



Silicon Optronics, Inc.

2025 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

June 18, 2025

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

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Silicon Optronics, Inc.

2025 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

Type of Meeting: Physical Meeting

Time: 9:00 a.m., June 18, 2025 (Tuesday)

Venue: Edison Hall, GIS Convention Center, 2F, No. 1, Gongye E. 2nd Rd., Hsinchu Science Park, Hsinchu City

Chairman: Mr. James He, Chairman of the Board of Directors

Meeting Procedure

I. Calling Meeting to Order

II. Chairman's Remarks

III. Report Items

(I) 2024 Business Report

(II) 2024 Audit Committee's Review Report

IV. Acknowledgements

(I) 2024 Business Report and Financial Statements

(II) The 2024 Deficit Compensation Proposal

V. Proposed Resolutions

(I) Amendment to the Articles of Incorporation

VI. Other Business and Special Motion

VII. Meeting Adjourned

Report Items

Report item I

Proposed by the Board of Directors

Subject: 2024 Business Report

Explanation: 2024 Business Report is attached as Attachment I.

Report item II

Proposed by the Board of Directors

Subject: Audit Committee's review report on the 2024 final statements

Explanation: 2024 Audit Committee's Audit Report is attached as Attachment II.

Acknowledgements

Acknowledgement Item I.

Proposed by the Board of Directors

Subject: Adoption of the 2024 Business Report and Financial Statements

Explanation:

1. SOI's 2024 financial statements has been approved by the Board of Directors and were audited by independent auditors Mr. Ming-Hui Chen and Mr. Tung-Hui Yeh, CPAs of Deloitte & Touche. The financial statements and business report were reviewed by the Audit Committee.
2. For the business report, Independent Auditors' Report, and the financial statements are attached as Attachment I , Attachment III and IV.

Voting by poll :

Acknowledgement Item II.

Proposed by the Board of Directors

Subjects: Adoption of the 2024 Deficit Compensation Proposal

Explanation:

1. Due to the rapid changes in industrial prosperity, it is planned to retain all undistributed earnings from distribution.
2. The 2024 Deficit Compensation Proposal is attached as Attachment V.

Voting by poll:

Proposed Resolutions

Proposed resolutions item I.

Proposed by the Board of Directors

Subject: Amendment to the Articles of Incorporation.

Explanation:

1. In accordance with the Presidential Announcement No. 11300069631 dated August 7, 2024, and Article 14, Paragraph 6 of the Securities and Exchange Act, the Company intends to amend certain provisions of its Articles of Incorporation.
2. Please refer to Attachment VI .

Voting by poll:

Other Business and Special Motion

Meeting Adjourned

Business Report

(Attachment I)

I. Business plan implementation results and budget execution

In 2024, SOI continued to deepen its presence in the optoelectronics industry, strengthening its core competitiveness through technological innovation and market expansion. The following is an overview of its profit and loss and financial status:

1. The summary of profit and loss statement is shown below:

Unit: NT\$ thousand

Item / Year	2024	2023	Differences	Growth rate %
Operating revenue	1,731,031	1,663,499	67,532	4
Gross profit	124,539	(43,527)	168,066	386
Operating profits	(193,043)	(371,452)	178,409	48
Net profit (loss) after tax	(102,780)	(286,716)	183,936	64

2. Financial income and expenses

The net cash inflow from operating activities in the current period decreased compared to the previous period, primarily due to a higher level of inventory reduction in the previous period. In addition, the repayment of bank loans and equipment purchases in the current period resulted in net cash outflows from investing and financing activities.

Unit: NT\$ thousand

Item / Year	2024	2023
Profit before income tax	(101,242)	(348,312)
Net cash inflow (outflow) from operating activities	246,929	361,737
Net cash inflow (outflow) from investing activities	(29,425)	(9,232)
Net cash inflow (outflow) from financing activities	(461,992)	(67,944)
Increase (decrease) in cash and cash equivalents	(217,692)	272,358
Cash and cash equivalents at beginning of year	1,034,994	762,636
Cash and cash equivalents at end of year	817,302	1,034,994

3. profitability ability analysis: performance in this period was decreased compared with last year due to depression of overall market sales.

Item / Year	2024	2023
Return on assets (%)	(3.41)	(8.14)
Return on equity (ROE)	(4.38)	(11.45)
Operating profits to paid-up capital ratio (%)	(24.92)	(47.35)
Income before tax to paid-up capital ratio (%)	(13.07)	(44.40)
Net profit margin (%)	(5.94)	(17.24)
Earnings per share (NT\$)	(1.33)	(3.70)

II. Business plan and future development blueprint

In 2025, we will continue to focus on the image sensor market in areas such as security surveillance, automotive electronics, consumer electronics, and biochips. We will actively incorporate the development of low-power technologies, aiming for wide application in AI-based video products to enhance the intelligence and energy efficiency of image sensors. With the rapid advancement of AI technology, in addition to traditional security surveillance, home safety, and various IoT consumer

network cameras, applications such as multi-camera systems and smart door locks have emerged as new market trends. We will continue to drive innovation in technology and product applications to expand our market presence and increase product value. In the near future, we will launch more energy-efficient, low-power Always-on and Always-on Video products. These will be applied not only in new composite sensors with a 1:1 square structure but also across 1080P to 4K product lines to meet the growing demand for intelligent surveillance devices. Furthermore, building on our successful development of backside illumination and enhanced near-infrared sensing technologies, we will continue to develop high-performance products to further improve the performance and application scope of our image sensors. In other application areas, leveraging backside illumination and enhanced near-infrared sensing technologies, we have introduced automotive image sensors designed for Driver Monitoring Systems (DMS), and continue to expand our presence in the automotive market. In addition, the company has successfully developed the second generation of global shutter sensors, which will be further extended to more image recognition applications in the future, creating greater business opportunities.

1. Short-term marketing development plans
 - (1) Expand the sales channels in the existing markets and develop new potential markets.
 - (2) Develop new business opportunity with potential key customers in the market to increase market share.
 - (3) Provide best services to consolidate long-term business relationship with existing customers.
2. Long-term marketing development plans
 - (1) To be sensitive for market trend, to satisfy customer requirements, to keep long-term relationship with key customers.
 - (2) Enhance world-wide market and sales resources for business opportunity with potential key customers in the market.
 - (3) Develop new markets and new applications for more business opportunities.
3. R&D Direction and Technology Development

The annual R&D expenses in 2024 are N\$260,424,000. We have comprehensive technologies that can integrate technology resources with our fab partners to develop a lot of successful products and technologies for customer and application requirements:

 - (1) BSI products.
 - (2) Near-infrared sensing enhancement technology.
 - (3) Vehicle specification AEC-Q100 certification.
 - (4) High dynamic range products used in automotive and security monitoring and identification markets.
 - (5) Global Shutter products.
 - (6) A new generation of FSI high-performance/cost optimized products.
 - (7) Design and process development of sensors for special applications.

III. Future development strategies operation risks

With changes in the global political landscape and the implementation of the new U.S. tariff policy in 2025, the global supply chain and semiconductor market are facing increasing challenges, including the rapid expansion of mature process capacity and intensified cost competition.

SOI will continue to develop differentiated image sensing technologies to expand into more market

applications and increase its market share. In addition, we will strengthen our brand and premium customer base management while actively expanding into various regional markets to enhance overall competitiveness.

In terms of technology development, the company has planned and is actively advancing various innovative R&D initiatives, including backside illumination sensors, enhanced near-infrared sensitivity technology, global shutter technology, automotive electronics applications, and low-power Always-on and Always-on Video functionalities. These developments are being carried out in collaboration with customers across different sectors, with the goal of integrating more AI smart devices and high-performance imaging applications. Looking ahead, we will continue to deepen our collaboration with customers to drive further innovative applications and jointly explore market opportunities.

IV.Expected Sales Volume and Its Basis

In 2025, driven by inventory adjustments in the market and the launch of new products, performance is expected to improve compared to 2024. The company remains committed to actively expanding into overseas markets to increase market share and maintain competitiveness.

V. Sustainable Development and Corporate Social Responsibility

Our company actively aligns with green manufacturing and implements energy-saving and carbon-reduction initiatives. We also explore various environmental issues to contribute to our corporate sustainability goals.

In addition to maintaining a consistent, cautious, and pragmatic attitude toward future challenges, our company has excellent supply chain management to enhance overall competitiveness and continues to expand the market actively. We sincerely thank all our shareholders, customers, and suppliers for their long-standing support and care, and we express our deepest respect to all our colleagues for their ongoing efforts and contributions to the company. We will continue to strive for success and deliver tangible profits as a way to give back to everyone.

Chairman:James He

General Manager : James He

Finance/Accounting Supervisor : Steffi Huang

Audit Committee's Review Report (Translation)

The Board of Directors prepared the Company's 2024 Business Report, Financial Report (including consolidated financial statements), and proposal for deficit compensation. Of which the Financial Statement was audited by Deloitte & Touche Taipei, Taiwan Republic of China with Audit Report issued.

The Business Report, Financial Statement (including the consolidated financial statements), and proposal for deficit compensation have been reviewed by the Audit Committee and no irregularities were found. We hereby report as above according to the Securities and Exchange Act and the Company Act. Please kindly approve.

To Silicon Optronics, Inc. 2025 Annual Shareholders' Meeting

Silicon Optronics, Inc.

Chairman of the Audit Committee: Joseph Li

March 17, 2025

Independent Auditors' Report (Consolidated Financial Statements)

The Board of Directors and Shareholders
Silicon Optronics, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Silicon Optronics, Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including 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, 2024 and 2023, 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.

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, 2024. 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 matters of the Group's consolidated financial statements for the year ended December 31, 2024 are described as follows:

Sales Revenue

The Group's sales revenue derived from its key customers accounted for a high proportion of the overall sales revenue. Since the sales amount from the transactions with these customers is significant to the overall sales revenue, we believe that there is a risk in the validity of the Group's sales transactions; therefore, we identified the validity of sales revenue from the key customers as a key audit matter for the year ended December 31, 2024. For the accounting policies on revenue recognition, refer to Note 4(m) to the consolidated financial statements.

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

1. We obtained an understanding of the design and implementation of internal controls on revenue recognition and tested the effectiveness of these controls.
2. We confirmed the occurrence of sales revenue as follows: we selected samples and inspected the relevant supporting documents and accounting records, and we verified the accuracy of the amounts and revenue recognized.

Inventory Valuation

As of December 31, 2024, the Group's inventory balance was \$1,171,279 thousand, accounting for 45% of the combined total assets. For the related accounting policies, refer to Note 4(g) to the consolidated financial statements. Since the amount of inventory is significant and the assessment of net realizable value involves significant management judgments, we considered the inventory valuation a key audit matter.

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

1. Based on our understanding of the industry and nature of the products of the Group, we verified the appropriateness of the method of inventory aging management, and we also selected samples of and tested the appropriateness of the aging classification.
2. We performed recalculations and determined that the assessment of the net realizable value was reasonable, and we verified that the inventories were measured at the lower of cost and net realizable value based on the most recent raw material quotes or sales data. We also assessed the reasonableness of the assessment of changes in the provision for inventory write-downs.
3. We obtained and verified the details of inventory valuation and obsolescence losses and aging data, and we analyzed the reasons for the differences in the provision for loss in 2024 compared to 2023. We also assessed that the provision for inventory valuation and obsolescence losses was appropriate.

Other Matter

We have also audited the parent company only financial statements of Silicon Optronics, Inc. as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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, 2024 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 Ming-Hui Chen and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2025

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.

Independent Auditors' Report

(Parent Company Only Financial Statements)

The Board of Directors and Shareholders
Silicon Optronics, Inc.

Opinion

We have audited the accompanying parent company only financial statements of Silicon Optronics, Inc. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and the parent company only financial performance and the parent company only 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2024 are described as follows:

Sales Revenue

The Company's sales revenue derived from its key customers accounted for a high proportion of the overall sales revenue. Since the sales amount from the transactions with these customers is significant to the overall sales revenue, we believe that there is a risk in the validity of the Company's sales transactions; therefore, we identified the validity of sales revenue from the key customers as a key audit matter for the year ended December 31, 2024. For the accounting policies on the revenue recognition, refer to Note 4 (k) to the parent company only financial statements.

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

1. We obtained an understanding of the design and implementation of internal controls on revenue recognition and tested the effectiveness of these controls.
2. We confirmed the occurrence of sales revenue as follows: we selected samples and inspected the relevant supporting documents and accounting records, and we verified the accuracy of the amounts and revenue recognized.

Inventory Valuation

As of December 31, 2024, the Company's inventory balance was \$1,171,279 thousand, accounting for 45% of the combined total assets. For the related accounting policies, please refer to Note 4 (e) to the parent company only financial

statements. Since the amount of the inventory is significant and the assessment of net realizable value involves significant management judgments, we considered the inventory valuation as a key audit matter.

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

1. Based on our understanding of the industry and nature of the products of the Company, we verified the appropriateness of the method of inventory aging management, and we also selected samples of and tested the appropriateness of the aging classification.
2. We performed recalculations and determined that the assessment of the net realizable value was reasonable, and we verified that the inventories were measured at the lower of cost and net realizable value based on the most recent raw material quotes or sales data. We also assessed the reasonableness of the assessment of changes in the provision for inventory write-downs.
3. We obtained and verified the details of inventory valuation and obsolescence losses and aging data, and we analyzed the reasons for the differences in the provision for loss in 2024 compared to 2023. We also assessed that the provision for inventory valuation and obsolescence losses was appropriate.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 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 Ming-Hui Chen and Tung-Hui Yeh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, parent company only financial performance and parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

SILICON OPTRONICS, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

ASSETS	2024		2023		LIABILITIES AND EQUITY	2024		2023	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 817,302	32	\$ 1,034,994	33	Short - term loan (Notes 4 and 15)	\$ -	-	\$ 200,000	7
Accounts receivable - net (Notes 4 and 8)	64,249	3	46,151	1	Contract liabilities - current (Note 19)	11,817	1	38,995	1
Inventories (Notes 4, 5 and 9)	1,171,279	45	1,524,493	49	Accounts payable (Note 4)	108,670	4	88,391	3
Prepayments and other current assets (Notes 4, 14 and 25)	134,090	5	175,444	6	Accrued expenses and other current liabilities (Notes 4 and 16)	30,930	1	31,932	1
Total current assets	2,186,920	85	2,781,082	89	Current tax liabilities (Notes 4 and 21)	7,485	-	1,129	-
NON-CURRENT ASSETS					Lease liabilities - current (Notes 4 and 12)	3,630	-	6,478	-
Financial assets at amortized cost - noncurrent (Notes 4, 7, 25 and 27)	3,572	-	3,549	-	Current portion of long - term borrowing (Note 15)	50,000	2	100,000	3
Property, plant and equipment (Notes 4, 11 and 27)	52,094	2	30,580	1	Refund liabilities - current (Note 16)	53,200	2	79,266	3
Right-of-use assets (Notes 4 and 12)	8,809	-	7,661	-	Total current liabilities	265,732	10	546,191	18
Goodwill (Note 4)	199,228	8	199,228	7	NON-CURRENT LIABILITIES				
Intangible assets (Notes 4 and 13)	11,306	1	1,240	-	Long-term loan (Notes 4 and 15)	-	-	200,000	6
Deferred tax assets (Notes 4 and 21)	113,244	4	96,592	3	Deferred income tax liabilities (Notes 4 and 21)	4,724	-	-	-
Other non-current assets (Notes 4, 14 and 17)	9,113	-	8,666	-	Lease liabilities - non-current (Notes 4 and 12)	5,002	1	961	-
Total non-current assets	397,366	15	347,516	11	Total non-current liabilities	9,726	1	200,961	6
					Total liabilities	275,458	11	747,152	24
					EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 18 and 23)				
					Ordinary shares	774,759	30	784,559	25
					Capital surplus	1,146,572	44	1,209,326	39
					Retained earnings				
					Legal reserve	180,425	7	180,425	6
					Special reserve	-	-	-	-
					Unappropriated earnings	202,226	8	304,822	9
					Other equity				
					Exchange differences on translating the financial statements of foreign operations	4,846	-	(691)	-
					Treasury shares	-	-	(96,995)	(3)
					Total equity	2,308,828	89	2,381,446	76
TOTAL	\$ 2,584,286	100	\$ 3,128,598	100	TOTAL	\$ 2,584,286	100	\$ 3,128,598	100

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 30)	\$ 1,731,031	100	\$ 1,663,499	100
OPERATING COSTS (Notes 9 and 20)	<u>1,606,492</u>	<u>93</u>	<u>1,707,026</u>	<u>102</u>
GROSS PROFIT	<u>124,539</u>	<u>7</u>	<u>(43,527)</u>	<u>(2)</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	18,483	1	18,629	1
General and administrative expenses	38,675	2	44,011	3
Research and development expenses	<u>260,424</u>	<u>15</u>	<u>265,285</u>	<u>16</u>
Total operating expenses	<u>317,582</u>	<u>18</u>	<u>327,925</u>	<u>20</u>
OPERATING INCOME	<u>(193,043)</u>	<u>(11)</u>	<u>(371,452)</u>	<u>(22)</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)				
Interest income	43,827	2	35,892	2
Other income	360	-	104	-
Other gains and losses	54,388	3	(1,717)	-
Financial costs	<u>(6,774)</u>	<u>-</u>	<u>(11,139)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>91,801</u>	<u>5</u>	<u>23,140</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	(101,242)	(6)	(348,312)	(21)
INCOME TAX EXPENSE (Notes 4 and 21)	<u>(1,538)</u>	<u>-</u>	<u>61,596</u>	<u>4</u>
NET INCOME	<u>(102,780)</u>	<u>(6)</u>	<u>(286,716)</u>	<u>(17)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	184	-	(1)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 18)	<u>5,537</u>	<u>-</u>	<u>(714)</u>	<u>-</u>
Total other comprehensive (loss) income	<u>5,721</u>	<u>-</u>	<u>(715)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ (97,059)</u>	<u>(6)</u>	<u>\$ (287,431)</u>	<u>(17)</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ (1.33)</u>		<u>\$ (3.70)</u>	
Diluted	<u>\$ (1.33)</u>		<u>\$ (3.70)</u>	

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Ordinary Share Capital			Retained Earnings			Other Equity Exchange Difference on Translating the Financial Statements of Foreign Operations	Treasury Shares	Total Equity
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2023	78,456	\$ 784,559	\$ 1,167,789	\$ 168,164	\$ 5,759	\$ 598,041	\$ 23	\$ (96,995)	\$ 2,627,340
Appropriation of 2022 earnings									
Legal reserve	-	-	-	12,261	-	(12,261)	-	-	-
Special reserve	-	-	-	-	(5,759)	5,759	-	-	-
Dividends not received by shareholders beyond the deadlines	-	-	1	-	-	-	-	-	1
Net profit for the year ended December 31, 2023	-	-	-	-	-	(286,716)	-	-	(286,716)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(1)	(714)	-	(715)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(286,717)	(714)	-	(287,431)
Issuance of ordinary shares under employee share options	-	-	-	-	-	-	-	-	-
Share-based payment	-	-	41,536	-	-	-	-	-	41,536
BALANCE, DECEMBER 31, 2023	78,456	784,559	1,209,326	180,425	-	304,822	(691)	(96,995)	2,381,446
Appropriation of 2023 earnings									
Legal reserve	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	(102,780)	-	-	(102,780)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	184	5,537	-	5,721
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(102,596)	5,537	-	(97,059)
Issuance of ordinary shares under employee share options	20	200	1,792	-	-	-	-	-	1,992
Cancellation of treasury shares	(1,000)	(10,000)	(86,995)	-	-	-	-	96,995	-
Share-based payment	-	-	22,449	-	-	-	-	-	22,449
BALANCE, DECEMBER 31, 2024	77,476	\$ 774,759	\$ 1,146,572	\$ 180,425	\$ -	\$ 202,226	\$ 4,846	\$ -	\$ 2,308,828

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

SILICON OPTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ (101,242)	\$ (348,312)
Adjustments for:		
Depreciation expenses	50,789	51,754
Amortization expenses	3,371	2,468
Finance costs	6,774	11,139
Interest income	(43,827)	(35,892)
Share-based payment	22,449	41,536
Gain on disposal of property, plant and equipment	(13)	-
Net loss (gain) on foreign currency exchange	(23,937)	15,298
Loss from lease modification	-	-
Changes in operating assets and liabilities		
Accounts receivable	(16,086)	(12,523)
Inventories	353,214	886,451
Prepayments and other current assets	42,190	18,406
Contract liabilities	(28,058)	(28,887)
Accounts payable	17,354	(184,240)
Accrued expenses and other current liabilities	(2,831)	(25,082)
Refund liabilities	(26,066)	25,325
Net defined benefit assets	(42)	(44)
Cash generated from (used in) operations	254,039	417,397
Income tax paid	(7,110)	(55,660)
Net cash generated from (used in) operating activities	<u>246,929</u>	<u>361,737</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(23)	(21)
Proceeds from financial assets at amortized cost	-	-
Payments of property, plant and equipment	(61,114)	(33,845)
Disposal of property, plant and equipment	-	-
Increase in refundable deposits	-	(3,469)
Decrease in refundable deposits	3	-
Payments for intangible assets	(13,204)	(2,679)
Payments for right-of-use assets	(2,205)	(2,288)
Interest received	47,118	33,070
Net cash generated from investing activities	<u>(29,425)</u>	<u>(9,232)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	100,000	780,000
Repayments of short-term loans	(300,000)	(730,000)
Proceeds from long-term loans	-	-
Repayments of long-term loans	(250,000)	(100,000)
Repayments of guarantee deposits received	-	-
Repayment of the principal portion of lease liabilities	(6,937)	(6,802)

(Continued)

SILICON OPTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Dividends paid	\$ -	\$ -
Exercise of employee share options	1,992	-
Interest paid	(7,047)	(11,143)
Overdue failure to receive dividends converted into capital surplus	<u>-</u>	<u>1</u>
Net cash used in financing activities	<u>(461,992)</u>	<u>(67,944)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>26,796</u>	<u>(12,203)</u>
NET (DECREASE) INCREASE IN CASH	(217,692)	272,358
CASH AT THE BEGINNING OF THE YEAR	<u>1,034,994</u>	<u>762,636</u>
CASH AT THE END OF THE YEAR	<u>\$ 817,302</u>	<u>\$ 1,034,994</u>

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

SILICON OPTRONICS, INC.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023		LIABILITIES AND EQUITY	2024		2023	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 764,612	30	\$ 992,813	32	Short-term loan (Notes 4 and 15)	\$ -	-	\$ 200,000	6
Accounts receivable - net (Notes 4 and 8)	64,249	2	46,151	1	Contract liabilities - current (Note 19)	11,817	1	38,995	1
Inventories (Notes 4, 5 and 9)	1,171,279	45	1,524,493	49	Accounts payable (Note 4)	108,670	4	84,354	3
Prepayments and other current assets (Notes 4, 14 and 25)	<u>95,458</u>	<u>4</u>	<u>129,044</u>	<u>4</u>	Accrued expenses and other current liabilities (Notes 4 and 16)	27,177	1	28,219	1
Total current assets	<u>2,095,598</u>	<u>81</u>	<u>2,692,501</u>	<u>86</u>	Other payables to related parties (Notes 4 and 26)	8,260	1	8,282	-
NON-CURRENT ASSETS					Current tax liabilities (Notes 4 and 21)	7,442	-	1,081	-
Financial assets at amortized cost - noncurrent (Notes 4, 7, 25 and 27)	3,572	-	3,549	-	Lease liabilities - current (Notes 4 and 12)	705	-	4,197	-
Investment accounted for using the equity method (Notes 4 and 10)	310,917	12	296,179	10	Current portion of long - term borrowing (Note 15)	50,000	2	100,000	3
Property, plant and equipment (Notes 4, 11 and 27)	51,711	2	30,251	1	Refund liabilities - current (Note 16)	<u>53,200</u>	<u>2</u>	<u>79,266</u>	<u>3</u>
Right-of-use assets (Notes 4 and 12)	693	-	4,849	-	Total current liabilities	<u>267,271</u>	<u>11</u>	<u>544,394</u>	<u>17</u>
Intangible assets (Notes 4 and 13)	2,378	-	140	-	NON-CURRENT LIABILITIES				
Deferred tax assets (Notes 4 and 21)	113,244	5	96,592	3	Long-term loan (Notes 4 and 15)	-	-	200,000	7
Other non-current assets (Notes 4, 14 and 17)	<u>2,710</u>	<u>-</u>	<u>2,484</u>	<u>-</u>	Deferred income tax liabilities (Notes 4 and 21)	4,724	-	-	-
Total non-current assets	<u>485,225</u>	<u>19</u>	<u>434,044</u>	<u>14</u>	Lease liabilities -non-current (Notes 4 and 12)	<u>-</u>	<u>-</u>	<u>705</u>	<u>-</u>
					Total non-current liabilities	<u>4,724</u>	<u>-</u>	<u>200,705</u>	<u>7</u>
					Total liabilities	<u>271,995</u>	<u>11</u>	<u>745,099</u>	<u>24</u>
					EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Notes 4, 18 and 23)				
					Ordinary shares	774,759	30	784,559	25
					Capital surplus	1,146,572	44	1,209,326	39
					Retained earnings				
					Legal reserve	180,425	7	180,425	6
					Unappropriated earnings	202,226	8	304,822	9
					Other equity				
					Exchange differences on translating the financial statements of foreign operations	4,846	-	(691)	-
					Treasury shares	<u>-</u>	<u>-</u>	<u>(96,995)</u>	<u>(3)</u>
					Total equity	<u>2,308,828</u>	<u>89</u>	<u>2,381,446</u>	<u>76</u>
TOTAL	<u>\$ 2,580,823</u>	<u>100</u>	<u>\$ 3,126,545</u>	<u>100</u>	TOTAL	<u>\$ 2,580,823</u>	<u>100</u>	<u>\$ 3,126,545</u>	<u>100</u>

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

SILICON OPTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 19)	\$ 1,731,031	100	\$ 1,663,499	100
OPERATING COSTS (Notes 9 and 26)	<u>1,606,492</u>	<u>93</u>	<u>1,707,026</u>	<u>103</u>
GROSS PROFIT	<u>124,539</u>	<u>7</u>	<u>(43,527)</u>	<u>(3)</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	16,701	1	15,237	1
General and administrative expenses	38,676	2	44,011	3
Research and development expenses	<u>269,242</u>	<u>16</u>	<u>276,135</u>	<u>16</u>
Total operating expenses	<u>324,619</u>	<u>19</u>	<u>335,383</u>	<u>20</u>
OPERATING INCOME	<u>(200,080)</u>	<u>(12)</u>	<u>(378,910)</u>	<u>(23)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	43,810	2	35,866	2
Other income (Note 20)	360	-	104	-
Other gains and losses (Note 20)	50,640	3	(1,226)	-
Financial costs (Note 20)	(6,711)	-	(11,080)	(1)
Share of income of subsidiaries (Notes 4 and 10)	<u>9,201</u>	<u>1</u>	<u>5,982</u>	<u>1</u>
Total non-operating income and expenses	<u>97,300</u>	<u>6</u>	<u>29,646</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	(102,780)	(6)	(349,264)	(21)
INCOME TAX EXPENSE (Notes 4 and 21)	<u>-</u>	<u>-</u>	<u>62,548</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>(102,780)</u>	<u>(6)</u>	<u>(286,716)</u>	<u>(17)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 17)	184	-	(1)	-
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations (Notes 4 and 18)	<u>5,537</u>	<u>-</u>	<u>(714)</u>	<u>-</u>
Total other comprehensive (loss) income	<u>5,721</u>	<u>-</u>	<u>(715)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ (97,059)</u>	<u>(6)</u>	<u>\$ (287,431)</u>	<u>(17)</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ (1.33)</u>		<u>\$ (3.70)</u>	
Diluted	<u>\$ (1.33)</u>		<u>\$ (3.70)</u>	

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

SILICON OPTRONICS, INC.
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	<u>Ordinary Share Capital</u>			<u>Retained Earnings</u>			<u>Other Equity</u> <u>Exchange</u> <u>Differences on</u> <u>Translating the</u> <u>Financial</u> <u>Statements</u> <u>of Foreign</u> <u>Operations</u>	<u>Treasury Shares</u>	<u>Total Equity</u>
	<u>Number of</u> <u>Shares</u> <u>(In Thousands)</u>	<u>Amount</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated</u> <u>Earnings</u>			
BALANCE, JANUARY 1, 2023	78,456	\$ 784,559	\$ 1,167,789	\$ 168,164	\$ 5,759	\$ 598,041	\$ 23	\$ (96,995)	\$ 2,627,340
Appropriation of 2022 earnings									
Legal reserve	-	-	-	12,261	-	(12,261)	-	-	-
Special reserve	-	-	-	-	(5,759)	5,759	-	-	-
Dividends not received by shareholders beyond the deadline	-	-	1	-	-	-	-	-	1
Net profit for the year ended December 31, 2023	-	-	-	-	-	(286,716)	-	-	(286,716)
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(1)	(714)	-	(715)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(286,717)	(714)	-	(287,431)
Share-based payment arrangements	-	-	41,536	-	-	-	-	-	41,536
BALANCE, DECEMBER 31, 2023	78,456	784,559	1,209,326	180,425	-	304,822	(691)	(96,995)	2,381,446
Net profit for the year ended December 31, 2024	-	-	-	-	-	(102,780)	-	-	(102,780)
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	184	5,537	-	5,721
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	(102,596)	5,537	-	(97,059)
Issuance of ordinary shares under employee share options	20	200	1,792	-	-	-	-	-	1,992
Cancellation of treasury shares	(1,000)	(10,000)	(86,995)	-	-	-	-	96,995	-
Share-based payment arrangements	-	-	22,449	-	-	-	-	-	22,449
BALANCE, DECEMBER 31, 2024	<u>77,476</u>	<u>\$ 774,759</u>	<u>\$ 1,146,572</u>	<u>\$ 180,425</u>	<u>\$ -</u>	<u>\$ 202,226</u>	<u>\$ 4,846</u>	<u>\$ -</u>	<u>\$ 2,308,828</u>

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

SILICON OPTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ (102,780)	\$ (349,264)
Adjustments for:		
Depreciation expenses	45,594	46,676
Amortization expenses	550	420
Finance costs	6,711	11,080
Interest income	(43,810)	(35,866)
Share-based payment	22,449	41,536
Share of profit of subsidiaries	(9,201)	(5,982)
Net loss (gain) on foreign currency exchange	(28,999)	15,882
Changes in operating assets and liabilities		
Accounts receivable	(16,086)	(12,523)
Inventories	353,214	886,451
Prepayments and other current assets	34,421	10,213
Contract liabilities	(28,058)	(28,887)
Accounts payable	21,391	(184,273)
Other payables to related parties	(22)	1,538
Accrued expenses and other current liabilities	(2,871)	(19,112)
Refund liabilities	(26,066)	25,325
Net defined benefit liabilities	(42)	(44)
Cash generated from (used in) operations	226,395	403,170
Income tax paid	(5,567)	(54,745)
Net cash generated from (used in) operating activities	<u>220,828</u>	<u>348,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(23)	(21)
Payments for property, plant and equipment	(60,927)	(33,641)
Decrease in refundable deposits	-	600
Payments for intangible assets	(2,788)	-
Interest received	<u>47,102</u>	<u>33,045</u>
Net cash generated from investing activities	<u>(16,636)</u>	<u>(17)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	100,000	780,000
Repayments of short-term loans	(300,000)	(730,000)
Repayments of long-term loans	(250,000)	(100,000)
Repayment of the principal portion of lease liabilities	(4,196)	(4,136)
Exercise of employee share options	1,992	-
Interest paid	(6,985)	(11,084)
Overdue failure to receive dividends converted into capital surplus	-	<u>1</u>
Net cash used in financing activities	<u>(459,189)</u>	<u>(65,219)</u>
		(Continued)

SILICON OPTRONICS, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>26,796</u>	<u>(12,203)</u>
NET INCREASE (DECREASE) IN CASH	(228,201)	270,986
CASH AT THE BEGINNING OF THE YEAR	<u>992,813</u>	<u>721,827</u>
CASH AT THE END OF THE YEAR	<u>\$ 764,612</u>	<u>\$ 992,813</u>

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

Silicon Optronics, Inc.
Deficit Compensation Statement
Year 2024

Unit: NT\$

Unappropriated retained earnings of previous years	\$304,822,367
Plus: Net loss for the year	(102,780,427)
Plus: Retained earnings recognized from remeasurement of defined benefit plans	183,838
Retained earnings available for distribution	<hr/> 202,225,778
Unappropriated Retained Earnings	<hr/> <hr/> \$202,225,778

Chairman: Xinping He



Manager: Xinping He



Finance/Accounting
Supervisor:

Steffi Huang



Silicon Optronics, Inc.

Comparison Table for the Articles of Incorporation before and after Amendment

(Attachment VI)

	Articles after Amendment	Articles before Amendment	Reasons for Amendment
Article 31	<p>The Company shall set aside not more than 0.3% of its annual profits as compensation to its directors and not less than 0.005% but no more than 25% as profit sharing bonuses to its employees, including employees of an affiliated company meeting the conditions set by the Company. <u>From the aforementioned employee compensation amount, no less than 1% should be allocated to frontline employees.</u></p> <p>When allocating the earnings for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled 50% of total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Employees' profit sharing bonuses and the compensation to its directors are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting</p> <p>After this Company has set aside the capital reserves pursuant to the first and second Paragraphs of this Article, the balance left over and its reserves shall be allocated according to the conditions set by the Board of Directors and the resolution of the shareholders' meeting.</p>	<p>The Company shall set aside not more than 0.3% of its annual profits as compensation to its directors and not less than 0.005% but no more than 25% as profit sharing bonuses to its employees, including employees of an affiliated company meeting the conditions set by the Company.</p> <p>When allocating the earnings for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled 50% of total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Employees' profit sharing bonuses and the compensation to its directors are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting</p> <p>After this Company has set aside the capital reserves pursuant to the first and second Paragraphs of this Article, the balance left over and its reserves shall be allocated according to the conditions set by the Board of Directors and the resolution of the shareholders' meeting.</p>	Amendments are made in accordance with actual needs
Article 33	<p>This Articles of Incorporation was formulated with the consent of all the sponsors on May 18, 2004.</p> <p>The 1st amendment was made on March 30, 2005;</p> <p>The 2nd amendment was made on June 27, 2006.</p> <p>The 3rd amendment was made on June 26, 2007;</p> <p>The 4th amendment was made on June 10, 2008;</p> <p>The 5th amendment was made on June 3, 2009;</p> <p>The 6th amendment was made on June 9, 2010;</p> <p>The 7th amendment was made on May 25, 2012.</p> <p>The 8th amendment was made on June 8, 2016.</p> <p>The 9th amendment was made on June 8, 2017.</p> <p>The 10th amendment was made on June 8, 2018.</p> <p>The 11th amendment was made on June 16, 2020.</p> <p>The 12th amendment was made on June 23, 2022</p> <p><u>The 13th amendment was made on June 18, 2025</u></p>	<p>This Articles of Incorporation was formulated with the consent of all the sponsors on May 18, 2004.</p> <p>The 1st amendment was made on March 30, 2005;</p> <p>The 2nd amendment was made on June 27, 2006.</p> <p>The 3rd amendment was made on June 26, 2007;</p> <p>The 4th amendment was made on June 10, 2008;</p> <p>The 5th amendment was made on June 3, 2009;</p> <p>The 6th amendment was made on June 9, 2010;</p> <p>The 7th amendment was made on May 25, 2012.</p> <p>The 8th amendment was made on June 8, 2016.</p> <p>The 9th amendment was made on June 8, 2017.</p> <p>The 10th amendment was made on June 8, 2018.</p> <p>The 11th amendment was made on June 16, 2020.</p> <p>The 12th amendment was made on June 23, 2022</p>	Add the amendment date

Articles of Incorporation of Silicon Optronics, Inc.

Chapter 1 General Provisions

- Article 1: The company shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 晶相光電股份有限公司 in Chinese language, and Silicon Optronics, Inc. in the English language.
- Article 2: The scope of business of the Company shall be as follows:
- I. CC01080 Electronic Parts and Components Manufacturing.
 - II. F401010 International Trade.
 - III. I501010 Product Design.
 - 1. Researching, developing, designing, manufacturing and selling of the following:
 - (1) CMOS image sensor and modules.
 - (2) Image sensing single chip and modules.
 - (3) Organization integration of products and modules.
 - 2. Any trade business associated with the aforementioned products.)
- Article 3: The company shall have its head office in Hsinchu Science Park, Taiwan, Republic of China, and upon approval of Board of Directors, to set up representative and branches office at various location within and without the territory of the Republic of China, wherever and whenever the Company deems it necessary.
- Article 3-1: The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.
- Article 3-2: The Company may provide endorsement and guarantee and act as a guarantor.
- Article 3-3: Public announcements of The Company's shall be made in accordance with Article 28 of the Company Law.

Chapter 2 Capital Stock

- Article 4: The total capital stock of the Company shall be in the amount of 1,000,000,000 New Taiwan Dollars, divided into 100,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up installments.
- The total capital amount of 60,000,000 New Taiwan Dollars, in the preceding paragraph shall be reserved for issuance of employee stock options, totaling 6,000,000 shares at ten New Taiwan Dollars each, which may be issued in installments by authorizing the Board of Directors and subject to the provisions of the Company Law and relevant laws and regulations.

Article 5: The Company may issue shares without printing share certificate(s), however the shares shall be registered or kept by the securities depository institution. The same applies to other securities.

Article 6: All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the Company Law and relevant laws and regulations unless specified otherwise by law and securities regulations.

Article 7: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

Article 8: Shareholders' meetings of the Company are of two types, namely:

I. Regular meetings, which shall be convened at least once a year.

II. Special shareholders' meeting, which shall be convened when necessary.

Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year.

Article 9: Written notices shall be sent to all shareholders (except owing less than 1,000 shares) at their latest places of residence as registered with the Company for the convening of shareholders' meetings, at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings. The purpose(s) for convening any such meeting shall be clearly stated in the written notices sent out to the shareholders. For a shareholder owing less than 1,000 of the total registered shares, the Meeting Notice shall be conducted by means of public announcement.

Article 10: When the Company holds the Regular meetings of Shareholders, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The procedures shall be conducted in accordance with the Company Act and relevant laws and regulations.

Article 11: If the shareholders' meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman. If for any reason the Chairman is unable to preside over the

meeting, the Chairman of the Board shall designate one of the Directors to act on his/her behalf. If the Chairman of the Board does not designate a Director to act on his/her behalf, the Directors shall elect one person among themselves to preside over the meeting.

Article 12: If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a representative to attend on his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy

Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.. A shareholder exercising voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person, and relevant matters shall be handled in accordance with the laws and regulations.

Article 14: Each share is entitled to one voting right, except shares whose voting rights are restricted by law or shares have no voting rights in accordance with Laws of Republic of China.

Article 15: When the company voluntarily terminates trading of its shares on Taiwan Stock Exchange and withdraws the public issuance of its shares, a special resolution shall be adopted by the shareholders' meeting.

Article 16: The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The minutes specified above shall be distributed in accordance with the provisions of the Company Art.

Chapter 4 Directors

Article 17: The Company shall have 5 to 9 directors, and the number of independent directors shall not be less than 3 and not be less than one-fifth of the total director seats. The Directors shall be elected among competent candidates by the Shareholders' Meeting.

The Company's Directors shall be elected by adopting the Candidate Nomination System and the nomination method shall be in accordance with Article 192-1 of the Company Art.

The total number of shares held by all directors shall be processed in accordance with the relevant laws and regulations of the competent authority.

The Company has instituted the Audit Committee. The Audit Committee was made up by all independent directors of the Company., which shall exercise the functions and powers of supervisors, according to the Company Art, the Securities and Exchange Act, and other regulations. The responsibilities, organizational rules, exercise of functional authority, and other matters that should be complied with of the Audit Committee shall be conducted in accordance with the relevant regulations of the securities competent authority and the Company.

- Article 18: The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.
- Article 19: The directors shall organize the Board of Directors. The responsibilities of the Board of Directors are as follows:
- I. Preparing business plans.
 - II. Proposing earnings distributions or loss off-setting proposals.
 - III. Proposing plans for increasing or decreasing capital.
 - IV. Drawing up important rules and regulations.
 - V. Appointing or discharging the Company's President and Vice Presidents.
 - VI. Setting up or dissolving branches.
 - VII. Preparing budget reports and final financial statements.
 - VIII. Performing other duties authorized by Art.
- Article 20: The chairman of the Board shall be elected by and among the directors with more than half of the directors at a meeting attended by more than two thirds of directors. The Chairman of the Board of Directors shall externally represent the Company.
- Article 21: Except as otherwise provided in the Company Art of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.
- Article 22: The meeting of the board of directors shall be convened by the chairman of the board of directors, except that the first meeting of the board of directors shall be convened by the director who receives the largest number of votes within 15 days after the re-election. In calling the meeting of the board of directors, a notice with meeting date, address, and agenda shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of urgent matters, the meeting may be called at any time. The notice set forth in the preceding Paragraph may be served in writing, by email or fax.
- Article 23: The Board meeting shall be recorded in meeting minutes, according to the Company Art and relevant laws and regulations. The meeting minutes shall be publicly announced, distributed, and retained.
- Article 24: The Chairman shall preside over the meetings of the Board of Directors. In case the chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a deputy shall be either appointed by the Chairman or elected by the Directors. Each director shall attend the meeting of the Board of Directors in person. If a Director cannot attend the meeting of the Board of Directors, he or she may appoint another director to attend the meeting in his/her behalf. A director may accept the appointment to act as the proxy of one other director only.

When holding the Board Meeting, any director attending the meeting via video conference shall be deemed attending the meeting in person.

Article 25: In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

Article 26: The Company may purchase liability insurance for its directors with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 27: The chairman and the directors of the Board is authorized to determine the remuneration of directors in accordance with director's participation in the Company's business operation and contribution value, and by referring to the level commonly adopted by the peer group.

Article 28: The Company may appoint manager(s). The appointment, discharge, and compensation of the manager(s) may be conducted in accordance to the Company Art.

Chapter 5 Finance Report

Article 29: The Company's fiscal year shall be from January 1st to December 31st of the same year. The Company shall conduct account closing at the close of each fiscal year.

Article 30: At the close of each fiscal year, the Board of Directors shall prepare the following statements to the general meeting of shareholders for its ratification in accordance with Article 228 of the Company Art.

1.Business Report.

2.Financial Statements.

3.The earnings distributions or loss off-setting proposals.

Considering that the Company is in the operating growth period, the policy for dividend distribution should reflect factors such as the current and future fund requirements and long-term financial planning., the dividends distribution shall not be more than 90% of the accumulated distributable surplus, and the cash dividends shall not be less than 10% of the distributed dividends. If the Company has no surplus to be distributed in the current year, or if there is surplus but the surplus amount is much lower than the actual surplus distributed in the previous year, or considering on the Company's financial, business and operating factors, the Company may distribute all or part of its reserve in accordance with laws or regulations of the competent authority.

Article 31: The Company shall set aside not more than 0.3% of its annual profits as compensation to its directors and not less than 0.005% but no more than 25% as profit sharing bonuses to its

employees, including employees of an affiliated company meeting the conditions set by the Company.

When allocating the earnings for each fiscal year, the Company shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled 50% of total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Employees' profit sharing bonuses and the compensation to its directors are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting

After this Company has set aside the capital reserves pursuant to the first and second Paragraphs of this Article, the balance left over and its reserves shall be allocated according to the conditions set by the Board of Directors and the resolution of the shareholders' meeting.

Chapter 6 Supplementary Provisions

Article 32: In regard to all matters not provided for in these Articles of Incorporation, the Company Art of the Republic of China shall govern.

Article 33: The Articles of Incorporation are agreed to and signed on May 18, 2004.

The 1st amendment was made on March 30, 2005;

The 2nd amendment was made on June 27, 2006.

The 3rd amendment was made on June 26, 2007;

The 4th amendment was made on June 10, 2008;

The 5th amendment was made on June 3, 2009;

The 6th amendment was made on June 9, 2010;

The 7th amendment was made on May 25, 2012.

The 8th amendment was made on June 8, 2016.

The 9th amendment was made on June 8, 2017.

The 10th amendment was made on June 8, 2018.

The 11th amendment was made on June 16, 2020.

The 12th amendment was made on June 23, 2022

Silicon Optronics, Inc.

Rules of Procedure for Shareholders' Meetings

Article 1. To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 182 of the Company Act and Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. Before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and the professional shareholder services agent designated thereby as well as distributed at the venue of the shareholders' meeting.

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 given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the

Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

Where re-election of all directors and independent directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. In addition, the Board of Directors may not include a proposal made by a shareholder in one of the circumstances set forth in Article 172-1, Paragraph 4 of the Company Act. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend in person, a written notice of proxy cancellation shall be submitted to the company 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. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6. This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders or the proxies entrusted by shareholders (collectively referred to as shareholders) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders or the proxies entrusted by shareholders (collectively referred to as shareholders) with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or

other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent.

Article 7. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisors in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8. This Corporation, beginning from the time it accepts shareholder attendance registrations, 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. The recorded materials of the preceding paragraph shall be retained 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.

Article 9. Attendance at shareholders meetings shall be calculated based on numbers 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, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. 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.

If the meeting has been postponed for two times, but the shareholders present still do not represent a majority of the total amount of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Law by shareholders representing one-third of the total amount of issued shares. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

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 extraordinary 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 of the shareholders meeting.

If a shareholders meeting shall be called by any other person than the board of directors, the preceding provisions shall apply mutatis mutandis to the said meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs(including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11. A shareholder wishing to speak in a shareholders meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder(or number of attendance) and his name, and the chairman shall designate his order of giving a speech.

A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman and the said shareholder, and the chairman may prevent others from interrupting.

If a corporate shareholder which designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one motion.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12. Voting at a shareholders meeting shall be calculated based the number of shares.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

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

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

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Therefore, the company is advised to refrain from proposing interim motions and amendments to the original motion.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission, the expression of his/her meaning shall be delivered to the Company two days prior to the date of the shareholders' meeting. In the event of duplication of meanings, the first to be served shall prevail. unless a meaning is expressed to cancel the previous proxy appointment.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail. Unless otherwise specifically provided for in the Company Law or the Articles of Incorporation of the company, resolutions shall be adopted

by a majority vote at a meeting attended by the shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original and determine their orders for resolution. Any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody 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.

Article 15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may distributed in electronic form.

The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the

number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the company.

Article 16. On the day of a shareholders meeting, this Corporation 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, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairman may direct disciplinary personnel or security personnel to maintain the order of the meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel".

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary 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. This Procedure is effective for implementation, after approved by the board of director and approved by the shareholders' meeting. The same procedures apply for amendments.

Article 20. These rules were established on May 10, 2006.
The first amendment was made on May 25, 2012.
The second amendment was made on June 11, 2013.
The third amendment was made on June 12, 2017.
The fourth amendment will be made on June 16, 2020.
The fifth amendment will be made on July 1, 2021.

Silicon Optronics, Inc.
Shareholdings of All Directors

Position	Name	Number of Shares Held	% of Total Shares Issued
Chairman	Heritage Bay Limited Representative: James He	17,691,413	22.84
Director	Heritage Bay Limited Representative: Sophie Cheng		
Director	Sen-Chou Lo	—	—
Independent Director	Hsin-Hsin Lee	—	—
Independent Director	Jim Lai	—	—
Independent Director	JJ Lin	—	—
Independent Director	Chang-Chou Li	—	—
Shareholdings of All Directors		17,691,413	22.84

Note:

1. Total shares issued as of April 20, 2025: 77,475,900 shares.
2. Under the relevant regulations of the ROC, SOI's Directors are required to hold in the aggregate not less than 6,198,072 shares.