaries acquired or disposed of	$ 218,358

(XXX) Supplementary information on cash flows

1.Investment activities with only partial payment in cash:

	2025	2024
Purchase of property, plant and equipment	$ 17,166	$ 9,764
Plus: Equipment-related accounts payable at beginning of the period	2,445	2,574
Plus: Prepayments for equipment-related accounts at end of the period	552	
Less: Equipment-related accounts payable at end of the period	(1,654)	(2,445)
Cash amount paid in the current period	$ 18,509	$ 9,893

2.Operating and investing activities not affecting cash flows:

	2025	2024
Inventory transferred to property, plant and equipment	$ 7,604	$ 5,002

(XXXI) Changes in liabilities from financing activities

	Short-term loans	Lease liabilities	Deposits received	Total liabilities from financing activities
January 1, 2025	$ 688,000	$ 8,347	$ 10,214	$ 706,561
Changes in cash flows from financing activities	(38,000)	(5,291)	250	(43,041)
Interest expenses paid (Note)	-	(155)	-	(155)
Other non-cash changes	-	6,489	-	6,489
December 31, 2025	$ 650,000	$ 9,390	$ 10,464	$ 669,854

Note: Stated as cash flows from operating activities.

	Short-term loans	Lease liabilities	Deposits received	Other payable to related party	Total liabilities from financing activities
January 1, 2024	$ 608,000	$ 8,710	$ 8,054	$ 300,000	$ 924,764
Changes in cash flows from financing activities	80,000	(5,175)	(690)	(300,000)	(225,865)
Interest expenses paid (Note)	-	(121)	-		(121)
Other non-cash changes	-	4,933	2,850	-	7,783
December 31, 2024	$ 688,000	$ 8,347	$ 10,214	$ -	$ 706,561

Note: Stated as cash flows from operating activities.

VII. Related party transactions

(I) Names of related parties and their relationship with the Company

Names of related parties	Relationship with the Company
Yumon International Trade Shanghai Limited Corporation (Yumon International)	Subsidiary
Solomon Goldentek Display Corp. (Solomon Goldentek Display)	Subsidiary
Solomon Trading (Shenzhen) Ltd. (Solomon Shenzhen)	Subsidiary
Solomon Data International Corporation (Solomon Data International)	Subsidiary
Solomon Cayman International Corp. (Solomon Cayman)	Subsidiary
Cornucopia Innovation Corporation (Cornucopia Innovation)	Subsidiary
Moredel Investment Corp. (Moredel Investment)	Subsidiary
Solomon Energy Technology Corporation (Solomon Energy)	Subsidiary
Solomon Technology Japan Co.,Ltd. (Solomon Japan)	Subsidiary
Solomon Technology (USA) Corp.	Subsidiary
Solomon Science Technology (VN) Co.,Ltd.	Subsidiary

Solomon Robotics (THAI) Ltd. (Solomon Robotics)	Subsidiary
Solomon Automation (Malaysia) Sdn. Bhd. (Solomon Automation)	Subsidiary

(II) Significant transactions with the related parties

1. Operating income

	2025	2024
Sale of goods:		
Subsidiary – Yumon International	$ 234,521	$ 218,789
Subsidiary	26,956	10,354
	$ 261,477	$ 229,143

Except for the transaction with the subsidiary Yumon International where the transaction price was negotiated by both parties and the payment was collected after subtracting the accounts payable resulting from commissioning the subsidiary to install generators based on its funding status, the transaction terms for all the above related party transactions were not significantly different from general transaction terms. The payment term for regular customers ranges from 90 to 120 days.

2. Purchase

	2025	2024
Purchase of goods:		
Subsidiary – Yumon International	$ 11,847	$ 20,364
Subsidiary – Solomon Goldentek Display	14,525	14,380
Subsidiary	3,673	9,083
	$ 30,045	$ 43,827

The transaction price for the Company's purchases from related parties was negotiated by both parties. The payment terms were not significantly different from general transaction terms. The payment term for regular suppliers ranges from 30 to 90 days.

3. Receivable from related party

	December 31, 2025	December 31, 2024
Accounts receivable:		
Subsidiary – Yumon International	$ 19,784	$ -
Subsidiary – Solomon USA	5,347	2,424
Subsidiary – Solomon Energy	3,192	-
Subsidiary	768	621
	$ 29,091	$ 3,045
Other receivables:		
Subsidiary – Solomon Japan	$ 1,166	$ 1,154
Subsidiary – Solomon Goldentek Display	1,055	1,056

Subsidiary – Solomon Energy	290	66
Subsidiary	455	1,338
	$ 2,966	$ 3,614

The Company has made advances, allocated expenses, and provided financing to meet the needs of the business activities of the Company's subsidiaries.

4. Payments payable to related party

	December 31, 2025	December 31, 2024
Accounts payable:		
Subsidiary – Yumon International	$ 9,412	$ 1,227
Subsidiary – Solomon Goldentek Display	1,669	5,098
Subsidiary	6	5
	$ 11,087	$ 6,330
Other payables:		
Subsidiary – Solomon Goldentek Display	$ 937	$ -

5. Other income

	2025	2024
(1) Rental income (stated as "other income"):		
Subsidiary – Solomon Goldentek Display	$ 5,034	$ 5,585
Subsidiary	4,874	5,004
	$ 9,908	$ 10,589

The Company leases out part of its office premise and plant to related parties with an O/A 60-day payment term.

	2025	2024
(2) Management fee income (stated as a debit item of "operating expenses")		
Subsidiary – Solomon Goldentek Display	$ 12,000	$ 12,000
Subsidiary	2,760	3,540
	$ 14,760	$ 15,540

The centralized office model is adopted for the Company's group management departments and the Company charges the above related parties a management fee in proportion to the departments' involvement in the management of each associate. The payment term is O/A 60 days.

6. Loaning of funds (stated as "other receivables" or "other payables")

(1) Loans to related parties (2025:None)

2024	
Maximum balance	Closing balance

	Date of occurrence	Amount		Interest rate	Total interest income
Subsidiary – Solomon Energy	2023/11/10	$ 33,544	$ -	4%	$ 238

Loans from related parties (2025:None)

	2024				
	Maximum balance				
	Date of occurrence	Amount	Closing balance	Interest rate	Total interest expense
Subsidiary – Solomon Goldentek Display	2023/9/19	$ 500,000	$ -	1.75%-1.88% (floating interest rate)	$ 3,480

7. Property transactions

(1) Acquisition of financial assets

		2025		
	Item stated	Number of shares traded	Transaction subject	Investment cost
Solomon Automation (Malaysia) Sdn. Bhd	Investments accounted for using the equity method	1,000,000	Shares	$ 7,356

		2024		
	Item stated	Number of shares traded	Transaction subject	Investment cost
Solomon Technology (USA) Corp.	Investments accounted for using the equity method	6,500	Shares	$ 20,904
Solomon Science Technology (VN) Co.,Ltd.	Investments accounted for using the equity method	-	Shares	12,842
				$ 33,746

(2) Disposal of financial assets

	Item stated	2025 Number of shares traded	2025 Transaction subject	2025 Proceeds from disposal
Solomon Robotics	Investments accounted for using the equity method	2,488,000	Shares	$ 5,373

	Item stated	2024 Number of shares traded	2024 Transaction subject	2024 Proceeds from disposal
Solomon Data International	Investments accounted for using the equity method	1,150,000	Shares	$ 240,023

8. Please refer to the description in Note 13 for the Company's provision of endorsements/guarantees for subsidiaries.

(III) Information on remuneration to key management

	2025	2024
Salaries and other short-term employee benefits	$ 40,869	$ 38,309
Post-employment benefits	586	586
	$ 41,455	$ 38,895

VIII. Pledged assets

Details on the Company's assets provided as collateral are shown below:

Details on assets	December 31, 2025	December 31, 2024	Purpose of collateral
Property, plant and equipment	$ 368,631	$ 375,644	Collateral for short-term loans
Investment property	831,238	839,123	Collateral for short-term loans
Deposits paid	17,457	9,940	Performance bond
	$ 1,217,326	$ 1,224,707	

IX. Material contingent liabilities and unrecognized contractual commitments

(I) As of December 31, 2025, the Company's letter of credit issued but not yet used was $24,287.

(II) As of December 31, 2025, the Company's promissory notes issued as security for the performance of sales contracts amounted to $79,552.

(III) As of December 31, 2025, the Company's promissory notes issued to implement government-subsidized plans amounted to $21,000.

(IV) The Company committed a total capital contribution of US$3,500 thousand under a limited partnership investment contract signed. As of December 31, 2025, the Company has invested US$2,344 thousand (equivalent to $75,280).

X. Material losses from disasters

None.

XI. Material subsequent events

Please refer to Note 6 (19) for the 2025 earnings distribution proposal.

XII. Others

(I) Capital management

The Company's capital management aims to ensure that the Group can operate as a going concern, maintain the best capital structure to reduce the cost of funds, and offer returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

(II) Financial instruments

1. Types of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	$ 175,747	$ 171,980
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 592,853	$ 521,904
Financial assets measured at amortized cost	1,082,963	1,147,475
Notes receivable	9,097	11,085
Accounts receivable (including those from related parties)	474,312	453,093
Other receivables (including those from related parties)	16,334	17,373
Deposits paid (stated as "other non-current assets")	17,457	9,940
	$ 2,193,016	$ 2,160,870

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term loans	$ 650,000	$ 688,000
Notes payable	4,264	3,964
Accounts payable (including those to related parties)	569,908	613,387
Other payables (including those to related parties)	88,340	78,955
Deposits received (stated as "other non-current liabilities")	10,464	10,214
	$ 1,322,976	$ 1,394,520
Lease liabilities	$ 9,390	$ 8,347

2. Risk management policy
   (1) The Company's day-to-day operations are affected by multiple financial risks, including market risk (exchange rate risk and price risk), credit risk, and liquidity risk.
   (2) The Finance Department implements risk management in accordance with the policy approved by the Board of Directors. The Company's Finance Department is responsible for identifying, assessing, and avoiding financial risks by closely cooperating with the Group's operating units.
3. Nature and level of material financial risks
   (1) Market risk

   Exchange rate risk

   A. The Company operates transnationally and thus incurs exchange rate risk generated from transactions using functional currencies different from the one of the Company, which mainly are the US dollar and Chinese yuan. The relevant exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
   B. As the business activities that the Company is engaged in involve several functional currencies (the functional currency of the Company is the NT dollar), there is an effect from exchange rate volatility on the Company. Information on foreign currency assets and liabilities with significant exchange rate volatility effects is shown below:

	December 31, 2025		
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 59,208	31.43	$ 1,860,907
EUR : NTD	1,359	36.90	50,147
CNY : NTD	7,505	4.50	33,773
Non-monetary items			
USD : NTD	$ 2,430	31.43	$ 76,368
Investments accounted for using the equity method			
USD : NTD	$ 8,527	31.43	$ 267,996
VND : NTD	4,814,689	0.001	5,778
MYR : NTD	960	7.48	7,180
Financial liabilities			
Monetary items			
USD : NTD	$ 566	31.43	$ 17,789
EUR : NTD	238	36.90	8,782
CNY : NTD	2,420	4.50	10,888

	December 31, 2024		
	Foreign currency (thousand dollars)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 57,587	32.79	$ 1,888,140
EUR : NTD	1,282	34.14	43,781
CNY : NTD	2,780	4.48	12,450
Non-monetary items			
USD : NTD	$ 991	32.79	$ 32,489
Investments accounted for using the equity method			
USD : NTD	$ 7,776	32.79	$ 254,919
VND : NTD	10,435,367	0.001	13,566

THB : NTD		5,412	0.96	5,208
JPY : NTD		17,519	0.21	3,677
Financial liabilities				
Monetary items				
USD : NTD	$	307	32.79	$ 10,054
EUR : NTD		235	34.14	8,021

C. As exchange rate volatility has significant effect, all exchange losses (both realized and unrealized) recognized with respect to the monetary items of the Company in 2025 and 2024 were ($78,280) and $129,680, respectively.

D. The sensitivity analysis of the Company's exchange rate risk focused on the effect of the appreciation or depreciation of relevant foreign currencies with respect to the main foreign currency monetary items on the financial reporting date on the Company's profit or loss. When there was a 1% appreciation or depreciation of the NT dollar against the aforesaid foreign currencies, the pre-tax profit increased or reduced by $19,823 and $19,263 in 2025 and 2024, respectively, provided that all the other factors remained the same.

Price risk

A. The Company's equity instruments exposed to price risk are financial assets measured at fair value through profit or loss. To manage the price risk from investments in equity instruments, the Company diversifies its portfolio based on the limit set by it.

B. The Company mainly invests in equity instruments issued by domestic companies and open-end funds. The price of such equity instruments is affected due to the uncertainty of their future value. When the price of the equity instruments rose or dropped by 1% and all the other factors remained the same, the net profit after tax increased or decreased by $1,541 and $1,652 in 2025 and 2024, respectively, due to the gain or loss from equity instruments measured at fair value through profit or loss.

Cash flow and fair value interest rate risks

A. The Company's interest rate risk mainly comes from short-term loans for purchasing materials issued at floating interest rates, exposing the Group to cash flow interest rate risk. As of December 31, 2025 and 2024, the Company's loans issued at floating interest rates were mainly denominated in NTD.

B. When the loan interest rate rose or dropped by 1% and all the other factors remained the same, the net profit after tax was reduced or increased by $5,200 and $5,504in 2025 and 2024, respectively.

(2) Credit risk

A. The Company's credit risk is the risk of failure of a customer or a counterparty trading financial instruments with the Company to fulfill the contractual obligations, leading to the Company's financial loss. The risk is mainly generated from accounts receivable that cannot be collected from the counterparty according to the payment terms and from contractual cash flows classified as investments in debt instruments measured at amortized cost.

B. According to the Company's explicitly defined internal loan policy, all operating entities of the Group must conduct management and credit risk analysis for every new customer before setting payment terms and proposing delivery terms and conditions. The customers' credit quality is assessed by taking into consideration their financial position, past experiences and other factors for internal risk control.

C. The Company adopts the premises and assumptions provided by IFRS 9 as bases for determining if the credit risk of financial instruments increases significantly after initial recognition. When a contract payment is more than 90 days overdue according to the agreed payment terms, the credit risk of financial assets is considered to have significantly increased after initial recognition.

D. The Company adopts the premises and assumptions provided by IFRS 9. When a contract payment is more than 180 days overdue according to the agreed payment terms, a default is considered to have occurred.

E. The credit impairment indicators used by the Company to identify investments in debt instruments are shown below:

(A) The issuer incurs significant financial difficulties or there is a significantly increased possibility that it will enter into bankruptcy or other financial reorganization;

(B) The issuer incurs financial difficulties resulting in the disappearance of the active market of the financial asset;

(C) The issuer defaults on or fails to pay the interest or principal;

(D) There are changes adverse to national and regional economic situations that are associated with the default of the issuer.

F. The Company adopts the simplified approach to estimate expected credit losses for accounts receivable from customers by the characteristics of the customers based on the provision matrix.

G. The Company took into consideration the study reports of the Taiwan Institute of Economic Research for future prospects when adjusting the loss rate derived from information during specific historical and current periods to estimate the loss allowance for accounts receivable. The provision matrix on December 31, 2024 and 2023, respectively, is as follows:

	Not overdue	30 days overdue	31–90 days overdue	91–180 days overdue	More than 181 days overdue	Total
December 31, 2025						
Expected loss rate	0.06%~0.09%	61.59%~78.87%	100%	-	100%	
Total carrying value	$ 445,415	$ 536	$ 254	$ -	$ 700	$ 446,905
Loss allowance	$ 345	$ 385	$ 254	$ -	$ 700	$ 1,684
December 31, 2024						
Expected loss rate	0.03%-0.24%	35.91%-47.75%	84.52%-100%	-	100%	
Total carrying value	$ 449,263	$ 1,519	$ 315	$ -	$ -	$ 451,097
Loss allowance	$ 212	$ 571	$ 266	$ -	$ -	$ 1,049

H. The table about changes in the loss allowance for accounts receivable, for which the Company adopted the simplified approach, is as follows:

	2025		2024	
January 1	$	1,049	$	960
Impairment losses (gain from recovery)		635		89
December 31	$	1,684	$	1,049

I. The movements in the loss allowance for the Company's investments in debt instruments measured at amortized cost, for which credit risk has increased significantly since initial recognition, are as follows (none for the year 2024):

	2025	
January 1	$	-
Impairment losses	(	17,087)
December 31	($	17,087)

(3) Liquidity risk

A. Cash flow forecasting is carried out individually by each operating entity of the Company and the results are summarized by the Company's Finance Department. The Company's Finance Department monitors the forecasting of the Company's needs for current funds to ensure there are sufficient funds to meet the operating needs and maintains adequate unused committed lending facilities to prevent the Company from violating relevant lending limits or terms. Consideration is given to the Company's debt financing plans, compliance with debt terms, and achievement of internal target balance sheet financial ratios when making such forecasts.

B. The Company groups non-derivative financial liabilities and derivative financial liabilities settled at net or total amounts by their relevant maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract's maturity date. The derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The undiscounted contractual cash flows of accounts payable, notes payable, and other payables are equivalent to their carrying values and will fall due within one year. The undiscounted contractual cash flows of the other financial liabilities are shown in detail below:

Non-derivative financial liabilities:

December 31, 2025	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years
Short-term loans	$ 650,503	$ -	$ -	$ -
Lease liabilities	5,413	3,639	524	-

Non-derivative financial liabilities:

December 31, 2024	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years
Short-term loans	$ 688,342	$ -	$ -	$ -
Lease liabilities	5,132	3,341	-	-

(III) Fair value information

1. The levels of the valuation technique adopted to measure the fair value of financial instruments and non-financial instruments are defined as follows:

Level 1:	Quoted prices in active markets for identical assets or liabilities accessible to an entity on the measurement date (unadjusted). Active markets are ones where asset or liability transactions take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis. All the fair values of the Company's investments in listed/OTC stocks fall under Level 1.
Level 2:	Level 2 inputs are inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. The Company's investments in bond instruments without active market fall under Level 2.
Level 3:	Level 3 inputs are inputs that are unobservable to the asset or liability.

2. Please refer to the description in Note 6 (11) for information on the fair value of investment property measured at cost.

3. Financial instruments not measured at fair value

   The carrying amounts of the Company's cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, deposits paid for other non-current assets, short-term loans, notes and accounts payable, other payables, and deposits received are reasonable approximations of their fair values.

4. The Company classifies the financial and non-financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of the fair values. The relevant information is shown below:

   (1) The following is information on the Company's classification based on the nature of the assets and liabilities:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through profit or loss				
Equity securities	$ 37,520	$ -	$ 31,859	$ 69,379
Beneficiary certificates	30,000	-	-	30,000
Limited partnership	-	-	76,368	76,368
	$ 67,520	$ -	$ 108,227	$ 175,747

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through profit or loss				

Equity securities	$ 36,948	$ -	$ 32,543	$ 69,491
Beneficiary certificates	70,000	-	-	70,000
Limited partnership	-	-	32,489	32,489
	$ 106,948	$ -	$ 65,032	$ 171,980

(2) The methods and assumptions used by the Company to measure the fair value are as follows:

A. The quoted market price used by the Company as fair value inputs (i.e. Level 1 inputs) is listed based on the characteristics of the instruments in the following:

	Listed (OTC) stocks	Open-end funds
Quoted market price	Closing price	Net value

B. The fair value of all financial instruments, except for the aforementioned financial instruments in the active market, is acquired using the valuation technique or with reference to the quotation of the counterparty. When the valuation technique is used for the acquisition of the fair value, the current fair value of other financial instruments with substantially similar conditions and characteristics, the cash flow discounting method, and other valuation techniques may be used as a reference, including the market information application model acquirable on the parent-only balance sheet date (e.g. TPEx yield curve and Reuters average interest rate quote of commercial paper).

C. The valuation model is created based on the estimated approximation and the valuation technique may not be able to reflect all factors associated with the Company's financial and non-financial instruments. Therefore, estimates made using the valuation model are adjusted properly based on additional parameters, such as model risk or liquidity risk. According to the Company's fair value valuation model management policy and relevant control procedures, the management believes that valuation adjustments are appropriate and necessary for fair presentation of the fair value of financial and non-financial instruments in the parent-only balance sheet. Price information and parameters used in the valuation process are carefully assessed and adjusted based on the current market situation appropriately.

5. There was no transfer between Level 1 and Level 2 in 2025 and 2024.

6. Movements in Level 3 equity instruments in 2025 and 2024 are listed in the following table:

	2025	2024
January 1	$ 65,032	$ 30,130
Purchase in the current period	41,326	33,981
Capital reduction and repayment of share capital	(26)	-
Profits (losses) recognized as profit or loss	1,895	921
December 31	$ 108,227	$ 65,032

7. There was no transfer-in/transfer-out to/from Level 3 in 2025and 2024.

8. The Company's Finance Department is responsible for verifying the independent fair value of financial instruments in the process of valuation of Level 3 fair values to make valuation results close to the market situation based on information from independent sources and ensure that the information sources are independent, reliable, and consistent with other resources and reflect executable prices. The Company also regularly adjusts the valuation model, conducts retrospective testing, updates inputs and data required for the valuation model, and makes any other necessary fair value adjustments to ensure reasonable valuation results.

9. The quantitative significant unobservable inputs of the valuation model used for Level 3 fair value measurements are analyzed and described as follows:

	December 31, 2025				
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between the input and the fair value
Non-derivative equity instruments:					
Non-listed/non-OTC stocks	$ 31,859	Comparable company method	PB multiplier, discount for lack of marketability	25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Limited partnership	76,368	Net asset value method	N/A	N/A	N/A

	December 31, 2024				
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between the input and the fair value
Non-derivative equity instruments:					
Non-listed/non-OTC stocks	$ 32,543	Comparable company method	PB multiplier, discount for lack of marketability	25%	The higher the multipliers, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.
Limited partnership	32,489	Net asset value method	N/A	N/A	N/A

10. The Company selects the valuation model and parameters based on careful assessment. However, the adoption of different valuation models or parameters may lead to different valuation results. The effect of changes in the valuation parameters of Level 3 financial assets on the profit or loss in the current period is as follows:

			December 31, 2025	
			Recognized as profit or loss	
	Input	Change	Favorable change	Unfavorable change
Financial assets				
Equity instruments	Liquidity	±5%	$ 2,124	$ 2,124

			December 31, 2024	
			Recognized as profit or loss	
	Input	Change	Favorable change	Unfavorable change
Financial assets				
Equity instruments	Liquidity	±5%	$ 2,099	$ 2,099

XIII. Note disclosures

(I) Information of material transactions

1. Loaning of funds to others: Please refer to Table 1.
2. Making of endorsements/guarantees for others: Please refer to Table 2.
3. Securities held at end of period (excluding those controlled by investee subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Purchases and sales with related parties amounting to NT$100 million or more than 20% of the paid-in capital: Please refer to Table 4.
5. Accounts receivable from related parties amounting to NT$100 million or more than 20% of the paid-in capital: Please refer to Table 5.
6. Business relationships and important transactions between the parent company and subsidiaries and between the subsidiaries, and the amounts of such transactions: Please refer to Table 6.

(II) Information of investee companies

Information related to investee companies (excluding those in Mainland China), their place of registration, etc.: Please refer to Table 7.

(III) Information of investments in Mainland China

1. Basic information: Please refer to Table 8.
2. Material transactions occurring directly or indirectly through businesses in a third area and investee companies in Mainland China: Please refer to Tables 4, 5, 6.

XIV. Operating segment information

N/A.

(The End)

SOLOMON Technology Corporation

Loaning Funds to Others

January 1 to December 31, 2025

Table 1

Unit: NT$ Thousand
(Unless otherwise specified)

No. (Note 1)	Lending company	Borrowing company	Current account	Related party	Maximum amount in the current period	Closing balance	Actual drawdown amount	Range of interest rates	Nature of loaning of funds (Note 4)	Business transaction amount	Reasons for the need of short-term financing	Allowance set aside for bad debts	Collateral		Limit on loans to individual borrowers (Note 2)	Limit on total loans (Note 3)	Remarks
													Name	Value			
1	Moredel Investment	Solomon Energy	Other receivables	Y	18,000	18,000	18,000	2%	2	-	Working capital	-	-	-	253,888	507,776	
1	Moredel Investment	Solomon Energy (Singapore)	Other receivables	Y	12,225	12,225	12,225	3%	2	-	Working capital	-	-	-	253,888	507,776	
2	Solomon Smartnet	Solomon Energy (Singapore)	Other receivables	Y	17,339	-	-	4%	2	-	Working capital	-	-	-	178,846	357,692	
2	Solomon Smartnet	Solomon Energy	Other receivables	Y	20,000	10,000	10,000	2%	2	-	Working capital	-	-	-	178,846	357,692	
3	Yumon International	Solomon Shenzhen	Other receivables	Y	4,438	-	-	0.69%	2	-	Working capital				95,156	190,313	
4	Solomon Goldentek Display	Solomon Energy	Other receivables	Y	110,000	110,000	110,000	2%	2	-	Working capital	-	-	-	734,484	1,468,968	
5	Dong Guan Goldentek	Solomon Shenzhen	Other receivables	Y	4,496	4,496	4,496	3%	2		Working capital				269,238	269,238	

Note 1: Number column description:
(1) “0” is reserved for the issuer.
(2) Each investee company is numbered in sequential order starting from 1.
Note 2: According to the Company’s lending procedure, the amount of loans to a single enterprise with short-term financing needs is limited to 40% of the Company’s net worth. The amount of loans to companies having business dealings with the Company is limited to the higher of the amount of purchases and sales between both parties. The amounts of the subsidiaries' loans to a single enterprise and their total loans given for short-term financing needs shall not exceed 40% of the net worth of the Company (however, the amount of Dong Guan Goldentek’s total loans given is limited to 80%).
Note 3: According to the Company’s lending procedure, the amount of the Company’s total loans given is limited to 80% of the net worth of the Company.
Note 4: The nature of loaning of funds is described as follows:
(1) Business relationships: 1.
(2) Needs for short-term financing: 2.

SOLOMON Technology Corporation

Endorsements/Guarantees for Others

January 1 to December 31, 2025

Table 2

Unit: NT$ Thousand
(Unless otherwise specified)

No. (Note 1)	Endorser/ guarantor	Endorsee/guarantee		Limit on endorsements/ guarantees to a single enterprise (Note 3)	Maximum endorsement/ guarantee balance in the current period	Closing endorsement/ guarantee balance	Actual drawdown amount	Endorsement/ guarantee amount secured with property	Cumulative endorsement/ guarantee amount as a percentage of the net worth in the most recent financial statements	Maximum limit on endorsements/ guarantees (Note 3)	Endorsements/ guarantees made by the parent company for subsidiaries	Endorsements/ guarantees made by subsidiaries for the parent company	Endorsements/ guarantees made for the operations in Mainland China	Remarks
		Company name	Relationship (Note 2)											
0	SOLOMON	Solomon Energy	2	$ 1,153,795	$ 215,000	$ 215,000	$ 33,634	$ -	3.73	$ 2,884,489	Y	N	N	

Note 1: Number column description:
(1) “0” is reserved for the issuer.
(2) Each investee company is numbered in sequential order starting from 1.

Note 2: The relationship between the endorser/guarantor and the endorsee/guarantee is classified under the following six categories. It is only necessary to mark the type:
(1) A business associated company.
(2) A subsidiary in which the Company holds more than 50% of the common stock equity.
(3) An investee company in which the parent company and its subsidiaries hold more than 50% of the common stock equity, calculated on a consolidated basis.
(4) The parent company holding more than 50% of the common stock equity of the Company directly or indirectly through its subsidiaries.
(5) The company needing mutual guarantee pursuant to an agreement in the same industry for undertaking engineering projects.
(6) The company receiving endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.

Note 3: According to the Company’s endorsement/guarantee procedure, the amount of the Company’s total endorsements/guarantees is limited to 50% of the net worth of the Company and the amount of endorsements/guarantees provided for the same company shall not exceed 20% of the guarantor’s net worth.

SOLOMON Technology Corporation

Securities Held at End of Period (Excluding Those Controlled by Investee Subsidiaries, Associates and Joint Ventures)
December 31, 2022

Table 3

Unit: NT$ Thousand
(Unless otherwise specified)

Holding company	Type and name of securities	Relationship with the securities issuer	Account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
SOLOMON	Hua Nan Phoenix Money Market Fund	None	Financial assets measured at fair value through profit or loss – current	1,746,400	$ 30,000	-	$ 30,000	Note 1
	Evergreen	〃	Financial assets measured at fair value through profit or loss – current	84,000	15,960	-	15,960	〃
	Unimicron	〃	Financial assets measured at fair value through profit or loss – current	98,000	21,560	0.01%	21,560	〃
	CHENFENG OPTRONICS	〃	Financial assets measured at fair value through profit or loss – non-current	1,500,000	8,175	1.49%	8,175	〃
	Taiwan Truewin Technology	〃	Financial assets measured at fair value through profit or loss – non-current	296,017	22,163	0.46%	22,163	〃
	GAP Total Return Fund I Limited Partnership	〃	Financial assets measured at fair value through profit or loss – non-current	-	76,368	-	76,368	〃
	Lion Best Global Limited-Tranche A Notes	〃	Financial assets measured at amortized cost – current	-	618,836	-	618,836	〃
	Lion Best Global Limited-Tranche B Notes	〃	Financial assets measured at amortized cost – current	-	464,127	-	464,127	〃
Moredel Investment	SOLOMON	Parent company of the Company	Financial assets measured at fair value through profit or loss – current	100,432	6,042	0.06%	12,604	Notes 1, 2
	Hwa Fong	None	Financial assets measured at fair value through profit or loss – current	1,184,556	17,709	0.42%	17,709	Note 1
	Quanta	〃	Financial assets measured at fair value through profit or loss – current	45,000	12,240	-	12,240	〃
	CHROMA		Financial assets measured at fair value through profit or loss – current	102,000	79,050	0.02%	79,050	
	TSMC	〃	Financial assets measured at fair value through profit or loss – current	91,000	141,050	-	141,050	〃
	AM-POWER		Financial assets measured at fair value through profit or loss – current	25,000	5,438	0.06%	5,438	
	Hon Hai		Financial assets measured at fair value through profit or loss – current	30,000	6,915	-	6,915	
	Integrated Solutions	〃	Financial assets measured at fair value through profit or loss – non-current	1,452,659	82,075	3.82%	82,075	〃
	J-MEX Inc.	〃	Financial assets measured at fair value through profit or loss – non-current	200,000	6,000	0.44%	6,000	〃
Solomon Cayman	Capital Investment Development Corp	〃	Financial assets measured at fair value through profit or loss – non-current	270,000	14,388	0.89%	14,388	〃
Solomon Data International	Hua Nan Phoenix Money Market Fund	〃	Financial assets measured at fair value through profit or loss – current	2,979,895	51,287	-	51,287	〃
	Truewin Technology Co., Ltd.	〃	Financial assets measured at fair value through profit or loss – non-current	148,008	11,082	0.23%	11,082	〃
	Cerulean Asset Management Venture Capital Limited Partnership	〃	Financial assets measured at fair value through profit or loss – non-current	-	5,747	-	5,747	〃
	AggrEnergy Inc.	〃	Financial assets measured at fair value through other comprehensive income – non-current	110,131,748	18,722	16.46%	18,722	〃
Solomon Goldentek Display	Hua Nan Phoenix Money Market Fund	〃	Financial assets measured at fair value through profit or loss – current	3,393,475	58,405	-	58,405	〃
	Unimicron	〃	Financial assets measured at fair value through profit or loss – current	90,000	19,800	0.01%	19,800	〃

Holding company	Type and name of securities	Relationship with the securities issuer	Account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
	TSMC	〃	Financial assets measured at fair value through profit or loss – current	76,000	$ 117,800	-	$ 117,800	Note 1
	GAP Total Return Fund I Limited Partnership	〃	Financial assets measured at fair value through profit or loss – non-current	-	32,729	-	32,729	〃
	Lion Best Global Limited-Tranche B Notes	〃	Financial assets measured at amortized cost – current	-	309,418	-	309,418	〃
	Meng-Lue Venture Capital Limited Partnership	〃	Financial assets measured at fair value through profit or loss – non-current	-	5,261	-	5,261	〃
	Cerulean Asset Management Venture Capital Limited Partnership	〃	Financial assets measured at fair value through profit or loss – non-current	-	8,659	-	8,659	〃
Solomon Smartnet	Quanta	〃	Financial assets measured at fair value through profit or loss – current	69,000	18,768	-	18,768	〃
	TSMC	〃	Financial assets measured at fair value through profit or loss – current	90,000	139,743	0.01%	139,743	〃
	CHROMA	〃	Financial assets measured at fair value through profit or loss – current	34,000	26,350	-	26,350	〃
Cornucopia Innovation	Weltrend	〃	Financial assets measured at fair value through profit or loss – current	300,000	14,295	0.17%	14,295	〃

Note 1: Not pledged.
Note 2: Stated as the Company’s treasury stock. Please refer to Note 6 (17) for details.
Note 3: The Group discloses marketable securities with carrying amounts exceeding $5,000 based on the principle of materiality.

SOLOMON Technology Corporation

Purchases and Sales with Related Parties Amounting to NT$100 Million or More Than 20% of the Paid-in Capital

January 1 to December 31, 2025

Table 4

Unit: NT$ Thousand
(Unless otherwise specified)

Purchasing (selling) company	Name of counterparty	Relationship	Transaction				Differences of transaction terms from those of regular transactions and reasons for such differences		Notes/accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Percentage in total purchases (sales)	Loan period	Unit price	Loan period	Balance	Percentage in total accounts/notes receivable (payable)	
SOLOMON	Yumon International	Parent-subsidiary	(Sale)	($ 234,521)	(9)	Note 1	Agreed by both parties	Note 1	$ 19,784	4	
Yumon International	SOLOMON	Parent-subsidiary	Purchase	234,521	35	Note 1	Agreed by both parties	Note 1	(19,784)	(14)	
Solomon Goldentek Display	Dong Guan Goldentek	Parent-subsidiary	Purchase	483,902	75	Note 2	Note 2	Note 2	(231,743)	(93)	
Dong Guan Goldentek	Solomon Goldentek Display	Parent-subsidiary	(Sale)	(483,902)	(86)	Note 2	Note 2	Note 2	231,743	92	

Note 1: The payment was collected after being offset against the accounts receivable based on the funding status of Yumon International.
Note 2: The unit price was negotiated by both parties. The payment was made based on the funding status after being offset against the payment receivable for entrusted procurement. The payment term for regular suppliers ranges from about 60 to 90 days

SOLOMON Technology Corporation

Accounts Receivable from Related Parties Amounting to NT$100 Million or More Than 20% of the Paid-in Capital

December 31, 2025

Table 5

Unit: NT$ Thousand
(Unless otherwise specified)

Company from which payments accounted for are receivable	Name of counterparty	Relationship	Balance of payments receivable from the related party	Turnover	Overdue payments receivable from the related party		Subsequently recovered amount of payments receivable from the related party	Allowance set aside for bad debts
					Amount	Treatment		
Dong Guan Goldentek	Solomon Goldentek Display	Parent-subsidiary	$ 231,743	2.20	$ -	-	$ -	$ -

Note: The information is as of February 26, 2026.

SOLOMON Technology Corporation

Business Relationship and Important Transactions between the Parent Company and Subsidiaries and between the Subsidiaries, and the Amounts of Such Transactions

January 1 to December 31, 2025

Table 6

Unit: NT$ Thousand
(Unless otherwise specified)

No. (Note 4)	Name of transacting party	Counterparty	Relationship with transacting party (Note 5)	Transaction			
				Account	Amount	Transaction terms	As a percentage of total consolidated operating income or assets (Note 5)
0	SOLOMON	Yumon International	1	Sale	$ 234,521	Note 1	5.5%
0	SOLOMON	Yumon International	1	Accounts receivables	19,784	Note 1	0.2%
0	SOLOMON	Yumon International	1	Purchase	11,847	Note 1	0.3%
0	SOLOMON	Solomon Goldentek Display	1	Purchase	14,525	Note 2	0.3%
0	SOLOMON	Solomon Goldentek Display	1	Sale	14,674	Note 2	0.3%
0	SOLOMON	Solomon Goldentek Display	1	Management fee income	12,000	Note 3	0.3%
1	Solomon Goldentek Display	Dong Guan Goldentek	1	Purchase	483,902	Note 4	11.4%
1	Solomon Goldentek Display	Dong Guan Goldentek	1	Accounts payable	231,744	Note 4	2.3%
1	Solomon Goldentek Display	Solomon Data International	3	Sales	17,164	Note 2	0.6%
1	Solomon Goldentek Display	Solomon Energy	3	Other receivables	110,000	Note 5	1.1%
2	Moredel Investment	Solomon Energy	3	Other receivables	18,000	Note 5	0.2%
2	Moredel Investment	Solomon Energy (Singapore)	3	Other receivables	11,665	Note 5	0.1%
3	Solomon Smartnet	Solomon Energy	3	Other receivables	10,000	Note 5	0.1%

Note 1: After the payments receivable and payable were offset against each other, the payments were collected based on the funding status. The payment term for regular customers ranges from about 90 to 120 days.
Note 2: The selling price is not significantly different from that for general customers. The payment terms for general customers are 60 to 90 days.
Note 3: This refers to the management fee that the group management departments charge the subsidiaries in proportion to the departments' involvement in the management of such subsidiaries. The payment term is O/A 60 days.
Note 4: The payment term was 90–180 days after the payments receivable and payable were offset against each other.
Note 5: Loaning of funds. Please refer to Table 1.
Note 6: The business transactions between the parent company and its subsidiaries shall be indicated in the "No." column. This column shall be completed as follows:

(1) 0 is reserved for the parent company.
(2) Each subsidiary is numbered in sequential order starting from 1.

Note 7: The relationship with the transacting party is classified into the following three categories. It is only necessary to mark the category. (It is not necessary to disclose the same transaction between the parent company and its subsidiaries or between the subsidiaries repeatedly. For example, if the parent company has disclosed a transaction with one of its subsidiaries, it is not required for the subsidiary to disclose the transaction again. If a subsidiary has disclosed a transaction with another subsidiary, it is not required for the latter to disclose the transaction again):

(1) Parent to subsidiary.
(2) Subsidiary to parent.
(3) Subsidiary to subsidiary.

Note 8: For asset or liability accounts, the transaction amount's percentage of total consolidated operating income or assets shall be calculated as the closing balance as a share of the total assets; for profit or loss accounts, the percentage shall be calculated as the accumulated amount as a share of the total consolidated operating income.
Note 9: Transactions over $10,000 shall be disclosed.

SOLOMON Technology Corporation

Information Related to Investee Companies (Excluding Those in Mainland China), Their Place of Registration, etc.

January 1 to December 31, 2025

Table 7

Unit: NT$ Thousand
(Unless otherwise specified)

Name of investor company	Name of investee company	Place of registration	Principal business	Initial investment amount		Holding percentage at end of period			Gain or loss of investee company in the current period	Investment gain or loss recognized in the current period	Remarks
				End of current period	End of previous year	Number of shares	Percentage	Carrying amount			
SOLOMON	Solomon Cayman	Cayman Islands	Investment holding	$ 264,367	$ 264,367	7,232,836	100.00	$ 266,331	$ 28,346	$ 28,346	Note 1
SOLOMON	Solomon Smartnet	Taiwan	IC CARD	200,000	200,000	20,000,000	100.00	428,443	53,035	53,035	Note 1
SOLOMON	Solomon Goldentek Display	Taiwan	Manufacturing of LCDs	1,359,694	1,359,694	42,871,029	70.77	1,251,377	67,079	47,469	Note 1
SOLOMON	Moredel Investment	Taiwan	Professional investment	457,384	457,384	28,460,900	100.00	610,541	41,995	46,263	Note 1
SOLOMON	Solomon Wireless Technology	Taiwan	Communication products	599,665	599,665	96,407	96.41	16	-	-	Note 1
SOLOMON	Solomon Data International	Taiwan	Manufacturing of LCD panels	46,058	46,058	4,972,676	24.04	119,440	47,489	11,413	Note 1
SOLOMON	Total Profit	Samoa	Investment holding	13,859	13,859	3,088,700	100.00	343	(813)	(813)	Note 1
SOLOMON	Cornucopia Innovation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	65,000	65,000	6,100,000	35.06	39,682	(3,625)	(1,271)	Note 1
SOLOMON	Solomon Science Technology(VN)	Vietnam	Supply and sale of intelligence technology	40,042	40,042	-	100.00	5,778	(6,745)	(6,745)	Note 1
SOLOMON	Solomon Robotics(THAI) Ltd.	Thailand	Supply and sale of intelligence technology	-	8,209	-	-	-	-	-	Note 1,7
SOLOMON	Solomon Technology (USA)	United States	Supply and sale of intelligence technology	94,172	94,172	31,000	100.00	1,665	(15,019)	(15,019)	Note 1
SOLOMON	Solomon Technology (Japan) Ltd.	Japan	Supply and sale of intelligence technology	4,844	4,844	2,200	100.00	1,905	(1,674)	(1,674)	Note 1
SOLOMON	Solomon Automation (Malaysia) Sdn. Bhd.	Malaysia	Supply and sale of intelligence technology	7,356	-	1,000,000	100.00	7,180	(1)	(1)	Note 1
SOLOMON	Solomon Energy	Taiwan	Import and export of electrical power-related products	220,000	220,000	22,000,000	100.00	104,228	(30,938)	(30,938)	Note 1
SOLOMON	Sheng-Peng Technology	Taiwan	Import and export of electrical power-related products	5,100	5,100	510,000	51.00	4,458	(2,588)	(1,319)	Note 1,5
Moredel Investment	Solomon Data International	Taiwan	Manufacturing of LCD panels	28,100	28,100	2,591,740	12.53	59,708	47,489	-	Notes 1, 4
Moredel Investment	Solomon Goldentek Display	Taiwan	Manufacturing of LCDs	62,233	62,233	5,610,000	9.26	166,696	(11,555)	-	Notes 1, 4
Solomon Smartnet	Solomon Data International	Taiwan	Manufacturing of LCD panels	27,176	27,176	3,071,117	14.84	69,801	47,489	-	Notes 1, 4
Solomon Smartnet	Solomon Goldentek Display	Taiwan	Manufacturing of LCDs	62,233	62,233	5,610,000	9.26	166,696	67,079	-	Notes 1, 4

SOLOMON Technology Corporation

Information Related to Investee Companies (Excluding Those in Mainland China), Their Place of Registration, etc.

January 1 to December 31, 2025

Table 7

Unit: NT$ Thousand
(Unless otherwise specified)

Name of investor company	Name of investee company	Place of registration	Principal business	Initial investment amount: End of current period	Initial investment amount: End of previous year	Holding percentage at end of period: Number of shares	Holding percentage at end of period: Percentage	Holding percentage at end of period: Carrying amount	Gain or loss of investee company in the current period	Investment gain or loss recognized in the current period	Remarks
Solomon Cayman	Soundtek Ltd.	Seychelles	Professional investment	23,764	23,764	-	30.00	-	-	-	Note 4
Solomon Cayman	Goldentek Display System (BVI) Co., Ltd.	British Virgin Islands	Investment holding	305	305	43,706	0.39	1,313	13,203	-	Notes 2, 4
Solomon Energy	Solomon Energy Technology (Singapore) PTE.LTD	Singapore	Self-usage renewable energy generation equipment	21,835	21,835	1,000,000	100.00	(17,864)	(6,741)	-	Notes 2, 4
Solomon Data International	Cornucopia Innovation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	25,300	25,300	2,300,000	13.22	19,707	(3,625)	-	Notes 1, 4
Solomon Data International	Ju Xin Energy	Taiwan	Energy technology service	36,000	36,000	3,600,000	4.80	34,944	(25,597)	-	Notes 3, 4
Solomon Goldentek Display Corp.	Goldentek Display System (BVI) Co., Ltd.	British Virgin Islands	Investment holding	375,426	375,426	11,162,996	99.61	335,295	13,203	-	Notes 2, 4
Solomon Goldentek Display Corp.	Solomon Goldentek Display (Hong Kong) Corp.	Hong Kong	Entrepot trade	2,175	2,175	499,999	100.00	40	(258)	-	Notes 2, 4
Solomon Goldentek Display Corp.	Cornucopia Innovation Corporation	Taiwan	Manufacturing of machines/equipment and electronic parts and components	4,500	4,500	360,000	2.07	2,476	(3,625)	-	Notes 1, 4
Solomon Goldentek Display Corp.	Futek Trading Co., Ltd.	British Virgin Islands	Investment holding	-	14,406	-	-	-	-	-	Notes 2, 4, 6
Solomon Goldentek Display Corp.	SOLOMON GOLDENTEK DISPLAY (PHILIPPINES) CORP.	Philippines	Manufacturing and sales of liquid crystal displays (LCDs) and modules	84,484	-	7,979,971	100	83,486	(1,687)	-	Notes 2, 4

Note 1: A subsidiary.
Note 2: A sub-subsidiary.
Note 3: Associate.
Note 4: Sheng-Peng Technology applied for deregistration in September 2025. As of March 13, 2026, the deregistration process had not yet been completed.
Note 5: Futek Trading Co., Ltd. applied for cancellation in October 2024; as of March 11, 2025, the change had not yet been completed.
Note 6:Solomon Robotics(THAI) Ltd. completed its liquidation in February 2025.

SOLOMON Technology Corporation

Information of Investments in Mainland China – Basic Information

January 1 to December 31, 2025

Table 8

Unit: NT$ Thousand
(Unless otherwise specified)

Name of investee company in Mainland China	Principal business	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments remitted from Taiwan at beginning of current period	Amount of investments remitted or recovered in the current period: Remitted	Amount of investments remitted or recovered in the current period: Recovered	Accumulated amount of investments remitted from Taiwan at end of current period	Gain or loss of investee company in the current period	The Company's shareholding in direct or indirect investments	Investment gain or loss recognized in the current period (Note 3)	Carrying amount of investments at end of period	Investment gain received as of the current period	Remarks
Solomon Goldentek Display (Dong Guan) Ltd.	Production and sale of new types of LCDs and modules	$ 161,760	1	$ 104,891	$ -	$ -	$ 104,891	$ 13,207	99.61	$ 13,156	$ 335,235	$ 128,164	
Solomon Shenzhen	International trade	12,114	1	11,547	-	-	11,547	(813)	100.00	(813)	332	-	
Yumon International	International trade	213,724	1	65,956	-	-	65,956	30,187	100.00	30,187	237,891	-	Notes 2
Zhuhai Wan Jia	Manufacturing and sale of magnetic materials	62,860	1	4,497	-	-	4,497	-	7.65	-	-	-	

Note 1: Investment methods are classified into following two categories. It is only necessary to mark the type:

a) Investment in Mainland China companies through an investee company established in a third area.
b) Investment in Mainland China companies by investing in an existing company in a third area.
c) Investment in Mainland China companies through an existing investee company established in Mainland China.

Note 2: Solomon Cayman, a 100% owned subsidiary of the Company, increased the capital of Yumon International with US$800 thousand and US$3,000 thousand from its own funds in 2011 and 2013, respectively.

Note 3: Recognized as investment gain or loss based on the financial statements for the same period audited by the parent company's CPA.

Company name	Accumulated amount of investments remitted from Taiwan to Mainland China at end of current period	Amount of investments approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China as required by the Investment Commission, MOEA
SOLOMON Technology Corporation	$ 614,867	$ 912,070	$ 3,762,659

Note: Dong Guan Goldentek is an investment of Solomon Goldentek Display in Mainland China, which has been reported. The listed figure includes the information of Dong Guan Goldentek.

SOLOMON Technology Corporation
Statement of Cash and Cash Equivalents
December 31, 2025

Statement 1

Unit: NT$ Thousand

Item	Summary	Amount	Remarks
Cash on hand and petty cash		$ 75	
Check deposits		32,859	
Demand deposits			
- NTD deposits		17,494	
- Foreign currency deposits	USD 1,319 thousand, with a conversion rate of USD 1 to NTD 31.43	41,457	
	EUR 163 thousand, with a conversion rate of EUR 1 to NTD 36.90	6,027	
	JPY 14 thousand, with a conversion rate of JPY 1 to NTD 0.20	3	
	HKD 34 thousand, with a conversion rate of HKD 1 to NTD 4.04	137	
	CNY 4, 564 thousand, with a conversion rate of CNY 1 to NTD 4.48	20,445	
Time deposits	The deposits will mature in three months, with an interest rate of 3.95%～4.01%	474,356	
		$ 592,853	

SOLOMON Technology Corporation
Statement of Accounts Receivable
December 31, 2025

Statement 2 — Unit: NT$ Thousand

Name of customer	Summary	Amount	Remarks
Non-related party			
A		$ 54,974	
B		40,984	
C		38,171	
D		30,349	
E		28,350	
F		24,525	
G		24,417	
H		22,785	
Others		182,350	The balance for each customer did not exceed 5% of the total amount of the account
		446,905	
Less: Loss allowance		(1,684)	
Subtotal		445,221	
Related party			
Yumon International		$ 19,784	
Solomon Technology (USA) Corp.		5,347	
Solomon Energy		3,192	
Others		768	The balance for each customer did not exceed 5% of the total amount of the account
Subtotal		29,091	
		$ 474,312	

SOLOMON Technology Corporation
Statement of Inventory
December 31, 2025

Statement 3 | Unit: NT$ Thousand

Item	Summary	Amount		Remarks
		Cost	Market price	
Inventory of goods		$ 1,417,547	$ 1,417,473	The net realizable value was used as the market price
Less: Allowance for devaluation loss		(9,894)		
		$ 1,407,653		

SOLOMON Technology Corporation
Statement of Changes in Long-term Equity Investments under the Equity Method
January 1 to December 31, 2025

Statement 4 | Unit: NT$ Thousand

Name	Opening balance		Increase in the current period		Decrease in the current period		Closing balance			Net equity value		Provided as collateral or pledged
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding percentage	Amount	Unit price (NT$)	Total price	
Solomon Cayman International Corp.	7,232,836	$ 237,389	-	$ 28,942	-	$ -	7,232,836	100.00	$ 266,331	$ 36.82	$ 266,331	None
Solomon Smartnet Corp.	20,000,000	466,989	-	53,261	-	(91,807)	20,000,000	70.77	428,443	21.42	428,443	〃
Solomon Goldentek Display Corp.	42,871,029	1,244,633	-	49,614	-	(42,870)	42,871,029	100.00	1,251,377	29.19	1,251,377	〃
Moredel Investment Corp.	28,460,900	584,307	-	46,489	-	(20,255)	28,460,900	100.00	610,541	21.45	610,541	〃
Solomon Wireless Technology Corp.	96,407	16	-	-	-	-	96,407	96.41	16	0.17	16	〃
Total Profit Holdings Ltd.	3,088,700	1,409	-	-	-	(1,066)	3,088,700	100.00	343	0.11	343	〃
Solomon Data International Corporation	4,972,676	116,010	-	11,412	-	(7,982)	4,972,676	24.04	119,440	24.02	119,440	〃
Cornucopia Innovation Corporation	6,100,000	40,953	-	-	-	(1,271)	6,100,000	35.06	39,682	6.51	39,682	〃
Solomon Science Technology (VN) Co.,Ltd.	-	13,566	-	-	-	(7,788)	-	100.00	5,778	-	5,778	〃
Solomon Robotics (THAI) Ltd.	2,488,000	5,208	-	-	(2,488,000)	(5,208)	-	-	-	-	-	〃
Solomon Technology (USA) Corp.	31,000	17,530	-	-	-	(15,865)	31,000	100.00	1,665	53.71	1,665	〃
Solomon Technology Japan Co.,Ltd.	2,200	3,677	-	-	-	(1,772)	2,200	100.00	1,905	865.91	1,905	〃
Solomon Automation (Malaysia) Sdn. Bhd	-	-	1,000,000	7,356	-	(176)	1,000,000	100.00	7,180	7.18	7,180	
Solomon Energy Technology Corporation	22,000,000	135,480	-	-	-	(31,252)	22,000,000	100.00	104,228	4.74	104,228	〃
Sheng-Peng Technology Corp.	510,000	5,778	-	-	-	(1,320)	510,000	51.00	4,458	8.74	4,458	〃
		$ 2,872,945		$ 197,074		($ 228,632)			$ 2,841,387			

SOLOMON Technology Corporation
Statement of Accounts Payable
December 31, 2025

Statement 5 Unit: NT$ Thousand

Name of customer	Summary	Amount	Remarks
Non-related party			
A		$ 73,776	
Others		485,045	The balance for each company did not exceed 5% of the total amount of the account
Subtotal		558,821	
Related party			
Yumon International Trade Shanghai Limited Corporation		$ 9,412	
Solomon Goldentek Display Corp.		1,669	
Others		6	The balance for each company did not exceed 5% of the total amount of the account
Subtotal		11,087	
		$ 569,908	

SOLOMON Technology Corporation
Statement of Short-term Loans
December 31, 2025

Statement 6 Unit: NT$ Thousand

Loan type	Description	Closing balance	Contract expiration date	Range of interest rates	Financing limit	Pledge or security
Secured loans	Taiwan Cooperative Bank	$ 400,000	115/3	1.88%	$ 700,000	Security
〃	Bank of Taiwan	250,000	115/3	1.85%	1,000,000	〃
Credit loans	Chang Hwa Bank	-	-	-	80,000	Credit
〃	Taishin Bank	-	-	-	80,000	〃
〃	Hua Nan Bank	-	-	-	150,000	〃
〃	Mega Bank	-	-	-	80,000	〃
	Far Eastern International Bank	-	-	-	100,000	〃
		$ 650,000			$ 2,190,000	

SOLOMON Technology Corporation
Statement of Operating Income
January 1 to December 31, 2025

Statement 7 Unit: NT$ Thousand

Item	Number (thousand)	Amount	Remarks
Total sales income			
Electronic parts, cathode-ray tubes and other electronic semiconductor products	32,865	$ 533,213	
Engine generators and other equipment	1	1,066,856	
Automated equipment and electronic parts and components	89	1,035,576	
		2,635,645	
Income from maintenance and design services and other services		4,229	
Total operating income		2,639,874	
Less: Sales returns and discounts		(15,765)	
Net operating income		$ 2,624,109	

SOLOMON Technology Corporation
Statement of Operating Costs
January 1 to December 31, 2025

Statement 8 Unit: NT$ Thousand

Item	Amount
Opening inventory of goods	$ 1,240,690
Plus: Purchase of goods in the current period	1,724,732
Less: Transferred to expense	(284)
Inventory transferred for self-usage	(7,604)
Closing inventory of goods	(1,417,547)
Cost of sales	1,539,987
Plus: Installation cost and maintenance cost	564,363
Import expense	343
Cost of goods sold	2,104,693
Plus: Gain from price recovery of inventory	(4,817)
Operating costs in the current period	$ 2,099,876

SOLOMON Technology Corporation
Statement of Operating Expenses
January 1 to December 31, 2025

Statement 9 | Unit: NT$ Thousand

Item	Summary	Amount	Remarks
Marketing expenses			
Salary expense		$ 167,907	
Insurance expense		16,525	
Other expenses		89,246	The balance of each item did not exceed 5% of the total amount of the account
Subtotal		273,678	
Management expense			
Salary expense		$ 61,176	
Service expense		7,111	
Insurance expense		8,340	
Other expenses		24,434	The balance of each item did not exceed 5% of the total amount of the account
Subtotal		101,061	
R&D expense			
Salary expense		$ 77,776	
Advertising expense		9,924	
Insurance expense		6,830	
Other expenses		36,636	The balance of each item did not exceed 5% of the total amount of the account
Subtotal		131,166	
Expected credit impairment loss		635	
		$ 506,540	

SOLOMON Technology Corporation
Statement of Current Employee Benefits and Depreciation and Amortization Expenses by Function
January 1 to December 31, 2025 and 2024

Statement 10

Unit: NT$ Thousand

By function / By nature	2025			2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Salary expense	$ -	$ 306,859	$ 306,859	$ -	$ 295,843	$ 295,843
Labor and health insurance expenses	-	28,333	28,333	-	27,260	27,260
Pension expense	-	15,201	15,201	-	15,258	15,258
Remuneration to directors	-	7,948	7,948	-	7,542	7,542
Other employee benefit expenses	-	14,272	14,272	-	15,309	15,309
Depreciation expense	-	23,118	23,118	-	19,096	19,096
Amortization expense	-	5,161	5,161	-	1,809	1,809

Note 1: As of December 31, 2025 and 2024, the Company had 314 and 318 employees on average, respectively, and the number of non-employee directors was 4.

Note 2: The Company’s average employee benefit expense in 2025 and 2024 was $1,176 and $1,126, respectively. The average employee salary expense in 2025 and 2024 was $990 and $942, respectively. The average employee salary expense in 2025 was adjusted by 5.10%.

SOLOMON Technology Corporation

Statement of Current Employee Benefits and Depreciation and Amortization Expenses by Function

January 1 to December 31, 2025 and 2024

Statement 10 Unit: NT$ Thousand

Note 3: The Company's salary and remuneration policies (including those for the directors, supervisors, managerial officers, and employees).

(1) The Company's policy, standards and packages for payment of remuneration to the directors and supervisors, the procedures for determination of the remuneration, and the relevance to the operating performance and future risks:

A. The Board of Directors is authorized to determine the remuneration of the Company's directors and supervisors 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.

B. According to the Articles of Incorporation, the Company shall subtract any accumulated losses from earnings in the year. 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 and supervisors. The distribution of the remuneration is subject to a resolution of the Board of Directors. In the remuneration to employees described in the preceding paragraph, no less than 10% shall be distributed to entry-level employees.

SOLOMON Technology Corporation

Statement of Current Employee Benefits and Depreciation and Amortization Expenses by Function (Continued)

January 1 to December 31, 2025 and 2024

Statement 10 Unit: NT$ Thousand

(2) The Company's policy, standards and packages for payment of remuneration to the managerial officers, the procedures for determination of the remuneration, and the relevance to the operating performance and future risks:

A. The remuneration of the Company's managerial officers is determined based on their professional experience and length of service.

B. According to the Articles of Incorporation, the Company shall subtract any accumulated losses from earnings in the year. 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 and supervisors. The distribution of the remuneration is subject to a resolution of the Board of Directors. In the remuneration to employees described in the preceding paragraph, no less than 10% shall be distributed to entry-level employees.

(3) The Company's policy, standards and packages for payment of remuneration to the employees, the procedures for determination of the remuneration, and the relevance to the operating performance and future risks:

A. The remuneration policy for the Company's employees uses their personal capability, contribution to the Company, and performance as the bases and the remuneration is positively correlated with the operating performance. In addition, the Company has controlled future risks well and there is a certain degree of correlation between the remuneration policy and the future risks. The overall salary and remuneration packages comprise three main elements, namely the base salary, bonuses and employee remuneration, and benefits. In accordance with the standards for payment of remuneration, the base salary is determined based on the competition for the position in the market and the Company's policies. The bonuses and employee remuneration paid are associated with the employee's or the department's achievement of goals or the Company's operating performance. The benefits shall be designed on the premise that laws and regulations are complied with and to meet the needs of the employees and allow them to enjoy the benefits together.

B. According to the Articles of Incorporation, the Company shall subtract any accumulated losses from earnings in the year. 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 and supervisors. The distribution of the remuneration is subject to a resolution of the Board of Directors. In the remuneration to employees described in the preceding paragraph, no less than 10% shall be distributed to entry-level employees.