

Stock Code: 1471



首利實業股份有限公司  
Solytech Enterprise Corporation

# 2024 Annual General Meeting

## Meeting Handbook

Convened Meeting: Physical meeting

Time: 9:00 a.m. on Wednesday June 19, 2024

Place: B1 No. 9, Wuquan Rd., Wugu Dist., New Taipei City 248020, Taiwan (R.O.C.)

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# **Solytech Enterprise Corporation**

## **Procedures for the 2024 Annual Meeting of Shareholders**

Convened Meeting: Physical meeting

Time: 9:00 a.m. on Wednesday June 19, 2024 (Shareholders registration time starts from 8:30 am.)

Place: B1 No. 9, Wuquan Rd., Wugu Dist., New Taipei City 248020, Taiwan (R.O.C.)

- I. Call to Order (Report on Number of Outstanding Shares Present)
- II. Chairperson's Remarks
- III. Report Items
  1. 2023 Business Report
  2. Audit Committee's Review Report on the 2023 Financial Statements
- IV. Recognition Items
  1. To recognize the 2023 Business Report and Financial Statements
  2. To recognize the Proposal for 2023 Deficit Compensation
- V. Election Matters
  1. Election of the 14<sup>th</sup> Board of Directors
- VI. Discussion Items
  1. To approve the Proposal for Releasing the Prohibition on Newly Elected Directors from Participating in Competitive Business
- VII. Extraordinary Motions
- VIII. Adjournment

## **【Report Items】**

Report No. 1: 2023 Business Report

Explanation: The attached 2023 Business Report is found on page 6-7 of this Handbook (Attachment 1).

Report No. 2: 2023 Audit Committee's Review Report

Explanation: The attached 2023 Audit Committee's Review Report is found on page 8 of this Handbook (Attachment 2).

## **【Recognition Items】**

1. To recognize the 2023 Business Report and Financial Statements (proposed by the Board)

**Explanation:**

- (1) The Company's Individual Financial Report and Consolidated Financial Report of 2023 have passed by a resolution of the 13<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 14, 2024 and have been certified by Hsu, Atlan and Wu, Jen-Chieh, CPAs of PwC Taiwan. The Business Report and the Financial Statements have also been reviewed by the 12<sup>th</sup> meeting of the 1<sup>st</sup> Audit Committee.
- (2) Please refer to page 6-7 of this Handbook for the 2023 Business Report (Attachment 1), and page 9-29 of this Handbook for the aforementioned financial reports (Attachment 3).

**Resolution:**

2. To recognize the Proposal for 2023 Deficit Compensation (proposed by the Board)

**Explanation:**

- (1) The Company's 2023 Deficit Compensation Statement has passed by the resolution of the 13<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on March 14, 2024, and have also been reviewed by the 12<sup>th</sup> meeting of the 1<sup>st</sup> Audit Committee.
- (2) Please refer to page 30 of this Handbook for the 2023 Appropriation of Profit or Loss (Attachment 4).

**Resolution:**

## **【Election Matters】**

### 1. Election of the 14<sup>th</sup> Board of Directors (proposed by the Board)

#### **Explanation:**

- (1) The term of office of the 13<sup>th</sup> Board of Directors will be end on July 28, 2024. Accordingly, the Company proposes to duly elect new Board members at this year's Annual General Meeting.
- (2) According to Article 15 of the Articles of Incorporation, the shareholder meeting shall elect a total of 7 directors, including 3 independent directors.
- (3) According to Article 192-1 of the Company Act, directors shall be elected by adopting the candidates' nomination system. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The elected directors are eligible for re-election. The newly elected directors shall take office immediately after the conclusion of this year's Annual General Meeting and serve a term of office of three years (effective from June 19, 2024 to June 18, 2027). The Directors of the 13<sup>th</sup> term shall be relieved of their duties upon the commencement of the 14<sup>th</sup> term.
- (4) The roster of director candidates has passed by the resolution of the 14<sup>th</sup> meeting of the 13<sup>th</sup> Board of Directors on May 8, 2024. Please refer to page 31 of this handbook for the information regarding the educational background, professional experience, and shareholdings of each director candidates (Attachment 5).
- (5) Please refer to page 43 of this handbook for the Rules for the Election of Directors (Appendix 3).

#### **Voting Results:**

## **【Discussion items】**

1. To approve the Proposal for Releasing the Prohibition on Newly Elected Directors from Participating in Competitive Business (proposed by the Board)

### **Explanation:**

- (1) According to Article 209 of the Company Act, a director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the Annual Meeting of Shareholders the essential contents of such an act and secure its approval.
- (2) Please refer to pages 34 of this Handbook for the information regarding the positions of newly elected directors and independent directors concurrently held in any other company. (Attachment 6). To conform to the needs of operation expansion, and without compromising the interests of the Company, the Company hereby request the approval of the Annual Meeting of Shareholders to waive the Prohibition on Directors from Participating in Competitive Business for newly elected Directors and Independent Directors, effective from the date they take office, in accordance with the law.

### **Resolution:**

## **【Extraordinary Motions】**

## **【Adjournment】**

## 【Attachment 1】

# Solytech Enterprise Corporation

## 2023 Business Report

### I. 2023 Business Report

Below is 2023 business report and the plans of subsequent years:

Unit: NT\$ thousand

Item\Year	2022	2023	Increase/Decrease	Variation Ratio %
Revenue	237,989	256,642	18,653	7.84
Gross Profit (or Loss)	(2,555)	31,312	33,867	1,325.52
Operating Profit (or Loss)	(152,711)	(84,884)	67,827	44.42
Pre-tax Profits (or Losses)	(157,269)	(42,725)	114,544	72.83

The Company's 2023 business scopes mainly focused on the development, production, and sales of computer cases, power supply, and nano photocatalyst air purifier, which created a revenue of NT\$ 256,642 thousand, gross profit of NT\$ 31,312 thousand, operating loss of NT\$ 84,884 thousand, and pre-tax losses of NT\$ 42,725 thousand. Despite the global industrial environment being extremely fast-changing in recent years, the Company remains committed to expanding and promoting our core market. Additionally, to address the issue where the capacity utilization is far below optimum, the Company has been renovating and leasing out the plants that were not in operation, thereby gaining additional operational funds. Looking forward, the Company remains dedicated to the improvement of overall operating performance and ensuring sufficient working capital.

### II. 2024 Business Plan

In recent years the Company has been facing challenges with regard to the rapid change of computer-related products, intense market competition, and consumers' behavior changes over digital products. In the following years, the Company will be steady toward success and holding the below guideline for management:

#### 1. Guideline for Management

Resource integration on research & development of electronic products and products that align with the principles of ESG.

#### 2. Goal of Business

In addition to holding steady by focusing on the businesses of gaming and electronics products, the Company also extends the business scope to the products such as sedans, RVs, and large power cords used by engines and yacht shore power systems, thereby broadening the customer base and industry scope. Furthermore, in the post-pandemic era, environment purification has been drawing importance with global attention. Viewing from this, the Company has joined Taiwan Air Quality Health & Safety Association, developed exclusively a series of photocatalytic air purifier products, and obtained many invention patents, which makes diversification.

#### 3. Policies on Production & Sales

The Company continues to expand its private label business and conduct an outsourcing approach to the low value-adding services such as stamping and assembling, in the aim of optimizing the production cost.

### III. Strategic Growth Plan for the Future

#### 1. Market expansion on the basis of current core competences

The Company has established partnerships with mainstream e-sports brands and will focus on the development of high-end models and low-cost production to enhance its competitive advantage.

#### 2. Developments in new technology and new products

Apexgaming® has been leading the e-sport market with the product innovation and investment in research & development.



The outbreak of the Covid-19 pandemic has prevented the public from crowding in public spaces. To seize this market opportunity, the team of research & development has developed HYPURE, a photocatalytic air purifier that utilizes non-harmful UV-A irradiation and Nanoparticulate titanium dioxide (TiO<sub>2</sub>) to efficiently decompose the harmful substances. Co-developing with our partner who is the only company certified by Taiwan Photocatalyst Mark Certification, the Company has carried the nano-photocatalyst (TiO<sub>2</sub>) on the nickel foam, which has a 3D cross pattern and achieves a high-area adhesion effect, aligning with non-light pollution of UV-A light to decompose the harmful substances such as CO<sub>2</sub> and H<sub>2</sub>O. This product, therefore, features antibacterial and deodorizing properties, and achieves an outstanding mold-free air purification environment.

The technology has been developed and has obtained eight utility model patents and three invention patents from The Intellectual Property Office in Taiwan.

### 3. Business on Private Brand

eSports is an emerging and flourishing industry in recent years. To seize this market opportunity, the Company has collaborated with a US company, Apex, to have launched an eSports private brand, Apexgaming<sup>®</sup>. With the global distribution network in retail channels, the Company at this early stage is focusing on the markets in the US, China, and Europe. The Company has been dedicating to new technology in the development of photocatalyst products and spotting business opportunities that previously went unnoticed. Our R&D team has developed a series of products with various types, including desktop, portable, vehicle, and commercial types. In both 2022 and 2023, one of our photocatalyst products was honorably certified and awarded the first Gold Certification Mark of Air Purifiers.

### IV. Impacts on the competitive, legal, and general environment

- (1) In the face of fierce competition on production capacity, China–United States trade war, the Covid-19 pandemic, and global inflation, the arrangements of product development, resource allocation, and customer service shall be made in a proper manner. In addition, risk control and asset activation efficiency also play an important role.
- (2) The operations of the Company are handled in accordance with the law and regulations, and are adjusted to changes; therefore, regulatory changes have little impact on the operations.
- (3) Careful studies have been conducted to track consumers' needs and the changes in the general environment. Proper coping strategies and policies will be adopted to beat the competition.

Solytech Enterprise Corporation  
President: Cheng, Chieh  
Manager: Cheng, Hsiang  
Accounting Manager: Lin, Ta-Chiun

**【Attachment 2】**

**Solytech Enterprise Corporation  
Audit Committee's Review Report**

The 2023 Business Report, Individual Financial Report, Consolidated Financial Report, and Appropriation of Profit or Loss of the Company were prepared by its Board of Directors and certified by Hsu, Atlan and Wu, Jen-Chieh, CPAs of PwC Taiwan, and issued an accountant audit report. The 2023 Individual Financial Report, Consolidated Financial Report, Business Report, as well as the Appropriation of Profit or Loss were reviewed by the Committee and found true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted during the:  
2024 Annual Meeting of Shareholders of Solytech Enterprise Corporation

Convener of Audit Committee: Chung, Yi-Hao

**March 14, 2024**

### **【Attachment 3】**

#### **INDEPENDENT AUDITORS' REPORT**

(2024) No. Cai-Shen-Bao- 23002893

The Board of Directors and Shareholders  
Solytech Enterprise Corporation

#### **Opinion**

We have audited the accompanying consolidated financial statements of Solytech Enterprise Corporation and Subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the accompanying consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards that have been approved by and published by the Financial Supervision Commission, International Accounting Standards and Standing Interpretations Committee.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

### **Assessment of Allowance for inventory valuation losses**

#### Explanatory Notes

Please refer to Note 4(13) for the accounting policy related to inventory valuation, Note 5(2) for the accounting estimation and uncertainties for inventory valuation, and Note 6(5) for the explanation of the allowance for inventory valuation losses, as disclosed in the consolidated financial statements. The balance of Inventories and Allowance for inventory valuation losses of the Group were NT\$90,220 thousand and NT\$23,398 thousand as of December 31, 2023.

The Group manufactures and sales power supplies and computer cases. Due to the short life cycle and intense market competition of electronic products, there is a higher risk of inventory valuation losses and obsolescence. The inventories of the Group are evaluated by Lower of Cost or Market Method; for inventory that has exceeded a certain age and for specifically identified obsolete inventory, the net present value is based on historical market price information for dealing with obsolete inventory.

Due to the rapid technological changes in the industry of the Group and the high subjectivity involved in the assessment of obsolete inventories and the Lower of Cost or Market method used for their valuation, there is a high degree of estimation uncertainty. Considering the significant impact of Allowance for inventory valuation losses on the financial statements, we believe that the assessment of Allowance for inventory valuation losses of the Group is one of the most important audit matters for the year.

#### Audit procedures in response

Our audit procedures regarding the provision for inventory obsolescence and impairment of specific obsolete inventories aged beyond a specific period are summarized as follows:

1. Based on our understanding of the Group's operations and industry, we evaluated the reasonableness of the policy and procedures adopted by the Group for the Allowance for inventory valuation losses.
2. We verified the appropriateness of the inventory aging report system used by the Group for inventory valuation to ensure the consistency with the policy in the report.
3. We discussed with the management and obtained supporting documents on the net realizable value of specific obsolete and damaged inventories, and evaluated the reasonableness of the Allowance for inventory valuation losses.

## **Assessment of Allowance for uncollectible receivables (including other receivables)**

### Explanatory Notes

Please refer to Note 4(10) " Impairment of Financial Assets " in the consolidated financial statements for the accounting policy on the evaluation of Allowance for uncollectible accounts receivables. For information on the accounting estimation and uncertainties related to the impairment of Accounts receivables, please refer to Note 5(2) in the consolidated financial statements. For details on the Allowance for uncollectible accounts receivables, please refer to Note 6(4) and 7(2) in the consolidated financial statements. As of December 31, 2023, the Accounts receivables of the Group was NT\$71,840 thousand (of which NT\$44,443 thousand was deducted for Allowance for uncollectible accounts receivables).

The Group's Allowance for uncollectible accounts receivables is estimated based on historical experience, forward-looking information, and other known reasons or objective evidence of expected impairment losses. Any estimated uncollectible amount is recognized as an allowance for Accounts receivables in the current period. The Group regularly review the reasonableness of their loss estimation. Due to the subjective judgment of management in assessing the Allowance for uncollectible accounts receivables and the estimation uncertainty associated with various industry indicators and the likelihood of collecting accounts after the reporting period, we consider the evaluation of the Allowance for uncollectible accounts receivables of the Group as one of the most significant matters in the current audit, considering its material impact on the financial statements.

### Audit procedures in response

The procedures performed by the auditor in response to the aforementioned matters are as follows:

1. Based on the understanding of the Group's operations and customer credit standards and in accordance with accounting principles, evaluate the reasonableness of the policies and procedures adopted for the Allowance for uncollectible accounts receivables, including the grouping and aging analysis of customer credit standards.
2. Evaluate the reasonableness of the estimated Allowance for uncollectible accounts receivables by management.
3. Evaluate the reasonableness of the Group's expected impairment loss estimation based on the adoption of the provision matrix.
4. Perform subsequent receivables tests to substantiate the adequacy of the Allowance for uncollectible accounts.

## **Other Matter – To issue an audit report on the parent company only financial statements**

We have also audited the parent company only financial statements of Solytech Enterprise Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated

financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
7. 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.
8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

PricewaterhouseCoopers Taipei, Taiwan

Atlan Hsu  
CPA  
Jen Chieh Wu

Former Securities Administration Commission of  
the Ministry of Finance

Approved Assurance No. : (84) No.  
Taiwan-Financial-Securities-VI-13377

Former Securities and Futures Administration  
Commission of the Ministry of Finance

Approved Assurance No. :  
Financial-Supervisory-Securities-Auditing-112034  
8565

March 14, 2024



SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 919,099	55	\$ 274,885	16
1136	Current Financial assets at amortized cost	6(3)	308,632	19	917,806	53
1170	Accounts receivables, net	6(4)	51,002	3	59,855	3
1200	Other receivables	7	20,838	1	21,588	1
130X	Inventory	6(5)	66,282	4	68,203	4
1410	Prepayments		10,465	1	26,792	2
1479	Other current assets, others	8	17,493	1	23,873	1
11XX	<b>Current Assets</b>		<u>1,393,811</u>	<u>84</u>	<u>1,393,002</u>	<u>80</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss – noncurrent	6(2)	18,894	1	94,877	5
1600	Property, plant and equipment	6(6) and 8	43,844	3	44,169	3
1755	Right-of-use assets	6(7)	5,892	-	17,192	1
1760	Investment properties - net	6(9) and 8	155,553	10	165,166	10
1900	Other non-current assets	6(10) (12)	37,595	2	22,170	1
15XX	<b>Non-current assets</b>		<u>261,778</u>	<u>16</u>	<u>343,574</u>	<u>20</u>
1XXX	<b>Total assets</b>		<u>\$ 1,655,589</u>	<u>100</u>	<u>\$ 1,736,576</u>	<u>100</u>

(Continued)

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	<b>Current Liabilities</b>					
2170	Accounts payable		\$ 74,913	5	\$ 38,903	2
2200	Other payables	6(11) and 7	32,362	2	34,129	2
2230	Current income tax liabilities		118	-	16	-
2250	Current provisions	6(13)	-	-	6,176	-
2280	Current Lease liabilities		6,039	-	10,923	1
2399	Other current liabilities, others		1,482	-	15,847	1
21XX	<b>Current Liabilities</b>		<u>114,914</u>	<u>7</u>	<u>105,994</u>	<u>6</u>
	<b>Non-current liabilities</b>					
2580	Non-current lease liabilities		26	-	6,438	1
2600	Other non-current liabilities		37,938	2	38,633	2
25XX	<b>Non-current liabilities</b>		<u>37,964</u>	<u>2</u>	<u>45,071</u>	<u>3</u>
2XXX	<b>Total Liabilities</b>		<u>152,878</u>	<u>9</u>	<u>151,065</u>	<u>9</u>
	Equity attributable to owners of the parent					
	Share capital	6(14)				
3110	Share capital - common stock		1,504,145	91	1,504,145	87
	Capital surplus	6(15)				
3200	Capital surplus		585,480	35	585,480	34
	Retained earnings	6(16)				
3350	Total unappropriated retained earnings(accumulated deficit)		( 749,247)	( 45)	( 706,336)	( 41)
	Other equity	6(17)				
3400	Other equity interest		89,025	5	127,548	7
31XX	<b>Equity attributable to owners of the parent</b>		<u>1,429,403</u>	<u>86</u>	<u>1,510,837</u>	<u>87</u>
36XX	Non-controlling interests	6(17)	73,308	5	74,674	4
3XXX	<b>Total equity</b>		<u>1,502,711</u>	<u>91</u>	<u>1,585,511</u>	<u>91</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,655,589</u>	<u>100</u>	<u>\$ 1,736,576</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

**SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 and 2022**

(Expressed in thousands of New Taiwan dollars, except for the loss per share in New Taiwan dollars)

Items	Notes	Year ended December 31				
		2023		2022		
		Amount	%	Amount	%	
4000	Sales revenue	6(18) and 14	\$ 256,642	100	\$ 237,989	100
5000	Operating costs	6(5)(22)(23)	( 225,330)	( 88)	( 240,544)	( 101)
5900	Net operating margin		31,312	12	( 2,555)	( 1)
	Operating expenses	6(22)(23)				
6100	Selling expenses		( 28,633)	( 11)	( 31,269)	( 13)
6200	General & administrative expenses		( 83,966)	( 33)	( 98,665)	( 42)
6300	Research and development expenses		( 7,750)	( 3)	( 10,279)	( 4)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	12(2)	4,153	2	( 9,943)	( 4)
6000	Total operating expenses		( 116,196)	( 45)	( 150,156)	( 63)
6900	Operating loss		( 84,884)	( 33)	( 152,711)	( 64)
	Non-operating revenue and expenses					
7100	Interest income	6(19)	33,723	13	6,816	3
7010	Other income	6(20)	140,785	55	59,522	25
7020	Other gains and losses	6(21) and 7	( 131,904)	( 52)	( 69,721)	( 29)
7050	Finance costs		( 445)	-	( 1,175)	( 1)
7000	Total non-operating revenue and expenses		42,159	16	( 4,558)	( 2)
7900	<b>Profit(loss) before income tax</b>		( 42,725)	( 17)	( 157,269)	( 66)
7950	Income tax expense (benefit)	6(24)	448	-	30	-
8200	<b>Profit(loss) for the year</b>		( 43,173)	( 17)	( 157,299)	( 66)
	<b>Other comprehensive income (net)</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plan	6(12)	\$ 249	-	\$ 3,265	1
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		( 39,876)	( 15)	58,559	25
8300	<b>Total other comprehensive income for the year</b>		( 39,627)	( 15)	61,824	26
8500	<b>Total comprehensive income for the year</b>		( 82,800)	( 32)	( 95,475)	( 40)
	Profit(loss) attributable to:					
8610	Owners of the parent		\$ 43,160	( 17)	\$ 157,283	( 66)
8620	Non-controlling interests		( 13)	-	( 16)	-
	Total		( 43,173)	( 17)	( 157,299)	( 66)
	Other comprehensive income attributable to:					
8710	Owners of the parent		\$ 81,434	( 31)	\$ 97,459	( 41)
8720	Non-controlling interests		( 1,366)	( 1)	1,984	1
	Total		( 82,800)	( 32)	( 95,475)	( 40)
	Basic earnings per share	6(25)				
9750	Total basic earnings per share		( 0.29)		1.05	

The accompanying notes are an integral part of these consolidated financial statements.

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 and 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	<u>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</u>							Total equity										
	Notes	Common stock	Capital surplus			Accumulated deficit	Exchange differences on translation of foreign financial statements		Total	Non-controlling interests								
			Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in recognition of equity	-						-							
		\$	1,504,145	-	\$	3,539	(\$	552,318)	\$	70,989	\$	1,026,355	(\$	51)	\$	1,026,304		
			-	-		-		(	157,283)		-	(	157,283)	(	16)	(	157,299)	
	6(17)		-	-		-		3,265		56,559		59,824		2,000		61,824		
			-	-		-		(	154,018)		56,559	(	97,459)		1,984	(	95,475)	
			-	581,941		-		-		-		581,941		-		581,941		
	6(17)		-	-		-		-		-		-		72,741		72,741		
			\$	1,504,145	\$	581,941	\$	706,336)	\$	127,548	\$	1,510,837	\$	74,674	\$	1,585,511		
			\$	1,504,145	\$	581,941	\$	706,336)	\$	127,548	\$	1,510,837	\$	74,674	\$	1,585,511		
			-	-		-		(	43,160)		-	(	43,160)	(	13)	(	43,173)	
	6(17)		-	-		-		249		(	38,523)	(	38,274)	(	1,353)	(	39,627)	
			-	-		-		(	42,911)		(	38,523)	(	81,434)	(	1,366)	(	82,800)
			\$	1,504,145	\$	581,941	\$	749,247)	\$	89,025	\$	1,429,403	\$	73,308	\$	1,502,711		

2022

2023

The accompanying notes are an integral part of these consolidated financial statements.

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

**SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 and 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		( \$ 42,725 )	( \$ 157,269 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment properties and right-of-use assets)	6(22)	20,738	21,106
Amortization expense	6(22)	7,135	1,275
Expected credit losses (reversal gains)	12(2)	( 4,153 )	9,943
Net loss on financial assets at fair value through profit or loss	6(21)	75,929	46,417
Gain on disposal of property, plant and equipment	6(21)	( 884 )	( 4,770 )
Loss on disposal of investment properties	6(21)	-	5,679
Interest income		( 33,723 )	( 6,816 )
Dividend income		( 16 )	( 120 )
Interest expense		445	1,175
Changes in operating assets and liabilities:			
Changes in operating assets			
Accounts receivables		6,354	5,268
Other receivables (including related parties)		18,462	6,933
Inventories		772	63,210
Prepayments		5,061	2,716
Other current assets		6,379	( 6,535 )
Other non-current assets		-	( 2,379 )
Changes in operating liabilities			
Accounts payables		37,104	( 15,800 )
Other payables		( 1,189 )	9,120
Provisions	6(13)	( 6,137 )	6,053
Other current liabilities		( 13,950 )	13,584
Cash inflow(outflow) generated from operations		75,602	( 1,210 )
Interest received		26,936	4,799
Interest paid		( 445 )	( 2,013 )
Income tax paid		( 346 )	( 251 )
Cash dividends received		16	120
Net cash flows from operating activities		<u>101,763</u>	<u>1,445</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Financial assets at amortized cost		609,174	( 917,806 )
Proceeds from disposal of subsidiaries		-	654,682
Acquisitions of property, plant and equipment	6(26)	( 5,612 )	( 6,442 )
Proceeds from disposal of property, plant and equipment		2,607	23,283
Acquisition of investment properties		-	( 3,974 )
Other non-current assets		( 11,110 )	-
Net cash generated from (used in) investing activities		<u>595,059</u>	<u>( 250,257 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings		-	120,000
Repayments of short-term borrowings		-	( 190,000 )
Repayments of lease principal	6(7)	( 10,212 )	( 6,627 )
Other non-current liabilities		-	34,746
Net cash flows in financing activities		( 10,212 )	( 41,881 )
Effect of exchange rate		( 42,396 )	36,671
Net increase (decrease) in cash and cash equivalents		644,214	( 254,022 )
Cash and cash equivalents at beginning of year		274,885	528,907
Cash and cash equivalents at end of year		<u>\$ 919,099</u>	<u>\$ 274,885</u>

The accompanying notes are an integral part of these consolidated financial statements.

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiu

## INDEPENDENT AUDITORS' REPORT

(2024) No. Cai-Shen-Bao- 23002897

The Board of Directors and Shareholders  
Solytech Enterprise Corporation

### **Opinion**

We have audited the accompanying parent company only balance sheets of Solytech Enterprise Corporation (the “Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Solytech Enterprise Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits entrusted by the Company in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

## **Assessment of Allowance for inventory valuation losses**

### Explanatory Notes

Please refer to Note 4(12) for the accounting policy related to inventory valuation, Note 5(2) for the accounting estimation and uncertainties for inventory valuation, and Note 6(5) for the explanation of the allowance for inventory valuation losses, as disclosed in the parent company only financial statements.

The main products sold of Solytech Enterprise Corporation and its Subsidiaries are power supplies and computer cases manufactured through subsidiaries. Due to the short life cycle and intense market competition of electronic products, there is a higher risk of inventory valuation losses and obsolescence. The inventories of the Company and its Subsidiaries are evaluated by Lower of Cost or Market Method; for inventory that has exceeded a certain age and for specifically identified obsolete inventory, the net present value is based on historical market price information for dealing with obsolete inventory.

Due to the rapid technological changes in the industry of Solytech Enterprise Corporation and its Subsidiaries and the high subjectivity involved in the assessment of obsolete inventories and the Lower of Cost or Market method used for their valuation, there is a high degree of estimation uncertainty. Considering the significant impact of Allowance for inventory valuation losses on the financial statements, we believe that the assessment of Allowance for inventory valuation losses of Solytech Enterprise Corporation and its Subsidiaries is one of the most important audit matters for the year.

### Audit procedures in response

Our audit procedures regarding the provision for inventory obsolescence and impairment of specific obsolete inventories aged beyond a specific period are summarized as follows:

1. Based on our understanding of Solytech Enterprise Corporation's operations and industry, we evaluated the reasonableness of the policy and procedures adopted by the Company for the Allowance for inventory valuation losses.
2. We verified the appropriateness of the inventory aging report system used by the Company for inventory valuation to ensure the consistency with the policy in the report.
3. We discussed with the management and obtained supporting documents on the net realizable value of specific obsolete and damaged inventories, and evaluated the reasonableness of the Allowance for inventory valuation losses.

## **Assessment of Allowance for uncollectible receivables (including other receivables)**

### Explanatory Notes

Please refer to Note 4(9) " Impairment of Financial Assets " in the parent company only financial statements for the accounting policy on the evaluation of Allowance for uncollectible accounts receivables. For information on the accounting estimation and uncertainties related to the impairment of Accounts receivables, please refer to Note 5(2) in the parent company only financial statements. For details on the Allowance for uncollectible accounts receivables, please refer to Note 6(4) in the parent company only financial statements. As of December 31, 2023, the Accounts receivables of Solytech Enterprise Corporation was NT\$28,830 thousand (of which NT\$40 thousand was deducted for Allowance for uncollectible accounts receivables).

Solytech Enterprise Corporation and its Subsidiaries' Allowance for uncollectible accounts receivables is estimated based on historical experience, forward-looking information, and other known reasons or objective evidence of expected impairment losses. Any estimated uncollectible amount is recognized as an allowance for Accounts receivables in the current period. Solytech Enterprise Corporation and its Subsidiaries regularly review the reasonableness of their loss estimation. Due to the subjective judgment of management in assessing the Allowance for uncollectible accounts receivables and the estimation uncertainty associated with various industry indicators and the likelihood of collecting accounts after the reporting period, we consider the evaluation of the Allowance for uncollectible accounts receivables of Solytech Enterprise Corporation and its Subsidiaries as one of the most significant matters in the current audit, considering its material impact on the financial statements.

#### Audit procedures in response

The procedures performed by the auditor in response to the aforementioned matters are as follows:

1. Based on the understanding of Solytech Enterprise Corporation's operations and customer credit standards and in accordance with accounting principles, evaluate the reasonableness of the policies and procedures adopted for the Allowance for uncollectible accounts receivables, including the grouping and aging analysis of customer credit standards.
2. Evaluate the reasonableness of the estimated Allowance for uncollectible accounts receivables by management.
3. Evaluate the reasonableness of Solytech Enterprise Corporation's expected impairment loss estimation based on the adoption of the provision matrix.
4. Perform subsequent receivables tests to substantiate the adequacy of the Allowance for uncollectible accounts.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports, and for such internal control as management determines is necessary to enable the preparation of 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 the Audit Committee, are responsible for overseeing the Company's financial reporting process.



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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements 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.

PricewaterhouseCoopers Taipei, Taiwan

Atlan Hsu

CPA

Jen Chieh Wu

Former Securities Administration Commission of the  
Ministry of Finance

Approved Assurance No. : (84) No. Taiwan-Financial-  
Securities-VI-13377

Former Securities and Futures Administration Commission  
of the Ministry of Finance

Approved Assurance No. :Financial-Supervisory-Securities-  
Auditing-1120348565

March 14, 2024

**SOLYTECH ENTERPRISE CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2023 and 2022**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 322,636	21	\$ 108,615	7
1136	Current financial assets at amortized cost	6(3)	63,247	4	242,037	16
1170	Accounts receivables, net	6(4)	24,974	2	36,234	2
1200	Other receivables	7	3,856	-	1,664	-
130X	Inventory	6(5)	3,467	-	5,922	-
1410	Prepayments		1,576	-	1,511	-
11XX	<b>Current Assets</b>		<u>419,756</u>	<u>27</u>	<u>395,983</u>	<u>25</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	18,894	1	94,877	6
1550	Investments accounted for under equity method	6(6)	1,031,503	67	1,002,831	64
1600	Property, plant and equipment	6(7) and 8	38,847	3	40,520	3
1755	Right-of-use assets	6(8)	1,761	-	3,522	-
1760	Investment property-net	6(9) and 8	15,899	1	16,257	1
1900	Other non-current assets	6(11)	17,163	1	16,912	1
15XX	<b>Non-current assets</b>		<u>1,124,067</u>	<u>73</u>	<u>1,174,919</u>	<u>75</u>
1XXX	<b>Total assets</b>		<u>\$ 1,543,823</u>	<u>100</u>	<u>\$ 1,570,902</u>	<u>100</u>

(Continued)

**SOLYTECH ENTERPRISE CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2023 and 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2170	Accounts payable		\$ 130	-	\$ 312	-
2180	Accounts payables-related parties	7	99,815	6	43,301	3
2200	Other Payables	6(10)	11,101	1	11,297	1
2280	Current lease liabilities		1,784	-	1,739	-
2300	Other current liabilities		1,290	-	1,332	-
21XX	<b>Current liabilities</b>		<u>114,120</u>	<u>7</u>	<u>57,981</u>	<u>4</u>
<b>Non-current liabilities</b>						
2580	Non-current lease liabilities		-	-	1,784	-
2600	Other non-current liabilities		300	-	300	-
25XX	<b>Non-current liabilities</b>		<u>300</u>	<u>-</u>	<u>2,084</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>114,420</u>	<u>7</u>	<u>60,065</u>	<u>4</u>
<b>Equity</b>						
	Share capital	6(12)				
3110	Share capital-common stock		1,504,145	97	1,504,145	96
	Capital surplus	6(13)				
3200	Capital surplus		585,480	38	585,480	37
	Retained earnings	6(14)				
3350	Total unappropriated retained earnings(accumulated deficit)		( 749,247)	( 48)	( 706,336)	( 45)
	Other equity interest					
3400	Other equity interest		89,025	6	127,548	8
3XXX	<b>Total equity</b>		<u>1,429,403</u>	<u>93</u>	<u>1,510,837</u>	<u>96</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,543,823</u>	<u>100</u>	<u>\$ 1,570,902</u>	<u>100</u>

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

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

**SOLYTECH ENTERPRISE CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 and 2022**

(Expressed in thousands of New Taiwan dollars, except for the loss per share in New Taiwan dollars)

Items	Notes	Year ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000 Sales revenue	6(15)	\$ 112,034	100	\$ 130,164	100
5000 Operating costs	6(5) and 7	( 108,126)	( 97)	( 126,869)	( 98)
5900 Net operating margin		<u>3,908</u>	<u>3</u>	<u>3,295</u>	<u>2</u>
Operating expenses	6(20)				
6100 Selling expenses		( 17,919)	( 16)	( 19,543)	( 15)
6200 General & administrative expenses		( 38,527)	( 34)	( 37,224)	( 28)
6300 Research and development expenses		( 1,136)	( 1)	( 4,888)	( 4)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	12(2)	<u>63</u>	<u>-</u>	<u>( 32)</u>	<u>-</u>
6000 Total operating expenses		<u>( 57,519)</u>	<u>( 51)</u>	<u>( 61,687)</u>	<u>( 47)</u>
6900 Operating loss		<u>( 53,611)</u>	<u>( 48)</u>	<u>( 58,392)</u>	<u>( 45)</u>
Non-operating income and expenses					
7100 Interest income	6(16)	13,083	12	3,842	3
7010 Other income	6(17)	1,844	1	2,339	2
7020 Other gains and losses	6(18)	( 72,878)	( 65)	( 6,124)	( 5)
7050 Finance costs		( 61)	-	( 666)	-
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	6(6)	<u>68,463</u>	<u>61</u>	<u>( 98,282)</u>	<u>( 76)</u>
7000 Total non-operating revenue and expenses		<u>10,451</u>	<u>9</u>	<u>( 98,891)</u>	<u>( 76)</u>
7900 <b>Profit(loss) before income tax</b>		<u>( 43,160)</u>	<u>( 39)</u>	<u>( 157,283)</u>	<u>( 121)</u>
7950 Income tax (expense) benefit	6(21)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200 <b>Profit(loss) for the year</b>		<u><u>(\$ 43,160)</u></u>	<u><u>( 39)</u></u>	<u><u>(\$ 157,283)</u></u>	<u><u>( 121)</u></u>
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Other comprehensive income, before tax, actuarial gains (loss) on defined benefit plans	6(11)	<u>\$ 249</u>	<u>-</u>	<u>\$ 3,265</u>	<u>3</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Other comprehensive income, before tax, exchange differences on translation		<u>( 38,523)</u>	<u>( 34)</u>	<u>56,559</u>	<u>43</u>
8300 <b>Other comprehensive income for the year</b>		<u><u>(\$ 38,274)</u></u>	<u><u>( 34)</u></u>	<u><u>59,824</u></u>	<u><u>46</u></u>
8500 <b>Total comprehensive income for the year</b>		<u><u>(\$ 81,434)</u></u>	<u><u>( 73)</u></u>	<u><u>97,459</u></u>	<u><u>( 75)</u></u>
Basic losses per share	6(22)				
9750 Total basic earnings per share		<u><u>(\$ 0.29)</u></u>	<u><u>1.05)</u></u>	<u><u>1.05)</u></u>	<u><u>1.05)</u></u>

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

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

SOLYTECH ENTERPRISE CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital surplus					Accumulated deficit	Exchange differences on translation of foreign financial statements	Total equity
		Common stock	Difference between carrying amount of subsidiaries acquired or disposed	Changes in equity of associates and joint ventures accounted for using equity method					
2022									
Balance at January 1		\$ 1,504,145	\$ -	\$ 3,539	(\$ 552,318)	\$ 70,989	\$ 1,026,355		
Net loss for the year		-	-	-	( 157,283 )	-	( 157,283 )		
Other comprehensive income	6(11)	-	-	-	3,265	56,559	59,824		
Total comprehensive income		-	-	-	( 154,018 )	56,559	( 97,459 )		
Difference between consideration and carrying amount of subsidiaries disposed	6(13)	-	581,941	-	-	-	581,941		
Balance at December 31		\$ 1,504,145	\$ 581,941	\$ 3,539	(\$ 706,336)	\$ 127,548	\$ 1,510,837		
2023									
Balance at January 1		\$ 1,504,145	\$ 581,941	\$ 3,539	(\$ 706,336)	\$ 127,548	\$ 1,510,837		
Net loss for the year		-	-	-	( 43,160 )	-	( 43,160 )		
Other comprehensive income	6(11)	-	-	-	249	( 38,523 )	( 38,274 )		
Total comprehensive income		-	-	-	( 42,911 )	( 38,523 )	( 81,434 )		
Balance at December 31		\$ 1,504,145	\$ 581,941	\$ 3,539	(\$ 749,247)	\$ 89,025	\$ 1,429,403		

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

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

**SOLYTECH ENTERPRISE CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 and 2022**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		(\$ 43,160 )	(\$ 157,283 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses (including investment property and right-of-use assets)	6(18) (19)	5,248	5,970
Amortization expenses	6(19)	40	31
Expected credit losses (reversal gains)	12(2)	( 63 )	32
Net loss on financial liabilities at fair value through profit or loss	6(18)	75,929	46,417
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		( 68,463 )	98,282
Gains on disposal of property, plant and equipment	6(18)	( 496 )	( 610 )
Interest income	6(16)	( 13,083 )	( 3,842 )
Dividend income	6(17)	( 16 )	( 120 )
Interest expenses		61	666
Changes in operating assets and liabilities:			
Changes in operating assets			
Accounts receivables		11,323	9,033
Other receivables		( 4 )	73
Inventories		2,455	2,269
Prepayments		( 65 )	92,922
Other non-current assets		109	230
Changes in operating liabilities			
Accounts payables (including related parties)		56,332	41,638
Other payables		( 196 )	( 1,188 )
Other current liabilities		( 42 )	510
Cash inflow generated from operations		25,909	135,030
Interest received		12,151	2,468
Interest paid		( 61 )	( 720 )
Cash dividends received		1,284	120
Income taxes paid		( 1,202 )	( 236 )
Net cash flows generated from operating activities		38,081	136,662
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Financial assets at amortized cost		178,790	( 242,037 )
Acquisitions of property, plant and equipment	6(7)	( 3,178 )	( 1,574 )
Proceeds from disposal of property, plant and equipment		2,218	747
Decrease in other non-current assets		( 151 )	-
Net cash generated from (used in) investing activities		177,679	( 242,864 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		-	120,000
Repayments of short-term borrowings		-	( 190,000 )
Repayments of lease principal		( 1,739 )	( 1,789 )
Net cash used in financing activities		( 1,739 )	( 71,789 )
Net increase (decrease) in cash and cash equivalents		214,021	( 177,991 )
Cash and cash equivalents at beginning of year		108,615	286,606
Cash and cash equivalents at end of year		\$ 322,636	\$ 108,615

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

Chairperson : Cheng, Chieh

Manager : Cheng, Hsiang

Accounting Manager : Lin, Ta-Chiun

【Attachment 4】

**Solytech Enterprise Corporation**  
**2023 Deficit Compensation Statement**

Unit: NT\$

Item	Amount
Unappropriated retained earnings (accumulated deficit) (beginning)	\$ (706,335,813)
Add: 2023 adjustment for change in value of retained profit.	249,475
Unappropriated retained earnings (accumulated deficit) (after adjustment)	\$ (706,086,338)
Add: 2023 After-tax profits (or losses)	(43,159,636)
Unappropriated retained earnings (accumulated deficit) (at end of period)	\$ (749,245,974)

President: Cheng, Chieh

Manager: Cheng, Hsiang

Accounting Manager: Lin, Ta-Chiun



**【Attachment 5】**

**Solytech Enterprise Corporation**

Roster of Candidates for the 14<sup>th</sup> Board of Directors and Independent Directors

Title	Name	Educational Background	Professional Experience / Current Position	Shareholding
Director	Cheng, Chieh	Mechanical Engineering, Hungkuo Delin University of Technology	Experience: Director of Deer Computer Company Limited Current Position: Chairman of Solytech Enterprise Corporation Director of Deer Computer Company Limited	9,290,500 shares
Director	Cheng, Hsiang	Tungnan University	Experience: Chairman of Deer Computer Company Limited Current Position: Director of Solytech Enterprise Corporation Chairman of Deer Computer Company Limited Chairman of Metagone Biotech Incorporation	8,737,838 shares
Director	Cheng, Ken-Yi	Department of Accounting, Feng Chia University	Experience: Deputy General Manager of Hongyang Venture Capital Company Limited Assistant Manager of Taiwan International Securities Company Limited Current Position: Director of Solytech Enterprise Corporation Director of Leader Electronics Incorporation Director of Metagone Biotech Incorporation Director of Grand Fortune Securities Company Limited Director of Foryou Capital Corporation	0 share

Title	Name	Educational Background	Professional Experience / Current Position	Shareholding
			Director of Grand Fortune Venture Management Corporation Independent Director of Holy Stone Enterprise Company Limited Independent Director of Prolific Technology Incorporation	
Director	Lee, Kan-Jung	Open Junior College	Experience: Supervisor of Solytech Enterprise Corporation Current Position: Director of Solytech Enterprise Corporation	1,144,661 shares
Independent Director	Chang, Ke-Hao	EMBA, National Cheng Kung University Master of Laws, Fu Jen Catholic University	Experience: Partner Lawyer of Chen, Tsai & Partners Apprentice Lawyer of Tatone (T&T) International Law Office Current Position: Independent Director of Solytech Enterprise Corporation Co-located Attorney of Welead Attorneys-at-law Independent Director of SUN BA Power Corporation	0 share
Independent Director	Huang, Kuo Ming	LL.M., Queen Mary, University of London	Experience: Taipei Prosecutors' Office Prosecutor New Taipei Prosecutors' Office Prosecutor Current Position: Formosa Brothers, Attorney-at-Law Managing Partner BORETECH Resource Recovery Engineering CO., LTD. Independent Director	0 share
Independent Director	Chieh, Min Yu	Department of Accounting, National Chengchi University	Experience: Assistant Vice President of FUBO Certified	0 share

Title	Name	Educational Background	Professional Experience / Current Position	Shareholding
			Public Accountants Partner Finance Manager of Bright Sheland International Company Limited Assurance Senior Associate of Services of PwC Taiwan Current Position: Partner CPA of FUBO Certified Public Accountants	

**【Attachment 6】****Solytech Enterprise Corporation**

Positions of Newly Elected Directors and Independent Directors Concurrently Held in Any Other Company

Title	Name	Positions Concurrently Held in Other Company
Director	Cheng, Chieh	(1) Director of Deer Computer Company Limited
Director	Cheng, Hsiang	(1) Chairman of Deer Computer Company Limited (2) Chairman of Metagone Biotech Incorporation
Director	Cheng, Ken-Yi	(1) Director of Leader Electronics Incorporation (2) Director of Metagone Biotech Incorporation (3) Director of Grand Fortune Securities Company Limited (4) Director of Foryou Capital Corporation (5) Director of Grand Fortune Venture Management Corporation (6) Independent Director of Holy Stone Enterprise Company Limited (7) Independent Director of Prolific Technology Incorporation
Independent Director	Chang, Ke-Hao	(1) Independent Director of SUN BA Power Corporation
Independent Director	Huang, Kuo Ming	(1) Independent Director of BORETECH Resource Recovery Engineering CO., LTD.

**【Appendix 1】**

**Solytech Enterprise Corporation**

**Articles of Incorporation**

**Chapter 1 General Provisions**

- Article 1 The Company shall be organized, as the Company limited by shares, under the Company Act of the Republic of China, and its name shall be 首利實業股份有限公司 in Chinese, and Solytech Enterprise Corporation in English.
- Article 2 The scope of business of the Company:
- 1.C301010 Spinning of Yarn
  - 2.C302010 Weaving of Textiles
  - 3.C305010 Printing, Dyeing, and Finishing Mills
  - 4.C801120 Manufacture of Man-made Fibers
  - 5.CC01080 Manufacture of Electronics Components
  - 6.D101050 Combined Heat and Power
  - 7.F104110 Wholesale of Clothess, Garments, Shoes, Hats, Umbrellas , and Clothing Accessories
  - 8.F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas ,and Clothing Accessories
  - 9.F106020 Wholesale of Articles for Daily Use
  - 10.F206020 Retail Sale of daily commodities
  - 11.F109070 Wholesale of Culture, Education, Musical Instruments ,and Educational Entertainment Supplies
  - 12.F209060 Retail Sale of Culture, Education, Musical Instruments ,and Educational Entertainment Supplies
  - 13.F110020 Wholesale of Spectacles
  - 14.F210020 Retail Sale of Spectacles
  - 15.F113010 Wholesale of Machinery
  - 16.F213080 Retail Sale of Other Machinery and Equipment
  - 17.F113020 Wholesale of Household Appliance
  - 18.F213010 Retail Sale of Electrical Appliances
  - 19.F113050 Wholesale of Computers and Clerical Machinery Equipment
  - 20.F213030 Retail Sale of Office Machinery and Equipment
  - 21.F113070 Wholesale of Telecommunication Apparatus.
  - 22.F213060 Retail Sale of Telecommunication Apparatus
  - 23.F119010 Wholesale of Electronic Materials
  - 24.F219010 Retail Sale of Electronic Materials
  - 25.F199990 Other Wholesale Trade
  - 26.F301020 Supermarkets
  - 27.F401010 International Trade
  - 28.F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
  - 29.G202010 Parking area Operators
  - 30.I301010 Software Design Services
  - 31.I301030 Electronic Information Supply Services
  - 32.IZ99990 Other Industrial and Commercial Services.
  - 33.J701020 Amusement Parks
  - 34.J701040 Recreational Activities Venue
  - 35.J801030 Athletics and Recreational Sports Stadium
  - 36.JE01010 Rental and Leasing
  - 37.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
  - 38.F399040 Retail Sale No Storefront

- Article 2.1 Deleted
- Article 3 The Company may provide external guarantees of reinvestment to investment partners or the same trade or business if needed for its business. The total investment amount of the Company is not limited to Article 13 of the Company Act.
- Article 4 The Company's headquarter is located in New Taipei City and a local or oversea branch may be established upon approval of the Board of Directors through a resolution and permission from government authorities.

#### **Chapter 2 Shares**

- Article 5 The total capital stock of the Company is NT\$ 3,500,000,000 divided into 350,000,000 ordinary shares at NT\$ 10 per share. The Board of Directors is authorized to issue these shares separately. Among these ordinary shares, 14,900,000 ordinary shares are for the issuance of employee stock warrants, and the Board of Directors is authorized to issue these shares separately.
- Article 6 Where the Company issues new shares and issues employee-restricted shares, qualified employees of its subsidiaries may be eligible for the granting of such shares. The qualification is stipulated by the board of directors.
- Article 7 The Company may issue shares without printing share certificate(s) but a centralized securities depository should be contacted for registering these shares. If the Company decides to print share certificates for shares issued, the Company shall comply with relevant provisions of the Company Act and relevant rules and regulations of the Republic of China.
- Article 8 Share transfer registration should be suspended 60 days before a routine shareholders' meeting, 30 days before a special shareholders' meeting, or five (5) days before the base day scheduled by the Company for distributing dividends, bonuses, or other benefits.

#### **Chapter 3 Shareholder meeting**

- Article 9 There are two kinds of Shareholders' meetings:
1. Regular meeting of shareholders: shall be held at least once every year
  2. Special meeting of shareholders: may be held at any time
- The shareholders' meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority.
- Article 9-1 The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. Shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement.
- Article 10 Shareholders who are unable to attend a shareholders' meeting may provide the Company's power of attorney form to authorize a proxy to attend the meeting and to state the scope of authorization vested to the proxy. Designating a proxy to attend a shareholders' meeting by a shareholder should comply with the Company Act as well as the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings promulgated by the government.
- Article 10-1 Shareholders' meetings shall be convened by the Board, and the Chairperson of the Board shall preside over shareholders' meetings. If the Chairperson of the Board is on leave or absent, the Chairperson of the Board shall designate one representative in accordance with the Article 208 of the Company Act to act on behalf of the Chairperson of the Board. For shareholders' meetings convened by others with the right to convene, the convener shall preside over the meeting, and if there are more than two conveners, then they should have one from themselves to preside over the meeting.
- Article 11 With every share of Corporation stock, shareholders are entitled to one vote, excluding those who have no voting right as specified in Section 2 of Article 179 of the Company Act.
- Article 12 Unless required by law or regulations, a shareholders' resolution shall be adopted if the meeting is attended by shareholders in person or by their proxy representing more than one-half of the total issued and outstanding shares of the Company and more than one-half of

the shareholders present (or their proxies) voted in favor of the resolution. If the total number of the shareholders present at the shareholders' meeting is not sufficient to meet the number specified in the preceding paragraph, the resolution shall be complying with the relevant regulations of the Company Act.

Article 13 The Board's resolution should be recorded in the meeting minutes, which should have the signature/seal of the chairperson of the meeting and the person taking the minutes, and be sent out to all shareholders within 20 days. The making and distribution of the aforementioned meeting minutes can be done electronically.

Article 14 Deleted

#### **Chapter 4 The Board of Directors and Directors**

Article 15 The Company shall have five to nine Directors, and the number of Independent Directors shall be no fewer than three and no fewer than one-fifth of the number of Directors. The Board of Directors is authorized to determine the number of Directors of a term of office of three years and they are eligible for re-election.

The total shares held by all directors of the Company shall be complying with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Article 15-1 Directors shall be elected by adopting the candidates' nomination system as specified in Article 192-1 of the Company Act. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The nomination of directors and related announcements shall comply with the relevant regulations of the Company Act and the Securities and Exchange Act.

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately.

Article 15-2 Since the re-election of the 13<sup>th</sup> directors, the Company has set up an audit committee based on Article 14-4 of the Securities and Exchange Act, following that the audit committee shall be composed of the entire number of independent directors. The Audit Committee or the members of the Audit Committee are in charge of the execution of the duties and rights of the supervisors stipulated in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 16 The Board of Directors should be composed of Directors, and Directors shall elect from themselves a Chairperson of the Board, by a majority in a meeting attended by over two-thirds of the Directors. The Chairperson represents the Company. In case the chairperson of the Board of Directors is on leave or absent or can not exercise his power and authority for any cause, the chairperson of the board of Directors shall designate one of the directors to act on his behalf, or the directors shall elect from among themselves an acting chairperson of the board of directors.

Article 17 When the number of vacancies in the Board of Directors of the Company equals one-third of the total number of directors, or all independent directors are dismissed, the Board of Directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

Article 18 If the Chairperson of the Board is on leave or absent or cannot exercise his/her duty, a proxy should be designated according to Article 208 of the Company Act. In case a director appoints another director to attend a meeting of the board of directors on his/her behalf, he/she shall, at each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

The reasons for calling the Board of Directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting

may be called on shorter notice. The notice set forth in the preceding paragraph may be affected by means of written form or electronic transmission.

In case a meeting of the board of directors has proceeded via a visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 19 Unless otherwise provided for in the Company Act, resolutions of the board meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 20 The duties of the board of directors of the Company are:

1. Convene shareholder meetings.
2. Execute the resolutions made by the shareholders.
3. Review the operating policy.
4. Review and assessment related to research, design , and planning.
5. Establishment, modification , and abolition of rules and regulations of the Company.
6. Establishment, modification , and abolition of contracts of the Company.
7. Appointment, dismissal, and transfer of departments, and approval of their remuneration, rewards, punishments, retirement , and pensions, etc.
8. Make proposals for capital increase or decrease and proposals for foreign investment and technical cooperation.
9. Review the budget, business report, distribution of surplus profit, and appropriation of profit or loss.
10. Other issues stipulated by law or authorized by the shareholder meeting.

Article 21 Deleted

Article 22 Deleted

Article 23 Deleted

Article 24 The Board of Directors is authorized to determine the salary for the Directors taking into account the standards of the industry within the R.O.C. and overseas, regardless of the Company earning profit or loss.

#### **Chapter 5 Managerial Officials**

Article 25 The Company may have one general manager and more than one managerial officers. Appointment, discharge, and the remuneration of managerial officers shall be in compliance with Article 29 of the Company Act.

#### **Chapter 6 Accounting**

Article 26 The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted during the regular shareholders 'meeting for acceptance:

1. Business report;
2. Financial statements;
3. Proposal concerning the distribution of earnings or covering of losses.

Article 27 In accordance with Article 56-1 of "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" and Article 10-1 of "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies", the resolution to be made thereto may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares in terms of issuing employee stock option at a price lower than the closing price of the Company's common stock on the issue date and transferring them to employees at a price lower than the average price of actual repurchasing shares.

Article 28 If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration. If the Company records a profit in a year, the Company shall set aside 5% to 10% of the profit for employee's remuneration of the Parent or subsidiaries of the Company who meet certain criteria, and no more than 3% of the profit for the Board of Directors remuneration.



Employees' and directors' remuneration distribution proposals shall be resolute by the board of directors and submitted to the shareholders' meeting for reporting.

Article 28-1 The Company The Company, shall distribute its surplus profits after having paid all taxes and dues as below in order:

(1) deficit compensation

(2) set aside ten percent of said profits as a legal reserve.

(3)The Company shall set aside the special surplus reserve in accordance with the laws or regulations of the competent authority. If the special surplus reserve is set aside from the previous accumulated net amount of other deductions from equity and the fair value evaluation of investment property, it shall be set aside the same amount of the special surplus reserve from the previous undistributed surplus. If the insufficient surplus occurs, the special surplus reserve shall be set aside in terms of the current net income combined with other unspecified.

The accumulated surplus of previous years can be combined with the surplus of the current year. The board of directors shall prepare a distribution plan of dividends to shareholders, and the issuance of new shares shall be submitted to the shareholders' meeting for resolution.

The Company, in accordance with Article 240 and 241 of the Company Act, capitalize its legal reserve and the following capital reserve, in whole or in part, by cash to its original shareholders. The Company authorizes the board of directors to resolve cash dividends by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors. In addition, a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy is based on the funding needs of the Company, long-term financial planning, and the aim of meeting its cash inflow. Each year, no less than 10% of the distributable earnings will be allocated for shareholders' dividends and bonuses, but if the distributable earnings are less than 5% of the paid-up capital, then no earnings will be distributed. Shareholders' dividends and bonuses can be distributed in the form of cash or stock, but cash dividends should be no less than 10% of the total dividends. If the cash dividend is less than NT\$ 1 per share, then it shall be distributed by stock dividends.

#### **Chapter 7 Supplemental Provisions**

Article 29 In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 30 The Articles of Incorporation have been established and implemented since October 7, 1982.

The 1<sup>st</sup> amendment was made on December 5, 1986.

The 2<sup>nd</sup> amendment was made on January 5, 1987.

The 3<sup>rd</sup> amendment was made on May 26, 1987.

The 4<sup>th</sup> amendment was made on June 28, 1987.

The 5<sup>th</sup> amendment was made on June 3, 1991.

The 6<sup>th</sup> amendment was made on November 8, 1991.

The 7<sup>th</sup> amendment was made on October 21, 1992.

The 8<sup>th</sup> amendment was made on February 11, 1995.

The 9<sup>th</sup> amendment was made on March 23, 1995.

The 10<sup>th</sup> amendment was made on May 26, 1997.

The 11<sup>th</sup> amendment was made on March 31, 1998.

The 12<sup>th</sup> amendment was made on February 26, 1999.

The 13<sup>th</sup> amendment was made on June 17, 1999.

The 14<sup>th</sup> amendment was made on April 26, 2000.

The 15<sup>th</sup> amendment was made on April 26, 2000.

The 16<sup>th</sup> amendment was made on June 11, 2001.

The 17<sup>th</sup> amendment was made on June 11, 2002.

The 18<sup>th</sup> amendment was made on June 30, 2003.

The 19<sup>th</sup> amendment was made on June 10, 2005.  
The 20<sup>th</sup> amendment was made on May 9, 2006.  
The 21<sup>st</sup> amendment was made on June 15, 2007.  
The 22<sup>nd</sup> amendment was made on June 13, 2008.  
The 23<sup>rd</sup> amendment was made on June 19, 2009.  
The 24<sup>th</sup> amendment was made on June 17, 2010.  
The 25<sup>th</sup> amendment was made on June 19, 2012.  
The 26<sup>th</sup> amendment was made on June 23, 2014.  
The 27<sup>th</sup> amendment was made on June 30, 2016.  
The 28<sup>th</sup> amendment was made on June 27, 2017.  
The 29<sup>th</sup> amendment was made on June 25, 2019.  
The 30<sup>th</sup> amendment was made on July 29, 2021.  
The 31<sup>st</sup> amendment was made on June 21, 2022.  
The 32<sup>nd</sup> amendment was made on June 20, 2023.

**【Appendix 2】**

**Solytech Enterprise Corporation  
Rules of Procedure for Shareholder meetings**

- The Rules of Procedure have been passed in the shareholder meeting on July 29, 2021.
- Article 1 The rules of procedures for this Corporation's shareholder meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 2 The term "shareholders" as used in the present rules of procedure includes shareholders themselves or their attending proxies.
- Article 3 Attendance at shareholder meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 4 The venue for a shareholder meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 Unless otherwise provided by law or regulation, this Corporation's shareholder meetings shall be convened by the board of directors. If a shareholder meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice-chairperson or the vice-chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair, or, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
- Article 6 This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholder meeting in a non-voting capacity.
- Article 7 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the proceedings of the shareholder meeting. The recorded materials of the preceding paragraph shall be retained for at least one year.
- Article 8 The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the 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 may be made. 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 of the Company Act; all shareholders shall be notified of the tentative resolution. When, prior to the 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 shareholder meeting pursuant to Article 174 of the Company Act.
- Article 9 The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.  
The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.  
Unless otherwise resolved at the Meeting, the chairperson cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.  
The shareholders cannot designate any other person as chairperson and continue the Meeting in the same or other places after the Meeting is adjourned.
- Article 10 Deleted
- Article 11 When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with a summary of the speech, the shareholder's number (or the number of Attendance Cards), and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairperson.  
If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of the actual speech shall prevail.

- Unless otherwise permitted by the chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise, the chairperson shall stop such interruption.
- Article 12 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- Article 13 Any legal entity designated as a proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.  
When a juristic person shareholder appoints two or more representatives to attend a shareholder meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 15 The chairperson may announce to end the discussion of any resolution and go into voting if the Chairperson deems it appropriate.
- Article 16 The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairperson. The person(s) checking the ballots shall be a shareholder(s). The result of the voting shall be announced at the Meeting and placed on record.  
The election of directors or supervisors at a shareholder meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and the number of votes they received.
- Article 17 During the Meeting, the chairperson may, at his discretion, set a time for intermission.
- Article 18 Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairperson.  
A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- Article 19 A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.
- Article 20 The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.  
In passing a resolution at a shareholders' meeting, shares for which voting rights cannot be exercised as provided in the previous article shall not be counted in the number of votes of shareholders present at the meeting.
- Article 21 If there is an amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment, or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
- Article 22 Deleted
- Article 23 The chairman may conduct the disciplinary officers or the security guard to assist in keeping order in the Meeting place.
- Article 24 Matters relating to the resolutions of a shareholder meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.  
This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.  
The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the meeting procedure and result. The minutes shall be retained for the duration of the existence of this Corporation.  
The preceding resolution method should specify the voting by ballot and the number of voting rights and weight ratios.
- Article 25 Deleted
- Article 26 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other relevant regulations shall govern.
- Article 27 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in the case of revision.

## 【Appendix 3】

### Solytech Enterprise Corporation

#### Rules for the Election of Directors

- Article 1 To ensure a just, fair, and open procedure for the election of directors, these Rules are duly enacted in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
- Article 2 The election of the Company's directors, unless otherwise provided in the applicable laws, regulations, or the Articles of Incorporation, shall be conducted in accordance with these Rules.
- Article 3 The election of the Company's directors shall take into account the arrangement of the board of directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. The policy shall include, without being limited to, the following two general standards:
- (1) Basic requirements and values: Gender, age, nationality, and culture.
  - (2) Professional knowledge and skills: A professional background (such as law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; their abilities that must be present in the board as a whole are as follow:
- (1) The ability to make judgements about operations.
  - (2) Accounting and financial analysis ability.
  - (3) Business management ability.
  - (4) Crisis management ability.
  - (5) Knowledge of the industry.
  - (6) An international market perspective.
  - (7) Leadership ability.
  - (8) Decision-making ability.
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- When the Company convenes a shareholder meeting for the election of directors and the original selectees do not meet the conditions of the preceding paragraphs, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid. The board of director of the Company shall consider adjusting the composition based on the results of performance evaluation.
- Article 4 The qualifications for the independent directors of the Company shall comply with the relevant regulations outlined in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- Article 5 Directors of the Company shall be elected by adopting the candidates' nomination system as specified in Article 192-1 of the Company Act.
- When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election at the next shareholder meeting to fill the vacancy. When the number of directors falls short by one third of the total number prescribed in the Articles of Incorporation, the Company shall call for a special shareholder meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- When the number of independent directors falls below that required under the provision of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholder meeting to fill the vacancy. When the independent directors are dismissed end masse, a special shareholder meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 5-1 Deleted
- Article 6 The cumulative voting method shall be used for election of the Company's directors. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The person with the right to convene shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholder meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of directors shall be as specified in the Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any candidates not in attendance.

- Article 9 Before the election begins, the Chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the person with the right to convene and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 A ballot shall be considered invalid under any of the following circumstances:
1. The ballot was not prepared by the person with the right to convene.
  2. A blank ballot is placed in the ballot box.
  3. The writing is unclear and indecipherable or has been altered.
  4. The candidate whose name is entered in the ballot does not conform to the roster of director candidates.
  5. The ballot on which two or more candidate names are entered.
  6. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of candidates elected as directors and the numbers of votes with which they were elected, shall be announced by the Chair on the site.  
The ballots for the election referred to in the preceding paragraph shall be sealed with signature of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 12 These Rules shall be effective from the date it is approved by the shareholder meeting. The same applies in the case of revision.
- Article 13 These Rules have been made and implemented since June 11, 2002.  
The 1<sup>st</sup> amendment was made on June 15, 2007.  
The 2<sup>nd</sup> amendment was made on June 20, 2014.  
The 3<sup>rd</sup> amendment was made on July 29, 2021.

**【Appendix 4】****Solytech Enterprise Corporation  
Shareholdings of Directors**

1. The Company's paid-in capital calculated till April 21, 2024 is NT\$ 1,504,145,360. The total outstanding shares were 150,414,536 shares.
2. The list of minimum number of directors' shareholdings was prescribed as 9,024,872 shares in accordance with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Directors' and Supervisors' Share Ownership Ratios in Public Companies.
3. The listed shareholdings of each and all directors were calculated based on the outstanding shares which are legally permitted to issue as of the book closure date of the Company's shareholders' meeting (April 21, 2024).

Unit: share

Title	Name	Number of Shareholdings	Shareholding Ratio (%)
President	Cheng, Chieh	9,290,500	6.17%
Director	Cheng, Hsiang	8,737,838	5.80%
Director	Cheng, Ken-Yi	0	0%
Director	Lee, Kan-Jung	1,144,661	0.76%
Independent Director	Chung, Yi-Hao	0	0%
Independent Director	Ho, Mei-Ying	0	0%
Independent Director	Chang, Ke-Hao	0	0%
Total Shareholdings of All Directors		<b>19,172,999</b>	<b>12.73%</b>