

Stock Code: 6737



**Solid Year Co., LTD.**

**2024 Annual Shareholders'  
Meeting**

**Meeting Handbook**

**Meeting Method: Entity Shareholders' Meeting**

**Date: May 30, 2024 (Thursday), 10: 00 am**

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

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**Solid Year Co., LTD.**  
**Procedures for 2024 Annual Shareholders' Meeting**

- I. Call the Meeting to Order
- 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.**  
**Agenda of 2024 Annual Shareholders' Meeting**

Time: May 30, 2024 (Thursday), 10: 00 am

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

Meeting Method: Entity Shareholders' Meeting

- I. Call the Meeting to Order (Report on total number of shares represented by shareholders present at the meeting)
- II. Speech by Chairman
- III. Matters to be Reported
  1. 2023 Business Report
  2. Audit Committee's Review Report on 2023 Financial Statements.
  3. Report on the distribution of employees compensation and remuneration to directors for 2023
  4. Report on cash dividend distribution from the Company's surplus in 2023
  5. Amendments to Rules of Procedure for Board of Directors Meetings
  6. 2023 Status of Endorsements/Guarantees
- IV. Recognition of Matters
  1. 2023 Business Report and Financial Statements
  2. 2023 Earnings Distribution Proposal
- V. Matters for discussion
  1. Amendments to Operational Procedures for Endorsements/Guarantees
  2. Amendments to Procedures for Acquisition or Disposal of Assets
  3. Proposal for the establishment of the Medical Devices Manufacturing. The factory is located at No. 53, Ping'an 3rd Street, Anxi Village, Xiushui Township, Changhua County.
- VI. Provisional Motion
- VII. Adjournment of the meeting

## Matters to be Reported:

The first proposal (proposed by the Board of Directors)

Subject: 2023 Business Report, please review.

Explanation: Please see Attachment I (pages 6~8) for 2023 Business Report.

The second proposal (proposed by the Board of Directors)

Subject: Audit Committee's Review Report on 2023 Financial Statements, please review.

Explanation: Please see Attachment II (page 9) for Audit Committee's Review Report.

The third proposal (from the Board of Directors)

Subject: Report on the distribution of employees compensation and remuneration to directors for 2023, please review.

Explanation: The Board of Directors resolved to distribute NT\$9,022,972 as employee compensation and NT\$3,007,657 as remuneration to directors for 2023, all of which were paid in the form of cash.

The fourth proposal (from the Board of Directors)

Subject: Report on cash dividend distribution from the Company's surplus in 2023, please review.

Explanation: 1. Pursuant to the Company Act and the Articles of Incorporation of the Company, the Board of Directors resolved to approve the earnings distribution table for 2023 and submitted it to the Audit Committee for review. Please see Attachment III (page 10).  
2. The status of the cash dividend distribution from the Company's surplus in 2023 is as follows:

Unit: NT\$

Frequency	Year of distribution	Amount	Per share/NT\$	Date approved by the Board of Directors
1	First half of 2023 (Note)	54,045,360	0.9	December 15, 2023
2	Second half of 2023 (Note)	72,060,480	1.2	March 13, 2024

Note: Note: The cash dividend for the first half of 2023 was distributed on January 24, 2024, and the cash dividend for the second half of 2023 will be distributed on May 3, 2024.

The fifth proposal (from the Board of Directors)

Subject: Amendments to Rules of Procedure for Board of Directors Meetings, please review.

Explanation: To meet the requirements of laws and regulations and the Company's business needs, the Company proposes to amend certain articles of the "Rules of Procedure for Board of Directors Meetings". Please see Attachment IV (page 11~12) for the comparison table of the articles before and after the amendment.

The sixth proposal (from the Board of Directors)

Subject: 2023 Status of Endorsements/Guarantees, please review.

Explanation: As of December 31, 2023, the amount of external endorsement/guarantee provided by the Company was within the limits described in the Company's "Operational Procedures for Endorsements/ Guarantees". The nature of these endorsements/guarantees was for bank loans and purchases of raw materials, please see Attachment V (page 13)

## **Recognition of Matters:**

The first proposal (proposed by the Board of Directors)

Subject: 2023 Business Report and Financial Statements, please approve.

Explanation: 1. The Company's 2023 Financial Statements have been audited by CPA Su, Ting-Chien and CPA Tseng, Tung-Yun of Deloitte&Touche, and the audit report has been issued.

2. 2023 Annual Business Report and Financial Statements were approved by the Board of Directors and submitted to the Audit Committee for review. The Audit Committee's review report was issued accordingly.

3. Please see Attachment I (pages 6~8) and Attachment VI (pages 14~31) for the Business Report, Financial Statements and the Independent Auditors' Report mentioned in the preceding paragraph.

Resolution:

The second proposal (proposed by the Board of Directors)

Subject: 2023 Earnings Distribution Proposal, please approve.

Explanation: Please refer to Attachment III (page 10) for information on the Company's 2023 Earnings Distribution Table, which was approved by the Board of Directors on March 13, 2024 and submitted to the Audit Committee for review.

Resolution

## **Matters for discussion:**

The first proposal (proposed by the Board of Directors)

Subject: Amendments to Operational Procedures for Endorsements/Guarantees, please discuss.

Explanation: To meet the requirements of laws and regulations and the Company's business needs, the Company proposes to amend certain articles of the "Operational Procedures for Endorsements/Guarantees". Please see Attachment VII (page 32~34) for the comparison table of the articles before and after the amendment.

Resolution

The second proposal (proposed by the Board of Directors)

Subject: Amendments to Procedures for Acquisition or Disposal of Assets, please discuss.

Explanation: To meet the requirements of laws and regulations and the Company's business needs, the Company proposes to amend certain articles of the "Procedures for Acquisition or Disposal of Assets". Please see Attachment VIII (page 35) for the comparison table of the articles before and after the amendment.

Resolution

The third proposal (from the Board of Directors)

Subject: Proposal for the establishment of the Medical Devices Manufacturing. The factory is located at No. 53, Ping'an 3rd Street, Anxi Village, Xiushui Township, Changhua County, please discuss.

Explanation: To meet the business needs, the Company proposed to approve the proposal for the establishment of the Medical Devices Manufacturing. The factory is located at No. 53, Ping'an 3rd Street, Anxi Village, Xiushui Township, Changhua County.

Resolution

**Provisional Motion**

**Adjournment of the meeting**

## Solid Year Co., LTD.

## 2023 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 2023:

## I. Implementation results of business plan

- (I) Operating revenue: The Company's 2023 operating revenue was approximately NT\$3,322,117 thousand, decreased by approximately 24% as compared to the 2022 operating revenue of NT\$4,371,462 thousand. The decrease was mainly attributable to the fact that the QE monetary policy implemented during the COVID-19 period was ended, resulted in the post-epidemic inflation, plus the slowdown in customer demand due to the impacts of the war in Russia and Ukraine.
- (II) Net income: The Company's 2023 net income was NT\$206,909 thousand, decreased by approximately 22.31% as compared to the 2022 net income of NT\$266,334 thousand. The decrease was mainly attributable to the decrease in operating income in 2023.

## II. Analysis of receipts, expenditures, and profitability

Analysis Item		Financial Information for the Most Recent 3 Years		
		2021	2022	2023
Financial Structure	Debt to assets ratio (%)	62.52	58.66	55.14
	Ratio of long-term capital to property, plant and equipment (%)	224.90	234.07	201.64
Profitability	Return on assets (%)	8.18	8.09	6.46
	Return on equity (%)	24.41	19.70	14.30
	Net profit margin (%)	5.81	6.09	6.23
	Surplus per share (NT\$)	5.16	4.60	3.67

## III. Research and development work

- (I) R&D Plan: We will continue to develop our keyboard technology to increase product yields and unit production capacity; at the same time, we are committed to building up capabilities for new product development and manufacturing, including low-carbon power-assisted wheels for bicycles, new and full-function active stylus, security-related products (with a focus on back-end monitoring and management), high-end network cameras for video conferencing, and monitors for EVs, in order to



maintain our medium- and long-term competitiveness in the industry.

- (II) R&D: In 2023, R&D expenses were NT\$64,264 thousand, decreased by approximately 3.03% as compared to NT\$66,272 thousand in 2022. In addition to maintaining a stable R&D investment in the keyboard development, the Company also continued to develop XR/AR teleconferencing hardware and software devices and e-bikes, and actively participated in the collaboration to develop active stylus, so that the investment in R&D resources could enhance the Company's innovation and competitiveness.

#### **IV. Summary of the business plan for the future**

- (I) Business 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 (i.e. low-carbon power-assisted wheels for bicycle, full-function active stylus, residential and commercial energy storage system, agents for overseas well-known appliances and military equipment). By diversifying our product lines and entering into new service areas, we are able to create new business performance. In addition, The Company has established the Corporate Sustainability Department by the end of 2023, and will actively cooperate with the government to promote sustainable governance voluntarily. The Company has introduced the three major aspects of ESG, which means that the Company will do its part to contribute to the sustainability for the environment, to sign the Human Rights Declaration to fulfill its social responsibility, and to strive for improving its technology to achieve quality governance for creating a better future for all.
- (II) Important production and sales policies:
  - 1. Continue to develop various keyboard, lens modules and applications related to security products according to customer needs, and implement quality management to ensure product quality.
  - 2. Act as an agent of well-known overseas household appliance brands, in order to strengthen the channel development and marketing of consumer household products, to provide better services and good competition pattern for our products.
  - 3. Through the newly established subsidiary LYSINE NEW ENERGY TECHNOLOGY CO., LTD. in 2022, the Company has actively engaged in large-scale projects in the energy storage industry. In addition, the Company has collaborated with foreign energy storage manufacturers and system providers to sell under the SHO-U brand or through distributors. The Company provides software and hardware storage system solutions by integrating customers' needs, and also plans to start developing hardware and equipment OEM, so that the

Company can realize diversified operations and become a player in the green energy industry.

4. In 2022, the Company launched "UTA Technology", a brand for military products. Products include first aid kits, protective vests, hard and soft bullet-proof plates, helmets, tactical accessories, backpacks and wilderness survival gear. We have cooperated with well-known foreign branded manufacturers of armor and protective products to do the OEM, so that we can combine our existing production capacity with military products to expand our business into the military industry and promote UTA to become an all-round protective consulting brand.
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) Effect of external competition, the legal environment, and the overall 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.
3. The "2050 Net Zero Emission" is explicitly included in the Climate Change Response Act, and the FSC has also clearly set out the timetable to complete carbon inventory for listed companies. Although the Company is not yet included in the scope, the Company understands the importance of this issue and has taken the initiative to set up a Corporate Sustainability Department to respond to it at the end of 2023.

The management team of the Company continues to watch the market environment closely and pay attention to any domestic and foreign policies and laws that may affect the Company's financial operations in order to cope with the operational risks arising from future changes in the industry and the overall business environment. Currently, there is no effect on the Company's financial operations due to changes in legal environment at home and abroad

Chairman:



Manager:

8



Accounting Officer:



## **Attachment II**

### **Solid Year Co., LTD. Audit Committee's Review Report**

The board of directors has prepared the Company's 2023 financial statements, business report and earnings distribution proposal. The Deloitte & Touche has audited the 2023 financial statements and issued an audit report. The above financial statements, business report and earnings distribution proposal have been examined and determined to be correct by the audit committee. This report is duly submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Yours sincerely  
The 2024 shareholders' meeting of the Company

Solid Year Co., LTD.

Convener of the Audit Committee:

Yang, Yung-Lieh

March 13, 2024

## Attachment III

Solid Year Co., LTD.

2023 Earnings Distribution Table

Item	Amount	
Undistributed surplus at the beginning of the period	451,305,154	
Add: Net income of the year	220,657,664	
Subtotal	671,962,818	
Less: Legal reserve 10%	(22,065,766)	
Less: Special reverse	(17,417,027)	
Available surplus for distribution	632,480,025	
Resolved distribution of surplus for the first half of the year		
Cash dividends (60,050,400 shares x NT\$0.9/share)	(54,045,360)	
Surplus to be distributed for the second half of the year		
Cash dividends (60,050,400 shares x NT\$1.2/share)	(72,060,480)	(126,105,840)
Undistributed surplus at the end of the period	506,374,185	
1% for remuneration to directors	3,007,657	
3% for employees compensation	9,022,972	

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

## Solid Year Co., LTD.

### Rules of Procedures for Board of Directors Meetings - Comparison Table of Amendments

Article before amendment	Article after amendment	Amendment description
<p>III. Operational Procedures:</p> <p>(VIII) The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>1. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 1.</p> <p>2. The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, shall be counted as the number of directors then actually in office.</p>	<p>III. Operational Procedures:</p> <p>(VIII) The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.</p> <p>1. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time <u>on the same day</u>, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 1.</p> <p>2. The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, shall be counted as the number of directors then actually in office.</p>	Adjusted the procedures in line with the amendments to the laws and regulations.
<p>(X) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>1. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>2. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 1 shall apply mutatis mutandis.</p>	<p>(X) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.</p> <p>1. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.</p> <p>2. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 1 shall apply mutatis mutandis.</p> <p>3. <u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in the</u></p>	Adjusted the procedures in line with the amendments to the laws and regulations.

Article before amendment	Article after amendment	Amendment description
	<u>Article 10, paragraph 1, the provisions of Article 5 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u>	

## 2023 Status of Endorsement/Guarantee

Expressed in thousands of TWD

Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount for the year	Outstanding endorsement/guarantee amount at end of year	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China
	Company Name	Relationship with the endorser/guarantor										
Solid Year Co., LTD	LONG WIN LIMITED	Subsidiary with 100% ownership	1,473,202	1,000,676	856,670	81,011	149,461	58.15	2,946,404	Y	N	N
Solid Year Co., LTD	Lysine New Energy Technology Co., Ltd.	Subsidiary with 70% ownership	1,473,202	177,106	85,000	20,000	-	5.77	2,946,404	Y	N	N

1. The limit on endorsement/guarantee provided is based on the regulations stipulated by the Securities and Futures Bureau, FSC, in its letter (91) Tai Cai Zheng (6) Zi No. 0910161919 dated December 18, 2002, and the operational procedures for endorsement/guarantee approved at the shareholders' meeting. The total amount of endorsement/guarantee shall not exceed 200% of the net worth as stated in the latest financial statements audited and attested by the CPA, and the cumulative amount of endorsement/guarantee to a single party shall not exceed 100% of the net worth as stated in the latest financial statements audited and attested by the CPA.
2. The Board of Directors has approved in advance the renewal of the endorsement/guarantee of NT\$184,230 thousand for LONG WIN LIMITED, a subsidiary of the Company, which resulted in the duplication of the outstanding endorsement/guarantee amount for December.

# Attachment VI

## Independent Auditors' Report

To: Solid Year Co., Ltd.

### Audit Opinions

We have audited the consolidated financial statements of Solid Year Co., Ltd. and its subsidiaries (hereinafter referred to as "Solid Year Group" or the "Group"), which comprise the consolidated balance sheets as of the years ended Dec. 31, 2023 and 2022, and the consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows as of Jan. 1 to Dec.31 2023 and 2022, and the notes to consolidated financial statements (including summary of significant accounting policies).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Solid Year Group as of Dec.31, 2023and 2022, and the consolidated financial performance and consolidated cash flows as of Jan.1, to Dec. 31of 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC"), and the Standing Interpretations Committee ("SIC"), endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Audit Opinions

We have duly conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing. 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 Group 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 matters are those matter that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of Solid Year Group for the year ended December 31, 2023. These matters were addressed in the context of our audit of Solid Year Group as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for Solid Year Group's consolidated financial statements for the year ended 2023 are stated as follows:

#### Recognition of revenue

Solid Year Group primarily engages in the manufacturing and sales of various electronic components and computer peripherals. Due to the significance of sales revenue affecting the overall financial statements, there is pressure to achieve the expected targets. Moreover, auditing standards presume a risk of revenue recognition fraud, hence we evaluate the authenticity of certain significant and significantly growing customer sales revenue as a key audit matter. 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 additionally prepared the parent company only financial statements for the years ended 2023 and 2022, on which we have issued an unqualified opinion.

### **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 consolidated financial statements, management's responsibility also includes assessing Solid Year Group'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 Group, 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 Group 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 Group.
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 Group'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 Group 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 audit evidence regarding the financial information of entities within Solid Year Group to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit of Solid Year Group. We are also responsible for forming an audit opinion on Solid Year Group.

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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of Solid Year Group or the year ended December 31, 2023 and are therefore the key audit matters. 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 ,Dong-Tung

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

March 29, 2024

Solid Year Co., LTD. and subsidiaries  
Consolidated Balance Sheet  
Dec.31, 2023 and 2022

Unit: NT\$ 1,000

Code	Assets	Dec.31, 2023		Dec.31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 405,474	12	\$ 348,863	10
1136	Financial assets at amortized cost - current (Notes 4, 7, and 29)	3,071	-	3,071	-
1170	Notes and accounts receivable (Notes 4, 9, 22, and 28)	739,591	23	830,741	24
1200	Other receivables (Notes 4, 9, and 28)	8,531	-	8,407	-
1220	Current income tax assets (Notes IV and II. III)	40	-	-	-
130X	Inventory (Notes IV, V and X)	704,089	21	800,495	24
1410	Prepayments (Notes 16 and 28)	121,455	4	150,855	5
1470	Other current assets (Notes XVI )	941	-	2,228	-
11XX	Total current assets	<u>1,983,192</u>	<u>60</u>	<u>2,144,660</u>	<u>63</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income or loss - non-current (Notes IV and VIII)	10,378	-	13,375	-
1600	Property, plant and equipment (Notes 4, 12, 28, and 29)	930,003	28	874,624	26
1755	Right-of-use assets (Notes 4, 13, and 28)	120,373	4	119,273	4
1760	Investment property (Notes 4, 14, and 29)	148,943	5	154,241	5
1780	Intangible assets (Notes IV and XV)	13,115	-	14,771	-
1840	Deferred income tax assets (Notes IV and XXIII)	73,078	2	68,672	2
1915	Prepayment for equipment (Note XVI)	2,391	-	2,218	-
1920	Deposit margin (Note XVI)	28,390	1	13,918	-
1990	Other non-current assets (Notes XVI )	403	-	3,633	-
15XX	Total non-current assets	<u>1,327,074</u>	<u>40</u>	<u>1,264,725</u>	<u>37</u>
1XXX	Total assets	<u>\$ 3,310,266</u>	<u>100</u>	<u>\$ 3,409,385</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 17, 28, and 29)	\$ 135,000	4	\$ 284,000	8
2130	Contract liabilities - current (Notes 4, 22, and 28)	63,475	2	152,128	5
2170	Accounts payables (Notes 18 and 28)	584,358	18	577,233	17
2200	Other accounts payables (Notes 19 and 28)	266,876	8	287,820	8
2230	Current income tax liabilities (Notes IV and XXIII)	47,877	1	28,573	1
2280	Lease liabilities - current (Notes 4, 13 and 28)	10,976	-	9,322	-
2320	Long-term borrowings due within one year (Notes 17, 28, and 29)	23,128	1	20,089	1
2399	Other current liabilities (Note XIX)	2,991	-	2,965	-
21XX	Total current liabilities	<u>1,134,681</u>	<u>34</u>	<u>1,362,130</u>	<u>40</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 17, 28, and 29)	332,372	10	291,840	9
2570	Deferred income tax liabilities (Notes IV and XXIII)	241,808	7	230,161	7
2580	Lease liabilities - non-current (Notes 4, 13 and 28)	115,906	4	114,912	3
2645	Deposits to margin (Note XIX)	676	-	916	-
25XX	Total non-current liabilities	<u>690,762</u>	<u>21</u>	<u>637,829</u>	<u>19</u>
2XXX	Total liabilities	<u>1,825,443</u>	<u>55</u>	<u>1,999,959</u>	<u>59</u>
	Equity attributable to owners of the parent company				
3110	Ordinary share capital	600,504	18	600,504	17
3200	Capital fund	90,525	3	90,525	3
	Retained earnings				
3310	Legal reserve	187,449	6	168,555	5
3320	Special reserve	46,496	1	22,669	1
3350	Undistributed earnings	593,786	18	529,945	15
3400	Other equity	( 45,558 )	( 1 )	( 28,141 )	( 1 )
31XX	Total owner's equity of parent company	<u>1,473,202</u>	<u>45</u>	<u>1,384,057</u>	<u>40</u>
36XX	Non-controlling equity	<u>11,621</u>	<u>-</u>	<u>25,369</u>	<u>1</u>
3XXX	Total equity	<u>1,484,823</u>	<u>45</u>	<u>1,409,426</u>	<u>41</u>
	Total liabilities and equity	<u>\$ 3,310,266</u>	<u>100</u>	<u>\$ 3,409,385</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 Statement of Comprehensive Income  
Jan.1 to Dec.31, 2023 and 2022

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

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 22, and 28)	\$ 3,322,117	100	\$ 4,371,462	100
5000	Operating cost (Notes 4, 10, 22, and 28)	( 2,596,903 )	( 78 )	( 3,561,978 )	( 82 )
5900	Operating Gross Profit	725,214	22	809,484	18
	Operating expenses (Notes 9, 22, and 28)				
6100	Sales expense	( 152,234 )	( 5 )	( 161,892 )	( 4 )
6200	Management fee	( 250,191 )	( 7 )	( 246,943 )	( 6 )
6300	Research and development expenses	( 64,263 )	( 2 )	( 66,272 )	( 1 )
6450	Expected credit impairment loss	( 2,609 )	-	( 8,008 )	-
6000	Total operating expenses	( 469,297 )	( 14 )	( 483,115 )	( 11 )
6900	Net operating profit	255,917	8	326,369	7
	Non-operating income and expenses (Notes 22 and 28)				
7100	Interest income	10,883	-	1,973	-
7010	Other income	12,403	-	15,958	-
7020	Other benefits and losses	8,040	-	26,910	1
7050	Financial costs	( 12,669 )	-	( 14,363 )	-
7000	Total non-operating income and expenses	18,657	-	30,478	1
7900	Net income before tax	274,574	8	356,847	8
7950	Deferred income tax liabilities (Notes IV and XXIII)	( 67,664 )	( 2 )	( 90,513 )	( 2 )
8200	Net profit for the year	206,910	6	266,334	6

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income (Notes 23 and 27)				
	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	( \$ 2,997 )	-	( \$ 8,625 )	-
8349	Income taxes related to items that are not reclassified	<u>578</u>	<u>-</u>	<u>1,725</u>	<u>-</u>
8310		( <u>2,419</u> )	<u>-</u>	( <u>6,900</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	( 18,747 )	-	32,683	1
8399	Income taxes related to items that are reclassified	<u>3,749</u>	<u>-</u>	( <u>6,536</u> )	<u>-</u>
		( <u>14,998</u> )	<u>-</u>	<u>26,147</u>	<u>1</u>
8300	Other comprehensive profit or loss for the year (net after tax)	( <u>17,417</u> )	<u>-</u>	<u>19,247</u>	<u>1</u>
8500	Total consolidated profit or loss for the year	<u>\$ 189,493</u>	<u>6</u>	<u>\$ 285,581</u>	<u>7</u>
	Net profit (loss) is attributable to:				
8610	Owner of the parent company	\$ 220,658	7	\$ 276,166	6
8620	Non-controlling equity	( <u>13,748</u> )	( <u>1</u> )	( <u>9,832</u> )	<u>-</u>
8600		<u>\$ 206,910</u>	<u>6</u>	<u>\$ 266,334</u>	<u>6</u>
	Total consolidated profit or loss is attributable to:				
8710	Owner of the parent company	\$ 203,241	6	\$ 295,413	7
8720	Non-controlling equity	( <u>13,748</u> )	<u>-</u>	( <u>9,832</u> )	<u>-</u>
8700		<u>\$ 189,493</u>	<u>6</u>	<u>\$ 285,581</u>	<u>7</u>
	Earnings per share (Note XXIV)				
9750	Basic	<u>\$ 3.67</u>		<u>\$ 4.60</u>	
9850	Dilution	<u>\$ 3.65</u>		<u>\$ 4.57</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 Statement of Changes in Equity  
Jan.1 to Dec.31, 2023 and 2022

Unit: NT\$ 1,000

Code		Ordinary share capital (Note XXI)	Capital fund (Note XXI)	Retained earnings (Note 21 )			Other equity		Parent company Total owners' equity	Non-controlling equity	Total equity
				Legal reserve	Special reserve	Undistributed earnings	Financial assets at fair value through other comprehensive income or loss	Exchange differences on translation of financial statements of foreign operating institutions			
A1	Balance as of January 1, 2022	\$ 600,504	\$ 89,280	\$ 153,714	\$ 42,890	\$ 428,550	( \$ 28,800 )	( \$ 18,588 )	\$ 1,267,550	\$ 27,446	\$ 1,294,996
	Appropriation and distribution of earnings										
B1	Legal reserve	-	-	14,841	-	( 14,841 )	-	-	-	-	-
B3	Special reserve	-	-	-	( 20,221 )	20,221	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	( 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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>6,900</u> )	<u>26,147</u>	<u>19,247</u>	<u>-</u>	<u>19,247</u>
D5	Total consolidated profit or loss for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,166</u>	( <u>6,900</u> )	<u>26,147</u>	<u>295,413</u>	( <u>9,832</u> )	<u>285,581</u>
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
	Appropriation and distribution of earnings										
B1	Legal reserve	-	-	18,894	-	( 18,894 )	-	-	-	-	-
B3	Special reserve	-	-	-	23,827	( 23,827 )	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	( 114,096 )	-	-	( 114,096 )	-	( 114,096 )
D1	Net income in 2023	-	-	-	-	220,658	-	-	220,658	( 13,748 )	206,910
D3	Other comprehensive income after tax in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>2,419</u> )	( <u>14,998</u> )	( <u>17,417</u> )	<u>-</u>	( <u>17,417</u> )
D5	Total comprehensive income in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,658</u>	( <u>2,419</u> )	( <u>14,998</u> )	<u>203,241</u>	( <u>13,748</u> )	<u>189,493</u>
Z1	Balance as of December 31, 2023	<u>\$ 600,504</u>	<u>\$ 90,525</u>	<u>\$ 187,449</u>	<u>\$ 46,496</u>	<u>\$ 593,786</u>	( <u>\$ 38,119</u> )	( <u>\$ 7,439</u> )	<u>\$ 1,473,202</u>	<u>\$ 11,621</u>	<u>\$ 1,484,823</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 Statements of Cash Flows  
Jan.1 to Dec.31, 2023 and 2022

Unit: NT\$ 1,000

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 274,574	\$ 356,847
A20010	Income, expense and loss items:		
A20300	Expected credit impairment loss	2,609	8,008
A20100	Depreciation expense	64,725	61,655
A20200	Amortization expense	3,729	2,846
A20900	Financial costs	12,669	14,363
A21200	Interest income	( 10,883 )	( 1,973 )
A22500	Disposal of property, plant and equipment losses (gains)	1,314	( 124 )
A23700	Inventory depreciation and impairment losses	25,688	58,713
A24100	Net gain from foreign currency exchange	( 9,448 )	( 4,680 )
A30000	Net change in operating assets and liabilities		
A31150	Notes and accounts receivable	47,402	174,546
A31180	Other receivables	( 125 )	3,131
A31200	Inventory	70,548	( 91,336 )
A31230	Payment in advance	29,400	46,054
A31240	Other current assets	1,287	70,157
A32125	Contractual Liabilities - Current	( 88,653 )	119,673
A32150	Accounts payable	57,472	( 159,202 )
A32180	Other payables	15,744	( 65,550 )
A32230	Other current liabilities	<u>26</u>	<u>( 682 )</u>
A33000	Cash generated from operations	498,078	592,446
A33100	Interest collected	10,879	1,973
A33300	Interest paid	( 9,676 )	( 11,322 )
A33500	Income tax paid	<u>( 36,832 )</u>	<u>( 18,243 )</u>
AAAA	Cash flow from operating activities	<u>462,449</u>	<u>564,854</u>
	Cash flows from investing activities		
B00010	Financial assets at fair value through other comprehensive income or loss	( 35,892 )	-
B00020	Disposal of financial assets at fair value through other comprehensive income	35,892	-
B02700	Purchase of property, plant and equipment	( 107,167 )	( 75,825 )

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Code		2023	2022
B02800	Disposal of real estate, plant and equipment	\$ 2,042	\$ 1,061
B03700	Deposit margin increased	( 14,472 )	( 10,644 )
B04500	Purchase of intangible assets	( 2,140 )	( 10,138 )
B06700	Other non-current assets increased	-	( 3,633 )
B06800	Decrease of other non-current assets	3,230	-
B07100	Prepayment for equipment increased	( <u>3,470</u> )	( <u>2,173</u> )
BBBB	Net cash outflow from investing activities	( <u>121,977</u> )	( <u>101,352</u> )
Cash flow from financing activities			
C00100	Increase in short-term borrowing	85,000	362,000
C00200	Decrease in short-term borrowings	( 234,000 )	( 458,000 )
C01600	Long-term loans	106,660	275,040
C01700	Repayment of long-term borrowings	( 63,089 )	( 383,501 )
C03000	Increase in guarantee for deposits received	-	10
C03100	Decrease in guarantee for deposits received	( 240 )	-
C04020	Repayment of principal of lease liabilities	( 14,823 )	( 7,013 )
C04500	Payment of dividends	( <u>150,125</u> )	( <u>208,148</u> )
CCCC	Net cash outflow from investing activities	( <u>270,617</u> )	( <u>419,612</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>13,244</u> )	<u>57,564</u>
EEEE	Net increase in cash and cash equivalents	56,611	101,454
E00100	Cash and approximate cash balance at the beginning of the year	<u>348,863</u>	<u>247,409</u>
E00200	Cash and approximate cash balance at the end of the year	<u>\$ 405,474</u>	<u>\$ 348,863</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



## **Independent Auditors' Report**

To: Solid Year Co., Ltd.

### **Auditors' Opinion**

We have audited the parent company only financial statements of Solid Year Co., Ltd. which comprise the parent company only balance sheets as of the years ended Dec 31, 2023 and 2022, and the parent company only comprehensive income statement, parent company only statement of changes in equity, parent company only cash flow statement from Jan .1to Dec.31,2023 and 2022, and notes to parent company only financial statements (including summary of significant accounting policies).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of Solid Year Co., Ltd. as of Dec. 31, 2023 and Dec. 31, 2022 as well as the parent company only financial performance and cash flows from Jan. 1, 2023 and Dec. 31, 2022in accordance with the Standards for the Preparation of Financial Reporting by Securities Issuers.

### **Basis for Opinions**

We have duly conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing. The responsibilities of the attesting CPAs under these standards will be further explained in the auditor's responsibility section of the audit of the financial statements. We are independent of Solid Year Co.,Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of Solid Year Co.,Ltd. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the Company as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended 2023 are stated as follows:

#### **Recognition of revenue**

Solid Year Co., Ltd. primarily engages in the manufacturing and sales of various electronic components and computer peripherals. Due to the significance of sales revenue affecting the overall financial statements, there is pressure to achieve the expected targets. Moreover, auditing standards presume a risk of revenue recognition fraud, hence we evaluate the authenticity of certain significant and significantly growing customer sales revenue as a key audit matter. For the accounting policy on income recognition, please refer to Note 4 to the parent company only financial reports.

The audit procedures performed by the auditor 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.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements, in all material respects, in accordance with the Regulations Governing the Preparation of Financial

Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit and Risk Committee) are responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of Solid Year Co.,Ltd. for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report

unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

Ting-Chien Su, CPA

Rock Tseng, CPA

Financial Supervisory Commission Approval No.:

Jin-Guan-Zheng-Shen-Zi No. 1070323246

Securities and Futures Commission Approval No.:

Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 29, 2024

Solid Year Co., Ltd.  
Parent Company Only Balance Sheet  
Dec.31, 2023 and 2022

Unit: NT\$'000

Code	Assets	Dec.31, 2023		Dec.31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 350,583	10	\$ 266,212	8
1170	Notes and accounts receivable (Notes 4, 8, 22, and 28).	739,330	20	779,888	24
1200	Other receivables (Notes 4, 8, and 28)	7,512	-	8,248	-
130X	Inventory (Notes 4, 5, and 9)	204,784	6	19,446	1
1470	Other current assets (Notes 15 and 28)	<u>53,506</u>	<u>1</u>	<u>58,347</u>	<u>2</u>
11XX	Total current assets	<u>1,355,715</u>	<u>37</u>	<u>1,132,141</u>	<u>35</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income or loss - non-current (Notes 6 and 7)	10,378	-	13,375	1
1550	Investments accounted for using the equity method (Notes 4 and 10)	1,313,555	36	1,226,305	38
1600	Property, plant, and equipment (Notes 4, 11, 28, and 29)	724,474	20	633,525	20
1755	Right-of-use assets (Notes 4, 12, and 28)	12,763	1	786	-
1760	Investment property (Notes 4, 13, and 29)	148,943	4	154,241	5
1780	Intangible assets (Notes 4 and 14)	2,320	-	2,679	-
1840	Deferred income tax assets (Notes 4 and 23)	31,153	1	22,619	1
1915	Prepaid equipment purchase (Note 15)	490	-	2,218	-
1920	Refundable deposits (Note 15)	15,716	1	517	-
1990	Other non-current assets (Note 15)	<u>403</u>	<u>-</u>	<u>3,633</u>	<u>-</u>
15XX	Total non-current assets	<u>2,260,195</u>	<u>63</u>	<u>2,059,898</u>	<u>65</u>
1XXX	Total assets	<u>\$ 3,615,910</u>	<u>100</u>	<u>\$ 3,192,039</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 16 and 29)	\$ 115,000	3	\$ 264,000	8
2130	Contract liabilities - Current (Notes 4 and 22)	62,016	2	97,117	3
2170	Accounts payables (Notes 17 and 28)	1,271,589	35	809,795	25
2200	Other accounts payables (Notes 18 and 28)	123,560	3	157,035	5
2230	Current income tax liabilities (Notes 4 and 23)	35,944	1	26,824	1
2280	Lease liabilities - current (Notes 4 and 12)	2,418	-	676	-
2320	Long-term borrowings due within one year (Notes 16 and 29)	23,128	1	20,089	1
2399	Other current liabilities (Notes 18)	<u>2,105</u>	<u>-</u>	<u>2,066</u>	<u>-</u>
21XX	Total current liabilities	<u>1,635,760</u>	<u>45</u>	<u>1,377,602</u>	<u>43</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 16 and 29)	332,372	9	291,840	9
2570	Deferred income tax liabilities (Notes 4 and 23)	163,803	5	137,544	5
2580	Lease liabilities - non-current (Notes 4 and 12)	10,581	-	114	-
2645	Guarantee deposits received (Note 19)	<u>192</u>	<u>-</u>	<u>882</u>	<u>-</u>
25XX	Total non-current liabilities	<u>506,948</u>	<u>14</u>	<u>430,380</u>	<u>14</u>
2XXX	Total liabilities	<u>2,142,708</u>	<u>59</u>	<u>1,807,982</u>	<u>57</u>
	Equity				
3110	Ordinary share capital	600,504	17	600,504	19
3200	Capital fund	90,525	2	90,525	3
	Retained earnings				
3310	Legal reserve	187,449	5	168,555	5
3320	Special reserves	46,496	1	22,669	1
3350	Undistributed earnings	593,786	17	529,945	16
3400	Other equity	<u>( 45,558 )</u>	<u>( 1 )</u>	<u>( 28,141 )</u>	<u>( 1 )</u>
3XXX	Total equity	<u>1,473,202</u>	<u>41</u>	<u>1,384,057</u>	<u>43</u>
	Total liabilities and equity	<u>\$ 3,615,910</u>	<u>100</u>	<u>\$ 3,192,039</u>	<u>100</u>

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

Chairman: Liang ,Hui-Pin

General Manager : Wu ,Chuan-Shih

Accounting Supervisor: Lai, Yi-Han

Solid Year Co., Ltd.  
Parent Company only Statement of Comprehensive Income  
Jan.1 to Dec.31, 2023 and 2022

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

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 22, and 28)	\$ 3,216,692	100	\$ 4,434,107	100
5000	Operating costs (Notes 4, 9, and 28)	( 2,735,993 )	( 85 )	( 3,919,817 )	( 88 )
5900	Operating Gross Profit	480,699	15	514,290	12
	Operating expenses (Notes 22 and 28)				
6100	Sales expense	( 123,033 )	( 4 )	( 126,559 )	( 3 )
6200	Management fee	( 136,099 )	( 4 )	( 122,267 )	( 3 )
6300	Research and development expenses	( 47,399 )	( 2 )	( 48,577 )	( 1 )
6450	Expected credit impairment loss (Note 8)	( 253 )	-	( 8,453 )	-
6000	Total operating expenses	( 306,784 )	( 10 )	( 305,856 )	( 7 )
6900	Net operating profit	173,915	5	208,434	5
	Non-operating income and expenses (Notes 22 and 28)				
7100	Interest income	9,529	1	1,248	-
7010	Other income	7,566	-	8,599	-
7020	Other benefits and losses	911	-	40,775	1
7050	Financial costs	( 9,183 )	-	( 10,624 )	-
7070	The share of profits and losses of subsidiaries recognized by the equity method	105,997	3	110,858	2
7000	Total non-operating income and expenses	114,820	4	150,856	3
7900	Net income before tax	288,735	9	359,290	8
7950	Income tax expense (Notes 4 and 23)	( 68,077 )	( 2 )	( 83,124 )	( 2 )

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Code		2023		2022	
		Amount	%	Amount	%
8200	Net profit for the year	<u>220,658</u>	<u>7</u>	<u>276,166</u>	<u>6</u>
	Other comprehensive income (Notes 23 and 27)				
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	( 2,997 )	-	( 8,625 )	-
8349	Income taxes related to items that are not reclassified	<u>578</u>	<u>-</u>	<u>1,725</u>	<u>-</u>
		( <u>2,419</u> )	<u>-</u>	( <u>6,900</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	( 18,747 )	( 1 )	32,683	1
8399	Income taxes related to items that are reclassified	<u>3,749</u>	<u>-</u>	( <u>6,536</u> )	<u>-</u>
		( <u>14,998</u> )	( <u>1</u> )	<u>26,147</u>	<u>1</u>
8300	Other comprehensive profit or loss for the year (net after tax)	( <u>17,417</u> )	( <u>1</u> )	<u>19,247</u>	<u>1</u>
8500	Total comprehensive profit or loss for the year	<u>\$ 203,241</u>	<u>6</u>	<u>\$ 295,413</u>	<u>7</u>
	Earnings per share (Note 24)				
9750	Basic	<u>\$ 3.67</u>		<u>\$ 4.60</u>	
9850	Diluted	<u>\$ 3.65</u>		<u>\$ 4.57</u>	

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

Chairman: Liang ,Hui-Pin

General Manager: Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
Jan.1 to Dec.31, 2023 and 2022

Unit: NT\$'000

Code		Ordinary share capital (Note 21)	Capital fund (Note 21)	Retained earnings (Note 21)			Other equity		Total equity
				Legal reserve	Special reserves	Undistributed earnings	Financial assets at fair value through other comprehensive income or loss	Exchange differences on translation of financial statements of foreign operating institutions	
A1	Balance as of January 1, 2022	\$ 600,504	\$ 89,280	\$ 153,714	\$ 42,890	\$ 428,550	( \$ 28,800 )	( \$ 18,588 )	\$ 1,267,550
	Appropriation and distribution of earnings								
B1	Legal reserve	-	-	14,841	-	( 14,841 )	-	-	-
B3	Special reserves	-	-	-	( 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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>6,900</u> )	<u>26,147</u>	<u>19,247</u>
D5	Total comprehensive profit or loss for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,166</u>	( <u>6,900</u> )	<u>26,147</u>	<u>295,413</u>
Z1	Balance on Dec.31, 2022	600,504	90,525	168,555	22,669	529,945	( 35,700 )	7,559	1,384,057
	Appropriation and distribution of earnings								
B1	Legal reserve	-	-	18,894	-	( 18,894 )	-	-	-
B3	Special reserves	-	-	-	23,827	( 23,827 )	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	( 114,096 )	-	-	( 114,096 )
D1	Net income in 2023	-	-	-	-	220,658	-	-	220,658
D3	Other comprehensive income after tax in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>2,419</u> )	( <u>14,998</u> )	( <u>17,417</u> )
D5	Total comprehensive income in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,658</u>	( <u>2,419</u> )	( <u>14,998</u> )	<u>203,241</u>
Z1	Balance as of December 31, 2023	<u>\$ 600,504</u>	<u>\$ 90,525</u>	<u>\$ 187,449</u>	<u>\$ 46,496</u>	<u>\$ 593,786</u>	( <u>\$ 38,119</u> )	( <u>\$ 7,439</u> )	<u>\$ 1,473,202</u>

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

Chairman: Liang ,Hui-Pin

General Manager: Wu ,Chuan-Shih

Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd.  
Parent Company Only Statement of Cash Flows  
Jan.1 to Dec.31, 2023 and 2022

Unit: NT\$'000

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 288,735	\$ 359,290
A20010	Income, expense and loss items:		
A20300	Expected credit impairment loss	253	8,453
A20100	Depreciation expense	17,012	11,591
A20200	Amortization expense	1,788	1,240
A20900	Financial costs	9,183	10,624
A21200	Interest income	( 9,529 )	( 1,248 )
A22400	The share of profits and losses of subsidiaries recognized by the equity method	( 105,997 )	( 110,858 )
A22500	Disposal of interests in real estate, plant and equipment	( 685 )	-
A23700	Loss on inventory depreciation (recovery benefit)	23,602	( 17,497 )
A24100	Net gain from foreign currency exchange	( 15,731 )	( 1,073 )
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	10,485	210,325
A31180	Other receivables	728	3,022
A31200	Inventory	( 208,940 )	28,423
A31230	Payment in advance	22,096	4,798
A31240	Other current assets	( 16,237 )	5,645
A32125	Contractual Liabilities - Current	( 35,101 )	64,750
A32150	Accounts payable	507,106	125,988
A32180	Other payables	2,845	( 7,207 )
A32230	Other current liabilities	<u>39</u>	<u>( 1,087 )</u>
A33000	Cash generated from operations	491,652	695,179
A33100	Interest collected	9,529	1,248
A33300	Interest paid	( 8,903 )	( 10,624 )
A33500	Income tax paid	<u>( 36,905 )</u>	<u>( 21,439 )</u>
AAAA	Cash flow from operating activities	<u>455,373</u>	<u>664,364</u>
	Cash flows from investing activities		
B00010	Financial assets at fair value through other comprehensive income or loss	( 35,892 )	-
B00020	Disposal of financial assets at fair value through other comprehensive income	35,892	-
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	( 44,054 )

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Code		2023	2022
B02700	Purchase of property, plant and equipment	( \$ 99,617 )	( \$ 33,257 )
B02800	Disposal amount of real estate, plant and equipment	2,000	-
B03800	Deposit margin increased	( 15,199 )	( 35 )
B04600	Purchase of intangible assets	( 1,429 )	( 648 )
B06700	Other non-current assets increased	-	( 3,633 )
B06800	Decrease of other non-current assets	3,230	-
B07100	Prepayment for equipment increased	( 490 )	( 2,173 )
BBBB	Net cash outflow from investing activities	( 111,505 )	( 83,800 )
Cash flow from financing activities			
C00100	Increase in short-term borrowing	85,000	342,000
C00200	Decrease in short-term borrowings	( 234,000 )	( 458,000 )
C04020	Repayment of principal of lease liabilities	( 3,253 )	( 569 )
C01600	Long-term loans	106,660	275,040
C01700	Repayment of long-term borrowings	( 63,089 )	( 383,501 )
C03000	Increase in guarantee for deposits received	-	23
C03100	Decrease in guarantee for deposits received	( 690 )	-
C04500	Payment of dividends	( 150,125 )	( 208,148 )
CCCC	Net cash outflow from investing activities	( 259,497 )	( 433,155 )
EEEE	Net increase in cash and cash equivalents	84,371	147,409
E00100	Cash and approximate cash balance at the beginning of the year	<u>266,212</u>	<u>118,803</u>
E00200	Cash and approximate cash balance at the end of the year	<u>\$ 350,583</u>	<u>\$ 266,212</u>

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

Chairman: Liang ,Hui-Pin

General Manager: Wu ,Chuan-Shih Accounting Supervisor: Lai Yi-Han

## Solid Year Co., LTD.

### Operational Procedures for Endorsements/Guarantees - Comparison Table of Amendments

Article before amendment	Article after amendment	Amendment description
<p>IV. Limits of the endorsements/guarantees:</p> <p>(I) The total amount of endorsements/guarantees shall not exceed 200% of the net worth of the Company as stated in the latest financial statements.</p> <p>(II) The total amount of endorsements/guarantees to a single enterprise shall not exceed 100% of the new worth of the Company as stated in the latest financial statements.</p> <p>(III) The total amount of endorsements/guarantees provided by the Company and subsidiaries shall not exceed 200% of the net worth of the Company as stated in the latest financial statements.</p> <p>(IV) The total amount of endorsements/guarantees provided by the Company and subsidiaries to a single enterprise shall not exceed 100% of the net worth of the Company as shown in the latest financial statements.</p> <p>(V) The net worth stated in the preceding paragraph is based on the latest financial statements audited, attested or reviewed by the CPA.</p> <p>(VI) When the total amount of guarantees/guarantees provided by the Company and subsidiaries reaches 50% or more of the Company's net worth, the Company and subsidiaries should explain the necessity and reasonableness of such guarantees/guarantees/guarantees at the stockholders' meeting.</p>	<p>IV. Limits of the endorsements/guarantees:</p> <p>(I) The total amount of endorsements/guarantees shall not exceed 200% of the net worth of the Company as stated in the latest financial statements.</p> <p>(II) The total amount of endorsements/guarantees to a single enterprise shall not exceed 100% of the new worth of the Company as stated in the latest financial statements.</p> <p>(III) The total amount of endorsements/guarantees provided by the Company and subsidiaries shall not exceed 200% of the net worth of the Company as stated in the latest financial statements.</p> <p>(IV) The total amount of endorsements/guarantees provided by the Company and subsidiaries to a single enterprise shall not exceed 100% of the net worth of the Company as shown in the latest financial statements.</p> <p>(V) <u>In the event the Company provides endorsements and/or guarantees by reason of business relations, the aggregate amount of the endorsements and/or guarantees shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases or sales whichever is higher.</u></p> <p>(VI) The net worth stated in the preceding paragraph is based on the latest financial statements audited, attested or reviewed by the CPA.</p> <p>(VII) When the total amount of guarantees/guarantees provided</p>	Amended the operational procedures to comply with the current laws and regulations

Article before amendment	Article after amendment	Amendment description
	by the Company and subsidiaries reaches 50% or more of the Company's net worth, the Company and subsidiaries should explain the necessity and reasonableness of such guarantees/guarantees/guarantees at the stockholders' meeting.	
<p>V. Hierarchy of decision-making authority and delegation thereof:</p> <p>(I) Before making any endorsement/guarantee, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made to a subsidiary in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>(II) Endorsements/guarantees are subject to the approval procedures outlined in the regulations, and are executed once approved by the board of directors. However, in order to meet the timing demand, the Board of Directors may delegate the board chairman to decide such matters when the amount of the endorsement/guarantee is within 10% of the net worth of the Company as stated in the latest financial statement and have the decisions subsequently submitted to and ratified by the next board of directors meeting. The Company shall also take into full</p>	<p>V. Hierarchy of decision-making authority and delegation thereof:</p> <p>(I) Before making any endorsement/guarantee, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made to a subsidiary in which the Company holds, directly or indirectly, 100% of the voting shares.</p> <p>(II) Endorsements/guarantees are subject to the approval procedures outlined in the regulations, and are executed once approved by the board of directors. However, in order to meet the timing demand, the Board of Directors may delegate the board chairman to decide such matters when the amount of the endorsement/guarantee is within 10% of the net worth of the Company as stated in the latest financial statement, have the decisions subsequently submitted to and ratified by the next board of directors meeting, <u>and to submit the status of the endorsement and</u></p>	<p>Amended the operational procedures to comply with the current laws and regulations</p>

Article before amendment	Article after amendment	Amendment description
<p>consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p> <p>(III) All major endorsements/guarantees should be approved by the Audit Committee in accordance with relevant laws and regulations, and then submitted to the Board of Directors for resolution.</p>	<p><u>guarantee for review at the shareholders' meeting.</u> The Company shall also take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p> <p>(III) All major endorsements/guarantees should be approved by the Audit Committee in accordance with relevant laws and regulations, and then submitted to the Board of Directors for resolution.</p>	

## Solid Year Co., LTD.

## Procedures for Acquisition or Disposal of Assets - Comparison Table of Amendments

Article before amendment	Article after amendment	Amendment description
<p>III. Additional provisions:</p> <p>(I) Information required to be publicly announced and reported in accordance with the provisions of the Article 7 Public Disclosure of Information on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.</p> <p>The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 7, paragraph 1, subparagraph 1.</p> <p>(II) The control procedures for the acquisition or disposal of assets: If the internal auditors discover any major violations, they should immediately notify the Company's President in writing, and the Company's President should follow up on the handling and subsequent improvement of the violations.</p> <p>(III) Any employee of the Company who violates these procedures shall be punished in accordance with the Company's HR management rules.</p> <p>(IV) For the matters not stipulated in these Procedures shall be conducted in accordance with all relevant laws and regulations and other regulations of the Company.</p>	<p>III. Additional provisions:</p> <p>(I) Information required to be publicly announced and reported in accordance with the provisions of the Article 7 Public Disclosure of Information on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.</p> <p>The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 7, paragraph 1, subparagraph 1.</p> <p>(II) The control procedures for the acquisition or disposal of assets: If the internal auditors discover any major violations, they should immediately notify the Company's President in writing, and the Company's President should follow up on the handling and subsequent improvement of the violations.</p> <p>(III) <u>Each calculation basis for these Procedures shall be in compliance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and Q&amp;A promulgated by the competent authority.</u></p> <p>(IV) Any employee of the Company who violates these procedures shall be punished in accordance with the Company's HR management rules.</p> <p>(V) For the matters not stipulated in these Procedures shall be conducted in accordance with all relevant laws and regulations and other regulations of the Company.</p>	<p>Provide additional explanations for the calculation source and its norms.</p>

# 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 秀育企業股份有限公司. (English name: Solid Year Co., Ltd.)

Article 2: The Company's scope of business is as follows:

1. Watches and Clocks Manufacturing
2. Manufacture of Power Generation, Transmission and Distribution Machinery
3. Electrical Appliances and Audiovisual Electronic Products Manufacturing
4. Lighting Equipment Manufacturing
5. Wired Communication Mechanical Equipment Manufacturing
6. Wireless Communication Mechanical Equipment Manufacturing
7. Electronics Components Manufacturing
8. Manufacture of Batteries and Accumulators
9. Computer and Peripheral Equipment Manufacturing
10. Data Storage Media Manufacturing and Duplicating
11. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
12. CD01030 Motor Vehicles and Parts Manufacturing
13. CE01010 General Instrument Manufacturing
14. CE01030 Optical Instruments Manufacturing
15. F110010 Wholesale of Clocks and Watches
16. F210010 Retail Sale of Watches and Clocks
17. F106010 Wholesale of Hardware
18. F113010 Wholesale of Machinery
19. F113020 Wholesale of Electrical Appliances
20. F113030 Wholesale of Precision Instruments
21. F113050 Wholesale of Computers and Clerical Machinery Equipment
22. F113060 Wholesale of Measuring Instruments
23. F113070 Wholesale of Telecommunication Apparatus
24. F113110 Wholesale of Batteries
25. F114010 Wholesale of Motor Vehicles
26. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
27. F118010 Wholesale of Computer Software
28. F119010 Wholesale of Electronic Materials
29. F206010 Retail Sale of Hardware
30. F213010 Retail Sale of Electrical Appliances
31. F213030 Retail Sale of Computers and Clerical Machinery Equipment
32. F213040 Retail Sale of Precision Instruments
33. F213050 Retail Sale of Measuring Instruments

34. F213060 Retail Sale of Telecommunication Apparatus
35. F213080 Retail Sale of Machinery and Tools
36. F213110 Retail Sale of Batteries
37. F214010 Retail Sale of Motor Vehicles
38. F218010 Retail Sale of Computer Software
39. F219010 Retail Sale of Electronic Materials
40. F401010 International Trade
41. F116010 Wholesale of Camera Equipment
42. G903010 Telecommunications Enterprises
43. E701020 Satellite Television KU Channels and Channel C Equipment Installation
44. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
45. C804020 Industrial Rubber Products Manufacturing
46. CA02010 Manufacture of Metal Structure and Architectural Components
47. CA02030 Screw, Nut and Rivet Manufacturing
48. CA02040 Spring Manufacturing
49. CA02070 Lock Manufacturing
50. CA02090 Metal Wire Products Manufacturing
51. CA02990 Other Metal Products Manufacturing
52. CB01990 Other Machinery Manufacturing
53. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
54. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
55. F106030 Wholesale of Molds
56. F206030 Retail Sale of Molds
57. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
58. I301010 Information Software Services
59. I301020 Data Processing Services
60. E604010 Machinery Installation
61. F199990 Other Wholesale Trade
62. I199990 Other Consulting Service
63. I501010 Product Designing
64. IG03010 Energy Technical Services
65. F208031 Retail Sale of Medical Apparatus
66. CF01011 Medical Devices Manufacturing
67. C301010 Spinning of Yarn
68. C302010 Weaving of Textiles
69. C303010 Manufacture of Non-woven Fabrics
70. C305010 Printing, Dyeing, and Finishing
71. C306010 Wearing Apparel
72. C307010 Clothing Accessories
73. C399990 Other Textile and Products Manufacturing
74. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing

#### Accessories

- 75. F108031 Wholesale of Medical Devices
- 76. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 77. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- 78. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 79. F208050 Retail Over-the-counter drugs class B
- 80. F108021 Wholesale of Western Pharmaceutical
- 81. F208021 Retail Sale of Western Pharmaceutical

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

Article 3: The Company may reinvest in other enterprises for business needs. The total amount of reinvestment may exceed 40% of the paid-in capital 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: Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Company Act.

### **Chapter II Shares**

Article 6: The authorized capital of the Company is NT\$1 billion, consisting of 100 million shares, with a par value of NT\$10 per share. The board of directors is authorized to issue the unissued shares in separate installments as required Within the total authorized 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 share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of directors, and authenticated by the competent governmental authority upon issuance 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: All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to a special shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit. The measures for the handling of stock affairs shall be in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.



### **Chapter III Shareholders' Meeting**

- Article 9: Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and special shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. A special shareholders' 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: When a shareholder is unable to attend the shareholders' meeting, he/she/it may appoint a proxy to attend the meeting by using the proxy form issued by the Company and stating therein the scope of power authorized to the proxy. In addition to the provisions of Article 177 of the Company Act, the measures for entrustment of shareholders of the Company shall be handled in accordance with the provisions of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 11: Except in the circumstances otherwise provided for in the law, a shareholder shall have one voting power in respect of each share in his/her/its possession.
- 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: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the law or the Company's Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. 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 Act and the provisions of the competent authority.
- Article 13: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The production and distribution of the proceedings shall be handled in accordance with Article 183 of the Company Act.

### **Chapter IV Directors and Audit Committee**

- Article 14: The Company shall have seven to eleven directors, with a three-year term of office. Directors shall be elected by the shareholders' meeting from among the persons with disposing capacity.
- 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: The following relationships may not exist among more than half of a company's directors:

I. Spouse.

II. Relatives within the second degree of consanguinity.

Article 14-2: When the number of directors falls short by one-third of the total number of directors, the Board of Directors shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors. The term of newly elected directors shall continue for the original term of the directors replaced.

Article 15: The directors constitute the Board. They shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The directors shall elect a deputy chairman of the board from among themselves by the same method when necessary. The chairman represents the Company externally, and executes all matters 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: In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the chairman's proxy shall be appointed according to Article 208 of the Company Act.

Article 17: The Board of Directors is authorized to determine the remuneration to the directors, taking into account the extent of their participation in the Company's operations and the value of their contributions, as well as the standards of the industry within the R.O.C. and overseas. 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 appoint several managerial officers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

### **Chapter VI Accounting**

Article 19: The Company's fiscal year is scheduled to begin on January 1st and end on December 31st. 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: When the Company makes a profit in the year, it shall allocate 3% - 10% of the profit as employee's compensation, which shall be paid in the form of stock or cash with resolution made by the Board of Directors. The qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Company may allocate 1-5% of the aforesaid profits as remuneration to the directors as resolved by the Board of Directors. 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 Company's surplus earning distribution or loss off-setting proposal may be proposed at the close of each quarter or each half fiscal year. If the surplus earning is distributed in the form of cash, it shall be approved by a meeting of the board of directors in accordance with the Article 228-1 and Article 240-5 of the Company Act, and

shall be reported at the shareholders' meeting, but no ratification is required at the shareholders' meeting.

When the Company has no surplus, no dividend and bonus shall be distributed. When distributing surplus, the Company shall first estimate and reserve to pay taxes, make up losses and set aside one-tenth (10%) as legal reserve; However, when the accumulation of legal reserve has reached the paid-in capital of the Company, this provision shall not apply. Then, the special reserve shall be appropriated as required by law or by 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 Act and report to the shareholders' meeting. There is no need to submit to the shareholders' meeting for recognition.

Article 21-1: The Company's dividend policy is based on the Company's current and future development plans, taking into account the Company's investment environment, capital requirements, domestic and foreign competition, and the interests of shareholders. The Company allocates no less than 10% of its distributable earnings each year for distributing dividends to its shareholders. However, no dividend may be distributed if the Company has accumulated distributable earnings less than 10% of the paid-in capital. In addition, dividends to shareholders may be distributed in the form of cash or shares, with cash dividends not to be less than 10% of the total dividends.

## **Chapter VII Supplementary Provisions**

Article 22: Any matters not provided for by these Articles of Incorporation shall be subject to the provisions of the Company Act.

Article 23: These Articles of Incorporation were enacted on December 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-third 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.  
The thirty-fourth amendment was made on Nov. 3, 2023.

**Solid Year Co., LTD.**

**Rules of Procedure for Shareholders Meetings**

**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 Company's shareholders' meeting, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

**III. Operational Procedures:**

(I) Convening shareholders meetings and shareholders meeting notices:

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. Unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convenes a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.
3. 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. In addition, before 15 days before the date of the shareholders meeting,

the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- (1) For physical shareholders meetings, to be distributed on-site at the meeting.
  - (2) For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
  - (3) For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
4. The reasons for convening a shareholders meeting, the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention shall be specified in the meeting notice and public announcement. The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. If the notice of convening the shareholders' meeting is approved by the shareholders, it may be done electronically.
5. 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 Act, Article 26 1 of the Securities Exchange Law, Article 43 6 of the Securities Exchange Law, and Article 56 1 and Article 56 of the Handling Standards for issuers' Raising and issuing of securities The matters referred to in Article 60-20 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.
6. 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 Act. 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 Act.

7. 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.
8. 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.
9. 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) Attending by proxy:

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.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

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. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.
6. In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
7. To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:
  - (1) How shareholders attend the virtual meeting and exercise their rights.
  - (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

- To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- (3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the Company and other related matters requiring attention.
8. 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.
9. 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.
10. 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.
  11. 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. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 3.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

(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. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
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 speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak 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.
7. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the

same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

(VII) Calculation of voting shares and recusal system

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 Act 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 Act 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.
9. When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.
10. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
11. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

12. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

(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 Act, 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. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
5. When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

6. 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 Act, it shall be kept until the conclusion of the lawsuit.
7. Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.
8. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
9. In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

(XI) Public disclosure:

1. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
2. During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
3. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

(XII) Maintaining order at the meeting place:

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) Recess and resumption of a shareholders meeting:

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 Act, decide to postpone or resume the meeting within five days.

(XIV) Disclosure of information at virtual meetings:

1. In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

(XV) Location of the chair and secretary of virtual-only shareholders meeting

1. When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

(XVI) Handling of disconnection

1. In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
2. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the

virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

3. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.
4. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
5. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
6. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.
7. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
8. When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
9. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5,

paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

#### **IV. Implementation and Amendments:**

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.**

**Rules of Procedure for Board of Directors Meetings**

**I. Purpose:**

To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules of Procedures are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

**II. Scope of these Rules of Procedure:**

With respect to the board of directors meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

**III. Operational Procedures:**

- (I) The board of directors shall meet at least quarterly.  
A notice of the reasons for convening a board meeting shall be given to each director and supervisor before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.  
The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients. All matters set forth under Article 11, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.
- (II) The designated unit responsible for the board meetings of the Company shall be Finance and Accounting Division.  
The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.  
If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- (III) When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.  
Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's articles of incorporation.

Attendance by videoconference will be deemed attendance in person, but he/she shall fax the signature card in lieu of signing the attendance book.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

- (IV) A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- (V) Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

  - 1. When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or,
  - 2. if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.
- (VI) When a board meeting is held, the Finance and Accounting Division shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

- (VII) Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.
1. If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.
  2. Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.
- (VIII) The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.
1. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 1.
  2. The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, shall be counted as the number of directors then actually in office.
- (IX) Agenda items for regular board meetings of the Company shall include at least the following:
1. Matters to be reported:
    - (1) Minutes of the last meeting and action taken.
    - (2) Important financial and business matters.
    - (3) Internal audit activities.
    - (4) Other important matters to be reported.
  2. Matters for discussion:
    - (1) Items for continued discussion from the last meeting.
    - (2) Items for discussion at this meeting.
  3. Extraordinary motions.
- (X) A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.
1. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
  2. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 1 shall apply *mutatis mutandis*.

(XI) Matters discussed at a board meeting:

1. The matters listed below as they relate to the Company shall be raised for discussion at a board meeting:
  - (1) The Company's business plan.
  - (2) Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
  - (3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
  - (4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
  - (5) The offering, issuance, or private placement of equity-type securities.
  - (6) The appointment or discharge of a financial, accounting, or internal audit officer.
  - (7) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
  - (8) Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.
2. The term "related party" in subparagraph 7 of the paragraph 1 means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.
3. The term "within a 1-year period" in the paragraph 2 means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.
4. In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.

5. At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.
- (XII) When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
1. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.
  2. One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:
    - (1) A show of hands.
    - (2) A roll call vote.
    - (3) A vote by ballot.
    - (4) A vote by a method selected at the Company's discretion.
  3. "Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.
- (XIII) Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.
1. 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 any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.
  2. If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.



3. Voting results shall be made known on-site immediately and recorded in writing.

(XIV) A director who has one of the following circumstances, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director:

1. If a director or a juristic person that the director represents is an interested party in relation to an agenda item;
2. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, and the relationship is likely to prejudice the interest of the Company;
3. If a director think he/she shall recuse himself or herself;
4. The Board of Directors has resolved that such director must be recused.

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.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

(XV) Discussions at a board meeting shall be recorded in the meeting minutes,  
1. and the minutes shall fully and accurately state the matters listed below:

- (1) The meeting session (or year) and the time and place of the meeting.
- (2) The name of the chair.
- (3) The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- (4) The names and titles of those attending the meeting as non-voting participants.
- (5) The name of the minute taker.
- (6) The matters reported at the meeting.
- (7) Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the

relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 11, paragraph 5.

- (8) Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director,, expert, or other person; the name of any director that is an interested party as referred to the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

- (9) Other matters required to be recorded.

- 2. The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:
  - (1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
  - (2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.
- 3. The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.
- 4. The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.
- 5. The meeting minutes of paragraph 1 may produced and distributed in electronic form.

(XVI) With the exception of matters required to be discussed at a board meeting under Article 11, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the Company's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific. The delegation content and matter are list below:

- 1. Signing contracts on behalf of the Company.
- 2. Signing documents and allocating funds with financial institutions on behalf of the Company.

3. Conducting business on behalf of the Company.
4. Appointment of directors and supervisors the investees.
5. Approval of the record date for capital increase or capital reduction, cash dividend record date, stock dividend distribution or stock option record date, and change in dividend distribution ratio.

#### **IV. Implementation and Amendments:**

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

**Solid Year Co., LTD.**

**Operational Procedures for Endorsements/Guarantees**

**I. Purpose:**

To protect shareholders' rights and interests and to accommodate the business needs, the Company has established these operational procedures in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Act") and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the Financial Supervisory Commission (hereinafter referred to as the "FSC"), and the Company shall comply with these procedures when providing endorsement /guarantee to others, provided, where other laws or regulations provide otherwise, such provisions shall govern.

**II. Endorsement/Guarantee:**

- (I) Financing endorsements/guarantees, including:
  - 1. Bill discount financing.
  - 2. Endorsement or guarantee made to meet the financing needs of another company.
  - 3. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
- (II) Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
- (III) Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs
- (IV) Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

**III. Party being endorsed/guaranteed:**

- (I) The Company may provide endorsement/guarantee to the following counterparties:
  - 1. A company with which it does business.
  - 2. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
  - 3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- (II) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each

other; however, the endorsements/guarantees should be submitted to the Board of Directors of the Company for a resolution. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

- (III) Where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.
- (IV) Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the Company holds 100% of the voting shares.
- (V) "Subsidiary" and "parent company" as referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **IV. Limits of the endorsements/guarantees:**

- (I) The total amount of endorsements/guarantees shall not exceed 200% of the net worth of the Company as stated in the latest financial statements.
- (II) The total amount of endorsements/guarantees to a single enterprise shall not exceed 100% of the new worth of the Company as stated in the latest financial statements.
- (III) The total amount of endorsements/guarantees provided by the Company and subsidiaries shall not exceed 200% of the net worth of the Company as stated in the latest financial statements.
- (IV) The total amount of endorsements/guarantees provided by the Company and subsidiaries to a single enterprise shall not exceed 100% of the net worth of the Company as shown in the latest financial statements.
- (V) The net worth stated in the preceding paragraph is based on the latest financial statements audited, attested or reviewed by the CPA.
- (VI) When the total amount of guarantees/guarantees provided by the Company and subsidiaries reaches 50% or more of the Company's net worth, the Company and subsidiaries should explain the necessity and reasonableness of such guarantees/guarantees/guarantees at the stockholders' meeting.

#### **V. Hierarchy of decision-making authority and delegation thereof:**

- (I) Before making any endorsement/guarantee, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made to a subsidiary in which the Company holds, directly or indirectly, 100% of the voting shares.
- (II) Endorsements/guarantees are subject to the approval procedures outlined in the regulations, and are executed once approved by the board of directors. However, in order to meet the timing demand, the Board of Directors may delegate the board chairman to decide such matters when the amount of the endorsement/guarantee is within 10% of the net worth of the Company as stated in the latest financial statement and have the decisions subsequently submitted to and ratified by the next board of directors meeting. The Company shall also take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.
- (III) All major endorsements/guarantees should be approved by the Audit Committee in accordance with relevant laws and regulations, and then submitted to the Board of Directors for resolution.

## **VI. Operational procedures:**

- (I) The Finance and Accounting unit should make a detailed evaluation of the endorsement/guarantee, and should also conduct credit checks and risk assessments. The evaluation items include the necessity and reasonableness of the endorsement/guarantee; where an endorsement/guarantee is made due to needs arising from business dealings, evaluation standards shall be specified for determining whether the amount of an endorsement/guarantee is commensurate the total amount of trading between the two companies; the impact on the company's business operations, financial condition, and shareholders' equity, and whether collateral must be obtained and appraisal of the value thereof.
- (II) Finance and accounting unit shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, the items for which the endorsement/guarantee is guaranteed, the results of the risk assessment, the details of the guarantees obtained, and the conditions and date of releasing the endorsement/guarantee responsibility.
- (III) The Finance and Accounting unit shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose

information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures and the issuance of an appropriate audit report.

**VII. Important notes on endorsements/guarantees:**

- (I) The Company's internal audit staff shall perform audits relating to the procedures at least on a quarterly basis, and produce written reports on audit findings. Any major violation discovered shall be notified immediately to the Audit Committee in writing.
- (II) In the event that the Company is found to have offered endorsement or guarantee to an ineligible party or in excess of its authorized limits due to change of circumstances, the Finance and Accounting unit shall propose a correction plan to the Audit Committee and complete corrections according to plan.
- (III) Where the Company needs to exceed the limits set out in these Operational Procedures to satisfy its business requirements, and where the conditions set out in these Operational Procedures are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend these Operational Procedures accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. The Company has independent directors, and in the aforementioned discussion at the board of directors' meeting, the Company shall also take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.
- (IV) For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the Company shall obtain a copy of the financial statements of the subsidiary, evaluate whether the Company should obtain a collateral or assess the value of the collateral, and report to the Board of Directors periodically on the status of the process. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the sum of the share capital plus paid-in capital in excess of par shall be substituted for the calculation of the paid-in capital.
- (V) The Company shall follow the prescribed procedures when providing endorsements/guarantees, and if major violations are found, the manager and the person in charge shall be punished depending on the severity of the violation.

- (VI) Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct it to formulate its own Operational Procedures for Endorsements/Guarantees in compliance with the Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies, and it shall comply with the Procedures when making endorsements/guarantees.

#### **VIII. Procedures for use and custody of corporate chops:**

- (I) The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person and may be used to seal or issue negotiable instruments only in accordance with the "Regulations Governing the Use of the Corporate Chop" . The designated person who has custody of the dedicated chop for endorsements/guarantees shall be approved by the board of directors. The same applies to subsequent changes.
- (II) When making a guarantee for an overseas company, the Company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

#### **IX. Announcing and reporting procedures:**

The term "announce and report" as used in these Operational Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission.

- (I) The Company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.
- (II) The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
  - 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
  - 2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
  - 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.



4. The amount of new endorsements/guarantees made by the public company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
- (III) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.
- (IV) "Date of occurrence" in the preceding paragraph means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the endorsement/guarantee, whichever date is earlier.

**X. Establishment and amendment of operational procedures:**

- (I) The establishment of these Procedures shall be subject to the approval of one-half or more of the all audit committee members, and shall be resolved by the board of directors and proposed for the shareholders' resolution. Where any director expresses dissent which is recorded in the minutes or a written statement, it should be submitted to the Audit Committee and be presented to the shareholders' meeting for discussion. The same procedure applies to all subsequent amendments.
- (II) If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
- (III) The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

**Solid Year Co., LTD.**

**Procedures for Acquisition or Disposal of Assets**

**I. Purpose:**

To protect assets and disclose information, these Procedures have been formulated to provide guidelines for the Company when acquiring or disposing of assets and are based on the relevant laws and regulations (hereinafter referred to as the "Procedures").

**II. Scope:**

The following assets shall be acquired or disposed of by the Company in accordance with these Procedures.

- (I) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- (II) Real property (including land, houses and buildings, and investment property) and equipment.
- (III) Memberships.
- (IV) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- (V) Right-of-use assets.
- (VI) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- (VII) Derivatives.
- (VIII) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- (IX) Other major assets.

**III. Duties:**

The Company: To handle related matters in accordance with these Procedures.

**IV. Definitions:**

Terms used in these Procedures are defined as follows:

- (I) Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- (II) Assets acquired or disposed through mergers, demergers, acquisitions, or

transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the relevant laws and regulations, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- (III) Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (IV) Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- (V) Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- (VI) Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- (VII) Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- (VIII) Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

## **V. Appraisal and operational procedures:**

Procedures for appraisal, determining transaction terms and prices, for the acquisition or disposal of assets by the Company shall be in accordance with the following provisions:

- (I) When the Company acquires or disposes of long-term or short-term investments in securities, the finance and accounting unit shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, analyze the benefits thereof, and evaluate the possible risks thereof; and when the Company acquires or disposes of property, plant, and equipment, each unit

shall draw up a capital expenditure plan and conduct a feasibility evaluation regarding the purpose and expected benefits of the acquisition or disposal. If the counterparty of acquisition or disposal of real property is a related party, the transaction shall be handled in accordance with the provisions of Article 5, Paragraph 1, Subparagraph (3), Item 9 of these Procedures.

(II) Acquisition and disposal of securities:

For securities acquired from or disposed of in centralized securities exchange market or over-the-counter (OTC) market, the responsible unit shall present the reason of acquisition or disposal, the underlying asset and the means of price determination and supporting reference materials. For securities not acquired from or disposed of in centralized securities exchange market or over-the-counter (OTC) market, the responsible unit shall present the reason of acquisition or disposal, the underlying asset, the trading counterparties, transfer price, collection or payment terms, price supporting reference materials to President of the Company for approval, then submit to Board of Directors for resolution. When the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authority.

(III) Acquisition or disposition of real property or equipment:

1. Acquisition or disposition of real property:

For real property, it shall be determined by reference to the announced present value, appraised present value, and actual transaction price in the vicinity, and shall determine the transaction price and terms of the transaction by selecting one of the methods including price comparison, price negotiation, or bidding, and submit it to the Company's President for approval, then propose to the Board of Directors for resolution.

2. Acquisition or disposal of equipment:

(1) Acquisition or disposal of equipment for business use:

- a. Where the transaction amount reaches 15% of the paid-in capital or NT\$50 million or more, the transaction shall be submitted to the Board of Directors for approval.
- b. In the event that the transaction amount does not reach the criteria in the preceding paragraph, it shall be submitted to the supervisor in charge at each level in accordance with the Company's authorization table for approval and execution.

(2) Acquisition or disposal of equipment not for business use: All acquisitions and disposals must be approved by the Board of Directors in advance.

3. In acquiring or disposing of real property or equipment where the

transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
  - (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
  - (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
    - a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
    - b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
  - (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
4. For the acquisition or disposal of right-of-use assets or memberships, the price shall be integrally evaluated by reference to future anticipated added-value and produced benefit. If the single or cumulative transaction amount is less than NT\$2.5 million (inclusive), the acquisition or disposal of such assets or memberships shall be subject to the approval of the President of the Company before it can be carried out. For amount exceed NT\$2.5 million or more, must be approved by the Board of Directors before it can be carried out. When the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government

agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price

5. For the acquisition or disposition of intangible assets such as patent rights, copyrights, trademark rights, and franchises, the price shall be entirely determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legally protected conditions, circumstances of license and implementation, or production cost or implementation cost; in addition, the relevant elements of right owners and licensees shall also be integrally referred, and shall be submitted to the President of the Company for approval and then proposed to the Board of Directors for resolution before it can be carried out. When the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price
6. Limits for acquisition or disposal of real property and right-of-use assets thereof not for business use, and investment in securities:
  - (1) The aggregate amount of the Company's purchases of real property and right-of-use assets thereof not for business use shall not exceed 5% of the Company's net worth, and the aggregate amount of each subsidiary's purchases of real property not for business use shall not exceed 5% of the Company's net worth.
  - (2) The total amount of the Company's investments in securities shall not exceed 200% of the Company's net worth, and the total amount of each subsidiary's investments in securities shall not exceed 200% of the Company's net worth.
  - (3) The Company's investment in individual security shall not exceed 100% of the Company's net worth, and the investment in individual security by each subsidiary of the Company shall not exceed 100% of the Company's net worth. The amount calculated for the aforementioned investments in securities is based on the original cost of the investments.
  - (4) The transaction amount of the acquisition or disposal of intangible assets shall not exceed 20% of the Company's shareholders' equity.
  - (5) The total amount of the Company's investment in Mainland China shall not exceed the limits set by the relevant competent authority.
7. Requirement of Professional appraisers  
Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (2) May not be a related party or de facto related party of any party to the transaction.
- (3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
  - (2) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
  - (3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
  - (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.
8. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
  9. Procedures for acquiring or disposing of real property or right-of-use assets thereof from or to a related party:
    - (1) When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the

transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Articles and this Article of the Procedures. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

- (2) When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to at least one-third of the members of the Audit Committee for approval and resolved by the Board of Directors:
- a. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  - b. The reason for choosing the related party as a transaction counterparty.
  - c. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with term (3) and (5) of this Item.
  - d. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
  - e. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
  - f. An appraisal report from a professional appraiser or a CPA's opinion.
  - g. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the Article 7, Paragraph 1(1) herein, and "within the preceding year" as used



herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted for approval by the shareholders and one-half or more of all Audit Committee members and resolved by the Board of Directors in accordance with these Procedures need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- a. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- b. Acquisition or disposal of real property right-of-use assets held for business use.

Where the position of independent director has been created in accordance with the laws and regulations, when a matter is submitted for discussion by the board of directors pursuant to term (2) of this Item, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The resolutions of the Audit Committee and the Board of Directors in the preceding paragraph shall be subject to mutatis mutandis application of Article 6, paragraph 1, subparagraphs (3) and (4). If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in preceding paragraph and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of the preceding paragraph to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

- (3) The Company acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
  - a. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted

average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the competent authority.

- b. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs (a. and b.) shall also engage a CPA to check the appraisal and render a specific opinion.

- (4) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the term (2) of this Item, and the term (3) of this Item does not apply:
  - a. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  - b. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
  - c. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
  - d. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (5) When the results of the Company's appraisal conducted in accordance with a. and b. of the term (3) of this Item are uniformly lower than the transaction price, the matter shall be handled in

compliance with term (6). However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- a. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - i. Where undeveloped land is appraised in accordance with the means in the terms (3) and (4) of this Item, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the competent authority, whichever is lower.
  - ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- b. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding a. and b. in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

- (6) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the terms (3) to (5) of this Item are uniformly lower than the transaction price, the following steps shall be taken:

- a. A special reserve shall be set aside in accordance with relevant laws and regulations against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under relevant laws and regulations shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- b. The independent directors of the Audit Committee shall supervise the Company's implementation thereof in accordance with Article 218 of the Company Act. The independent directors of the Audit Committee may investigate the operational and financial conditions of the company from time to time in order to supervise the Company, examine the books and documents, and may request the Board of Directors or the manager to submit a report. When reviewing the finance or operations of the Company, an independent director of Audit Committee may retain attorneys or CPAs on behalf of the company to perform the review
- c. Actions taken pursuant to the preceding a. and b. shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with this paragraph if there is other evidence indicating that the acquisition was not an arms length transaction.

- (IV) Engaging in Derivatives Trading:  
When the Company engages in derivative trading, it should follow the Company's "Procedures for Handling Derivative Trading".
- (V) Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares
  1. When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an

opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

2. The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in preceding subparagraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
3. The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.

The Company shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal

advisor, the execution of a contract, and the convening of a board of directors meeting.

- (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

In accordance with relevant laws and regulations, the Company shall within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.

4. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
5. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
  - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
  - (2) An action, such as a disposal of major assets, that affects the Company's financial operations.
  - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
  - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
  - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
6. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
  - (1) Handling of breach of contract.

- (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - (4) The manner of handling changes in the number of participating entities or companies.
  - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
  - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
7. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
  8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Items 3, 4 and 7.
- (VI) The calculation of the transaction amount referred to in the subparagraph 2 and terms 1 to 5 of the subparagraph 3, shall be made in accordance with the Article 7, Paragraph 1, subparagraph 1, term 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

## **VI. Establishment or amendment of these Procedures:**

- (I) These Procedures shall be subject to the approval of one-half or more of the all audit committee members, and shall be resolved by the board of directors and proposed for the shareholders' approval. The same procedure applies to all subsequent amendments. Where any director expresses dissent which is recorded in the minutes or a written statement, it should be submitted to the Audit Committee. After the enactment of these Procedures, in case of any change in relevant laws and regulations, these Procedures shall be amended in due course and shall be adopted by resolution of the

- audit committee, board of directors and the shareholders' meeting in accordance with the laws and regulations.
- (II) Where the position of independent director has been created in accordance with the laws and regulations, when these Procedures are submitted for discussion by the board of directors according to preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
  - (III) If the approval of one-half or more of all audit committee members as required in the subparagraph 1 is not obtained, the Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
  - (IV) The terms "all audit committee members" in subparagraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

## **VII. Public disclosure of information:**

- (I) Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on relevant competent authority's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
  - 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
  - 2. Merger, demerger, acquisition, or transfer of shares.
  - 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
  - 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
    - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
    - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.



5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five sections, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - (1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
  - (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
  - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- (1) The amount of any individual transaction.
- (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- (III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (IV) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
- (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the terms (1) to (3), a public report of relevant information shall be made on the information reporting website designated by relevant competent authority within 2 days counting inclusively from the date of occurrence of the event:
  - 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
  - 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - 3. Change to the originally publicly announced and reported information.
- (VI) Unless otherwise provided by relevant laws and regulations, the announcement and filing by the Company shall be applicable on the date of effective registration for the Company's public issuance.

### **VIII. Additional provisions:**

- (I) Information required to be publicly announced and reported in accordance with the provisions of the Article 7 Public Disclosure of Information on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 7, paragraph 1, subparagraph 1.
- (II) The control procedures for the acquisition or disposal of assets: If the internal auditors discover any major violations, they should immediately notify the Company's President in writing, and the Company's President should follow up on the handling and subsequent improvement of the violations.
- (III) Any employee of the Company who violates these procedures shall be

- punished in accordance with the Company's HR management rules.
- (IV) For the matters not stipulated in these Procedures shall be conducted in accordance with all relevant laws and regulations and other regulations of the Company.

## Appendix VI

### Solid Year Co., LTD.

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

- I. Pursuant to Article 26 of the Securities and Exchange Act, the minimum number of shares held by all directors of the Company is 4,804,032 shares.
- II. The details of the shares held individually and by all the directors as recorded in the shareholder roster as at the book closure date of this Annual Shareholders' Meeting are as follows:

Title	Name	No. of shares held	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 director	Yang, Yung-Lieh	0	0%
Independent director	Chen, Kun-Cheng	0	0%
Independent director	Chen ,Yu-Fen	32,000	0.05%
Total		14,352,013	23.90%