

2024 Annual Shareholders' Meeting

Meeting Handbook

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Type of Meeting: Physical Meeting

Time: May 30, 2024

Venue: 2nd Floor, No. 31, Gongye 2nd Rd., Annan Dist., Tainan City
(207 Conference Room of Southern Taiwan Innovation &
Research Park, Ministry of Economic Affairs)

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Procedure for 2024 Annual Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Announcements
- IV. Proposals
- V. Discussions
- VI. Extempore Motions
- VII. Adjournment

Agenda for 2024 Annual Shareholders' Meeting

Time: May 30, 2024 (Thursday), 10 A.M.

Venue: 2nd Floor No. 31, Gongye 2nd Rd., Annan Dist., Tainan City (207 Conference Room of Southern Taiwan Innovation & Research Park, Ministry of Economic Affairs)

I. Call the Meeting to Order

II. Chairperson Remarks

III. Announcements

- (I) Business Report for 2023.
- (II) Audit Committee's Review Report on 2023 Financial Statements.
- (III) Distribution of Cash Dividends for 2023.
- (IV) Distribution of Employee and Directors' Remuneration for 2023.
- (V) The Company's report on its issuance of secured corporate bond (green bond).

IV. Proposals

- (I) Adoption of Business Report and Financial Statements for 2023.
- (II) Adoption of Earnings Distribution Proposal for 2023.

V. Discussions

- (I) Lifting of Non-compete Clause Against Members of the 10th Board of Directors.

VI. Extempore Motions

VII. Adjournment

Announcements

(I) Business Report for 2023.

Description: Kindly refer to Attachment 1 (Page 8~11) for the Business Report for 2023.

(II) Audit Committee's Review Report on 2023 Financial Statements.

Description: Kindly refer to Attachment 2 (Page 12~13) for the Audit Committee's Review Report.

(III) Distribution of Cash Dividends for 2023.

Description:

1. According to Article 20-1 of the Company's Articles of Incorporation, when the distribution of earnings is in the form of cash, the Board of Directors is authorized to make a resolution with more than two-thirds of the directors present and the consensus of at least half of the present directors, and reported to the Shareholders' Meeting.
2. The eighth meeting of the tenth Board of Directors of the Company approved the 2023 annual cash dividend of NT\$1.2 per share on April 19, 2024, and the total amount of cash dividends distributed was NT\$715,490,092.
3. For the distribution of cash dividends, the Board authorizes the Chairman to set a separate ex-dividend date and payable date. Subsequently, due to factors such as restrictions on employees' rights to repurchase new shares, changes occurred to the number of the Company's outstanding shares and affected the rate of dividend issuance to shareholders. The Company plans to delegate the Chairman to adjust the dividend payment ratio accordingly.

(IV) Distribution of Employee and Directors' Remuneration for 2023.

Description:

1. According to Article 20 of the Company's Articles of Incorporation, the Company shall set aside no less than two percent of its profit as employee remuneration and no greater than five percent of its profit as directors' remuneration if the Company records a profit in a particular year. However, the Company shall reserve a portion of its profit to make up for losses if the Company still records accumulated loss.
2. The ratio of employee remuneration to be appropriated in 2023 is three percent of its profit before tax, and the amount to be appropriated is NT\$39,847,083. In addition, the ratio of directors' remuneration is 2.1% of its profit before tax, and the amount to be appropriated is NT\$27,892,958.

3. The aforesaid employee and directors' remuneration shall be distributed in the form of cash.

(V) The Company raised secured corporate bond (green bond), please resolve.

Description:

1. The Company issued secured corporate bond (green bond) on August 18, 2022 in order to purchase renewable energy, environmental protection and other related machinery and equipment, and support sustainable development. The main conditions and related matters are as follows:

Item	2022 One-off secured corporate bonds - A Bond (Bond Code: B68404)	2022 One-off secured corporate bonds - B Bond (Bond Code: B68405)
Board Approval Date	April 20, 2022	April 20, 2022
Approval number of competent authority	August 17, 2022 securities bond no. 11100092732	August 17, 2022 securities bond no. 11100092732
Issue Date	August 18, 2022	August 18, 2022
Total Issue Amount	NT\$400,000,000	NT\$400,000,000
Issue Denomination	NT\$1,000,000	NT\$1,000,000
Issuance period	Three-year period, issued on August 18, 2022 to maturity on August 18, 2025	Three-year period, issued on August 18, 2022 to maturity on August 18, 2025
Issuance price	Issued at par	Issued at par
Coupon rate	Fixed annual interest rate of 1.75%	Fixed annual interest rate of 1.75%
Principle Repayment	The Bonds shall be repaid in one lump sum upon maturity of three years from the date of issue	The Bonds shall be repaid in one lump sum upon maturity of three years from the date of issue
Interest Payment Method	From the date of issue, interest shall be calculated and distributed once per year at the coupon rate.	From the date of issue, interest shall be calculated and distributed once per year at the coupon rate.
Bond Type	The Company's bonds are issued without entity	The Company's bonds are issued without entity

Proposals

Item 1: Adoption of Business Report and Financial Statements for 2023. (Proposed by the Board of Directors)

Description:

1. The Company's business report, parent company only financial statements and consolidated financial statements for the year ended December 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors. The aforementioned financial statements have also been audited and attested by CPAs Chao-Chin Yang and Chi-Chen Li from Deloitte Taiwan.
2. Kindly refer to Attachments 1 (Page 8~11) and 3 (Page 14~33) for the aforesaid business report and financial statements.

Resolution:

Item 2: Adoption of Earnings Distribution Proposal for 2023. (Proposed by the Board of Directors)

Description:

1. The Company's earnings distribution in 2023 was approved by the Board of Directors on April 19, 2024 and submitted to the audit committee for review and completion.
2. The Company's 2023 earnings distribution statement is proposed as follows:

Unit: NT dollars

Item	Amount
Unappropriated retained earnings at beginning of year	\$1,370,806,169
Less : Other comprehensive income – Re-measurements of the defined benefit liabilities	(437,372)
Less : Retained earnings of investments adjustment by using the equity method	(12,802,093)
Unappropriated retained earnings after adjustment	1,357,566,704
Profit after tax	1,084,940,883
10% Legal reserve	(107,170,142)
Appropriation of special capital reserve	(36,889,567)
Distributable earnings	2,298,447,878
Items for distribution	
Shareholders' dividends-Cash (596,241,743 shares*NT\$ 1.2 per share)	715,490,092
Unappropriated retained earnings at end of year	\$1,582,957,786

3. In early 2023, after the unappropriated retained earnings plus adjustments, plus earnings after tax for the current period, minus 10% legal reserve and appropriation of special capital reserve, there is still distributable earnings for year 2023. This year, it is planned that cash dividends equal to NT\$ 1.2 per share be issued. As of April 19, 2024, the Company has issued 596,241,743 outstanding ordinary shares. The total amount of cash dividends to be distributed is NT\$715,490,092.
4. For the distribution of cash dividends, the Board authorizes the Chairman to set a separate ex-dividend date and payable date. Subsequently, due to factors such as restrictions on employees' rights to repurchase new shares, changes occurred to the number of the Company's outstanding shares and affected the rate of dividend issuance to shareholders. The Company plans to delegate the Chairman to adjust the dividend payment ratio accordingly.

Resolution:

Discussions

Item 1: Lifting of Non-compete Clause Against Members of the 10th Board of Directors.

(Proposed by the Board of Directors)

Description:

1. According to Article 209, Paragraph 1 of the Company Act, " a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. The Company proposes that the Shareholders' Meeting approve lifting the non-compete clause against directors elected in the 2023 Annual Shareholders' Meeting and their representatives, provided that Company's interests are not undermined by any conduct pursuant to Article 209 of the Company Act due to the directors' concurrent positions elsewhere. The list of lift is as follows:

Name	Positions held in other companies
PI-CHUAN SUN	Chung Hwa Chemical Industrial Works, Ltd.

Resolution:

Extempore Motions

Adjournment



Business Report for 2023

Dear Shareholders,

We would like to express our most sincere gratitude to our shareholders for your support and trust in Solar Applied Materials Technology Corporation (SOLAR)!

The global economic growth rate in 2023 was lower than that of 2022. This was primarily due to persistent international inflation and interest rate pressures, the ongoing conflict between Ukraine and Russia, the slowdown of the economy in China, the resurgence of the US-China technology dispute, and the increasing challenges posed by climate change. SOLAR not only closely monitors the global situation but also expedites the adoption of lean manufacturing, smart manufacturing, and zero-carbon transformation to strengthen operational resilience. Despite the challenging external environment and the uncertainty surrounding the global supply chain, SOLAR remains unwavering in its commitment to proactively address the diverse risks that impact its operations.

SOLAR consistently forges long-term strategic partnerships with clients, ensuring mutual growth for both parties. Our collaborative efforts from all team members have earned us a high level of trust and recognition from our clients. Moving forward, SOLAR's operations are steadily growing, strengthening its competitive advantage and growth momentum. We are committed to understanding market trends and customer needs, strategically positioning ourselves for long-term sustainability. Our goal is to thrive alongside all stakeholders and generate maximum value for our shareholders.

I. Business performance in the previous year (2023)

(I) Business Plan Implementation Results

The Company recorded a consolidated net operating income of NT\$22.63 billion in 2023, a 12.3% decrease from 2022, as well as a consolidated net profit after tax of NT\$1.07 billion and an earnings per share after tax of NT\$1.83 in 2023.

(II) Status of Budget Implementation

The Company's internal budget for 2023 was passed by the Board of Directors but the Company did not publicly disclose any financial forecast. The overall state of operations was good.

(III) Income and Expenditures and Profitability Analysis

1. Income and Expenditures

Unit: NT\$ thousand; %

Item	2023	2022	Amount of Increase (Decrease)	Ratio of Increase (Decrease)%
Interest income	60,066	18,763	41,303	220.1
Interest expenses	366,952	259,119	107,833	41.6

2. Profitability Analysis

Unit: NT\$; %

Item	2023	2022
Return on assets (%)	5.13	6.29
Return on shareholders' equity (%)	8.15	11.15
Ratio of income before tax to paid-in capital (%)	21.61	27.97
Net profit margin (%)	4.71	5.54
Earnings per share after tax (NT\$)	1.83	2.35

(IV) Research and Development

1. Expenditures and Achievements in Research and Development (R&D) of the Company in the Past Two Years

Unit: NT\$ thousand; %

Item \ Year	2023	2022
R&D expenditures	371,394	458,295
Net operating income	22,629,192	25,790,594
Ratio (%)	1.64	1.78

2. Achievements in Technology R&D:

The Company focuses development efforts in three major industries, namely data storage media, display panels, and semiconductors. While developing sputtering, evaporation materials, wires, chemicals and other products for thin films required in these three industries, we not only serve as a stable supplier for customers, but also actively develop new materials in collaboration with market leaders, so as to expand into new application markets. In response to the rapid growth of cloud storage, we actively developed next-generation heat assisted magnetic recording (HAMR) materials and apply core

magnetic material technologies to magnetic random access memory (MRAM) and magnetic sensors, which have shown significant effects for expanding into new markets.

As our products enter the semiconductor supply chain, we have accelerated the development of high-end targets for ultra-high purity, ultra-fine, and ultra-large semiconductors, and the development of niche semiconductor equipment components to provide semiconductor customers with even more comprehensive services and form a complete circular economy within the semiconductor industry.

3. Future Research and Development Plans:

To maximize the core values of "environmental protection", "value creation" and "sustainable development", SOLAR has continued to develop technologies for the recycling and refinement of precious and rare metals based on a complete circular economy. We increased the types of metals and waste for recycling and the refining purity. We also implement the green total recycling economy technology to make SOLAR's product portfolio more comprehensive and competitive.

SOLAR's future research and development will continue to focus on data storage media, display panels, and semiconductors. We will develop new memory materials, new optical materials, and advanced semiconductor materials.

II. Overview of Business Plan for Current Year (2024)

(I) Business Policy

In 2024, our main business strategy will remain focused on twin transformation (digital transformation and zero-carbon transformation). We will strive to integrate internal resources and enhance operational efficiency to deliver greater value to our customers at the shareholder level, while also preparing for their long-term needs.

(II) Expected Sales Volume and Its Basis

As the main manufacturer in the global precious/rare metal industry which engages in materials processing in the circular economy, SOLAR is still cautiously optimistic about our expected sales volume due to numerous uncertainties in the global economic recovery as the US-China trade war, the Ukraine-Russia war, inflation, and interest rate hikes linger on in 2024.

(III) Important Production and Sales Policies

1. Focus on our core businesses: Create a functional material platform for precious/rare metals.

2. Lean operations: Go lean on material turnover and use of resources.
3. Value creation: Expand into new applications with existing technologies and develop new markets.
4. Corporate governance: Carry out internal audit and control and talent cultivation.
5. Twin transformation: Continuously advancing digital transformation and zero-carbon transformation.

III. Future Development Strategies

SOLAR's vision is to build a technology-, service-, and solution-oriented company in combination with materials technology and circular economy based on the foundation of "justice, common good, and sustainability." On the other hand, SOLAR's mission is to build a fully circular material application platform and become a leading manufacturer in the world, thereby creating value for customers, achieving employee realization, generating profits for shareholders, and engaging in sustainable development. Looking forward, SOLAR will successively complete new technologies and new product developments in the high-capacity hard disk drive, high-resolution panel, and advanced semiconductor industries, as well as realize a green circular economy and inside chamber total solution business model in combination with pyrometallurgical and hydrometallurgical recovery and refining technologies and scale involving precious/rare metals. Over the next five years, SOLAR will actively invest in niche products and technologies, recruit talents, engage in external investments, and accelerate the Group's organic growth.

IV. Effects of Competitive, Legal, and Macroeconomic Environments

In recent years, the global economy and trade have been volatile and unstable. The world has been shrouded in the gloom of epidemic and the geopolitical struggle between China and the United States. The interest rate hikes due to inflation have contributed to the high cost of raw materials and uncertainties in the supply and demand in the industry. In the face of external challenges and competition, SOLAR continues to focus on its business and pursues sustainable development by implementing corporate governance. Fortunately, changes in important domestic and international policies and laws in recent years have not had a significant impact on the Company's financial operations. In the future, SOLAR will continue to monitor relevant information and promptly develop necessary response measures to meet the Company's business needs. Finally, SOLAR's management team wishes to emphasize our pledge to all shareholders that we will work together on the basis of honesty, integrity, and corporate governance to maximize benefits for our shareholders. We wish all our shareholders good health and good fortune.

Solar Applied Materials Technology Corporation
Chairman Chii-Feng Huang

Audit Committee's Review Report

The Board of Directors has prepared the Company's business report and financial statements for 2023, of which the financial statements have been audited by CPAs Chao-Chin Yang and Chi-Chen Li from Deloitte Taiwan. A review report has also been issued by the CPAs. The aforementioned business report and financial statements have been reviewed by the Audit Committee, and no irregularities have been found therein. Therefore, this report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To
Solar Applied Materials Technology Corp. 2024 Annual Shareholders' Meeting

Solar Applied Materials Technology Corporation

Convener of the Audit Committee: Feng-Chi Kao

March 6, 2024

Audit Committee's Review Report

The Board of Directors has prepared the Company's earnings distribution proposal for 2023. The proposal has been reviewed by the Audit Committee, and no irregularities have been found therein. Therefore, this report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To
Solar Applied Materials Technology Corp. 2024 Annual Shareholders' Meeting

Solar Applied Materials Technology Corporation

Convener of the Audit Committee: Feng-Chi Kao

April 19, 2024

**勤業眾信**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Solar Applied Materials Technology Corp.

Opinion

We have audited the accompanying consolidated financial statements of Solar Applied Materials Technology Corp. (the “Company”) and its 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 notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the 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, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 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.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

The Authenticity of Sales Revenue from Specific Customers

As revenue from specific customers is material to the consolidated financial statements, and considering that there is a presumed significant risk in revenue recognition, the authenticity of revenue recognition from specific customers and other specific characteristics has a significant impact on the consolidated financial statements. Therefore, the authenticity of revenue recognition from specific customers and other specific characteristics was identified as a key audit matter for the year ended December 31, 2023. For the relevant accounting policies for revenue recognition, refer to Note 4(o).

The main audit procedures performed with respect to the above-mentioned key audit matter are as follows:

1. We obtained an understanding of and tested internal controls related to the revenue cycle and evaluated the effectiveness of the design and implementation.
2. We selected samples from the sales details of the above-mentioned specific customers, and we examined the external sales orders, external shipping documents, invoices and receipts of payments.

Other Matter

We have also audited the parent company only statements of Solar Applied Materials Technology Corp. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion and an unmodified opinion with other matter paragraph, respectively.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 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 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.

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 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.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Chin Yang and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 6, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Solar Applied Materials Technology Corp. and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,362,456	9	\$ 2,206,839	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	110,125	1	242,041	1
Financial assets at amortized cost - current (Notes 4, 7, 9 and 36)	1,129,734	4	989,874	4
Contract assets - current (Note 26)	-	-	50,640	-
Notes receivable (Notes 4, 10 and 26)	59,332	-	77,883	-
Accounts receivable, net (Notes 4, 10, 26 and 35)	1,793,116	7	1,651,305	6
Other receivables (Notes 4, 10 and 35)	42,166	-	51,498	-
Current tax assets (Notes 4 and 28)	38,542	-	38,517	-
Inventories (Notes 4 and 11)	11,566,686	44	11,434,438	43
Prepayments (Notes 12 and 35)	302,623	1	334,541	1
Total current assets	17,404,780	66	17,077,576	64
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	91,824	1	85,755	1
Financial assets at amortized cost - non-current (Notes 4, 9, and 36)	44,000	-	63,190	-
Investments accounted for using the equity method (Notes 4 and 14)	306,993	1	270,995	1
Property, plant and equipment (Notes 4, 15, 35 and 36)	7,733,439	29	8,091,518	31
Right-of-use assets (Notes 4 and 16)	106,665	1	216,349	1
Investment properties (Notes 4, 17, 34, 35 and 36)	326,233	1	316,113	1
Intangible assets (Notes 4, 19 and 35)	24,127	-	37,601	-
Goodwill (Notes 4 and 18)	9,295	-	17,337	-
Deferred tax assets (Notes 4 and 28)	260,452	1	228,435	1
Prepayments for equipment (Note 35)	85,585	-	81,257	-
Refundable deposits (Note 4)	58,572	-	69,156	-
Other non-current assets	7,718	-	14,261	-
Total non-current assets	9,054,903	34	9,491,967	36
TOTAL	\$ 26,459,683	100	\$ 26,569,543	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	\$ 2,842,587	11	\$ 1,445,145	5
Financial liabilities for hedging - current (Notes 4 and 34)	2,576	-	125,504	1
Contract liabilities - current (Note 26)	97,398	-	226,957	1
Accounts payable (Notes 22 and 35)	943,246	4	1,083,630	4
Other payables (Notes 23 and 35)	1,208,199	5	1,314,808	5
Current tax liabilities	102,086	-	123,071	-
Lease liabilities - current (Notes 4 and 16)	1,373	-	19,276	-
Advance receipts	18,297	-	14,736	-
Current portion of long-term borrowings (Notes 20 and 36)	1,418,269	5	1,019,937	4
Total current liabilities	6,634,031	25	5,373,064	20
NON-CURRENT LIABILITIES				
Corporate bonds payable (Note 21)	787,933	3	780,312	3
Long-term borrowings (Notes 20 and 36)	5,726,080	22	6,770,952	26
Deferred tax liabilities (Notes 4 and 28)	296,614	1	285,212	1
Lease liabilities - non-current (Notes 4 and 16)	193	-	83,647	-
Long-term deferred revenue (Note 23)	29,808	-	31,424	-
Net defined benefit liabilities - non-current (Notes 4 and 24)	22,826	-	38,547	-
Guarantee deposits received	3,586	-	2,906	-
Total non-current liabilities	6,867,040	26	7,993,000	30
Total liabilities	13,501,071	51	13,366,064	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 25)				
Ordinary shares	5,964,432	22	5,971,372	22
Capital surplus	4,112,769	16	4,148,886	16
Retained earnings				
Legal reserve	503,718	2	363,689	1
Special reserve	173,416	1	198,708	1
Unappropriated earnings	2,442,507	9	2,380,821	9
Total retained earnings	3,119,641	12	2,943,218	11
Other equity	(250,212)	(1)	(273,752)	(1)
Total equity attributable to owners of the Company	12,946,630	49	12,789,724	48
NON-CONTROLLING INTERESTS	11,982	-	413,755	2
Total equity	12,958,612	49	13,203,479	50
TOTAL	\$ 26,459,683	100	\$ 26,569,543	100

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

Solar Applied Materials Technology Corp. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)	\$ 22,629,192	100	\$ 25,790,594	100
OPERATING COSTS (Notes 11, 27 and 35)	<u>19,906,133</u>	<u>88</u>	<u>22,317,563</u>	<u>86</u>
GROSS PROFIT	<u>2,723,059</u>	<u>12</u>	<u>3,473,031</u>	<u>14</u>
OPERATING EXPENSES (Notes 10, 27 and 35)				
Selling and marketing expenses	230,054	1	292,638	1
General and administrative expenses	745,292	3	1,107,693	4
Research and development expenses	371,394	2	458,295	2
Expected credit loss (gain)	<u>10,482</u>	<u>-</u>	<u>(16,054)</u>	<u>-</u>
Total operating expenses	<u>1,357,222</u>	<u>6</u>	<u>1,842,572</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>1,365,837</u>	<u>6</u>	<u>1,630,459</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Notes 7, 27 and 35)				
Interest income	60,066	-	18,763	-
Other income	69,257	-	62,188	-
Other gains and losses	166,183	1	212,399	1
Finance costs	(366,952)	(1)	(259,119)	(1)
Share of profit or loss of associates	<u>(5,730)</u>	<u>-</u>	<u>5,218</u>	<u>-</u>
Total non-operating income and expenses	<u>(77,176)</u>	<u>-</u>	<u>39,449</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FOR THE YEAR	1,288,661	6	1,669,908	7
INCOME TAX EXPENSE (Notes 4 and 28)	<u>222,243</u>	<u>1</u>	<u>240,887</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>1,066,418</u>	<u>5</u>	<u>1,429,021</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(547)	-	13,691	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	6,069	-	(8,346)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	109	-	(2,739)	-

(Continued)

Solar Applied Materials Technology Corp. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (52,834)	-	\$ 41,434	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(866)	-	1,631	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>10,740</u>	<u>-</u>	<u>(8,724)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(37,329)</u>	<u>-</u>	<u>36,947</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME, FOR THE YEAR	<u>\$ 1,029,089</u>	<u>5</u>	<u>\$ 1,465,968</u>	<u>6</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,084,941	5	\$ 1,389,338	6
Non-controlling interests	<u>(18,523)</u>	<u>-</u>	<u>39,683</u>	<u>-</u>
	<u>\$ 1,066,418</u>	<u>5</u>	<u>\$ 1,429,021</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,047,612	5	\$ 1,425,583	6
Non-controlling interests	<u>(18,523)</u>	<u>-</u>	<u>40,385</u>	<u>-</u>
	<u>\$ 1,029,089</u>	<u>5</u>	<u>\$ 1,465,968</u>	<u>6</u>
EARNINGS PER SHARE (New Taiwan Dollars; Note 29)				
Basic	<u>\$ 1.83</u>		<u>\$ 2.35</u>	
Diluted	<u>\$ 1.82</u>		<u>\$ 2.34</u>	

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

(Concluded)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

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

Solar Applied Materials Technology Corp. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,288,661	\$ 1,669,908
Adjustments for:		
Depreciation expenses	570,689	485,809
Amortization expenses	10,430	8,686
Expected credit loss recognized (reversed) on trade receivables	10,482	(16,054)
Net loss on financial assets and liabilities at fair value through profit or loss	164,808	25,460
Interest Expense	366,952	259,119
Interest income	(60,066)	(18,763)
Share based payments compensations	48,163	79,000
Share of profit of associates	5,730	(5,218)
Loss arising from lease modifications	-	588
Loss (gain) on disposal of property, plant and equipment	10,677	(34,159)
Gain on disposal of investment properties	-	(222,247)
Impairment loss recognized on property, plant and equipment	203	-
Gain on disposal of investments	(116,364)	-
Write downs (reversal) of inventories	57,747	(145,153)
Net loss (gain) on foreign currency exchange	(77,730)	76,896
Changes in operating assets and liabilities		
Contract assets	15,897	(50,640)
Notes receivable	18,372	34,940
Accounts receivable	(309,097)	351,366
Other receivables	9,828	(4,380)
Inventories	(318,942)	(1,740,557)
Prepayments	18,100	238,142
Contract liabilities	(126,973)	14,041
Accounts payable	(111,214)	460,336
Other payables	98,744	(22,965)
Advance receipts	5,508	(2,119)
Net defined benefit liabilities - non-current	(16,268)	(2,459)
Long-term deferred revenue	(1,616)	(1,617)
Cash generated from operations	1,562,721	1,437,960
Interest received	59,519	18,626
Dividends received	-	2,308
Interest paid	(289,734)	(224,141)
Income tax paid	(251,520)	(224,927)
Net cash generated from operating activities	1,080,986	1,009,826
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	11,000
Acquisition of financial assets at amortized cost	(154,156)	-
Proceeds from sale of financial assets at amortized cost	-	182,502
Acquisition of financial assets at fair value through profit or loss	(32,891)	-
Acquisition of associates	-	(48,578)
Proceeds from disposal of associates	138,492	-
Loss of control of a subsidiary	(167,856)	-
Payments for property, plant and equipment	(565,465)	(1,107,599)
Proceeds from disposal of property, plant and equipment	112	36,405

(Continued)

Solar Applied Materials Technology Corp. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Decrease (increase) in refundable deposits	\$ 5,302	\$ (1,249)
Acquisition of intangible assets	(8,430)	(15,493)
Proceeds from disposal of investment properties	-	313,205
Increase in prepayments for equipment	(267,498)	(265,939)
Decrease in other non-current assets	<u>6,543</u>	<u>10,600</u>
Net cash used in investing activities	<u>(1,045,847)</u>	<u>(885,146)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,877,774	1,695,145
Repayments of short-term borrowings	(3,392,705)	(1,379,405)
Issuance of corporate bonds	-	777,136
Proceeds from long-term borrowings	8,085,550	266,140
Repayments of long-term borrowings	(8,511,060)	(1,632,089)
Increase in refundable deposits	680	1,285
Repayment of the principal portion of lease liabilities	(10,011)	(22,778)
Cash dividends distributed	(895,278)	(890,447)
Issuance of employee restricted shares	-	54,780
Restricted stock written off	(6,940)	(2,720)
Increase in non-controlling interests	<u>22,908</u>	<u>24,783</u>
Net cash generated from (used in) financing activities	<u>170,918</u>	<u>(1,108,170)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(50,440)</u>	<u>41,803</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	155,617	(941,687)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,206,839</u>	<u>3,148,526</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,362,456</u>	<u>\$ 2,206,839</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Solar Applied Materials Technology Corp.

Opinion

We have audited the accompanying standalone financial statements of Solar Applied Materials Technology Corp. (the “Company”), which comprise the standalone balance sheets as of December 31, 2023 and 2022, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the standalone financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2023 and 2022, and its standalone financial performance and its standalone 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 in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Standalone 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 standalone financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's standalone financial statements for the year ended December 31, 2023 is described as follows:

The Authenticity of Sales Revenue from Specific Customers

As revenue from specific customers is material to the standalone financial statements, and considering that there is a presumed significant risk in revenue recognition, the authenticity of revenue recognition of target from specific customers has a significant impact on the standalone financial statements. Therefore, the authenticity of revenue recognition of target from specific customers was identified as a key audit matter for the year ended December 31, 2023. For the relevant accounting policies for revenue recognition, refer to Note 4(n).

The main audit procedures performed with respect to the above-mentioned key audit matter are as follows:

1. We obtained an understanding of and tested internal controls related to the revenue cycle and evaluated the effectiveness of the design and implementation.
2. We selected samples from the sales details of these above-mentioned specific customers, and we examined the external sales orders, external shipping documents, invoices and receipts of payments.

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

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 Company to express an opinion on the standalone 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 standalone financial statements for the year ended December 31, 2022 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.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Chin Yang and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 6, 2024

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such standalone financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and standalone financial statements shall prevail.

Solar Applied Materials Technology Corp.

STANDALONE BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,629,169	6	\$ 1,375,356	5
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 33)	19,594	-	158,565	1
Financial assets at amortized cost - current (Notes 4, 7, 9 and 33)	990,507	4	909,682	4
Notes receivable (Notes 4, 10 and 23)	4,142	-	4,323	-
Accounts receivable, net (Notes 4, 10 and 23)	1,131,240	5	834,460	3
Accounts receivable from related parties (Notes 4, 10, 23 and 32)	53,373	-	126,446	1
Other receivables (Notes 4, 10 and 32)	40,404	-	62,946	-
Inventories (Notes 4 and 11)	9,877,475	38	9,915,565	40
Prepayments	182,412	1	97,685	-
Total current assets	13,928,316	54	13,485,028	54
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	91,824	1	85,755	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	44,000	-	48,000	-
Investments accounted for using the equity method (Notes 4 and 12)	3,778,188	15	3,685,245	15
Property, plant and equipment (Notes 4, 13, 32 and 33)	7,178,669	28	7,038,288	28
Right-of-use assets (Notes 4 and 14)	2,168	-	5,064	-
Investment properties (Notes 4, 15, 32 and 33)	326,233	1	316,113	1
Intangible assets (Notes 4 and 16)	24,127	-	24,989	-
Deferred tax assets (Notes 4 and 25)	249,979	1	213,634	1
Prepayments for equipment (Note 32)	79,043	-	72,907	-
Refundable deposits (Note 4)	22,405	-	22,333	-
Other non-current assets	2,710	-	4,516	-
Total non-current assets	11,799,346	46	11,516,844	46
TOTAL	\$ 25,727,662	100	\$ 25,001,872	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 2,350,000	9	\$ 1,000,000	4
Financial liabilities for hedging - current (Notes 4 and 31)	-	-	119,796	1
Contract liabilities - current (Note 23)	32,107	-	77,304	-
Accounts payable (Note 19)	818,095	3	849,660	3
Accounts payable to related parties (Notes 19 and 32)	16,510	-	19,209	-
Other payables (Notes 20 and 32)	1,175,369	5	1,304,239	5
Current tax liabilities (Note 25)	91,920	-	105,398	1
Lease liabilities - current (Notes 4 and 14)	1,036	-	2,532	-
Advance receipts	10,686	-	12,326	-
Current portion of long-term borrowings (Notes 17 and 33)	1,418,269	6	990,254	4
Total current liabilities	5,913,992	23	4,480,718	18
NON-CURRENT LIABILITIES				
Corporate bonds payable (Note 18)	787,933	3	780,312	3
Long-term borrowings (Notes 17 and 33)	5,726,080	23	6,597,623	27
Deferred tax liabilities (Notes 4 and 25)	296,614	1	278,672	1
Lease liabilities - non-current (Notes 4 and 14)	193	-	1,247	-
Long-term deferred revenue (Note 20)	29,808	-	31,424	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	22,826	-	38,547	-
Guarantee deposits received	3,586	-	3,605	-
Total non-current liabilities	6,867,040	27	7,731,430	31
Total liabilities	12,781,032	50	12,212,148	49
EQUITY (Notes 4 and 22)				
Ordinary shares	5,964,432	23	5,971,372	24
Capital surplus	4,112,769	16	4,148,886	16
Retained earnings				
Legal reserve	503,718	2	363,689	1
Special reserve	173,416	1	198,708	1
Unappropriated earnings	2,442,507	9	2,380,821	10
Total retained earnings	3,119,641	12	2,943,218	12
Other equity	(250,212)	(1)	(273,752)	(1)
Total equity	12,946,630	50	12,789,724	51
TOTAL	\$ 25,727,662	100	\$ 25,001,872	100

The accompanying notes are an integral part of the standalone financial statements.

Solar Applied Materials Technology Corp.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 32)	\$ 8,207,459	100	\$ 11,081,066	100
OPERATING COSTS (Notes 11, 24 and 32)	<u>6,128,150</u>	<u>75</u>	<u>8,310,737</u>	<u>75</u>
GROSS PROFIT	<u>2,079,309</u>	<u>25</u>	<u>2,770,329</u>	<u>25</u>
OPERATING EXPENSES (Notes 10, 24 and 32)				
Selling and marketing expenses	146,370	2	146,916	1
General and administrative expenses	558,798	7	834,469	8
Research and development expenses	287,264	3	369,393	3
Expected credit loss (gain)	<u>3,548</u>	<u>-</u>	<u>(17,947)</u>	<u>-</u>
Total operating expenses	<u>995,980</u>	<u>12</u>	<u>1,332,831</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>1,083,329</u>	<u>13</u>	<u>1,437,498</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES (Notes 7, 24 and 32)				
Interest income	52,875	1	5,983	-
Other income	74,181	1	81,895	1
Other gains and losses	239,552	3	201,857	2
Finance costs	(352,734)	(4)	(236,481)	(2)
Share of profit of associates	<u>201,492</u>	<u>2</u>	<u>121,520</u>	<u>1</u>
Total non-operating expenses	<u>215,366</u>	<u>3</u>	<u>174,774</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FOR THE YEAR	1,298,695	16	1,612,272	15
INCOME TAX EXPENSE (Notes 4 and 25)	<u>213,754</u>	<u>3</u>	<u>222,934</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>1,084,941</u>	<u>13</u>	<u>1,389,338</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(547)	-	13,691	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	6,069	-	(8,346)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	109	-	(2,739)	-

(Continued)

Solar Applied Materials Technology Corp.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (53,700)	-	\$ 42,048	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>10,740</u>	<u>-</u>	<u>(8,409)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(37,329)</u>	<u>-</u>	<u>36,245</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,047,612</u>	<u>13</u>	<u>\$ 1,425,583</u>	<u>13</u>
EARNINGS PER SHARE (New Taiwan dollars; Note 26)				
Basic	<u>\$ 1.83</u>		<u>\$ 2.35</u>	
Diluted	<u>\$ 1.82</u>		<u>\$ 2.34</u>	

The accompanying notes are an integral part of the standalone financial statements.

(Concluded)

Solar Applied Materials Technology Corp.

STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Retained Earnings				Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements Foreign Operations	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Compensation
	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE AT JANUARY 1, 2022	5,919,312	3,963,821	237,910	189,674	2,005,791	(125,397)	(73,310)	-
Appropriation of 2021 earnings (Note 22)	-	-	-	-	-	-	-	-
Legal reserve	-	-	125,779	-	(125,779)	-	-	-
Special reserve	-	-	-	9,034	(9,034)	-	-	-
Cash dividends	-	-	-	-	(890,447)	-	-	(890,447)
Net profit for the year ended December 31, 2022	-	-	-	-	1,389,338	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax (Note 22)	-	-	-	-	10,952	33,639	(8,346)	-
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,400,290	33,639	(8,346)	-
Change in capital surplus of subsidiaries (Note 22)	-	15,063	-	-	-	-	-	-
Issuance of restricted stock (Notes 22 and 27)	54,780	-	-	-	-	-	-	-
Compensation costs of share - based payment arrangements (Note 27)	-	170,002	-	-	-	-	-	(100,338)
Restricted stock written off (Note 27)	(2,720)	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	5,971,372	4,148,886	363,689	198,708	2,380,821	(91,758)	(81,656)	12,789,724
Appropriation of 2022 earnings (Note 22)	-	-	140,029	-	(140,029)	-	-	-
Legal reserve	-	-	-	-	(895,278)	-	-	(895,278)
Cash dividends	-	-	-	(25,292)	25,292	-	-	-
Reversal of special reserve	-	-	-	-	1,084,941	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax (Note 22)	-	-	-	-	(438)	(42,960)	6,069	-
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,084,503	(42,960)	6,069	-
Change in capital surplus of subsidiaries (Note 22)	-	1,085	-	-	-	-	-	-
Disposal of investments accounted for using the equity method and loss of control of subsidiaries (Note 28)	-	(22,802)	-	-	-	-	-	-
Compensation costs of share - based payment arrangements (Note 27)	-	(14,400)	-	-	-	-	-	60,431
Change in share of profit in associates and joint ventures	-	-	-	-	(12,802)	-	-	-
Restricted stock written off (Note 27)	(6,940)	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	5,964,432	4,112,769	503,718	173,416	2,442,507	(134,718)	(75,587)	12,946,630

The accompanying notes are an integral part of the standalone financial statements.

Solar Applied Materials Technology Corp.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 1,298,695	\$ 1,612,272
Adjustments for:		
Depreciation expenses	460,694	358,837
Amortization expenses	8,239	4,703
Expected credit loss recognized (reversed) on trade receivable	3,548	(17,947)
Net loss on financial assets and liabilities at fair value through profit or loss	145,386	24,446
Interest Expense	352,734	236,481
Interest income	(52,875)	(5,983)
Share-based payments compensations	46,031	69,664
Share of profit of associates	(201,492)	(121,520)
Gain on disposal of property, plant and equipment	(103)	(35,824)
Gain on disposal of investment properties	-	(222,247)
Impairment loss recognized on property, plant and equipment	203	-
Gain on disposal of investments	(116,364)	-
Write downs (reversal) of inventories	55,340	(101,550)
Unrealized loss (gain) on foreign currency exchange	(77,732)	76,896
Loss on lease modifications	-	588
Changes in operating assets and liabilities		
Notes receivable	181	430
Accounts receivable	(300,328)	289,118
Accounts receivable from related parties	73,073	24,862
Other receivables	23,089	(12,556)
Inventories	(137,046)	(1,935,264)
Prepayments	(84,727)	(17,510)
Contract liabilities	(45,197)	(30,780)
Accounts payable	(31,565)	635,292
Accounts payable to related parties	(2,699)	(7,943)
Other payables	(77,930)	140
Advance receipts	(1,640)	2,813
Net defined benefit liabilities - non-current	(16,268)	(2,460)
Long-term deferred revenue	(1,616)	(1,617)
Cash generated from operations	1,319,631	823,341
Interest received	52,328	5,846
Dividend received	6,202	11,426
Interest paid	(275,689)	(201,271)
Income tax paid	(234,786)	(196,545)
Net cash generated from operating activities	867,686	442,797
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	11,000
Acquisition of financial assets at amortized cost	(76,825)	-
Proceeds from sale of financial assets at amortized cost	-	179,722

(Continued)

Solar Applied Materials Technology Corp.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Acquisition of financial assets at fair value through profit or loss	\$ (6,415)	\$ -
Acquisition of associates	-	(30,000)
Proceeds from disposal of investments accounted for using the equity method	138,492	-
Payments for property, plant and equipment	(419,107)	(744,904)
Proceeds from disposal of property, plant and equipment	103	36,229
Increase in refundable deposits	(72)	-
Decrease in refundable deposits	-	5,077
Acquisition of intangible assets	(7,377)	(9,067)
Proceeds from disposal of investment properties	-	313,205
Increase in prepayments for equipment	(263,050)	(275,840)
Decrease in other non-current assets	<u>1,806</u>	<u>1,807</u>
Net cash used in investing activities	<u>(632,445)</u>	<u>(512,771)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	4,000,000	1,250,000
Repayments of short-term borrowings	(2,650,000)	(527,340)
Issuance of corporate bonds	-	777,136
Proceeds from long-term borrowings	8,050,440	171,250
Repayments of long-term borrowings	(8,484,036)	(1,584,534)
Borrowings from associates	14,955	276,390
Increase in refundable deposits	-	2,805
Decrease in refundable deposits	(19)	(820)
Repayment of the principal portion of lease liabilities	(2,550)	(6,211)
Cash dividends distributed	(895,278)	(890,447)
Issuance of employee restricted shares	-	54,780
Restricted stock written off	(6,940)	(2,720)
Acquisition of subsidiaries	<u>(8,000)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>18,572</u>	<u>(479,711)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	253,813	(549,685)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,375,356</u>	<u>1,925,041</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,629,169</u>	<u>\$ 1,375,356</u>

The accompanying notes are an integral part of the standalone financial statements.

(Concluded)

Your Target is Our Target



ARTICLES OF INCORPORATION

Chapter 1 General Provision

- Clause 1: The Company is organized according to the Company Act, and named “Solar Applied Materials Technology Corporation”.
- Clause 2: The Company is engaged in several industries as follows,
1. C801010 Basic Industrial Chemical Manufacturing.
 2. C801030 Precision Chemical Materials Manufacturing.
 3. C801990 Other Chemical Materials Manufacturing.
 4. C802090 Cleaning Products Manufacturing.
 5. C802170 Toxic and Concerned Chemical Substances Manufacturing.
 6. C802990 Other Chemical Products Manufacturing.
 7. C803990 Other Petroleum and Charcoal Manufacturing.
 8. C901010 Pottery and Ceramics Products Manufacturing.
 9. C901060 Refractory Materials Manufacturing.
 10. C901990 Other Non-metallic Mineral Products Manufacturing.
 11. CA01090 Aluminum Casting.
 12. CA01100 Aluminum Rolling, Drawing and Extruding.
 13. CA01110 Copper Refining.
 14. CA01120 Copper Casting.
 15. CA01130 Copper Rolling, Drawing and Extruding.
 16. CA01150 Magnesium Casting.
 17. CA01160 Magnesium Rolling, Drawing and Extruding.
 18. CA01990 Other Non-ferrous Metal Basic Industries.
 19. CA02080 Metal Forging.
 20. CA02090 Metal Wire Products Manufacturing.
 21. CA02990 Other Metal Products Manufacturing.
 22. CA03010 Heat Treatment.
 23. CA04010 Surface Treatments.
 24. CA05010 Powder Metallurgy.
 25. CB01020 Affairs Machine Manufacturing.
 26. CB01030 Pollution Controlling Equipment Manufacturing.
 27. CC01090 Manufacture of Batteries and Accumulators.
 28. CG01010 Jewelry and Precious Metals Products Manufacturing.
 29. E599010 Pipping Engineering.
 30. E603100 Electric Welding Engineering.

31. E603120 Sand Blasting Engineering.
32. E604010 Machinery Installation.
33. EZ99990 Other Engineering.
34. F107060 Toxic and Concerned Chemical Substances Wholesale Trade.
35. F107200 Wholesale of Chemical Feedstock.
36. F112040 Wholesale of Petroleum Products.
37. F115010 Wholesale of Jewelry and Precious Metals.
38. F199010 Wholesale of Recycling Materials.
39. F207060 Toxic and Concerned Chemical Substances Retail.
40. F215010 Retail Sale of Jewelry and Precious Metals.
41. F401010 International Trade.
42. J101030 Waste Disposing.
43. J101040 Waste Treatment.
44. J101060 Wastewater (Sewage) Treatment.
45. J101080 Resource Recycling.
46. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Clause 3: The Company is headquartered in Tainan City, and may set up branches in Taiwan and overseas when necessary pursuant to resolutions adopted by the Board of Directors.
- Clause 4: The Company may provide endorsements and guarantees to others based on business needs and the principle of reciprocity.
- Clause 5: The Company shall make public announcements in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Clause 6: The total capital of the Company is set at NT\$8 billion, which is divided into 800 million shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue unissued shares in installments based on business needs. The Company may issue in installments stock warrants, corporate bonds with warrants or preferred shares with warrants totaling up to NT\$120 million out of the the total capital mentioned in the preceding paragraph, which amounts to 12 million shares at a par value of NT\$10 per share.
- Clause 6-1: The targets of the Company's treasury share subscription, issuance of employee share options, restricted new employee shares, and cash capital increase through issuing new shares for employee subscription, may include employees of parents or subsidiaries of the Company meeting certain specific requirements, and the requirements and distribution methods are delegated to the Board of Directors to resolve accordingly.
- Clause 6-2: To transfer shares to employees at less than the average actual share repurchase

price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders' meeting attended by shareholders representing a majority of total issued shares.

Clause 7: The shares of the Company are registered shares. The share certificates shall be assigned with serial numbers and affixed with the signature or stamp of the director representing the Company. The share certificates shall be duly certified or authenticated by the bank which is competent to certify shares in accordance with the law before they are issued.

Clause 7-1: The Company may be exempted from printing any share certificate for the shares it issues, and shall register the issued shares with a centralized securities depository enterprise.

Clause 8: Transfer of shares shall be handled in accordance with Article 165 of the Company Act.

Chapter 3 Shareholders' Meeting

Clause 9: There are two types of shareholders' meeting, namely annual shareholders' meeting and extraordinary shareholders' meeting. An annual shareholders' meeting shall be convened by the Board of Directors each year within six months after the end of a fiscal year in accordance with Article 172 of the Company Act. An extraordinary shareholders' meeting shall be convened in accordance with the law when necessary. However, shareholders with less than 1,000 shares of the Company may be notified of a shareholders' meeting via public announcements. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be delivered electronically. Voting rights may be exercised by correspondence or electronically at a shareholders' meeting convened by the Company. Voting rights shall be exercised according to the methods stipulated in the relevant regulations.

Clause 9-1: The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Clause 10: When a shareholder is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on his/her behalf by providing a power of attorney in accordance with Article 177 of the Company Act.

Clause 11: A shareholder shall be entitled to one vote for each share held; however, there are no voting rights for shares specified in Article 179 of the Company Act and the relevant laws and regulations.

Clause 12: Unless otherwise provided for in the relevant laws, a resolution of a shareholders' meeting shall be adopted with the approval of shareholders representing more

than half the voting rights at the meeting attended by shareholders holding more than half the total number of issued shares.

Chapter 4 Directors and Audit Committee

- Clause 13: The Company shall appoint five to nine directors whose term of office is three years. Directors shall be elected from among persons with disposing capacity by the shareholders' meeting. Re-elected directors may serve consecutive terms. The candidate nomination system shall be adopted in the election of directors in accordance with Article 192-1 of the Company Act. Matters related to the election of directors shall be governed by the relevant laws and regulations, including the Company Act and the Securities and Exchange Act. The total number of registered shares held by all the directors at the Company shall be subject to the standards stipulated in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance.
- Clause 13-1: Among the directors at the Company mentioned above, there shall be no less than two independent directors, and the number of independent directors may not be less than one-fifth of the total number of directors at the Company. The candidate nomination system shall be adopted in the election of independent directors. Independent directors shall be elected from a list of independent director candidates by the shareholders' meeting. The professional qualifications, restrictions on shareholdings and concurrent positions, methods of nomination and election, and other matters associated with independent directors shall be governed by the relevant rules and regulations promulgated by the competent authority in charge of securities affairs.
- Clause 14: The Board of Directors shall be organized by directors. A chairman shall be elected from among the directors by a majority vote at a meeting attended by more than two-thirds of the total number of directors at the Company. A vice chairman shall also be elected in the same manner. The Chairman shall represent the Company in public and carry out all the matters associated with the Company in accordance with the relevant laws and regulations, the Company's Articles of Incorporation, and the resolutions adopted by the shareholders' meeting and the Board of Directors at the Company. When convening a Board of Directors' meeting, the reason for convening the meeting shall be specified in the meeting notice. All directors shall be notified of the meeting seven days prior to the date of the Board of Directors' meeting. However, in case of an emergency, a Board of Directors' meeting may be convened at any time. Directors may be notified of the convening of a Board of Directors' meeting as mentioned in the preceding paragraph in writing, by fax or via e-mail.

- Clause 15: When the Chairman is on leave or is unable to exercise his/her powers for any reason, a person shall be elected to act on his/her behalf in accordance with Article 208 of the Company Act.
- Clause 15-1: Unless otherwise provided for in the Company Act, a Board of Directors' meeting must be attended by more than half the total number of directors. A resolution shall be adopted with the approval of more than half the directors present at the meeting. When a director is unable to attend a Board of Directors' meeting for any reason, the director may appoint other directors to attend the meeting on his/her behalf by providing a power of attorney specifying the scope of authority with reference to the reason for convening the meeting; however, a director may only be appointed to serve as a proxy for one other director only. If a Board of Directors' meeting is convened via video conferencing, directors who participate in the meeting via video conferencing shall be deemed to have attended the meeting in person.
- Clause 15-2: When no election of directors is held upon expiration of the existing directors' term of office, their term of office shall be extended until the election and appointment of new directors. However, the competent authority may, ex officio, order the Company to elect new directors within a given time period. In the event that no election of directors is held after the given time period ends, the existing directors shall be discharged upon expiration of the given time period.
- Clause 15-3: When the number of directors falls to less than one-third of the total number of directors required, the Board of Directors shall convene a shareholders' meeting and hold a by-election to fill the vacancies within the time period stipulated in Article 201 of the Company Act.
- Clause 15-4: The Company shall establish the Audit Committee and may set up other functional committees. The Audit Committee shall be fully composed of independent directors, and may not comprise less than three people, where one of the members shall be the convener of the committee, and at least one member shall possess accounting or finance expertise. The Audit Committee shall be responsible for performing the duties and responsibilities of supervisors stipulated in the Company Act, the Securities and Exchange Act, and other laws and regulations, as well as complying the relevant laws and regulations and the Company's Articles of Incorporation. The duties and responsibilities of the Audit Committee and related matters shall be governed by the relevant laws and regulations, and shall be established separately by the Board of Directors.
- Clause 16: The duties and responsibilities of the Board of Directors at the Company are listed as follows:

1. Review and implement the business policies of the Company.
2. Review financial movements and audit daily revenue and expenditure at the Company.
3. Review the personnel structure of the Company, and appoint and dismiss key personnel.
4. Prepare the budget and final accounts of the Company.
5. Review and deliberate on the business reports of the Company.
6. Formulate proposals for capital increase or reduction at the Company.
7. Formulate proposals for earnings distribution or making up for losses at the Company.
8. Review and sign external contracts.
9. Review documents related to important regulations at the Company.
10. Handle the assets of the Company.
11. Implement the resolutions adopted in Board of Directors' meetings.
12. Perform other duties and responsibilities granted by the relevant laws and regulations and the shareholders' meeting.

Chapter 5 Managers

Clause 17: The Company shall appoint a president. The appointment, discharge, and remuneration of the President shall be handled in accordance with Article 29 of the Company Act.

Clause 18: Deleted.

Chapter 6 Accounting

Clause 19: The Board of Directors shall prepare the following reports and statements at the end of a fiscal year and submit them to the annual shareholders' meeting for recognition thirty days prior to the date of the annual shareholders' meeting: (1) Business report. (2) Financial statements. (3) Proposal for earnings distribution or making up for losses.

Clause 20: If the Company records a profit in a particular year, the Company shall set aside no less than two percent of its profit as employee remuneration and no more than five percent of its profit as directors' remuneration. However, the Company shall reserve a portion of its profit to make up for losses if the Company still records accumulated loss. Employee remuneration may be distributed in the form of shares or cash. The eligible recipients of employee remuneration may include employees at the subsidiaries of the Company who meet specific conditions.

Clause 20-1: If the Company posts a profit in its final accounts for a particular year, besides paying income taxes in accordance with the laws and making up for accumulated losses in previous periods, any remaining profit shall be distributed in the following order:

- I. Setting aside ten percent of the profit as legal reserve; however, this provision

shall not apply when the legal reserve has amounted to the total amount of paid-in capital.

II. When necessary, appropriation or reversal of special earnings reserve in accordance with the law.

III. For any remaining profit and the undistributed earnings from the previous periods, the Company's Board of Directors shall propose an earnings distribution plan.

The earnings distribution plan shall comply with the regulations from Article 240 of the Company Act; and when the distribution is handled through issuance of new shares, the proposal shall be submitted to the Shareholders' meeting for resolution on the distribution. When the distribution is in cash, the Board of Directors will be authorized to handle the distributions in a meeting attended by more than two-thirds of all Directors and a vote by the majority of the Directors in attendance, and reported to the Shareholders' Meeting.

When the Company distributes new shares or issues cash dividend using all or parts of the legal reserve and paid-in capital based on the ratio of existing shareholding of the shareholders, in line with regulations from Article 241 of the Company Act, the resolution and the distribution will be handled in line with the aforesaid method.

Clause 20-2: The Company may determine the amount and percentage of earnings to be distributed as dividends for the year and the type of dividends to be distributed for the year based on financial, business, and operational considerations. However, the amount of earnings to be distributed as dividends for the year shall be at least 40 percent of the earnings for the year up to the full amount of the accumulated distributable earnings. Earnings shall be distributed in the form of cash dividends or stock dividends. However, considering the environment to which the Company belongs and its growth in response to its future capital needs and long-term financial planning, the Company shall give priority to earnings distribution in the form of cash dividends, where the amount of dividends to be distributed in the form of cash shall be no less than 50 percent of the total amount of dividends.

Chapter 7 Supplementary Provisions

Clause 21: The amount of the Company's investments in other companies may not exceed 40 percent of its paid-in capital as stipulated in Article 13 of the Company Act.

Clause 22: The Board of Directors shall be authorized to determine the remuneration of directors based on their level of participation and value of contribution to the operations of the Company, as well as by reference to prevailing industry standards. The Company may purchase liability insurance for directors in relation to their scope of duties during their term of office.

Clause 23: Any matters not specified in the Articles of Incorporation shall be governed by

the Company Act.

Clause 24: The Company's Articles of Incorporation and bylaws shall be established separately based on the resolutions adopted by the Board of Directors.

Clause 25: The Articles of Incorporation was established on July 14th, 1978. First revision was made on May 29th, 1979. Second revision was made on July 15th, 1983. Third revision was made on June 16th, 1984. Fourth revision was made on July 2nd, 1986. Fifth revision was made on Feb. 23rd, 1987. Sixth revision was made on Mar. 16th, 1987. Seventh revision was made on Sep. 20th, 1988. Eighth revision was made on Oct. 20th, 1990. Ninth revision was made on Nov. 26th, 1990. Tenth revision was made on July 26th, 1993. Eleventh revision was made on Sep. 7th, 1993. Twelfth revision was made on Apr. 15th, 1994. Thirteenth revision was made on Oct. 22nd, 1994. Fourteenth revision was made on Dec. 19th, 1994. Fifteenth revision was made on Oct. 14th, 1998. Sixteenth revision was made on Sep. 8th, 1999. Seventeenth revision was made on Sep. 28th, 1999. Eighteenth revision was made on May 10th, 2000. Nineteenth revision was made on June 23rd, 2000. Twentieth revision was made on Sep. 19th, 2000. Twenty-First revision was made on Oct. 28th, 2000. Twenty-Second revision was made on Oct. 6th, 2001. Twenty-Third revision was made on April 7th, 2002. Twenty-Fourth revision was made on Nov. 5th, 2002. Twenty-Fifth revision was made on June 30th, 2003. Twenty-Sixth revision was made on June 24th, 2004. Twenty-Seventh revision was made on June 23rd, 2005. Twenty-Eighth revision was made on June 21st, 2006. Twenty-Ninth revision was made on June 13th, 2007. Thirtieth revision was made on June 13th, 2008. Thirty-First revision was made on June 19th, 2009. Thirty-second revision was made on June 15th, 2010. Thirty-third revision was made on June 10th, 2011. Thirty-fourth revision was made on June 21st, 2012. Thirty-fifth revision was made on June 28th, 2013. Thirty-sixth revision was made on June 12th, 2015. Thirty-seventh revision was made on July 19th, 2016. Thirty-eighth revision was made on June 16th, 2017. Thirty-ninth revision was made on June 15th, 2018. Fortieth revision was made on June 28th, 2019. Forty-First revision was made on July 16, 2021. The Forty -Second revision was made on May 31, 2022.

Solar Applied Materials Technology Corp.

Rules of Procedure for Shareholders' Meetings

Approved by the shareholders' meeting on June 28, 2013

Approved by the shareholders' meeting on July 19, 2016

Approved by the shareholders' meeting on December 28, 2016

Approved by the shareholders' meeting on June 19, 2020

Approved by the shareholders' meeting on July 16, 2021

Approved by the shareholders' meeting on May 31, 2022

Article 1: In order to establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings and strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Article 2: Unless otherwise provided by the relevant laws and regulations or the Company's Articles of Incorporation, the rules of procedure for the Company's shareholders' meetings shall be governed by these Rules.

Article 3: Unless otherwise provided by the relevant laws and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders meeting notice. The Company shall prepare the electronic version of the shareholders' meeting notice and power of attorney, and information regarding the subject and explanatory notes for all proposals, including proposals for ratification, matters for deliberation, and election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare the electronic version of the agenda for an annual shareholders' meeting and supplemental meeting materials, and upload them to MOPS 21 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. However, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately

preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. In addition, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials 15 days before the date of a shareholders' meeting, and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated by the Company.

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

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be delivered electronically.

Election or dismissal of directors; changes in the Articles of Association; capital reduction; application for halting public offering; permission for directors to compete with the Company; capitalization of retained earnings; capitalization of capital reserves; dissolution, merging or demerger of the Company; or all items pertaining to Article 185, Paragraph 1 of the Company Act; Article 26-1 and Article 43-6 of the Securities and Exchange Act; and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and may not be raised as extempore motions.

The notice to convene a shareholders' meeting shall already specify the full re-election of directors and supervisors, and shall indicate the date of appointment. After completing the re-election process in the shareholders' meeting, change of appointment date may not be raised as an extempore motion or by other means in the same meeting.

A shareholder holding more than one percent of the total number of issued shares may submit to the Company a proposal containing only one item for discussion at an annual shareholders' meeting. Proposals containing more than one item shall not be included in the meeting agenda. In addition, the Board of Directors may exclude a shareholder's proposal from the meeting agenda if any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act is found in the proposal. A shareholder may submit a proposal containing only one item for urging the

Company to promote public interests or fulfill its social responsibilities in accordance with Article 172-1 of the Company Act. Related proposals containing more than one item shall not be included in the meeting agenda.

Prior to the book closure date before the convening of an annual shareholders' meeting, the Company shall publish a notice announcing the acceptance of proposals, the method for receiving proposals, either by correspondence or electronic means, the venue and period for shareholders to submit proposals to be discussed at the meeting. The period for receiving proposals shall be not less than 10 days prior thereto.

A proposal to be submitted by a shareholder shall contain no more than 300 words. Any proposal containing more than 300 words shall not be included in the meeting agenda. The shareholder who has submitted a proposal shall attend, either in person or by proxy, the annual shareholders' meeting in which his/her proposal is to be discussed, and shall take part in the discussion of the proposal.

Prior to the date of issuance of notice for a shareholders' meeting, the Company shall notify the shareholders who submitted their proposals of the proposal screening results, and shall list in the meeting notice the proposals that comply with the provisions of this article. The Board of Directors shall explain the reasons for excluding any shareholder proposals from the agenda during the shareholders' meeting.

Article 4: At each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company which states the scope of power authorized to the proxy.

A shareholder may appoint only one proxy by providing only one power of attorney, and shall deliver the power of attorney to the Company five days before the date of a shareholders' meeting. In the event that duplicate powers of attorney are delivered to the Company, the first power of attorney arriving at the Company shall prevail, provided that a declaration is issued to cancel the appointment of the proxy as stated in the power of attorney which arrives later.

If the shareholder intends to attend the shareholders' meeting in person or exercise his/her voting rights by correspondence or electronically after a power of attorney has been delivered to the Company, the shareholder shall issue a proxy rescission notice to the Company in writing two days before the date of the shareholders' meeting. If a proxy rescission notice is issued late, the voting rights exercised by the proxy in attendance shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders' meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the

cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: A shareholders' meeting shall be held at the premises of the Company or a venue which is convenient for shareholders to attend the meeting and is suitable for convening the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m., with full consideration given to the opinions of the independent directors.

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

Article 6: The Company shall specify in a shareholders' meeting notice the time during which attendance registration for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registration will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting will commence. The venue at which attendance registration are conducted shall be clearly marked and with a sufficient number of suitable personnel assigned to handle the registration. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings with an attendance card, a sign-in card or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting powers of attorney shall also bring their identification documents for verification.

The Company shall prepare an attendance book for the shareholders present to sign, or the shareholders present may hand in a sign-in card in lieu of signing in.

The Company shall provide the shareholders present with an agenda handbook, an annual report, an attendance card, a speaker's slip, a voting card and other meeting materials. In the event that an election of directors is held, a ballot shall also be provided to them.

When the government or a legal person is a shareholder, the shareholder may appoint more than one representative to attend a shareholders' meeting. When a legal person is appointed to attend a shareholders' meeting as proxy, the legal person may only designate one representative to attend the meeting.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, Annual Report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1: To convene a virtual shareholders' meeting, the Company shall include the following particulars in the shareholders' meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or is unable to exercise his/her powers for any reason, the Vice Chairman shall chair the meeting in place of the Chairman. If there is no Vice Chairman or the Vice Chairman is also on leave or is unable to exercise his/her powers for any reason, the Chairman shall appoint one of the managing directors to chair the meeting. If there are no managing directors, one of the directors shall be appointed to chair the meeting. In the event

that the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to chair the meeting.

In the event that a managing director or a director chairs a shareholders' meeting as mentioned in the preceding paragraph, the managing director or director shall be one who has served in his/her position for more than six months and understands the financial and business status of the Company. The same shall apply to the case in which the representative of a legal-person director chairs a shareholders' meeting. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person, and attended by more than half the directors and at least one member of each functional committee on behalf of the committee. Shareholders' attendance shall be recorded in the minutes of shareholders' meetings. If a shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the person shall chair the meeting. When there are two or more such persons, they shall mutually select one person from among themselves to chair the meeting.

The Company may appoint an attorney, a certified public accountant (CPA) or a related person it authorizes to sit in on a shareholders' meeting in a non-voting capacity.

Article 8: The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures, starting from the time when shareholders are allowed to register for attendance at the meeting.

The audio and video recording mentioned in the preceding paragraph shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9: Attendance at shareholders' meetings shall be calculated based on the 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.

The chairperson shall call the meeting to order at the appointed meeting time and announce the relevant information, such as the number of non-voting shares and the number of shares in attendance. However, when the shareholders present do not represent more than half the total number of issued shares, the chairperson may announce a postponement, with no more than two such postponements exceeding one hour in total allowed. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When the shareholders present represent more than half the total number of issued shares before the conclusion of the meeting, the chairperson may resubmit the tentative resolution for voting at the shareholders' meeting in accordance with Article 174 of the Company Act.

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution adopted by the shareholders' meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholders' meeting convened by a person with the right to convene other than the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda set out in the preceding two paragraphs (including extempore motions), except upon a resolution adopted by the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the shareholders present in electing a new chairperson in accordance

with the statutory procedures. The meeting shall continue after a chairperson is elected with the approval of more than half the voting rights represented by the shareholders present.

The chairperson shall allow ample opportunities for explaining and discussing the proposals, amendments or extempore motions raised by the shareholders during the meeting. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Before speaking, a shareholder present must specify on a speaker's slip the subject of his/her speech, his/her shareholder account number (or attendance card number), and his/her account name. The order in which shareholders speak will be set by the chairperson.

A shareholder present who has submitted a speaker's slip but is yet to speak shall be deemed to have not spoken. When the content of a shareholder's speech does not correspond to the subject given on his/her speaker's slip, the spoken content shall prevail.

Unless otherwise consented by the chairperson, a shareholder may not speak more than twice on the same proposal, and may only speak for no more than five minutes each time. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate his/her speech.

When a shareholder present is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder who has the floor. Any violation of this rule shall be stopped by the chairperson.

When a legal-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on the same proposal.

After a shareholder present has spoken, the chairperson may respond in person or direct the relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12: Votes at shareholders' meetings shall be calculated based on the number of shares.

For resolutions at shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is a likelihood that such a relationship would prejudice the interests of the Company, the shareholder may not vote on the agenda item, and may not exercise his/her voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised as mentioned in the preceding paragraph shall not be calculated as part of the voting rights represented by the shareholders present.

With the exception of a trust enterprise or a shareholder services agent approved by the competent authority in charge of securities affairs, when a person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by the proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If the aforesaid percentage is exceeded, the voting rights in excess of the aforesaid percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held; however, this shall not apply to those who are restricted or who do not have the right to vote under Article 179, Paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights electronically and may exercise their voting rights by correspondence. When voting rights are exercised by correspondence or electronically, the method for exercising voting rights shall be specified in the shareholders' meeting notice. A shareholder who exercises his/her voting rights by correspondence or electronically shall be deemed to have attended the meeting in person. However, the shareholder shall be deemed to have waived his/her rights in respect of extempore motions or amendments to original proposals in the meeting. Therefore, the Company is advised to avoid proposing extempore motions and amendments to original proposals.

A shareholder who intends to exercise his/her voting rights by correspondence or electronically as mentioned in the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. In the event that duplicate declarations of intent are delivered to the Company, the first declarations of intent arriving at the Company shall prevail, provided that a statement is issued to cancel the first declaration of intent as stated in the declaration of intent which arrives later.

If the shareholder intends to attend the shareholders' meeting in person or online after exercising his/her voting rights by correspondence or electronically, the shareholder shall issue a written declaration of intent to retract the voting rights

already exercised in the preceding paragraph to the Company two days before the date of the shareholders' meeting. If a notice of retraction is issued late, the voting rights already exercised by correspondence or electronically shall prevail. When a shareholder has exercised his/her voting rights both by correspondence or electronically and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, a proposal shall be approved upon a resolution adopted by more than half the shareholders present. At the time of voting, the chairperson or a person designated by the chairperson shall first announce the total number of voting shares held by the shareholders present before the shareholders begin to vote for each proposal. The results for each proposal, including the number of votes for and against the proposal and the number of abstentions, shall be uploaded onto MOPS on the same day after the conclusion of the meeting.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal along with the original proposal, and decide the order in which they will be put to a vote. If any one of these proposals is adopted, the other proposals shall be deemed rejected, with no further voting required.

The chairperson shall appoint scrutineers and counting agents to perform vote counting and monitoring for proposals, provided that all scrutineers and counting agents are shareholders at the Company.

Vote counting for proposals or elections at shareholders' meetings shall be conducted in public at the venue of the shareholders' meeting. The voting results, including the tallies of number of votes, shall be announced on the spot after vote counting is completed, and a record of these results shall be made.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

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

Article 14: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company. The voting results, including the name of those elected and the corresponding number of votes received, as well as the name of those not elected and the corresponding number of votes received, shall be announced on the spot.

The ballots cast during the election mentioned in the preceding paragraph shall be sealed by the scrutineers and affixed with their signatures, and then kept properly for at least one year. However, in the event that a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be kept until the conclusion of the lawsuit.

Article 15: Matters related to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, with a copy of the meeting minutes distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes mentioned in the preceding paragraph via a public announcement made on MOPS.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including tallies of the number of voting shares), and disclose the number of voting shares received by each candidate in the event of an election of directors. The meeting minutes shall be kept permanently throughout the existence of the Company.

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

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 16: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If the resolutions adopted by a shareholders' meeting constitute material information under the relevant laws and regulations or the regulations promulgated by Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload the content of these resolutions onto MOPS within the prescribed time period.

Article 17: Staff members in charge of affairs related to a shareholders' meeting shall put on an identification badge or armband.

The chairperson may direct proctors or security personnel to help maintain order at the meeting venue. In the event that proctors or security personnel is roped in to help maintain order at the meeting venue, they shall put on an identification badge or armband bearing the word "Proctor." If a shareholder attempts to speak through any device other than the public address equipment provided at the meeting venue, the chairperson may prevent the shareholder from doing so.

In the event that a shareholder violates the rules of procedure and defies the chairperson's directives by obstructing the proceedings and refusing to stop his/her actions, the chairperson may direct proctors or security personnel to escort the shareholder out of the meeting venue.

Article 18: When a meeting is in progress, the chairperson may announce a break based on time considerations. In the event of force majeure, the chairperson may rule the meeting temporarily suspended and announce a time when the meeting will be resumed depending on the circumstance.

If the meeting venue is no longer available for continued use but not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20: When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21: In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected Directors and Supervisors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of

shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

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

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 22: When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23: These Procedures shall take effect upon approval by the shareholders' meeting. The same shall apply to any amendment thereto.

Solar Applied Materials Technology Corporation
Status of Shareholding by Directors
Book Closure Date: April 1, 2024

Title	Name	Number of Shares Held	Shareholding Ratio (%)
Chairman	Chii-Feng Huang	6,212,962	1.04
Director	Sheng Yuan Investment Co., Ltd. Representative: Ben-Jan Hung	10,405,064	1.75
Director	Yung-Tsang Chao	0	0
Director	Xxentria Chi Co., Ltd. Representative: Gary Chung	38,692,000	6.49
Director	Xxentria Chi Co., Ltd. Representative: Vincent Huang	38,692,000	6.49
Independent Director	Feng-Chi Kao	0	0
Independent Director	Chun-Hung Tung	0	0
Independent Director	Chia-Hsin Chang	0	0
Independent Director	Pi-Chuan Sun	0	0
Number and percentage of shares held by all directors		55,310,026	9.28

- I. The paid-in capital of the Company is NT\$5,962,702,430, and the number of issued shares is 596,270,243.
- II. In line with Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the statutory shareholding of the Company's directors is 19,080,648 shares.