

Stock Code:6737



Solid Year Co., Ltd.

The Company's 2023 Annual Meeting of Shareholders

Manual of Procedure

Meeting Method: Entity Shareholders' Meeting

Date: 10:00 a.m. on Monday, June 19, 2023, Taiwan

**Location: No. 3, Baoxi Lane, Chuangya Village, Xiushui Township,
Changhua County**

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Solid Year Co., Ltd.

2023 Annual Meeting of Shareholders

- I. Announce opening of the meeting
- II. Speech by Chairman
- III. Matters to be reported
- IV. Recognition of Matters
- V. Matters for discussion
- VI. Provisional Motion
- VII. Adjournment of the meeting

Solid Year Co., Ltd.

2023 Annual Meeting of Shareholders

Time: 10:00 a.m., June 19, 2023 (Monday) Taiwan

Location: No. 3, Baoxi Lane, Chuangya Village, Xiushui Township, Changhua County

Meeting Method: Entity Shareholders' Meeting

- I. Announcement of opening of the meeting (report the number of shares present)
- II. Speech by Chairman
- III. Matters to be reported
 1. 2022 Annual Report of the Company.
 2. Report of the Audit Committee on the 2022 annual financial statements.
 3. Report on the distribution of employees' remuneration and directors' remuneration for 2022.
 4. Report on cash dividend distribution of the company's 2022 annual surplus.
- IV. Recognition of Matters
 1. 2022 Annual report on operations and financial statements of the Company.
 2. The company's 2022 annual surplus distribution plan.
- V. Matters for discussion
 1. Revision of the Company's "Procedures for Lending Funds to Others".
 2. Application for listing of the Company.
 3. To issue new shares for cash as a source of public underwriting for the listing of shares, and to renounce all subscriptions by the original shareholders.
- VI. Provisional motions.
- VII. Adjournment of meeting

Matters to be reported:

The first proposal (proposed by the Board of Directors)

Cause: The Company's 2022 annual report of operations for public review.

Note: Please refer to Annexes I (page 6~8) for 2022 annual business report.

The second proposal (proposed by the Board of Directors)

Cause: The Audit Committee examined the report of the 2022 annual accounts and reported to the public.

Note: Please refer to Annexes II (page 9) for the audit report of the Audit Committee.

The third proposal (from the Board of Directors)

Cause: The report on the distribution of employees' remuneration and directors' remuneration for 2022 for public review.

Note: The Board of Directors of the Company has decided to allocate NT \$11,227,809 for employee compensation and NT \$3,742,603 for directors' compensation for 2022; All will be distributed in cash.

The fourth proposal (from the Board of Directors)

Cause: The company's 2022 annual earnings distribution of cash dividends report, submitted to the public review.

Note: 1. In accordance with the Company Law and the articles of association of the Company, the earnings distribution statement of the Company for the year 2022 has been approved by resolution of the Board of Directors and submitted to the Audit Committee for verification. Please refer to Annexes III (page 10).

2. The company's surplus distribution of cash dividends in 2022 is as follows:

Unit: NT\$

Frequency	Year of distribution	Amount	Per share/NT\$	Date approved by the Board of Directors
1	First half of 2022 (Note)	90,075,600	1.5	Dec.07, 2022
2	Second half of 2022 (Note)	60,050,400	1.0	March.28, 2023

Note: The cash dividend for the first half of 2022 was distributed on Jan. 12, 2023, and the cash dividend for the second half of 2022 was distributed on May. 17, 2023.

Recognition of Matters:

The first proposal (proposed by the Board of Directors)

Cause: The Company's 2022 annual business report and financial statements for recognition.

Note: 1. The company's 2022 annual financial statements have been examined and approved by

Accountant Su, Ting-Chien and Accountant Tseng ,Tung-Yun of Deloitte&Touche United Accounting Firm, and the inspection report has been issued.

2. 2022 annual business report and financial statements have been approved by the board of Directors and submitted to the audit Committee for review, and the audit Committee's verification report shall be issued for the record.
3. Please refer to Annexes I (page 6 to8) and Annexes IV (page 11 to30) for the business report, financial statement and accountant's audit report mentioned in the preceding paragraph.

Resolution:

The second proposal (proposed by the Board of Directors)

Cause: The Company's 2022 annual surplus distribution for recognition.

Note: The company's surplus distribution for the year 2022 was approved by resolution of the Board of Directors on March 28, 2023 and sent to the Audit Committee for verification, please refer to Annexes III (page 10).

Resolution:

Matters for discussion

The first proposal (proposed by the Board of Directors)

Cause: Amendment to the Company's "Procedures for Lending Funds to Others"to be proposed for discussion.

Note: To meet the needs of the law and the operation of the company, it is planned to amend the provisions of the company's "Capital loan and Others' Operation Procedures". For the comparison table of the provisions before and after the amendment, please refer to Annexes V (page 31~34).

Resolution:

The second proposal (proposed by the Board of Directors)

Cause: The Company's application and is submitted for discussion.

Note: In order to continue operation and create the best interests of shareholders, employees and customers, the company intends to authorize the Chairman of the Board to submit an application for stock listing to the Taiwan Stock Exchange Co., Ltd. at an appropriate time after considering the internal and external environment, and to handle it in accordance with relevant laws and regulations.

Resolution:

The third proposal (from the Board of Directors)

Cause: Handling the cash capital increase and issuance of new shares as the source of public underwriting of stock listing, and the abandonment of subscription by all the original shareholders, submitted for discussion.

- Note: 1. In order to meet the needs of operation and development and comply with the provisions of relevant laws and regulations on listing, the Company intends to request the Board of Shareholders to authorize the Board of Directors to issue new shares with cash capital increase at an appropriate time as a source of shares for public underwriting before the initial listing.
2. For the issuance of new shares through cash capital increase, 10%-15% of the total number of new shares to be issued shall be reserved for subscription by employees of the Company in accordance with Article 267 of the Company Law. For the shares abandoned or subscribed by employees, the Chairman of the Board of Directors shall be authorized to subscribe by special persons at the issue price.
3. Except for the aforementioned employee subscriptions, the remaining 85% to 90% are intended to be used for public underwriting prior to listing, in accordance with Article 17 of the "Rules Governing the Offering and Issuance of Securities by Issuers" and the relevant laws and regulations on listing applications, and to be submitted to the shareholders' meeting for a resolution that the original shareholders should renounce their subscriptions for the purpose of public underwriting prior to listing, without the restriction of Article 267(3) of the Company Act on the prior subscription by the original shareholders.
4. The rights and obligations of the new shares issued under the capital increase are the same as those of the original issued ordinary shares and are issued without entity.
5. The main contents of the cash capital increase and new share issuance plan (including the number of shares to be issued, the issue price, the issue conditions, the planned projects, the amount raised, the expected progress and the possible benefits to be generated, the base date of capital increase and the period of share payment after the approval of the issue and other relevant matters), and all other matters related to the issue plan, Or in the future, if the approval of the competent authority and the management assessment or objective conditions need to be amended, the shareholders' meeting is proposed to authorize the board of directors to deal with the situation at its sole discretion.
6. After the case is submitted to the competent authority for approval, the board of directors shall be convened separately to decide on the base date of subscription payment and cash capital increase and other relevant matters.

Resolution

Provisional Motion

Adjournment of the meeting

Solid Year Co., Ltd.

2022 Annual business report

Ladies and gentlemen of the shareholders:

Thank you very much for your support and love over the years. The following is a report on our operations for 2022 :

I. Implementation results of operating plan

- (I) Operating revenue: The Company's turnover for 2022 was approximately \$4,371,462,000, a decrease of 17.53% compared to the turnover of \$5,300,927,000 for 2021. The decrease was mainly due to the slowdown in customer demand as the peak season of consumption was coming to an end due to the epidemic.
- (II) Net profit after tax: The company's net profit after tax in 2022 was NT\$ 266,334,000 a decrease of 13.53% compared with the net profit after tax of NT\$ 308,000,000 in 2021, mainly due to the slight decrease in revenue in the current year and the increase in manufacturing costs and operating expenses due to the impact of the industrial environment, resulting in the decrease in net profit after tax in the current year.

II. Analysis of financial income and expenses and profitability

Analysis Item		Financial analysis for the last three years		
		2020	2021	2022
Financial Structure(%)	Ratio of liabilities to assets	71.20	62.52	58.66
	Ratio of long-term funds to property, plant and equipment	288.50	224.90	234.07
Profitability	Return on assets (%)	15.07	8.18	8.09
	Return on equity (%)	44.78	24.41	19.70
	Net profit rate (%)	8.25	5.81	6.09
	Surplus per share (NT\$)	8.17	5.16	4.60

III. Research and development status

- (I) R&D plan: continue to deepen the development of keyboard technology, continuously improve product yield and unit production capacity, and strive to build the development and manufacturing capacity of new products, such as automotive

electronic products, electric power bicycles and active capacitor pens, so as to maintain the medium and long term industrial competitiveness.

- (II) Investment in R&D resources: The R&D cost of this year is NT \$59,236,000, a decrease of about 6% compared with NT \$62,957,000 in last year. The main reason is that the investment in new projects and products such as XR/AR remote video conference software and hardware devices, vehicle-mounted Android background management APP and electric booster bicycle's hub has not been significantly increased this year.

IV. Summary of 2023 operation plan

- (I) Management Policy and Business Objective: In the face of the drastic changes in the business environment, the high growth of raw material costs and the pressure of rising labor costs, the Company is committed to constructing new product research and development and product development (Android hosts, bicycle power-assisted hubs, active capacitor pens, residential energy storage cabinets, agents for overseas well-known consumer electronics brands and military equipment bids, etc.). By diversifying our product lines and entering into new service areas, we are able to create new business performance.
- (II) Important production and marketing policies:
1. Continue to develop various keyboard and lens modules according to customer needs, and implement quality management to ensure product quality.
 2. Continue to expand the automotive electronics market, continue to increase software value-added services on the existing vehicle host carrier, improve customer user experience, and accelerate the promotion of consumer customer groups.
 3. Acting as an agent of well-known overseas household appliance brands, in order to strengthen the channel development and marketing of consumer electronic products, to provide better services and good competition pattern for our products.
 4. Through the newly established subsidiary, Lysine New Energy Technology Co., Ltd. in 2022, the Group has actively entered into the energy storage industry in large scale cases, realized the Group's multi-faceted operation, and become the driving force of the green energy industry.

5. In 2021, we started to implement the strategic deployment plan of our production base and will establish a comprehensive production support network in Taiwan, making Taiwan our second production base.

(III) Influenced by the external competitive environment, regulatory environment and general business environment:

1. In the face of the mature and stable market of computer peripheral products, in addition to actively cooperating with e-sports brand customers to jointly develop new models of products to strengthen their cooperative relationship, the company has promoted the production automation process, shortened the manufacturing time, so as to improve product yield and reduce the impact of labor costs caused by price inflation. In addition, we are actively expanding our diversified business to increase new operating power.
2. Strengthen close cooperation with the supply chain, establish long-term partnership, continuously stabilize the purchase price of incoming materials, and formulate cost control plan as a contingency mechanism for client bargaining.

The company will continue to make efforts to improve the competitiveness of the company with the spirit of excellence and strict control of the quality of the output products. We would like to thank all shareholders for their continuous support and guidance.

General Manager Wu ,Chuan-Shih

Chairman: Liang ,Hui-Pin General Manager: Wu ,Chuan-Shih Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.
Audit Committee Review Report

The board of directors has prepared the company's 2022 annual financial statements, business reports and surplus distribution proposals, among which the 2022 annual financial statements have been verified and completed by Deloitte&Touche United Accounting Firm and issued an audit report. The above financial statements, business reports and earnings distribution statements have been checked by the Audit Committee and are found to be correct. Therefore, the above reports are reported in accordance with Article 14 (4) of the Securities Exchange Law and Article 219 of the Company Law.

Yours sincerely

The Company's 2023 Annual Meeting of Shareholders

Solid Year Co., Ltd.

Audit Committee Convenor : YANG,YUNG-LIEH

Republic of China, March 28, 2023

Solid Year Co., Ltd.

Statement of Surplus Distribution for 2022

Item	Amount	
Undistributed surplus at the beginning of the period	333,634,935	
Add : Net income after tax for the year		
Net profit after tax for the first half of the year	144,998,414	
Net profit after tax for the second half of the year	131,167,478	276,165,892
Subtotal	609,800,827	
Less: Itemized - statutory surplus reserve 10%		
Figures have been provided for the first half of the current year	(14,499,841)	
Provision for differences for the year	(13,116,748)	(27,616,589)
Add: special surplus reserve		
Turned over in the first half of the year	24,718,838	
Provision for differences for the year	(5,471,922)	19,246,916
Available surplus for distribution	601,431,154	
Resolved distribution of surplus for the first half of the year		
Cash dividends (60,050,400 shares x \$1.50 per /share)	(90,075,600)	
Annual surplus distribution Number to be distributed		
Cash dividends (60,050,400 shares x \$1 per /share)	(60,050,400)	(150,126,000)
Undistributed surplus at the beginning of the period	451,305,154	
Directors' remuneration is 1%	3,742,603	
Employees' remuneration 3%	11,227,809	

Chairman: Liang ,Hui-Pin

General Manager: Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Accountant's Audit Report

Solid Year Co., Ltd. Public Appraisal:

Audit Opinions

The consolidated balance sheets of Solid Year Co., Ltd. and its subsidiaries (Solid Year Group) as of Dec. 31, 2022 and 2021, and the consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows as of Jan. 1 to Dec.31 of 2022 and 2021, And the notes to the consolidated financial statements (including the summary of significant accounting policies) have been verified by the accountant.

In the opinion of the accountant, the above consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards of securities issuers and international Financial Reporting Standards, international accounting Standards, interpretations and explanatory notices approved and issued by the Financial Supervisory Commission. It is sufficient to express the consolidated financial position of Solid Year Group as of Dec.31, 2022and 2021, and the consolidated financial performance and consolidated cash flows as of Jan.1, to Dec. 31of 2022 and 2021.

Basis for Audit Opinions

The accountant shall carry out the inspection in accordance with the rules for the examination and approval of financial statements by accountants and the audit standards. The accountant's responsibilities under these standards will be further explained in the section of the accountant's responsibilities for checking consolidated financial statements. The staff of the accounting firm subject to the independence code have maintained their independence from Solid Year Co., Ltd. in accordance with the code of professional ethics for accountants and performed other responsibilities under the code. The accountant believes that sufficient and appropriate audit evidence has been obtained to form a basis for the audit opinion.

Key Audit Items

Key audit items refer to the items that, in the professional judgment of the accountant, are the most important in the audit of the consolidated financial statements of Solid Year Co., LTD

for the year 2022. Such matters have been taken into account in the process of examining the consolidated financial statements as a whole and forming an opinion on such matters, and the accountant does not express a separate opinion on such matters.

The key audit items in the consolidated financial statements of Solid Year Co., Ltd. and its subsidiaries for the year 2022 are set out as follows:

Recognition of revenue

Solid Year Co., Ltd. is mainly engaged in the manufacturing and sales of various electronic parts and computer peripherals. As the amount of sales revenue is significant to the overall financial statements, there is pressure to achieve the expected target, and there is a risk of fraud in the preset revenue recognition of audit standards. Therefore, in this accountant's assessment, the authenticity of some customers with significant and significant growth in sales revenue is listed as a key check item. For the accounting policy on income recognition, please refer to note 4 to the consolidated financial reports.

The audit procedures performed by the accountant for the above matters are summarized as follows:

1. Understand and test the design and effectiveness of internal control systems related to revenue recognition.
2. Select samples from the revenue ledger to perform transaction detail test, inspect orders, relevant shipping documents and payment collection, and confirm the authenticity of sales revenue.

Other matters

Solid Year Co., Ltd. has prepared the individual financial statements for the years 2022 and 2021 and the accountant has issued an unqualified audit report for reference.

The responsibility of the management level and the governing unit for consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements as may be expressed in accordance with the financial reporting standards of securities issuers and international Financial Reporting Standards, international accounting standards, interpretations and explanatory notices approved and issued by the Financial Supervisory Commission, and to maintain the necessary internal control related to the preparation of consolidated financial statements, To ensure that the consolidated financial statements are free from material misrepresentation due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes assessing Solid Year Co., Ltd. 's ability to continue as a going concern, disclosure of relevant

matters, and the adoption of a going concern accounting basis, unless management intends to liquidate Solid Year Co., Ltd. or to cease business, or there is no practical alternative to liquidation or cessation of business.

The governance unit (including the audit committee) of Solid Year Co., Ltd. is responsible for supervising the financial reporting process.

Accountant's responsibility for checking individual financial statements

The purpose of the accountant's examination of the consolidated financial statements is to obtain reasonable confidence as to whether there is any material misrepresentation due to fraud or error in the consolidated financial statements as a whole, and to issue an inspection report. Reasonable confidence is a high degree of confidence, but there is no guarantee that an audit conducted in accordance with the audit standards will detect material misrepresentations in consolidated financial statements. Misrepresentation may result from fraud or error. Misrepresented individual amounts or aggregate amounts are considered material if they can reasonably be expected to influence economic decisions made by users of consolidated financial statements.

The accountant shall use professional judgment and professional skepticism when checking in accordance with the auditing standards. The accountant also performs the following work:

1. Identify and assess the risk of material misrepresentation due to fraud or error in consolidated financial statements; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate inspection evidence to form a basis for the inspection opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping internal controls, the risk of failing to detect material misrepresentation due to fraud is higher than that due to error.
2. To obtain the necessary understanding of the internal controls relevant to the audit in order to design audit procedures appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Solid Year Co., Ltd.
3. Evaluate the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the examined evidence obtained, draw a conclusion as to the appropriateness of management's use of a going concern accounting basis and whether there is material uncertainty in events or circumstances that may cast material doubt on Solid Year Co., Ltd.'s ability to continue as a going concern. If the accountant considers that there is material uncertainty in such events or circumstances, it shall remind users of the consolidated financial statements in the audit report to pay attention to the relevant disclosures of the

consolidated financial statements or revise the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may cause Solid Year Co., Ltd. to no longer be able to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements allow the expression of relevant transactions and events.
6. Obtain sufficient and appropriate verification evidence on the financial information of the constituent individuals of Solid Year Co., Ltd. in order to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and execution of the audit cases, and is responsible for forming the audit opinions of Solid Year Co., Ltd.

The matters communicated by the accountant with the governing body include the planned scope and timing of the audit and significant audit findings (including significant lack of internal control identified during the audit).

From the matters communicated with the management unit, the accountant decides the key matters for the audit of 2022 the consolidated financial statements of Solid Year Co., Ltd. The accountant states such matters in the audit report, unless public disclosure of a particular matter is prohibited by statute, or in very rare circumstances, the Accountant decides not to communicate a particular matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest enhanced.

Deloitte&Touche United Accounting Firm

Accountant Su, Ting-Chien

Accountant Tseng ,Tung-Yun

Approval document No. of the Financial
Supervisory Commission
Financial Management Certificate Audit Zi
No. 1070323246

Securities and Futures Commission approval
number
Taiwan Finance Certificate No. 0920123784

Apr. 27, 2023

Solid Year Co., Ltd. and subsidiaries
Consolidated balance sheet
Dec. 31, 2022 and 2021

Unit: NT\$ 1,000

Code	Assets	Dec.31,2022		Dec.31,2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 348,863	10	\$ 247,409	7
1136	Financial assets measured at amortized cost - current (Notes IV, VII and XXXI)	3,071	-	2,768	-
1150	Notes Receivable (Notes IV and IX)	-	-	11	-
1170	Accounts receivable (Notes IV, IX and XXX)	830,741	24	1,013,284	30
1200	Other receivables (Notes IV and IX)	8,407	-	4,613	-
1220	Current income tax assets (Notes IV and XXIV)	-	-	10,392	-
130X	Inventory (Notes IV, V and X)	800,495	24	767,872	22
1410	Prepayments (Notes XVI and XXX)	150,855	5	175,909	5
1470	Other current assets (Notes XVI)	2,228	-	72,385	2
11XX	Total current assets	<u>2,144,660</u>	<u>63</u>	<u>2,294,643</u>	<u>66</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income or loss - non-current (Notes IV and VIII)	13,375	-	22,000	1
1600	Property, plant and equipment (Notes IV, XI, XXX and XXXI)	874,624	26	842,928	24
1755	Right-of-use assets (Notes IV and XIII)	119,273	4	42,006	1
1760	Investment real estate (Notes IV, XIV and XXXI)	154,241	5	154,809	5
1780	Intangible assets (Notes IV and XV)	14,771	-	7,479	-
1840	Deferred income tax assets (Notes IV and XXIV)	68,672	2	66,842	2
1915	Prepayment for equipment (Note XVI)	2,218	-	45	-
1920	Deposit margin (Note XVI)	13,918	-	3,274	-
1960	Prepayment of investment	-	-	21,000	1
1990	Other non-current assets (Notes XVI)	3,633	-	-	-
15XX	Total non-current assets	<u>1,264,725</u>	<u>37</u>	<u>1,160,383</u>	<u>34</u>
1XXX	Total assets	<u>\$ 3,409,385</u>	<u>100</u>	<u>\$ 3,455,026</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes XVII ,XXX and XXXI)	\$ 284,000	8	\$ 380,000	11
2130	Contractual Liabilities - Current (Note IV)	152,128	5	32,455	1
2170	Accounts payable (Note XVIII)	537,704	16	637,129	18
2180	Accounts receivable - related parties (Notes XVII & XXX)	39,529	1	99,306	3
2200	Other receivables (Notes XIX, XXVII and XXX)	287,820	8	354,226	10
2230	Current income tax liabilities (Notes IV and XXIV)	28,573	1	194	-
2280	Lease liabilities - current (Notes IV and XIII)	9,322	-	1,030	-
2320	Long-term loans due within one year (Notes XVII ,XXX and XXXI)	20,089	1	51,269	2
2399	Other current liabilities (Note XIX)	2,965	-	3,647	-
21XX	Total current liabilities	<u>1,362,130</u>	<u>40</u>	<u>1,559,256</u>	<u>45</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes XVII ,XXX and XXXI)	291,840	9	369,121	11
2570	Deferred income tax liabilities (Notes IV and XXIV)	230,161	7	187,907	6
2580	Lease liabilities - non-current (Notes IV and XIII)	114,912	3	42,840	1
2645	Deposits to margin (Note XX)	916	-	906	-
25XX	Total non-current liabilities	<u>637,829</u>	<u>19</u>	<u>600,774</u>	<u>18</u>
2XXX	Total liabilities	<u>1,999,959</u>	<u>59</u>	<u>2,160,030</u>	<u>63</u>
	Equity attributable to owners of the parent company				
3110	Ordinary share capital	600,504	17	600,504	17
3200	Capital fund	90,525	3	89,280	2
	Retention surplus				
3310	Statutory Surplus Fund	168,555	5	153,714	5
3320	Special surplus reserve	22,669	1	42,890	1
3350	Unallocated surplus	529,945	15	428,550	12
3400	Other equity	(28,141)	(1)	(47,388)	(1)
31XX	Total owner's equity of parent company	<u>1,384,057</u>	<u>40</u>	<u>1,267,550</u>	<u>36</u>
36XX	Non-controlling equity	<u>25,369</u>	<u>1</u>	<u>27,446</u>	<u>1</u>
3XXX	Total equity	<u>1,409,426</u>	<u>41</u>	<u>1,294,996</u>	<u>37</u>
	Total liabilities and equity	<u>\$ 3,409,385</u>	<u>100</u>	<u>\$ 3,455,026</u>	<u>100</u>

The accompanying notes are part of this consolidated financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd. and subsidiaries

Consolidated income statement

Jan.1 to Dec. 31, 2022 and 2021

Unit: NT \$1,000, except earnings per share in NT \$

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating income (Notes IV and XXX)	\$ 4,371,462	100	\$ 5,300,927	100
5000	Operating costs (Notes IV, X, XXIII and XXX)	(3,561,978)	(82)	(4,407,019)	(83)
5900	Operating Gross Profit	<u>809,484</u>	<u>18</u>	<u>893,908</u>	<u>17</u>
	Operating expenses (Notes IX, XXIII and XXX)				
6100	Sales expense	(162,024)	(4)	(168,061)	(3)
6200	Management fee	(253,847)	(6)	(279,593)	(5)
6300	Research and development expenses	(59,236)	(1)	(62,957)	(1)
6450	Expected credit impairment (turning interest) loss	(8,008)	-	<u>2,138</u>	-
6000	Total operating expenses	(483,115)	(11)	(508,473)	(9)
6900	Net operating profit	<u>326,369</u>	<u>7</u>	<u>385,435</u>	<u>8</u>
	Non-operating income and expenses (Notes XXIII and XXX)				
7100	Interest income	1,973	-	995	-
7010	Other income	15,958	-	28,736	-
7020	Other benefits and losses	26,910	1	(11,739)	-
7050	Financial costs	(14,363)	-	(9,733)	-
7000	Total non-operating income and expenses	<u>30,478</u>	<u>1</u>	<u>8,259</u>	-
7900	Net income before tax	356,847	8	393,694	8
7950	Income tax liabilities (Notes IV and XXIV)	(90,513)	(2)	(85,694)	(2)
8200	Net profit for the year	<u>266,334</u>	<u>6</u>	<u>308,000</u>	<u>6</u>

(Continued on next page)

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Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive income or loss (Notes XXII and XXIV)				
	Items not reclassified to profit or loss				
8316	Unrealized evaluation gains and losses on equity instrument investments measured at fair value through other comprehensive gains and losses	(\$ 8,625)	-	(\$ 36,000)	-
8349	Income taxes related to items that are not reclassified	<u>1,725</u>	-	<u>7,200</u>	-
8310		(<u>6,900</u>)	-	(<u>28,800</u>)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operating institutions	32,683	1	23,061	-
8399	Income taxes related to items that are reclassified	(<u>6,536</u>)	-	(<u>4,612</u>)	-
		<u>26,147</u>	<u>1</u>	<u>18,449</u>	-
8300	Other comprehensive profit or loss for the year (net after tax)	<u>19,247</u>	<u>1</u>	(<u>10,351</u>)	-
8500	Total consolidated profit or loss for the year	<u>\$ 285,581</u>	<u>7</u>	<u>\$ 297,649</u>	<u>6</u>
	Net profit (loss) is attributable to:				
8610	Owner of the parent company	\$ 276,166	6	\$ 308,433	6
8620	Non-controlling equity	(<u>9,832</u>)	-	(<u>433</u>)	-
8600		<u>\$ 266,334</u>	<u>6</u>	<u>\$ 308,000</u>	<u>6</u>
	Total consolidated profit or loss is attributable to:				
8710	Owner of the parent company	\$ 295,413	7	\$ 298,082	6
8720	Non-controlling equity	(<u>9,832</u>)	-	(<u>433</u>)	-
8700		<u>\$ 285,581</u>	<u>7</u>	<u>\$ 297,649</u>	<u>6</u>
	Earnings per share (Note XXV)				
9750	Basic	<u>\$ 4.60</u>		<u>\$ 5.16</u>	
9850	Dilution	<u>\$ 4.57</u>		<u>\$ 5.13</u>	

The accompanying notes are part of this consolidated financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd. and subsidiaries
Statement of changes in individual equity
Jan.1 to Dec. 31, 2022 and 2021

Unit: NT\$ 1,000

Code		Share capital (Note XXII)	Capital fund (Note XII)	Retained earnings (Notes IV and XXII)			Other equity (Notes IV and XXII)			Treasury stocks (Note XII)	Total owner's equity of parent company	Non-controlling equity (Note XII)	Total equity
				Ordinary share capital	Statutory Surplus Fund	Special surplus reserve	Unallocated surplus	Financial assets at fair value through other comprehensive income or loss	Exchange differences on translation of financial statements of foreign operating institutions				
A1	Balance on Jan.1, 2021	\$ 600,504	\$ 64,647	\$ 84,858	\$ 23,823	\$ 506,591	\$ -	(\$ 37,037)	(\$ 14,424)	\$ 1,228,962	-	\$1,228,962	
B1	Surplus appropriation and distribution	-	-	68,856	-	(68,856)	-	-	-	-	-	-	
B3		-	-	-	19,067	(19,067)	-	-	-	-	-	-	
B5		-	-	-	-	(298,551)	-	-	-	-	(298,551)	(298,551)	
M7	Changes in ownership interests in subsidiaries	-	2,121	-	-	-	-	-	-	2,121	27,879	30,000	
N1	Share-based payment	-	22,512	-	-	-	-	-	14,424	36,936	-	36,936	
D1	Net profit for 2021	-	-	-	-	308,433	-	-	-	308,433	(433)	308,000	
D3	Other comprehensive profit or loss after tax for 2021	-	-	-	-	-	(28,800)	18,449	-	(10,351)	-	(10,351)	
D5	Total consolidated profit or loss for 2021	-	-	-	-	308,433	(28,800)	18,449	-	298,082	(433)	297,649	
Z1	Balance on Dec.31,2021	600,504	89,280	153,714	42,890	428,550	(28,800)	(18,588)	-	1,267,550	27,446	1,294,996	
B1	Surplus appropriation and distribution	-	-	14,841	-	(14,841)	-	-	-	-	-	-	
B3		-	-	-	(20,221)	20,221	-	-	-	-	-	-	
B5		-	-	-	-	(180,151)	-	-	-	-	(180,151)	(180,151)	
M7	Changes in ownership interests in subsidiaries	-	1,245	-	-	-	-	-	-	1,245	7,755	9,000	
D1	Net profit for 2022	-	-	-	-	276,166	-	-	-	276,166	(9,832)	266,334	
D3	Other comprehensive profit or loss after tax for 2022	-	-	-	-	-	(6,900)	26,147	-	19,247	-	19,247	
D5	Total consolidated profit or loss for 2022	-	-	-	-	276,166	(6,900)	26,147	-	295,413	(9,832)	285,581	
Z1	Balance on Dec.31, 2022	\$ 600,504	\$ 90,525	\$ 168,555	\$ 22,669	\$ 529,945	(\$ 35,700)	\$ 7,559	\$ -	\$1,384,057	\$ 25,369	\$1,409,426	

The accompanying notes are part of this consolidated financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd. and subsidiaries

Individual cash flow statement

Jan.1 to Dec. 31, 2022 and 2021

Unit: NT\$ 1,000

Code		2022	2021
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 356,847	\$ 393,694
A20010	Income, expense and loss items:		
A20300	Expected credit impairment reversal benefit (benefit)	8,008	(2,138)
A20100	Depreciation expense	61,655	50,615
A20200	Amortization expense	2,846	1,526
A20900	Financial costs	14,363	9,733
A21200	Interest income	(1,973)	(995)
A21900	The share basis pays the cost of remuneration	-	22,512
A22500	Disposal of interests in real estate, plant and equipment	(124)	(3,043)
A23700	Inventory depreciation and impairment losses	58,713	48,429
A24100	Net loss (gain) on foreign currency exchange	(4,680)	7,594
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	11	(11)
A31150	Accounts receivable	174,535	1,067,465
A31180	Other receivables	3,131	2,513
A31200	Inventory	(91,336)	(117,832)
A31230	Payment in advance	46,054	43,492
A31240	Other current assets	70,157	(67,459)
A32125	Contractual Liabilities - Current	119,673	(93,048)
A32150	Accounts payable	(99,425)	(540,886)
A32160	Accounts receivable - related parties	(59,777)	(345,165)
A32180	Other payables	(65,550)	(81,648)
A32230	Other current liabilities	(682)	250
A33000	Cash generated from operations	592,446	395,598
A33100	Interest collected	1,973	995
A33300	Interest paid	(11,322)	(9,642)
A33500	Income tax paid	(18,243)	(160,354)
AAAA	Cash flow from operating activities	<u>564,854</u>	<u>226,597</u>

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Code		2022	2021
	Cash flows from investing activities		
B00010	Financial assets at fair value through other comprehensive income or loss	\$ -	(\$ 22,000)
B06700	Other non-current assets increased	(3,633)	-
B00050	Dispose of financial assets measured at amortized cost	-	71,280
B02000	Prepayments for long-term investments increased	-	(21,000)
B02700	Purchase of property, plant and equipment	(75,825)	(436,376)
B02800	Disposal of real estate, plant and equipment	1,061	44,794
B03700	Deposit margin increased	(10,644)	(2,119)
B04500	Purchase of intangible assets	(10,138)	(2,605)
B07100	Prepayment for equipment increased	(<u>2,173</u>)	(<u>45</u>)
BBBB	Net cash outflow from investing activities	(<u>101,352</u>)	(<u>368,071</u>)
	Cash flow from financing activities		
C00100	Increase in short-term borrowing	362,000	-
C00200	Decrease in short-term borrowings	(458,000)	(63,818)
C01600	Long-term loans	275,040	302,800
C01700	Repayment of long-term borrowings	(383,501)	(28,269)
C03000	Collect deposit margin	10	120
C04020	Repayment of principal of lease liabilities	(7,013)	(2,179)
C04500	Payment of dividends	(208,148)	(275,652)
C05100	Employees purchase treasury shares	-	14,424
C05500	Disposal of part of the equity price of the subsidiary	<u>-</u>	<u>30,000</u>
CCCC	Net cash outflow from investing activities	(<u>419,612</u>)	(<u>22,574</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>57,564</u>	<u>17,652</u>
EEEE	Net (decrease) increase in cash and approximately cash	101,454	(146,396)
E00100	Cash and approximate cash balance at the beginning of the year	<u>247,409</u>	<u>393,805</u>
E00200	Cash and approximate cash balance at the end of the year	<u>\$ 348,863</u>	<u>\$ 247,409</u>

The accompanying notes are part of this consolidated financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Accountant's Audit Report

Solid Year Co., Ltd. Public Appraisal:

Audit Opinions

Individual balance sheets of Solid Year Co., Ltd., as of Dec. 31, 2022 and 2021, And the individual comprehensive income statement, individual statement of changes in equity, individual cash flow statement and notes to individual financial statements (including summary of significant accounting policies) from Jan. 1 to Dec. 31, 2022 and 2021, have been checked and terminated by the accountant.

In the opinion of this accountant, the above individual financial statements have been prepared in all material respects in accordance with the Standards for the Preparation of Financial Reporting by Securities Issuers and are sufficient to express the individual financial position of Solid Year Co., Ltd. as of Dec. 31, 2022 and Dec. 31, 2021. And individual financial performance and individual cash flow from Jan. 1, 2022 and Dec. 31, 2021.

Basis for Audit Opinions

The accountant shall carry out the inspection in accordance with the rules for the examination and approval of financial statements by accountants and the audit standards. The accountant's responsibilities under these standards will be further explained in the section of the accountant's responsibilities for checking individual financial statements. The staff of the accounting firm subject to the independence code have maintained their independence from Solid Year Co., Ltd. in accordance with the code of professional ethics for accountants and performed other responsibilities under the code. The accountant believes that sufficient and appropriate audit evidence has been obtained to form a basis for the audit opinion.

Key Audit Items

Key audit items refer to the items that, in the professional judgment of the accountant, are the most important in the audit of the individual financial statements of Solid Year Co., Ltd. for the year 2022. Such matters have been taken into account in the process of examining the

individual financial statements as a whole and forming an opinion on such matters, and the accountant does not express a separate opinion on such matters.

The following is a summary of the key audited financial statements of Solid Year Co., Ltd.:

Recognition of revenue

Solid Year Co., Ltd. is mainly engaged in the manufacturing and sales of various electronic parts and computer peripherals. As the amount of sales revenue is significant to the overall financial statements, there is pressure to achieve the expected target, and there is a risk of fraud in the preset revenue recognition of audit standards. Therefore, in this accountant's assessment, the authenticity of some customers with significant and significant growth in sales revenue is listed as a key check item. For the accounting policy on income recognition, please refer to note 4 to the individual financial reports.

The audit procedures performed by the accountant for the above matters are summarized as follows:

1. Understand and test the design and effectiveness of internal control systems related to revenue recognition.
2. Select samples from the revenue ledger to perform transaction detail test, inspect orders, relevant shipping documents and payment collection, and confirm the authenticity of sales revenue.

The responsibility of the management level and the governing unit for individual financial statements

It is the responsibility of management to prepare individual financial statements that are permitted to be expressed in accordance with the Financial Reporting standards of securities issuers and to maintain such internal control as is necessary in connection with the preparation of individual financial statements to ensure that the individual financial statements are free from material misrepresentation due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes assessing Solid Year Co., Ltd. 's ability to continue as a going concern, disclosure of relevant matters, and the adoption of a going concern accounting basis, unless management intends to liquidate Solid Year Co., Ltd., or to cease business, or there is no practical alternative to liquidation or cessation of business.

The governance unit (including the audit committee) of Solid Year Co., Ltd. is responsible for supervising the financial reporting process.

Accountant's responsibility for checking individual financial statements

The purpose of the accountant's examination of the individual financial statements is to obtain reasonable confidence as to whether there is any material misrepresentation due to fraud or error in the individual financial statements as a whole, and to issue an inspection report. Reasonable confidence is a high degree of confidence, but there is no guarantee that an audit conducted in accordance with the audit standards will detect material misrepresentations in individual financial statements. Misrepresentation may result from fraud or error. Misrepresented individual amounts or aggregate amounts are considered material if they can reasonably be expected to influence economic decisions made by users of individual financial statements.

The accountant shall use professional judgment and professional skepticism when checking in accordance with the auditing standards. The accountant also performs the following work:

1. Identify and assess the risk of material misrepresentation due to fraud or error in individual financial statements; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate inspection evidence to form a basis for the inspection opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping internal controls, the risk of failing to detect material misrepresentation due to fraud is higher than that due to error.
2. To obtain the necessary understanding of the internal controls relevant to the audit in order to design audit procedures appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Solid Year Co., Ltd.
3. Evaluate the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the examined evidence obtained, draw a conclusion as to the appropriateness of management's use of a going concern accounting basis and whether there is material uncertainty in events or circumstances that may cast material doubt on Solid Year Co., LTD. 's ability to continue as a going concern. If the accountant considers that there is material uncertainty in such events or circumstances, it shall remind users of the individual financial statements in the audit report to pay attention to the relevant disclosures of the individual financial statements or revise the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the audit report date. However, future events or circumstances may cause Solid Year Co., Ltd. to no longer be able to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including the relevant notes) and whether the individual financial statements allow the expression of relevant transactions and events.

6. Obtain sufficient and appropriate verification evidence on the financial information of the constituent individuals of Solid Year Co., Ltd. in order to express an opinion on the individual financial statements. The accountant is responsible for the guidance, supervision and execution of the audit cases, and is responsible for forming the audit opinions of Solid Year Co., Ltd.

The matters communicated by the accountant with the governing body include the planned scope and timing of the audit and significant audit findings (including significant lack of internal control identified during the audit).

From the matters communicated with the management unit, the accountant decides the key matters for the audit of 2022 the individual financial statements of Solid Year Co., Ltd. The accountant states such matters in the audit report, unless public disclosure of a particular matter is prohibited by statute, or in very rare circumstances, the Accountant decides not to communicate a particular matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest enhanced.

Deloitte&Touche United Accounting Firm

Accountant Su, Ting-Chien

Accountant Tseng, Tung-Yun

Approval document No. of the Financial
Supervisory Commission
Financial Management Certificate Audit Zi
No. 1070323246

Securities and Futures Commission approval
number
Taiwan Finance Certificate No. 0920123784

Apr. 27, 2023

Solid Year Co., Ltd.
Individual Balance Sheet
Dec. 31, 2022 and 2021

Unit: NT\$ 1,000

Code	Assets	Dec.31,2022		Dec.31,2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 266,212	8	\$ 118,803	4
1170	Accounts receivable (Notes IV and VIII)	774,744	24	1,001,465	32
1180	Accounts receivable - related parties (Notes IV, VIII and XXIX)	5,144	-	11,790	1
1200	Accounts receivable (Notes IV, VIII and XXIX)	8,248	-	4,346	-
1220	Current income tax assets (Notes IV and II. III)	-	-	6,955	-
130X	Inventory (Notes IV, V and IX)	19,446	1	30,372	1
1470	Other current assets (Notes XV and XXIX)	58,347	2	68,790	2
11XX	Total current assets	<u>1,132,141</u>	<u>35</u>	<u>1,242,521</u>	<u>40</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income or loss - non-current (Notes IV and VII)	13,375	1	22,000	1
1550	Investments accounted for using the equity method (Notes IV and X)	1,226,305	38	1,016,465	33
1600	Property, plant and equipment (Notes IV, XI, XXIX and XXX)	633,525	20	610,112	19
1755	Right-of-use assets (Notes IV and XII)	786	-	-	-
1760	Investment real estate (Notes IV, XIII and XXX)	154,241	5	154,809	5
1780	Right-of-use assets (Notes IV and XII)	2,679	-	3,271	-
1840	Deferred income tax assets (Notes IV and XXIII)	22,619	1	36,456	1
1915	Prepayment for equipment (Note XV)	2,218	-	45	-
1920	Deposit margin (Note XV)	517	-	482	-
1960	Prepayment of investment	-	-	21,000	1
1990	Other non-current assets (Notes XV)	3,633	-	-	-
15XX	Total non-current assets	<u>2,059,898</u>	<u>65</u>	<u>1,864,640</u>	<u>60</u>
1XXX	Total assets	<u>\$ 3,192,039</u>	<u>100</u>	<u>\$ 3,107,161</u>	<u>100</u>
Code	Liabilities and equity	Dec.31,2022		Dec.31,2021	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes XVI and XXX)	\$ 264,000	8	\$ 380,000	12
2130	Contractual Liabilities - Current (Note IV)	97,117	3	32,367	1
2170	Accounts payable (Note XVII)	20,942	1	9,913	1
2180	Accounts receivable - related parties (Notes XVII & XXIX)	788,853	25	689,426	22
2200	Other payables (Notes XVIII and XXVI)	148,701	5	186,417	6
2220	Accounts receivable - related parties (Notes XVII & XXIX)	8,334	-	5,338	-
2230	Current income tax liabilities (Notes IV and XXIII)	26,824	1	-	-
2280	Lease liabilities - current (Notes IV and XII)	676	-	-	-
2320	Long-term loans due within one year (Notes XVI and XXX)	20,089	-	51,269	2
2399	Other current liabilities (Note XVIII)	2,066	-	3,153	-
21XX	Total current liabilities	<u>1,377,602</u>	<u>43</u>	<u>1,357,883</u>	<u>44</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes XVI and XXX)	291,840	9	369,121	12
2570	Deferred income tax liabilities (Notes IV and XXIII)	137,544	5	111,748	3
2580	Lease liabilities - non-current (Notes IV and XII)	114	-	-	-
2645	Deposits to margin (Note XIX)	882	-	859	-
25XX	Total non-current liabilities	<u>430,380</u>	<u>14</u>	<u>481,728</u>	<u>15</u>
2XXX	Total liabilities	<u>1,807,982</u>	<u>57</u>	<u>1,839,611</u>	<u>59</u>
	Rights and benefits				
3110	Ordinary share capital	600,504	19	600,504	19
3200	Capital fund	90,525	3	89,280	3
	Retention surplus				
3310	Statutory Surplus Fund	168,555	5	153,714	5
3320	Special surplus reserve	22,669	1	42,890	1
3350	Unallocated surplus	529,945	16	428,550	14
3400	Other rights and interests	(28,141)	(1)	(47,388)	(1)
3XXX	Total equity	<u>1,384,057</u>	<u>43</u>	<u>1,267,550</u>	<u>41</u>
	Total liabilities and equity	<u>\$ 3,192,039</u>	<u>100</u>	<u>\$ 3,107,161</u>	<u>100</u>

The accompanying notes are part of this individual financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.
Individual consolidated income statement
Jan.1 to Dec. 31, 2022 and 2021

Unit: NT \$1,000, except earnings per share in NT \$

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating income (Notes IV and XXIX)	\$ 4,434,107	100	\$ 5,206,308	100
5000	Operating costs (Notes IV, IX and XXIX)	(3,919,817)	(88)	(4,664,291)	(89)
5900	Operating Gross Profit	<u>514,290</u>	<u>12</u>	<u>542,017</u>	<u>11</u>
	Operating expenses (Notes XXII and XXIX)				
6100	Sales expense	(126,691)	(3)	(153,199)	(3)
6200	Management fee	(129,171)	(3)	(161,090)	(3)
6300	Research and development expenses	(41,541)	(1)	(45,696)	(1)
6450	Expected credit impairment reversal benefit (loss) (Note VIII)	(8,453)	-	<u>2,575</u>	-
6000	Total operating expenses	(305,856)	(7)	(357,410)	(7)
6900	Net operating profit	<u>208,434</u>	<u>5</u>	<u>184,607</u>	<u>4</u>
	Non-operating income and expenses (Notes XXII and XXIX)				
7100	Interest income	1,248	-	273	-
7010	Other income	8,599	-	23,188	-
7020	Other benefits and losses	40,775	1	(17,358)	-
7050	Financial costs	(10,624)	-	(7,333)	-
7070	The share of profits and losses of subsidiaries recognized by the equity method	<u>110,858</u>	<u>2</u>	<u>211,948</u>	<u>4</u>
7000	Total non-operating income and expenses	<u>150,856</u>	<u>3</u>	<u>210,718</u>	<u>4</u>
7900	Net income before tax	359,290	8	395,325	8
7950	Deferred income tax liabilities (Notes IV and XXIII)	(83,124)	(2)	(86,892)	(2)
8200	Net profit for the year	<u>276,166</u>	<u>6</u>	<u>308,433</u>	<u>6</u>

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Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive gains and losses (Notes IV, VII, XXI and XXIII)				
8310	Items not reclassified to profit or loss				
8316	Unrealized evaluation gains and losses on equity instrument investments measured at fair value through other comprehensive gains and losses	(\$ 8,625)	-	(\$ 36,000)	-
8349	Income taxes related to items that are not reclassified	<u>1,725</u>	<u>-</u>	<u>7,200</u>	<u>-</u>
		(<u>6,900</u>)	<u>-</u>	(<u>28,800</u>)	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operating institutions	32,683	1	23,061	-
8399	Income taxes related to items that are reclassified	(<u>6,536</u>)	<u>-</u>	(<u>4,612</u>)	<u>-</u>
		<u>26,147</u>	<u>1</u>	<u>18,449</u>	<u>-</u>
8300	Other comprehensive profit or loss for the year (net after tax)	<u>19,247</u>	<u>1</u>	(<u>10,351</u>)	<u>-</u>
8500	Total consolidated profit or loss for the year	<u>\$ 295,413</u>	<u>7</u>	<u>\$ 298,082</u>	<u>6</u>
	Earnings per share (Note XXIV)				
9750	Basic	<u>\$ 4.60</u>		<u>\$ 5.16</u>	
9850	Dilution	<u>\$ 4.57</u>		<u>\$ 5.13</u>	

The accompanying notes are part of this individual financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.
Statement of changes in individual equity
Jan.1 to Dec. 31, 2022 and 2021

Unit: NT \$1,000 unless otherwise specified

Code		Other interests (Note XXI)											
		Ordinary share capital			Retention surplus			Financial assets at fair value through other comprehensive income or loss		Exchange differences on translation of financial statements of foreign operating institutions		Treasury stocks (\$)	Total equity \$
		(Note XXI)	Capital fund	Statutory Surplus Fund	Special surplus reserve	Unallocated surplus							
A1	Balance on Jan.1, 2021	\$ 600,504	\$ 64,647	\$ 84,858	\$ 23,823	\$ 506,591			\$ -	(\$ 37,037)	(\$ 14,424)	\$ 1,228,962	
	Surplus appropriation and distribution												
B1	Statutory surplus fund	-	-	68,856	-	(68,856)			-	-	-	-	
B3	Special surplus reserve	-	-	-	19,067	(19,067)			-	-	-	-	
B5	Cash dividends to shareholders of the Company	-	-	-	-	(298,551)			-	-	-	(298,551)	
M7	Changes in ownership interests in subsidiaries												
			2,121									2,121	
N1	Share-based payment												
			22,512								14,424	36,936	
D1	Net profit for 2021												
			-	-	-	308,433			-	-	-	308,433	
D3	Other comprehensive profit or loss after tax for 2021								(28,800)	18,449		(10,351)	
D5	Total consolidated profit or loss for 2021								(28,800)	18,449		298,082	
Z1	Balance on Dec.31,2021	600,504	89,280	153,714	42,890	428,550			(28,800)	(18,588)	-	1,267,550	
	Surplus appropriation and distribution												
B1	Statutory surplus fund	-	-	14,841	-	(14,841)			-	-	-	-	
B3	Special surplus reserve	-	-	-	(20,221)	20,221			-	-	-	-	
B5	Cash dividends to shareholders of the Company	-	-	-	-	(180,151)			-	-	-	(180,151)	
M7	Changes in ownership interests in subsidiaries												
			1,245									1,245	
D1	Net profit for 2022												
			-	-	-	276,166			-	-	-	276,166	
D3	Other comprehensive profit or loss after tax for 2022								(6,900)	26,147		19,247	
D5	Total consolidated profit or loss for 2022								(6,900)	26,147		295,413	
Z1	Balance on Dec.31, 2022	\$ 600,504	\$ 90,525	\$ 168,555	\$ 22,669	\$ 529,945			(\$ 35,700)	\$ 7,559	\$ -	\$ 1,384,057	

The accompanying notes are part of this individual financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.
Individual cash flow statement
Jan.1 to Dec. 31, 2022 and 2021

Unit: NT\$ 1,000

Code		2022	2021
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 359,290	\$ 395,325
A20010	Income, expense and loss items:		
A20300	Expected credit impairment (turning interest) loss	8,453	(2,575)
A20100	Depreciation expense	11,591	10,759
A20200	Amortization expense	1,240	770
A20900	Financial costs	10,624	7,333
A21200	Interest income	(1,248)	(273)
A21900	The share basis pays the cost of remuneration	-	22,512
A22400	The share of profits and losses of subsidiaries recognized by the equity method	(110,858)	(211,948)
A22500	Disposal of interests in real estate, plant and equipment	-	(4,989)
A23700	Loss on inventory depreciation (recovery benefit)	(17,497)	20,340
A24100	Net loss (gain) on foreign currency exchange	(1,073)	5,687
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	203,662	1,069,972
A31160	Accounts receivable - related parties	6,663	181,688
A31180	Other receivables	3,022	4,692
A31200	Inventory	28,423	(2,915)
A31230	Payment in advance	4,798	(1,663)
A31240	Other current assets	5,645	19
A32125	Contractual Liabilities - Current	64,750	(31,935)
A32150	Accounts payable	11,220	(96,794)
A32160	Accounts receivable - related parties	114,768	(1,096,724)
A32180	Other payables	(10,217)	(16,495)
A32190	Accounts receivable - related parties	3,010	(144)
A32230	Other current liabilities	(1,087)	(61)
A33000	Cash generated from operations	695,179	252,581
A33100	Interest collected	1,248	273
A33300	Interest paid	(10,624)	(7,333)
A33500	Income tax paid	(21,439)	(163,221)
AAAA	Cash flow from operating activities	<u>664,364</u>	<u>82,300</u>

(Continued on next page)

(Continued from previous page)

Code		2022	2021
	Cash flows from investing activities		
B00010	Financial assets at fair value through other comprehensive income or loss	\$ -	(\$ 22,000)
B00050	Dispose of financial assets measured at amortized cost	-	71,200
B01800	Acquisition of long-term equity investments accounted for using the equity method	(44,054)	(50,000)
B02000	Prepayments for long-term investments increased	-	(21,000)
B02700	Purchase of property, plant and equipment	(33,257)	(368,704)
B02800	Disposal of real estate, plant and equipment	-	36,000
B03800	Deposit margin increased	(35)	-
B04600	Purchase of intangible assets	(648)	(1,984)
B06700	Other non-current assets increased	(3,633)	-
B07100	Prepayment for equipment increased	(<u>2,173</u>)	(<u>45</u>)
BBBB	Net cash outflow from investing activities	(<u>83,800</u>)	(<u>356,533</u>)
	Cash flow from financing activities		
C00100	Increase in short-term borrowing	342,000	92,000
C00200	Decrease in short-term borrowings	(458,000)	-
C04020	Repayment of principal of lease liabilities	(569)	-
C01600	Long-term loans	275,040	302,800
C01700	Repayment of long-term borrowings	(383,501)	(28,269)
C03000	Collect deposit margin	23	73
C04500	Payment of dividends	(208,148)	(275,652)
C05100	Employees purchase treasury shares	<u>-</u>	<u>14,424</u>
CCCC	Net cash inflow (outflow) from financing activities	(<u>433,155</u>)	<u>105,376</u>
EEEE	Net (decrease) increase in cash and approximately cash	147,409	(168,857)
E00100	Cash and approximate cash balance at the beginning of the year	<u>118,803</u>	<u>287,660</u>
E00200	Cash and approximate cash balance at the end of the year	<u>\$ 266,212</u>	<u>\$ 118,803</u>

The accompanying notes are part of this individual financial report.

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.

Internal control System - Other management system - Capital loan and other operating procedures amendment provisions cross reference table

Article before amendment	Article after amendment	Amendment description
CM-112-SY Procedures for Lending Funds to Others	CM-112-SY Procedures for Lending Funds to Others	
<p>II. Capital loans and objects</p> <p>(III) The financing amount mentioned in Paragraph (I) of 2 refers to the accumulated balance of short-term financing funds of the Company. Loans between foreign companies that directly or indirectly hold 100 percent of the voting shares of the Company, or loans between foreign companies that directly or indirectly hold 100 percent of the voting shares of the Company, are not subject to subparagraph (I) 2. Is limited to</p>	<p>II. Capital loans and objects</p> <p>(III) The financing amount mentioned in Paragraph (I) of 2 refers to the accumulated balance of short-term financing funds of the Company. Loans between foreign companies that directly or indirectly hold 100 % of the voting shares of the Company, or loans between foreign companies that directly or indirectly hold 100 % of the voting shares of the Company, are not subject to subparagraph (I) 2. <u>Provided that the total amount of the loan shall not exceed one hundred percent of the net worth of each loan and individual company, and the term of the loan and individual company shall not exceed three years or three business cycles (whichever is longer). Before the maturity of the loan, if necessary, the loan shall be extended one month before the maturity. Subject to the approval of the board of directors, and subject to one extension (one year).</u></p>	Revision of certain provisions in accordance with the Company's business requirements
<p>IV. The total amount of capital loans and the limits on individual objects:</p> <p>(II) The loan is made to a company or bank with which it has business dealings, and the total amount thereof shall not exceed 40 percent of the net value of the Company's most recent financial statements; Individual loans and amounts shall not exceed the amount of business transactions between the</p>	<p>IV. The total amount of capital loans and the limits on individual objects:</p> <p>(II) The loan is made to a company or bank with which it has business dealings, and the total amount thereof shall not exceed 40 percent of the net value of the Company's most recent financial statements; Individual loans and amounts shall not exceed the amount of business transactions between the</p>	Revision of certain provisions in accordance with the Company's business requirements

Article before amendment	Article after amendment	Amendment description
parties. The amount of business transactions refers to the higher total amount of goods purchased or sold <u>between the parties in the current year.</u>	parties. The "business transaction amount" <u>shall not exceed the amount of the Company's purchases or sales in the most recent year or the current year at the time of the loan.</u>	
(III) The loan and the total amount of the loan and the company or bank whose short-term financing funds are necessary shall not exceed 40 % of the net value of the Company's latest financial statements; The amount of individual loans and loans shall not exceed 40% of the net value of the most recent financial statements of the company.	(III) The loan and the total amount of the loan and the company or bank whose short-term financing funds are necessary shall not exceed 40 % of the net value of the Company's latest financial statements; The amount of individual loans and loans shall not exceed 10% of the net value of the most recent financial statements of the company.	Revision of certain provisions in accordance with the Company's business requirements
(IV) The net value mentioned in the preceding paragraph refers to <u>the equity attributable to the owner of the parent company in the balance sheet prescribed by the financial reporting standards of the securities issuer.</u>	(IV) The net value mentioned in the preceding paragraph refers to <u>the financial report of the Company which has been checked (reviewed) by accountants in the latest period, and the net value of the company is calculated based on the amount attributable to the owner's equity of the parent company in the consolidated balance sheet. Where the Company directly or indirectly holds 100% of the voting shares, the loan of funds and the said net value shall be based on the most recent financial report checked (reviewed) by accountants of the subsidiary or the net value checked (reviewed) by accountants when the subsidiary is incorporated into the consolidated financial report (whichever is the most recent).</u>	Cooperate with the amendment of some provisions of the act
V. Capital loan, term and interest calculation method: (I) Loan and Term: <u>1. The term of each loan shall not exceed one year or one operating cycle (whichever is longer) from the loan date. Where the Company directly or indirectly holds 100%</u>	V. Capital loan, term and interest calculation method: (I) Loan and Term: The term of each loan shall not exceed one year or one operating cycle (whichever is longer) from the loan date.	Cooperate with the amendment of some provisions of the act

Article before amendment	Article after amendment	Amendment description
<u>of the voting shares among foreign companies, if there is short-term financing, the net value referred to in the preceding paragraph refers to the equity vested in the parent company owner in the balance sheet of the securities issuer under the financial reporting standards.</u>		
<u>2. If necessary, the amount of the loan may not be limited to 40% of the net value of the enterprise, and the financing period may not be limited to one year or one operating cycle.</u>	(delete)	Cooperate with the amendment of some provisions of the act
VI. Fund Lending and Handling Procedures: (I) Application and Examination Procedures: 3. <u>If the Company has appointed independent directors, the opinions of the independent directors shall be fully considered in respect of the loan of funds and other matters decided by the Board of directors as mentioned in the preceding paragraph, and the express opinions agreed or opposed by them and the reasons for their objections shall be recorded in the Board of Directors' records.</u> 5. The quota mentioned in the preceding paragraph shall not exceed 10% of the net value of the most recent financial statements of the Company, except for foreign companies which directly or indirectly hold 100% of the voting shares of the Company.	VI. Fund Lending and Handling Procedures: (I) Application and Examination Procedures: 3. Regarding the loan of funds and other matters, the opinions of the independent directors shall be fully considered, and the express opinions agreed or opposed by them and the reasons for their objections shall be listed in the board record. 5. The quota mentioned in the preceding paragraph shall not exceed 10% of the net value of the most recent financial statements of <u>each loan or individual</u> company, except for foreign companies where the Company directly or indirectly holds 100% of the voting shares.	Revision of certain provisions in accordance with the Company's business requirements
IX. Internal Audit: The Company's internal auditors shall audit the operation procedures and implementation of the loan and others at least once a quarter and make written records. If any major irregularities are found, they shall immediately notify the Audit Committee in writing.	IX. Internal Audit <u>and Penalty</u> : The Company's internal auditors shall audit the operation procedures and implementation of the loan and others at least once a quarter and make written records. If any major irregularities are found, they shall immediately notify the Audit Committee in writing. <u>If the managers and sponsors of the Company violate this operation procedure,</u>	Cooperate with the amendment of some provisions of the act

Article before amendment	Article after amendment	Amendment description
	<u>they shall be assessed according to the relevant regulations of the Company and punished according to the seriousness of the circumstances. Those who violate the law shall be prosecuted according to law.</u>	
<p>XII. Other Matters:</p> <p>When a subsidiary of the Company applies to the Company for loan of funds, the provisions of Article VI and (II) credit investigation of this procedure do not apply. (Added)</p>	<p>XII. Other Matters:</p> <p>When a subsidiary of the Company applies to the Company for loan of funds, the provisions of Article VI and (II) credit investigation of this procedure do not apply. <u>The Company shall evaluate the loan and situation of the funds and make adequate provisions for bad debts, disclose the relevant information in the financial report as appropriate, and provide the relevant information to the certified accountants to carry out the necessary verification procedures.</u></p>	Cooperate with the amendment of some provisions of the act
<p>XIII. Formulation and revision of Operating Procedures:</p> <p>(IV) For a subsidiary to which this operating procedure applies in accordance with the provisions of Article 10, the prescribed operating procedure for the loan of funds to others shall be decided by the board of directors of the subsidiary; The same goes for corrections.</p>	<p>XIII. Formulation and revision of Operating Procedures:</p> <p>(IV) For a subsidiary to which this operating procedure is applicable in accordance with the provisions of Article 10, the prescribed operating procedure for loan of funds and others shall be replaced by a resolution of the board of directors of the subsidiary or <u>by a resolution of the board of directors of the parent company or by an agreement of the board of shareholders of the parent company;</u> The same goes for corrections.</p>	Cooperate with the amendment of some provisions of the act

Articles of Incorporation of Solid Year Co., Ltd.

Chapter 1 General Provisions

Article 1: The Company shall be organized in accordance with the provisions of the Company Act and shall be named Solid Year Co., LTD (English name: Solid Year Co., Ltd.)

Article 2: The business of the Company is as follows:

1. CE01040 Watch Fanufacturing Industry
2. CC01010 Power generation, transmission, distribution machinery manufacturing industry
3. CC01030 Electrical and audio-visual electronic products manufacturing industry
4. CC01040 Lighting Equipment Manufacturing Industry
5. CC01060 Cable communication machinery and equipment manufacturing industry
6. CC01070 Wireless communication machinery and equipment manufacturing industry
7. CC01080 Electronic component manufacturing industry
8. CC01090 Battery manufacturing industry
9. CC01110 Computer and peripheral equipment manufacturing
10. CC01120 Data storage media manufacturing and reproduction industry
11. CC01990 Other electrical and electronic machinery and equipment manufacturing industry
12. CD01030 Automobile and its parts manufacturing industry
13. CE01010 General instrument manufacturing industry
14. CE01030 General instrument manufacturing industry
15. F110010 Optical instrument manufacturing industry
16. F210010 Watch and Clock Retailing
17. F106010 Hardware wholesale industry
18. F113010 Machinery wholesale industry
19. F113020 Electrical appliances wholesale industry
20. F113030 Precision instruments wholesale industry
21. F113050 Computer and business machine equipment wholesale industry
22. F113060 Metric scales wholesale industry
23. F113070 Telecommunications equipment wholesale industry
24. F113110 Battery wholesale industry
25. F114010 Automobile wholesale industry
26. F114030 Wholesale of automobile and motorcycle parts and equipment
27. F118010 Wholesale of information software
28. F119010 Wholesale of electronic materials
29. F206010 Hardware retailing
30. F213010 Electrical appliances retailing
31. F213030 Retailing of computers and business machines and equipment
32. F213040 Precision instrument retail
33. F213050 Measurement weighing retail trade
34. F213060 Telecommunications equipment retail trade
35. F213080 Retail trade of machinery and appliances
36. F213110 Battery retail
37. F214010 Automobile retail industry
38. F218010 Information software retail
39. F219010 Retail of electronic materials
40. F401010 International trade industry
41. F116010 Photographic equipment wholesale industry
42. G903010 Telecommunications
43. E701020 Satellite TV KU channel, C channel equipment installation industry
44. E701030 Telecommunication control radio frequency equipment installation engineering industry
45. C804020 Industrial rubber products manufacturing
46. CA02010 Metal structure and building components manufacturing industry

47. CA02030 Screws, nuts, screws, and rivets and other products manufacturing
48. CA02040 Spring manufacturing
49. CA02070 Lock industry
50. CA02090 Metal wire products manufacturing industry
51. CA02990 Manufacturing of other metal products
52. CB01990 Other machinery manufacturing industry
53. F214030 Auto and locomotive parts equipped with retail
54. ZZ99999 May, in addition to the permitted business, operate the business not prohibited or restricted by the law
55. F106030 Mold wholesale industry
56. F206030 Mold retail
57. CC01100 Telecommunications control radio frequency equipment manufacturing
58. I301010 Information software services
59. I301020 Data processing services
60. E604010 Mechanical installation industry
61. F199990 Other wholesale business
62. I199990 Other consulting services
63. I501010 Product design industry
64. IG03010 Energy technology services
65. F208031 Medical equipment retail industry
66. CF01011 Medical equipment manufacturing industry
67. C301010 Spinning industry
68. C302010 Textile industry
69. C303010 Non-woven fabric industry
70. C305010 Printing and dyeing finishing industry
71. C306010 Garment industry
72. C307010 Clothing manufacturing industry
73. C399990 Other textile and product manufacturing
74. F104110 Cloth, clothing, shoes, hats, umbrella, clothing wholesale industry
75. F108031 Medical equipment wholesale industry
76. F109070 Wholesale industry of cultural and educational, Musical Instruments and music supplies
77. F204110 Cloth, clothing, shoes, hats, umbrellas, clothing retail
78. F209060 Cultural and educational, Musical Instruments, education and music supplies retail

Article 2-1: The company may provide external guarantee.

Article 3: The company may reinvest in other enterprises for business needs, and the total amount of reinvestment shall exceed 40% of the paid-in capital stock of the company.

Article 4: The company shall have its head office in New Taipei City and may set up branches in other appropriate places if necessary. The establishment and elimination of branches shall be decided by the board of directors.

Article 5: The company's announcement method shall be handled in accordance with Article 28 of the Company Law.

Chapter II Shares

Article 6. The total rated capital of the Company shall BE NT\$ 1 billion, divided into 100 million shares of NT\$ 10 per share, of which the Board of directors shall be authorized to issue the unissued shares in installments according to the business needs of the Company. Within the total rated capital in the preceding paragraph, NT\$ 100 million, divided into ten million shares with a par value of NT\$ 10 per share, shall be reserved for the issuance of employee warrants.

Article 7. The shares of the company shall be registered, signed or sealed by the directors on behalf of the company, and issued after being certified in accordance with the law. Shares issued by the company may be exempted from printing shares, and other securities issued shall be the same, provided that registration shall be registered with the centralized securities depository institution.

Article 8: The name transfer of shares shall cease within 60 days prior to the ordinary meeting of shareholders, 30 days prior to the extraordinary meeting of shareholders, or five days prior to the benchmark date on which the company decides to distribute dividends and bonuses or other benefits. The measures for the handling of stock affairs shall be in accordance with the "Standards for the Handling of Stock Affairs of Publicly Issued Stock Companies" issued by the competent authority.

Chapter III Shareholders' Meeting

Article 9: The shareholders' meeting shall be divided into two types: ordinary meeting and extraordinary meeting. The ordinary meeting shall be convened once a year and shall be convened by the board of directors within six months after the end of each fiscal year according to law. An interim meeting shall be convened according to law when necessary. If the notice of convening the shareholders' meeting is approved by the shareholders, it may be done electronically.

Article 10: If a shareholder is unable to attend the shareholders' meeting for some reason, he may issue a power of attorney issued by the Company, stating the scope of authorization, and sign or seal his proxy to attend the meeting. In addition to the provisions of Article 177 of the Company Law, the measures for entrustment of shareholders of the Company shall be handled in accordance with the provisions of the "Rules on the Use of power of attorney for Shareholders' Meetings of public offering Companies" promulgated by the competent authority.

Article 11: Each shareholder of the Company, unless otherwise provided by the decree, shall have one vote per share.

Article 11-1: After the company has publicly issued shares, if it wishes to cancel the public offering, it shall apply to the competent authority after the resolution of the shareholders' meeting, and this article shall not be changed during the period of IPO and listing (IPO).

Article 12: Unless otherwise provided for in the Company Law, resolutions of a shareholders' meeting shall be made by the shareholders representing more than half of the total number of shares issued and shall be made with the consent of more than half of the voting rights of the shareholders present. When the shareholders' meeting is held after the company's shares are listed (listed), electronic means shall be listed as one of the channels for exercising shareholders' voting rights, and the exercise method shall be handled in accordance with the Company Law and the provisions of the competent authority.

Article 13: A minutes of the matters decided at the shareholders' meeting shall be made, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The production and distribution of the proceedings shall be handled in accordance with Article 183 of the Company Law.

Chapter IV Directors and Audit Committee

Article 14: The company shall have seven to eleven directors for a term of three years, who shall be appointed by the shareholders' meeting by the person who has the capacity to act and elected for re-election.

In addition, in accordance with Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors of the Company. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be followed shall be in accordance with the relevant regulations of the competent securities authorities.

The Company shall establish an audit committee in accordance with the provisions of Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors, and its number shall not be less than three, and the relevant organizational rules shall be established by resolution of the Board of Directors.

The total number of shares of registered stock held by all directors of the Company shall be subject to the regulations of the securities regulatory authorities.

Article 14-1: More than half of the seats among the directors shall not have one of the following relationships.

- (1) Spouse.
- (2) Relatives within the second degree of consanguinity.

Article 14-2: In the event that the vacancy of a director reaches one-third, the board of directors shall convene an interim meeting of shareholders within the period prescribed by law to hold a by-election, and the term of office shall be limited to the period of the original term.

Article 15: The Board of Directors shall be organized by the Directors and shall elect a chairman from among themselves with the presence of two-thirds or more of the Directors and the consent of a majority of the Directors present, and may elect a vice-chairman from among themselves in the same manner. The Chairman of the Board of Directors shall represent the Company externally and shall execute all affairs of the Company in accordance with the Law, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the Board of Directors.

Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the consent of a majority of the directors present. If a director is unable to attend a meeting for any reason, he or she may appoint another director to attend the meeting by proxy by listing the scope of authority to convene the meeting in a proxy form.

If a director has an interest in a meeting, he or she shall state the important content of his or her interest at the current board meeting.

If a director's spouse, second degree of consanguinity, or a company with which the director has a controlling relationship of subordination, has an interest in the matter of the preceding meeting, the director is deemed to have an interest in that matter.

If the board of directors meets by video conference, its directors who participate in the meeting by video conference shall be deemed to be present in person.

The company shall state the reasons for the convening of the board of directors and notify each director seven days prior to the meeting; However, in case of emergency, they may be summoned at any time. Notice of board meeting and minutes may be distributed in writing, electronically or by fax.

Article 16 : If the CHAIRMAN ASKS for leave or is unable to exercise his powers for some reason, his agent shall be handled in accordance with Article 208 of the Company Law.

Article 17: The remuneration of the directors of the company shall be paid to the directors according to the degree of their participation in the operation of the company and the value of their contribution and the usual level of the industry. The Company may purchase liability insurance for directors to protect them against potential legal liabilities that may arise from the performance of their duties.

Chapter V Manager

Article 18: The company may have several managers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.

Chapter VI Accounting

Article 19: The fiscal year of the company is from January 1 to December 31 each year. The Company shall, at the end of each fiscal year, prepare the following list by the board of Directors and submit it to the Audit Committee for examination and approval 30 days prior to the ordinary meeting of shareholders.

(1) Business reports (2) financial statements (3) proposals for surplus distribution or loss appropriation.

Article 20: If the company makes profits in the year, it shall allocate 3-10% to employees' remuneration, which shall be distributed in stock or cash by resolution of the board of directors, including employees of affiliated companies who meet certain conditions; The board of directors shall decide to allocate 1-5% of the above amount of profit to the directors' remuneration. Employee remuneration and directors' remuneration distribution plans shall be reported to the shareholders' meeting. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance and allocate the remuneration of employees and directors in accordance with the proportion mentioned in the preceding paragraph.

Article 21: The distribution of surplus or loss of the company shall be made after the end of each semi-fiscal

year. If the distribution of surplus is made in cash, it shall be handled by resolution of the board of directors in accordance with Article 228-1 and Item 5 of Article 240 of the Company Law and reported to the shareholders' meeting, without submitting to the shareholders' meeting for recognition.

When the Company has no surplus, no dividend and bonus shall be distributed. When distributing surplus, the Company shall first estimate and retain taxes payable, make up losses and set aside one-tenth (10%) as statutory surplus reserve; However, when the accumulation of legal surplus reserve has reached the paid-in capital of the company, this limitation shall not be applied. Special surplus reserves shall be set aside by decree or regulations of the competent authority.

After the Company appropriates the surplus reserve in accordance with Item 2 of this Article, the remaining surplus shall be distributed in accordance with the regulations, the procedures prescribed in the Articles of Association and the following principles: The Company may distribute the distributable surplus in full in accordance with financial, business and operation factors. Surplus may be distributed in the form of cash dividends or stock dividends. The Company has no surplus to distribute, or the amount of surplus is much lower than the surplus actually distributed by the Company previously, or in accordance with the consideration of the company's financial, business and operation factors, the company may distribute all or part of the reserve according to law or regulations of the competent authority. If the reserve is distributed in cash, the board of directors may make a resolution in accordance with Article 241 of the Company Law and report to the shareholders' meeting. There is no need to submit to the shareholders' meeting for recognition.

Article 21-1: The dividend policy of the Company shall be determined in accordance with the current and future development plans, taking into account the investment environment, capital needs, domestic and foreign competition, and taking into account the interests of shareholders. No less than 10% of the distributable surplus shall be allocated to distribute dividends to shareholders every year. However, if the accumulated distributable surplus is less than 1% of the paid-in capital stock, no distribution shall be made; Dividends to shareholders may be distributed in the form of cash or stocks, of which cash dividends shall not be less than 10% of the total amount of dividends.

Chapter VII Supplementary Provisions

Article 22 Matters not stipulated in the Articles of association shall be handled in accordance with the provisions of the Company Law.

Article 23: These Articles of Incorporation were established on Dec. 13, 1978.

The first amendment was made on Jun.10, 1982.

The second amendment was made on May. 20, 1983.

The third amendment was made on Feb. 20, 1986.

The fourth amendment was made on March. 20, 1986.

The fifth amendment was made on Nov. 20, 1986.

The sixth amendment was made on Jun. 5, 1991.

The seventh amendment was made on Oct. 15, 1993.

The eighth amendment was made on Nov. 8, 1996.

The ninth amendment was made on November 4, 2000.

The tenth amendment was made on Dec. 11, 2001.

The eleventh amendment was made on Dec. 4, 2002.

The twelfth amendment was made on Dec. 4, 2002.

The thirteenth amendment was made on May 14, 2003.

The fourteenth amendment was made on May. 28, 2003.

The fifteenth amendment was made on Jun. 22, 2011.

The sixteenth amendment was made on Jun. 22, 2011.

The seventeenth amendment was made on Dec.18, 2012.

The eighteenth amendment was made on Jun. 28, 2013.

The nineteenth amendment was made on Jun. 25, 2014.

The twentieth amendment was made on Jun. 30, 2015.

The twenty-first amendment was made on Aug. 20, 2015.

The twenty-second amendment was made on Nov. 3, 2015.
The twenty-second amendment was made on Nov. 3, 2015.
The twenty-third amendment was made on Jun. 30, 2016.
The twenty-fifth amendment was made on Apr. 6, 2017.
The twenty-sixth amendment was made on Jun.8, 2017.
The twenty-seventh amendment was made on Jun. 25, 2018.
The twenty-eighth amendment was made on Jun. 10, 2019.
The twenty-ninth amendment was made on Nov. 11, 2019.
The thirtieth amendment was made on Dec. 11, 2020.
The thirty-first amendment was made on Dec. 28, 2021.
The thirty-second amendment was made on Jun. 17, 2022.
The thirty-third amendment was made on March. 10, 2023.

Solid Year Co., Ltd.

Procedures for the Discussion and Operation of Shareholders' Meeting

I. Purpose:

In order to establish a good shareholders' meeting governance system, improve the supervision function and strengthen the management function of the company, these rules are formulated for compliance.

II. Scope:

The rules of procedure of the shareholders' meeting of the Company shall be in accordance with these Rules unless otherwise provided by laws or articles of association.

III. Operation procedures:

(I) Convening and notice of the shareholders' meeting:

1. Unless otherwise provided for in laws or articles of association, the shareholders' meeting of the company shall be convened by the board of directors.
2. The Company shall, in accordance with the time and manner prescribed by the relevant laws and articles of association, make electronic files of the notice of the shareholders' meeting, the paper of proxy, the causes and explanations of the motions such as the recognition proposal, the discussion proposal, and the selection or dismissal of directors and send them to the public information observatory 30 days prior to the ordinary meeting of shareholders or 15 days prior to the extraordinary meeting of shareholders. The procedure manual and supplementary information of the shareholders' meeting shall be made and sent to the public information Observatory in electronic files 21 days before the ordinary meeting of shareholders or 15 days before the extraordinary meeting of shareholders. Fifteen days prior to the shareholders' meeting, the procedure manual and supplementary information of the shareholders' meeting shall be prepared for shareholders to read at any time, and shall be displayed by the Company and the professional stock affairs agency appointed by the Company, and shall be distributed on the site of the shareholders' meeting.
3. The notice and announcement shall specify the reason for convening, the time for accepting shareholders' reporting, the place for reporting, and other matters to be noted; The time for accepting shareholders' reporting shall be at least 30 minutes before the start of the meeting, and the reporting place shall be clearly marked and properly qualified personnel shall be assigned to handle it. If the notice of convening the shareholders' meeting is approved by the shareholders, it may be done electronically.
4. Election or dismissal of directors, change of articles of association, capital reduction, application for suspension of public offering, directors' competition license, transfer of surplus to increase capital, transfer of reserve to increase capital, dissolution, merger, division or matters mentioned in paragraph 1 of Article 185 of the Company Law, Article 26-1 of the Securities Exchange Law, Article 43-6 of the Securities Exchange Law, and Article 56-1 and Article 56-1 of the Handling Standards for issuers' Raising and issuing of securities The matters referred to in Article 60-2 shall be listed in the reasons for convening and the main contents thereof shall not be proposed by provisional motion. The reason for the convening of the shareholders' meeting has stated the comprehensive re-election of directors and the date of their inauguration. After the completion of the re-election of the shareholders' meeting, the date of their inauguration shall not be changed by AD hoc motion or other means at the same meeting.
5. A shareholder holding more than 1% of the total number of issued shares may submit a proposal to the Company for an ordinary meeting of shareholders, subject to a limit of one proposal. Any proposal exceeding one shall not be included in the proposal. Shareholders may put forward suggestions to urge the company to promote public interests or fulfill social responsibilities, and the procedures shall be limited to one proposal in accordance with the relevant provisions of Article 172-1 of the Company Law. Any proposal exceeding one shall not be included in the proposal. In addition, the board of directors may not list a proposal proposed by a shareholder as one of the circumstances specified in item 4 of Article 172 of the Company Law.
6. The Company shall, prior to the cessation of stock transfer prior to the ordinary meeting of shareholders, announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance premises and acceptance period; The acceptance period shall not be less than 10 days.

7. The proposal proposed by shareholders is limited to 300 words. If it exceeds 300 words, the proposal will not be included in the proposal; The proposing shareholder shall attend the ordinary meeting of shareholders in person or by proxy and participate in the discussion of the proposal.
8. The Company shall, prior to the notice of the convening of the shareholders' meeting, notify the proposed shareholders of the result of the handling, and list the proposals in accordance with this article in the notice of the meeting. For any shareholder's proposal not included in the proposal, the board of directors shall explain the reasons for not including the proposal at the shareholders' meeting.

(II) Authorized attendance:

1. A shareholder may, at each shareholders' meeting, issue a power of attorney issued by the Company, stating the scope of authorization, and appoint an agent to attend the shareholders' meeting.
2. A shareholder shall issue a power of attorney limited to one person and deliver it to the registered place of the Company or to the place designated in the notice of the shareholders' meeting or the power of attorney sent by the Company five days prior to the meeting of shareholders. In case of duplication of the power of attorney, the one delivered first shall prevail. However, this limitation shall not apply to those who declare to revoke the entrustment before.
3. After the power of attorney is delivered to the Company, a shareholder who wishes to attend the shareholders' meeting in person or wishes to exercise his voting rights in writing or electronically shall give a written notice to the Company two days prior to the meeting of the shareholders' meeting to revoke the power of attorney; In case of overdue cancellation, the voting right exercised by the entrusted agent shall prevail.

(III) Convening of the shareholders' meeting:

1. The shareholders' meeting shall be convened at such time and place as may be designated by the Board of Directors, provided that, unless otherwise provided by statute or the Articles of Association, the shareholders' meeting shall be convened within the territory of Taiwan. If the Shareholders' Meeting is held outside Taiwan, the relevant procedures and approvals shall be handled in accordance with the regulations of the relevant competent authorities of the Republic of China. When a shareholders' meeting is held outside the Republic of China, the Company shall appoint a professional stock affairs agency in Taiwan to handle the administrative affairs of such shareholders' meeting (including but not limited to the handling of proxy voting matters). The start time of the shareholders' meeting shall not be earlier than 9 am or later than 3 PM, and the place and time of the meeting shall take full account of the opinions of the independent directors.
2. The shareholder himself or the agent entrusted by the shareholder (hereinafter referred to as the "shareholder") shall attend the shareholders' meeting by presenting the attendance certificate, attendance card or other attendance documents, and the Company shall not arbitrarily add other supporting documents to the supporting documents on which the shareholder attends the meeting; The person who is a power of attorney shall bring proof of identity for verification. The company shall set up a signature book for the attending shareholders to sign in, or the attending shareholders shall hand in a signature card for signing on their behalf.
3. The Company shall deliver the procedure manual, annual report, attendance certificate, speech note, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting; Where directors are elected, additional electoral votes shall be attached.
4. Where the government or a legal person is a shareholder, the number of representatives attending the shareholders' meeting shall not be limited to one. When a legal person is entrusted to attend a shareholders' meeting, only one representative may be appointed to attend.
5. If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman. If the chairman is on leave or is unable to exercise his functions and powers for some reason, the vice chairman shall act as the proxy; if there is no vice chairman or the vice chairman is also on leave or unable to exercise his functions and powers for some reason, the chairman shall appoint a director to act as the proxy; if the chairman does not appoint an agent or the appointed agent is unable to exercise his

functions and powers for some reason. The other directors present shall recommend one other agent. The chairman shall be acted by a director who has been in office for more than six months and knows the financial situation of the company; The same shall apply if the chairman is the representative of the director of the legal person.

6. The shareholders' meeting convened by the board of directors shall be presided over by the chairman himself, and shall be attended by at least one representative of more than half of the directors of the board of directors and members of various functional committees, and the attendance shall be recorded in the minutes of the shareholders' meeting.
7. If the shareholders' meeting is convened by any other convener other than the board of directors, the chairman shall be held by such convener. If there are more than two conveners, one of each other shall serve as the chairman.
8. The company may appoint appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting as non-voting delegates.

(IV) Commencement of the Shareholders' Meeting:

1. Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares present shall be calculated according to the signature book or the signature card submitted, plus the number of shares exercising their voting rights in writing or electronically.
2. Upon the expiration of the meeting, the Chairman shall announce the meeting and announce the number of non-voting rights and the number of shares present. However, if no shareholder representing more than half of the total number of shares issued is present, the Chairman may announce the postponement of the meeting to a limit of two times and the total delay shall not exceed one hour. If the second delay is still less than one third of the shareholders representing more than one third of the total number of issued shares are present, the chairman shall announce the meeting.
3. If the second delay mentioned in the preceding paragraph is still insufficient and shareholders representing more than one third of the total number of issued shares attend, it may be regarded as a false resolution in accordance with paragraph 1 of Article 175 of the Company Law, and the false resolution shall be notified to each shareholder to convene another shareholders' meeting within one month.
4. Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of shares issued, the Chairman may re-submit the false resolution to the shareholders' meeting for a vote in accordance with Article 174 of the Company Law.

(V) Discussion of proposals:

1. If the shareholders' meeting is convened by the board of directors and the agenda is determined by the board of directors, relevant motions (including interim motions and amendments to original motions) shall be voted on a case-by-case basis, and the meeting shall be carried out in accordance with the scheduled agenda and shall not be changed without resolution of the shareholders' meeting.
2. If the shareholders' meeting is convened by any person other than the board of directors with the right to call, the provisions of the preceding paragraph shall apply mutatis mutandis.
3. The Chairman shall not terminate the meeting without a resolution before the conclusion of the proceedings (including provisional motions) on the agenda of the first two items; If the chairman violates the rules of procedure and announces the dissolution of the meeting, other members of the board of directors shall promptly assist the shareholders present to establish procedures in accordance with the law to elect one person as chairman to continue the meeting with the consent of more than half of the voting rights of the shareholders present.
4. The Chairman shall give full explanation and discussion of a motion and any amendment or provisional motion proposed by a shareholder. When the chairman considers that the vote has been reached, he may discontinue the discussion and call for a vote and arrange an adequate time for a vote.

(VI) Shareholder speech:

1. Before attending the shareholder's speech, he/she shall fill in the speech slip indicating the keynote of the speech, the shareholder's account number (or attendance card number) and the account name. The chairman shall determine the order of his/her speech.

2. Shareholders present who only propose a speech without speaking shall be deemed to have not spoken. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.
3. Each shareholder shall not speak more than twice on the same motion without the consent of the chairman, and each speech shall not exceed five minutes. However, the chairman may stop the shareholder from speaking if he violates the regulations or exceeds the scope of the topic.
4. When the attending shareholder speaks, other shareholders shall not interfere with the speech unless they have obtained the consent of the chairman and the speaking shareholder, and the chairman shall stop the violator.
5. When a corporate shareholder appoints more than two representatives to attend the shareholders' meeting, only one person may speak on the same motion.
6. After the shareholders present have spoken, the chairman may reply in person or designate relevant personnel.

(VII) Calculation and avoidance system of the number of voting shares:

1. Attendance at the shareholders' meeting shall be calculated on the basis of shares.
2. The resolution of the shareholders' meeting shall not count the number of shares of non-voting shareholders into the total number of shares issued.
3. A shareholder shall not participate in the voting on the matter of the meeting, nor shall he exercise his voting rights on behalf of another shareholder, if his own interests may be harmful to the interests of the company.
4. The number of shares not subject to voting rights in the preceding paragraph shall not be counted as the voting rights of shareholders present.
5. Except for a trust enterprise or a stock agency approved by the securities authority, when a person is entrusted by more than two shareholders at the same time, the voting rights of his agent shall not exceed 3% of the total number of voting rights of the issued shares, and the voting rights in excess shall not be counted.

(VIII) Voting:

1. Each shareholder shall have one vote per share; However, those who are restricted or who have no voting right as listed in item 2 of Article 179 of the Company Law shall not be subject to this restriction.
2. When the company holds a shareholders' meeting, it shall exercise its voting rights electronically and may exercise its voting rights in writing; However, if the shareholders' meeting is held outside Taiwan, the company shall provide the shareholders with the option to exercise their voting rights by written vote or electronic means. When it exercises its voting right in writing or electronically, the method of exercise shall be specified in the notice of shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, the interim motion and the amendment of the original motion of the shareholders' meeting shall be deemed as abstention, so the Company shall avoid proposing the interim motion and the amendment of the original motion.
3. For those who exercise their voting rights in writing or electronically in the preceding paragraph, their expression of intention shall be delivered to the company two days prior to the meeting of shareholders. In case of duplication, the one delivered first shall prevail. However, this limitation shall not apply to those who express their intention before the declaration of revocation.
4. If a shareholder wishes to attend a shareholders' meeting in person after exercising his voting rights in writing or by electronic means, he shall revoke his expression of intention to exercise his voting rights as mentioned in the preceding paragraph two days prior to the shareholders' meeting; In case of overdue cancellation, the voting right exercised in writing or electronically shall prevail. If the voting right is exercised in writing or electronically and the proxy is appointed to attend the shareholders' meeting by power of attorney, the voting right exercised by the proxy shall prevail.
5. Unless otherwise provided for in the Company Law and the articles of association of the company, a vote on a motion shall be passed with the consent of more than half of the voting rights of the shareholders present. After the chairman or his designees announce the total number of voting rights of the shareholders present on a case-by-case basis, the shareholders shall vote on a case-by-case basis, and the results

of the shareholders' approval, objection and abstention shall be entered into the public information observatory on the day after the shareholders' meeting is held.

6. Where there are amendments or substitutes to the same bill, the president shall determine the order of voting in the same way as the original bill. If one of the bills has been passed, the other bills shall be deemed to be rejected and no further vote shall be taken.
7. The supervisors and counting personnel for voting on a motion shall be appointed by the chairman, provided that the supervisors shall have the status of shareholders.
8. The counting of votes or election motions at the shareholders' meeting shall be done at a public place in the shareholders' meeting, and the voting results, including the counted weights, shall be announced on the spot after the counting of votes is completed and made into records.

(IX) Election matters:

1. If the shareholders' meeting elects directors, it shall do so in accordance with the relevant election standards set by the company, and the election results shall be announced on the spot, including the list of elected directors and their elected rights and the list of unsuccessful directors and their elected rights.
2. The electoral votes for the election matters mentioned in the preceding paragraph shall be sealed and signed by the vote supervisors, and shall be kept properly for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Law, it shall be kept until the conclusion of the lawsuit.

(X) Minutes of the meeting:

1. A minutes of the matters decided at the shareholders' meeting shall be made, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The production and distribution of the proceedings may be done electronically.
2. The Company may distribute the foregoing minutes by means of announcements entered into the Market Observation Post System.
3. The minutes shall indeed be recorded in accordance with the year, month, day, venue, name of the chairman, method of resolution, essence of the proceedings and voting results (including the number of votes counted) of the meeting. When directors are elected, the number of votes received by each candidate shall be disclosed. It shall be retained permanently for the duration of the Company's existence.
4. The Company shall continuously record and videotape the whole process of shareholders' report, meeting and vote counting from the time of receiving the shareholders' report, and the audio and video materials shall be kept for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Law, it shall be kept until the conclusion of the lawsuit.

(XI) Public announcement:

1. The company shall, on the day of the shareholders' meeting, make up a statistical table in accordance with the prescribed format and clearly disclose the number of shares acquired by the solicit and the number of shares represented by the entrusted agent.
2. If the resolution of the shareholders' meeting is a material information required by laws and regulations or by the Taiwan Stock Exchange Corporation (Taiwan Over-the-Counter Securities Trading Center), the Company shall transmit the content to the Market Observation Post System (MOPS) within the prescribed time.

(XII) The maintenance of order in the venue:

1. The personnel handling the shareholders' meeting shall wear identification cards or armbands.
2. The Chairman may direct pickets or security guards to assist in maintaining order at the meeting. When wardens or security personnel are present to help maintain order, they should wear "wardens" armbands or identification cards
3. If the meeting place is equipped with sound amplifying equipment, the chairman may stop the shareholders from speaking unless they are using the equipment equipped by the Company.
4. If a shareholder violates the rules of procedure and fails to obey the correction of the chairman, or hinders the proceeding of the meeting, the chairman may instruct the pickers or security personnel to ask him to leave the meeting place.

(XIII) Rest and resumption meetings:

1. When a meeting is in progress, the chairman may announce a break at his discretion.

In the event of an irresistible situation, the chairman may rule to temporarily suspend the meeting and announce the time of resumption of the meeting as appropriate.

2. If the venue for the meeting cannot be used until the agenda scheduled by the shareholders' meeting (including provisional motions) is concluded, the shareholders' meeting may decide to find another venue to continue the meeting.
3. The shareholders' meeting may, in accordance with Article 182 of the Company Law, decide to postpone or resume the meeting within five days.

IV. Implementation and revision:

These rules shall come into force after being approved by the shareholders' meeting and shall be the same when amended. After the enactment of these Rules, in case of any change in relevant laws and regulations, these Rules shall be amended in due course and shall be adopted by resolution of the board of directors and the shareholders' meeting in accordance with the laws and regulations.

Solid Year Co., Ltd.

Procedures for Lending Funds to Others

I. Purpose:

This operation procedure is stipulated in Article 36-1 of the Securities Exchange Law (hereinafter referred to as this Law). The Company shall handle the loan of funds to others in accordance with this procedure.

II. Capital loans and objects

(I) In accordance with Article 15 of the Company Law, no funds of the Company shall be lent to shareholders or any other person except in the following cases:

1. Inter-company or inter-bank transactions.
2. Short-term financing between companies or between banks is necessary. The amount of financing shall not exceed 40% of the net value of the most recent financial statements of the company.

(II) The term "short term" mentioned in the preceding paragraph means one year. However, if the business cycle of the company is longer than one year, the business cycle shall prevail.

(III) The financing amount mentioned in Paragraph (I) of 2 refers to the accumulated balance of short-term financing funds of the Company. Loans between foreign companies that directly or indirectly hold 100 percent of the voting shares of the Company, or loans between foreign companies that directly or indirectly hold 100 percent of the voting shares of the Company, are not subject to subparagraph (I) 2. Is limited to

(IV) The subsidiaries referred to shall be recognized in accordance with the Criteria Governing the Preparation of Financial Reports by Securities Issuers.

(V) If the person in charge of the company violates the provisions of Paragraph (I), he shall be jointly and severally liable for restitution with the borrower; If the company suffers any damages, it shall also be liable for damages.

III. Reasons and Necessity of lending funds to Others:

Where it is necessary to lend funds between the company and other companies or bank numbers, the following circumstances shall apply:

- (I) Short-term financing is necessary for business needs.
- (II) The other company or bank needs short-term financing for material purchase or operation turnover, and the board of directors of the company has approved the loan.

IV. The total amount of capital loans and the limits on individual objects:

(I) The total amount of the loan of funds shall not exceed 40% of the Company's most recent net financial statements.

(II) The loan is made to a company or bank with which it has business dealings, and the total amount thereof shall not exceed 40 percent of the net value of the Company's most recent financial statements; Individual loans and amounts shall not exceed the amount of business transactions between the parties. The amount of business transactions refers to the higher total amount of goods purchased or sold between the parties in the current year.

(III) The loan and the total amount of the loan and the company or bank whose short-term financing funds are necessary shall not exceed 40 % of the net value of the Company's latest financial statements; The amount of individual loans and loans shall not exceed 40% of the net value of the most recent financial statements of the company.

(IV) The net value mentioned in the preceding paragraph refers to the equity attributable to the owner of the parent company in the balance sheet prescribed by the financial reporting standards of the securities issuer.

V. Capital loan, term and interest calculation method:

(I) Loan and Term:

1. The term of each loan shall not exceed one year or one operating cycle (whichever is longer) from the loan date. Where the Company directly or indirectly holds 100% of the voting shares among foreign companies, if there is short-term financing, the net value referred to in the preceding paragraph refers to the equity vested in the parent company owner in the balance sheet of the securities issuer under the financial reporting standards.

2. If necessary, the amount of the loan may not be limited to 40% of the net value of the enterprise, and the financing period may not be limited to one year or one operating cycle.

(II) Method of interest calculation:

Refer to the lending rates of financial institutions during the same period; If the Company does not borrow money from financial institutions at that time, the interest will be calculated according to the short-term lending rate announced by the Bank of Taiwan on the borrowing date, once a month. If the interest period is less than one month, multiply the interest rate by the loan balance, then multiply by the number of days and divide by 365 to obtain the interest amount.

VI. Fund Lending and Handling Procedures:

(I) Application and Examination Procedures:

1. When the Company deals with the loan of funds to others, the borrower shall explain the purpose of the borrowed funds, the borrowing period and the amount, and apply to the accounting unit of the Company. The accounting unit shall evaluate the following matters:

(1) The rationality and necessity of capital loan.

(2) Credit investigation and risk assessment of fund loans and objects.

(3) The impact on the company's operating risks, financial position and shareholders' equity whether the amount of the loan and the amount of the business transaction is equivalent.

(4) whether the security should be obtained and the assessed value of the security.

2. After the above information is submitted to the supervisor of the financial and accounting unit and the supervisor of authority and responsibility, it shall be submitted to the board of directors for resolution and handled, and no other person shall be authorized to decide. However, major loans of funds shall be submitted to the Board of Directors for resolution after the approval of the audit committee in accordance with relevant laws and regulations.

3. If the Company has appointed independent directors, the opinions of the independent directors shall be fully considered in respect of the loan of funds and other matters decided by the Board of directors as mentioned in the preceding paragraph, and the express opinions agreed or opposed by them and the reasons for their objections shall be recorded in the Board of Directors' records.

4. If the Company is engaged in any loan or loan between the Company and its subsidiaries or between its subsidiaries, it shall submit a resolution of the Board of Directors in accordance with the provisions of the preceding paragraph, and may authorize the chairman of the Board of Directors to allocate or recycle the same loan or loan to a certain amount decided by the Board of directors and within a period not exceeding one year.

5. The quota mentioned in the preceding paragraph shall not exceed 10% of the net value of the most recent financial statements of the Company, except for foreign companies which directly or indirectly hold 100% of the voting shares of the Company.

(II) Credit investigation:

1. For first-time borrowers, the borrower shall provide basic information and financial information for the purpose of credit investigation.

2. If the borrower is a continuing borrower, in principle, the credit investigation will be conducted again when the loan is renewed. If it is a major or emergency, it should be handled at

any time according to actual need.

3. If the borrower is in good financial condition and provides the most recent accountant's financial verification report, the survey report not exceeding one year shall be used as reference for the loan.

(III) Loan approval and Notice:

1. If the board of directors decides not to lend after the credit investigation or evaluation, the handling personnel shall reply to the borrower as soon as possible for the reason of decline.

2. After the credit investigation and evaluation, the board of directors decides to approve the loan case. The handling personnel should inform the borrower as soon as possible, detailing the loan conditions of the Company, including the amount, term, interest rate, collateral and guarantor, etc., and ask the borrower to complete the signing formalities within the time limit.

(IV) Value assessment of Collateral and Establishment of Rights:

When the borrower shall provide the collateral after evaluation, it shall complete the procedures for setting up the pledge or mortgage, and the Company shall evaluate the value of the collateral to ensure the company's creditor's rights.

(V) Insurance:

1. In addition to land and marketable securities, all collateral shall be insured against fire and other related risks, and the amount of insurance shall be no less than the amount of collateral against the pledge. The policy shall indicate that the Company is the beneficiary.

2. The name, quantity, place of deposit, insurance conditions and insurance approval of the subject matter stated in the policy shall be in accordance with the original loan conditions of the Company.

3. The handling officer shall take care to inform the borrower to continue the insurance before the expiration of the insurance period.

(VI) Appropriation:

Appropriation can be made after the loan proposal is approved and the borrower signs the promissory note and the promissory note, the registration of the set up of the collateral and the verification of all the procedures.

(VII) Interest payment:

Unless otherwise agreed, the interest of the loan shall be paid once a month.

(VIII) Repayment:

The accounting unit shall always pay attention to whether there is any change in the guarantee value of the borrower. One month before the maturity of the loan, the borrower shall be notified to repay the principal and interest on maturity.

1. Upon repayment of the loan at maturity, the borrower shall first calculate the interest payable, and may cancel the promissory notes, ious and other creditor's rights certificates and return them to the borrower after the repayment of the principal.

2. If the borrower applies to write off the mortgage right, it shall check whether there is any loan balance before deciding whether to agree to write off the mortgage.

VII. Subsequent control measures for loans and amounts:

(1) Registration and custody of cases:

1. After the loan is allocated, it shall be recorded in the reference book for reference as to the object to which the funds are lent, the amount, the date of approval by the board of directors, the date of the loan and the matters to be prudently evaluated.

2. After loan allocation, attention should be paid to the borrower's financial, business and credit status, etc. If there is any collateral provided, attention should be paid to whether the value of its guarantee changes.

3. The handling personnel of loan cases shall arrange the contract deed, promissory note and other creditor's rights vouchers, as well as the certificate of security, insurance policy, current documents, etc. in order after the loan is allocated, put them into the custody bag, indicate the

contents of the custody and the name of the customer on the bag, and submit them to the financial department supervisor for inspection, and seal them after the inspection is correct. Both parties shall sign and seal the safekeeping register for safekeeping.

4. If the loan does not conform to the provisions of this operation procedure or the balance exceeds the limit due to changes in circumstances, the improvement plan shall be formulated and submitted to the Audit Committee, and the improvement shall be completed according to the planned schedule.

(II) Extension:

The borrower shall, if necessary, apply for the extension of the loan before the maturity of the loan, and go through the relevant procedures again after the Company submits the resolution of the board of directors.

VIII. Procedures for handling overdue Claims:

The borrower shall repay the principal and interest immediately upon maturity of the loan. In case of failure to repay and need to postpone, the request shall be submitted in advance and approved by the board of directors.

IX. Internal Audit:

The Company's internal auditors shall audit the operation procedures and implementation of the loan and others at least once a quarter and make written records. If any major irregularities are found, they shall immediately notify the Audit Committee in writing.

X. Funds lent by subsidiaries to others:

(I) Where a subsidiary of the Company intends to lend funds to others, the Company shall instruct the subsidiary to work out the operating procedures of the loan of funds to others in accordance with the guidelines for handling the loan of funds and endorsement guarantee of the public issue of the Company, and shall handle the procedures in accordance with the established operating procedures.

(II) The subsidiary of the Company shall, before the fifth day of each month, inform the Company of the balance, object, term and other information of the funds lent to others in the previous month.

XI. Announcement of the declaration procedure:

(I) The Company shall announce and declare the loan and balance of the company and its subsidiaries in the previous month before the 10th day of each month.

(II) If the company's capital loan meets any of the following standards, it shall make an announcement and report within two days from the date of occurrence:

1. The balance of loans of the Company and its subsidiaries to others reaches more than 20% of the net value of the company's most recent financial statements.

2. The balance of loans of the Company and its subsidiaries to others reaches more than 10% of the net value of the company's most recent financial statements.

3. The amount of new capital loans of the Company or its subsidiaries reaches more than NT \$10 million and more than 2% of the net value of the company's most recent financial statements.

(III) If a subsidiary of the company is not a domestic public offering company, such subsidiary shall have (2) 3. Matters to be announced and declared shall be handled by the company.

(IV) The date of occurrence mentioned in (II) above refers to the former date of signing the contract, payment date, resolution date of the board of directors or other date on which the loan object and amount of funds are fully determined.

XII. Other Matters:

When a subsidiary of the Company applies to the Company for loan of funds, the provisions of Article VI and (II) credit investigation of this procedure do not apply.

XIII. Formulation and revision of Operating Procedures:

(I) After this procedure is approved by more than half of all the members of the audit Committee and resolved by the board of directors, it shall be submitted to the shareholders' meeting for approval. If any director raises his objection and there is a record or written statement, the company shall submit his objection to the shareholders' meeting for discussion; The same applies to amendments.

(II) If the preceding paragraph is not approved by more than half of all the members of the audit committee, it may be approved by more than two-thirds of all the directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors.

(III) All members of the audit committee referred to in paragraph 1 and all directors referred to in the preceding paragraph shall be counted as those actually in office.

(IV) For a subsidiary that applies these operating procedures in accordance with Provisions 10, the loan of funds and the operating procedures of others shall be decided by the board of directors of the subsidiary; The same applies to amendments.

Solid Year Co., Ltd.

The minimum number of shares held by all directors and the number of shares held individually and collectively

- I. In accordance with Article 26 of the Securities Exchange Law, the minimum number of shares held by all directors of the company shall be 4,804,032.
- II. Details of the number of shares held by individual and all directors as set out in the bookkeeping of shareholders' names as of the date when the transfer of shares is stopped at this ordinary shareholders' meeting are as follows:

Job title	Name	Number of shares	Shareholding Ratio
Board director	Liang ,Hui-Pin	3,901,180	6.50%
Board director	Liang, Hui-Chung	5,603,942	9.33%
Board director	Liang ,Hui-Hu	4,690,311	7.81%
Board director	Tai ,Wen-Cheng	0	0%
Board director	Wu, Shih-Wen	120,580	0.20%
Board director	Liang,Chun-Kai	4,000	0.01%
Independent	Yang, Yung-Lieh	0	0%
Independent	Chen, Kun Chen	0	0%
Independent	Chen ,Yu-Fen	32,000	0.05%
Total		14,352,013	23.90%