Solid State System

Code:3259

Handbook for the 2026 Annual Meeting of Shareholders of Solid State System Co., Ltd.("3S"; the "Company")

(Translation)

MEETING TIME：May 27, 2026

PLACE：No. 26, Taiyuen Street, Zhubei City , Hsinchu County.
(Conference hall on the second floor of the park hall)

The Meeting will be held by means of physical shareholders meeting

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

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II.Meeting Agenda

Time：10:00 AM. on Tuesday, May 27, 2026

Place：No. 26, Taiyuen Street, Zhubei City, Hsinchu County(Conference hall on the second floor of the park hall)

Held：The Meeting will be held by means of physical shareholders meeting

Chairperson：Tim Hu

1.Call the Meeting to Order

2.Chairperson Remarks

3.Management Presentation

(1).The 2025 business report

(2).The review report of the Audit Committee

(3).The status report on the cash capital increase in private placements of common shares

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4. Proposals matters

(1).To accept the 2025 Business Report and Financial Statements

(2).To accept the deficit compensation statement for year 2025

(3).Amendment to the Fund Utilization Plan for the 2024 Cash Capital Increase through Issuance of New Shares

5.Discussion matters

(1).To approve the cash capital increase plan through the private placement of common shares of the Company

(2). To discharge Director Tim Hu

(3). To discharge Director Jeffrey Lin

(4). To discharge Director CHIAO-SUNG, YANG

6.Questions and Motions

7.Adjournment

1.Call the Meeting to order
2.Chairperson Remarks
3.Management Presentation

Report No. 1: The 2025 business report.

Explanation:

The 2025 Business Report is attached as Attachment1(page10~12).

Report No. 2: The review report of the Audit Committee.

Explanation:

The 2026 Audit Committee's Review Report is attached as Attachment2(page13).

Report No. 3: The status report on the cash capital increase in private placements of common shares.

Explanation:

1. By the resolution adopted at the regular shareholders' meeting dated May 27, 2025, the Board of Directors of 3S was authorized to conduct such private placement of common shares in the total amount of no more than 20,000,000 common shares in one or two rounds at the appropriate time.
2. According to the paragraph 7 of Article 43-6 of the Securities and Exchange Act, the private placement of securities may be carried out in one or several rounds within one year after the date of the resolution of the shareholders' meeting.
3. Such private placement of securities was not carried out until now. The issuance period will end on May 27, 2026. Due to the overall funding considerations, it is hereby proposed not to conduct such private placement of securities during the remaining issuance period.

Report No. 4: The status report on the execution of the sound operation plan for the 2024 cash capital raising plan.

Explanation:

In accordance with the letter of Financial Supervisory Commission No. 1130361038, the implementation of the sound operation plan will be reported to the shareholders' meeting. Please refer to the Attachment 3 (page14-17) of the Chinese version of the Handbook for the 2026 Annual Shareholders' Meeting about such 2024 status report.

Report No. 5: The report on 2025 remuneration to Directors.

Explanation:

1. The Company will not distribute such remuneration to Directors due to the net loss in 2025.
2. Remuneration policies, systems, standards, and structure for Independent Directors, as well as the linkage between remuneration and factors such as responsibilities,

risks, and time commitment: The fixed remuneration for Independent Directors is proposed by the Compensation Committee with reference to industry standards and submitted to the Board of Directors for resolution. Independent Directors do not participate in the distribution of directors' compensation derived from annual profits. As for the remuneration of the Company's directors, the Board of Directors determines the amount based on the authority granted in the Articles of Incorporation, taking into consideration each director's level of participation in company operations and their contribution, as well as benchmarking against domestic and international industry standards. If the Company generates profits, the Board will resolve the amount of Directors' remuneration in accordance with the Articles of Incorporation.

3. Please refer to the Attachment 4 (page18) about the report on 2025 remuneration to Directors.

4. Proposals matters

Proposal 1: To accept the 2025 Business Report and Financial Statements.
(Proposed by the board of directors)

Explanation:

1.The 2025 Individual Financial Statements of the Company, were audited by independent auditors, Mr. JHAN,DING-SYUN and Ms. HUANG, PEI-HUA of LAN-JAI. Also the Business Report and Financial Statements have been examined by the Audit Committee and approved by the Board and of the Company. The details are attached as Attachments 5(page 19-27).

2.The 2025 Business Report is attached as Attachments 1 (page 10-12).

Resolution:

Proposal 2: To accept the deficit compensation statement for year 2025.
(Proposed by the board of directors)

Explanation:

1.The accumulated deficit to be made up at the beginning of year 2025 was in the amount of NT$133,719,706, and the net loss of year 2025 is in the amount of NT$172,070,437. The Accumulated deficit to be made up at end of year 2025 is NT$305,790,143.

2.The following deficit compensation statement for year 2025 is prepared in accordance with Company Law and the Articles of Incorporation of the Company.

Solid State System Co., Ltd.
The deficit compensation statement for year 2025

Currency: NTD

Item	Amount
Accumulated deficit at the beginning of year 2024	(133,719,706)
Plus: Loss after tax for year 2025	(172,070,437)
Accumulated deficit to be made up at end of year 2025	(305,790,143)
Chairman: Tim Hu CEO: Tim Hu Accounting Officer: Joepye Tseng	

Resolution:

Report No. 3: Amendment to the Fund Utilization Plan for the 2024 Cash Capital Increase through Issuance of New Shares. (Proposed by the board of directors)

Explanation:

1.In 2024, the Company conducted a cash capital increase by issuing new shares. Such cash capital increase plan has been approved by the FSC and took effect pursuant to Letter No. Jin-Guan-Zheng-Fa-Zi-1130361038 dated November 21, 2024. The proceeds from such cash capital increase, totaling NT$ 437,732,000, will be used to cover the research and development expenses for HBM controllers.

2. In response to changes in the industry environment, rising costs, and constraints on key collaboration conditions, and after evaluating the Company's operating strategy, funding flexibility, and market developments, the Company proposes to revise the use of proceeds to supplement working capital and to adjust the schedule for fund utilization. Explanations of the fundraising plan before and after the amendment, together with the evaluation opinion of the original lead underwriter, are provided as the Attachment 6 (page28-35) of the Chinese version of the Handbook for the 2026 Annual Shareholders' Meeting.

Resolution:

5.Discussion matters

Proposal 1: To approve the cash capital increase plan through the private placement of common shares of the Company. (Proposed by the board of directors)

Explanation:

1. For the purpose of supplementing the working capital and bringing in the long-term strategic partner, it is hereby proposed to raise the capital of the Company through the private placement of common shares which shall not exceed 20,000,000 shares at par value NT$10 each share, and to authorize the Board of Directors by the resolution adopted at the shareholders' meeting to conduct such private placement of securities in one or two rounds based on the status of the capital market and the practical needs of the Company. The main purpose of such private placement of securities each round is to supplement the working capital.
2. The basis and rationality of the pricing of private placement:
   (1) The issue price of the privately-placed common shares shall not be lower than

80% of the higher price calculated on the following two bases before the price determination date:

①The simple average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

②The simple average closing price of the common shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

③The actual issue price shall be determined under the above-mentioned rule. It is hereby proposed to authorize the Board of Directors by the resolution adopted at the shareholders' meeting to determine the issue price based on the situation of specific persons and the market conditions.

(2) The rationality of the pricing of the private placement:

①The rationality of the method for the determination of the pricing of the private placement: Since such method refers to the market price of the common shares of the Company and is in line with the practices of the issue market, the pricing of the privately-placed common shares shall be reasonable.

②The rationality of the applicable regulation for the pricing of the private placement: Since such method complies with Directions for Public Companies Conducting Private Placements of Securities, the pricing of the privately-placed common shares shall be reasonable.

(3) The impact on the shareholders' equity:

If the actual issue price is lower than the par value of the shares, the accumulated deficit will be increased accordingly. Such deficit will be eliminated depending on the market status and the Company's operating conditions, either by the profits or surplus generated in the future, the capital reduction or the other statutory methods.

3. Method, purpose, necessity and expected benefit of selecting the specific persons:

The Company has yet to select any subscriber, and will select the subscriber(s) in accordance with Article 43-6, Security and Exchange Act. Such subscriber(s) shall be the strategic investors meeting the conditions prescribed by the competent authority. It is hereby proposed to authorize the Board of Directors by the resolution adopted at the shareholders' meeting to review the qualification certificates of such strategic investors. In addition, such strategic investors shall meet the following conditions:

(1) Method and purpose of selecting the subscribers:

For the purpose of strengthening the competitiveness of the Company, the selected subscribers shall be able to help the Company expand the market of the new products and educate the sales personnel, and explore the sales channels for the new products.

(2) Necessity and expected benefit:

Due to the changes in the market demand for the new products of the Company in recent years, it is hereby proposed to select the strategic investors, who are beneficial to the future product promotion and the market development of the Company, in order to enhance the competitiveness of the Company. To select such strategic investors will enhance technologies, improve the quality, enhance the efficiency and expand the market of the Company.

4. The reasons necessitating the private placement:
   (1) The reasons for not taking a public offering: Considering the lower cost of the capital, the effectiveness of the funding process, the Company desires to raise the capital through the private placement of securities. In addition, if the Board of Directors is authorized to conduct the private placement of securities according to the actual operational needs of the Company, it will be helpful for the Company to increase the mobility and flexibility of the fundraising. In short, it is indeed necessary to raise the capital through the private placement of securities.
   (2) The capital usage plan of private placement each round: to supplement the working capital
   (3) The projected benefits of private placement each round: The projected benefits of such private placement each round are to meet the needs of the business development in the future, improve the financial structure, strengthen the long-term competitiveness of the Company, and bring in the strategic partners.
5. This privately-placed new shares adopt a non-physical issuance, and the rights and obligations of such new shares are the same as the original issued common shares, provided that the transfer of such new shares should be governed by Article 43-8 of the Securities and Exchange Act.
6. When the period of restriction of transfer of the privately-placed securities of this year has elapsed, the Company may file a listing application only after first applying to the TPEx for a letter of approval and, on the basis of such letter, completing issuance examination and approval procedures with the competent authority in accordance with Article 15 of Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEx.
7. If the main content of the private placement plan, including the number of shares, the issue price, conditions for issuance, fundraising amount, and the other related matters should be changed or amended due to the changes in applicable laws and regulations, the instruction of the competent authority, the business status review, or the changes in the objective circumstances, it is hereby proposed to authorized the Board of Directors by the resolution adopted at the regular shareholders' meeting to adjust them based on the status of the capital market.
8. For the rights and obligations of privately placed common shares, or any matter regarding the private placement but not included above, it is hereby proposed to authorize the Board of Directors by the resolution adopted at the shareholders' meeting to handle all matters according to the instructions from the competent authority or the newly-amended laws and regulations.
9. According to Article 43-6, Security and Exchange Act, the main content of this proposal for the private placement of securities of the Company should be accessed

at the website of Market Observation Post System (https://mops.twse.com.tw/mops/#/web/t116sb01), please visit: MOPS- Investment section/Private lacement/section /Data search for private placement) and the official website of the Company(https://www.3system.com.tw).

10. The Company engaged a securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement in accordance with the applicable laws and regulations. Please refer to the Attachment 7 (page36-43) of the Chinese version of the Handbook for the 2026 Annual Shareholders' Meeting about such opinion.
11. For your discussion.

Resolution:

Proposal 2: To discharge Director Tim Hu. (Proposed by the Shareholder holding more than 1% of the total issued shares Jiang, Zhi- Hao)

Explanation:

1.The shareholder’s proposal is as follows: During his tenure as a director, Mr. Tim Hu has continuously made poor decisions, which have led to expanded company losses and caused the company's operations to fall into difficulties. Considering the company's operational interests, it is proposed that the Board of Directors approve and submit to the shareholders’ meeting a resolution to remove him from his position as director.

2.For your discussion.

Resolution:

Proposal 3: To discharge Director Jeffrey Lin.（Proposed by the Shareholder holding more than 1% of the total issued shares Tekcore Co. Ltd.）

Explanation:

1.The shareholder’s proposal is as follows: During his tenure as a director, Mr. Jeffrey Lin has continuously made poor decisions, which have led to expanded company losses and caused the company's operations to fall into difficulties. Considering the company's operational interests, it is proposed that the Board of Directors approve and submit to the shareholders’ meeting a resolution to remove him from his position as director.

2. For your discussion.

Resolution:

Proposal 4: To discharge Director CHIAO-SUNG,YANG.（Proposed by the Shareholder holding more than 1% of the total issued shares Jeffrey Lin .）

Explanation:

1. The shareholder’s proposal is as follows: During his tenure as a director, Mr. CHIAO-SUNG,YANG has failed to lead the company out of its difficulties or cease

its losses. In consideration of the company’s operational interests, it is proposed that the Board of Directors approve this proposal and submit it to the shareholders’ meeting for a resolution to remove him from his position as director.

2. For your discussion.

Resolution:

6.Questions and Motions

7.Adjournment

III.Attachment

【Attachment 1】

Solid State System Co., Ltd.
2025 Business Report

In 2025, the Company operating revenue of NT$281,877,000. Due to intense price competition across various product lines, the overall gross margin was around 13%, resulting in a net loss after tax of NT$172,070,000. Looking back at 2025, the tightening supply of memory and the slowdown in global consumer market demand created short-term volatility and pressure. Despite short-term challenges, the Company continued to invest in R&D, optimize its product portfolio, and adjust business strategies to prepare for the next wave of growth opportunity.

In the area of NAND Flash controller ICs, the Company continues to develop USB 3.0 controller ICs that support advanced-generation TLC/QLC 3D NAND Flash from various Flash vendors. In particular, support for QLC 3D NAND Flash from multiple suppliers has become increasingly comprehensive. The Company will further strengthen the promotion of Type-A/Type-C dual-interface USB flash drives and QLC-based solutions. Looking ahead from 2025 to 2026, product development will focus on next-generation, cost-competitive USB 3.2 Gen I controller ASICs, featuring enhanced error detection and correction capabilities, higher-speed I/O interfaces, and lower-power LTT technologies. These advancements are designed to meet the evolving requirements of next-generation 3D NAND, including faster read/write speeds and more robust error correction, while also reducing production costs and improving gross margins. In addition, for NAND Flash SSD solutions, the Company will continue to monitor market opportunities and develop PCIe-interface SSD solutions that support advanced-generation 3D NAND. In terms of long-term product development and market planning, the Company will leverage its core strengths and align with market trends, while working closely with customers' product and market strategies to ensure steady progress.

In the USB Audio segment, from 2024 to 2025, the ongoing U.S.–China trade tensions have continued to weigh on the market, leading to a sharp decline in China's export orders. As a result, intense domestic competition has emerged within China, characterized by "involution," where not only finished product manufacturers face fierce competition, but IC suppliers are also under significant competitive pressure. Among consumer IC suppliers, competition now extends beyond specifications and pricing to include rivalry between established and emerging brands. Over the past two years, more than a dozen USB Audio brands of varying sizes have rapidly entered the market, sweeping across the consumer audio segment. Within a single year, these competitors have introduced two generations of product iterations, covering both wired and wireless solutions. This has created substantial pressure on Taiwanese IC suppliers. However, the Company has been operating in this market for over a decade as an established player. In 2025, the Company continued to strengthen customer support by providing customized application software tailored to different client needs, along with high-quality, Taiwan-based mass production services. As a result, it has not been completely impacted by the low-price competition trend. Looking ahead to 2026, the Company will continue to enhance customer support and plans to complete the design of new digital audio application products for customer validation. The year 2026 will be a challenging one, but the Company aims to leverage its long-standing reputation and customer trust to steadily introduce new digital audio solutions, offering customers more flexible application options while avoiding participation in the low-price competition in China, thereby forging a differentiated path forward.

In the MEMS segment, in 2025 the Company successfully developed and mass-produced a highly stable and efficient airflow sensing MEMS sensor. In addition, for the PreAmp ASIC paired with MEMS microphones, the Company has also successfully developed and mass-produced a digital interface ASIC supporting high signal-to-noise ratio (SNR). Going forward, the Company will continue to develop digital microphones with higher acoustic overload point (AOP) and SNR to expand into other high-end application markets. In terms of market expansion, MEMS microphones have already established a strong reputation across applications such as TWS earbuds, ANC headphones, smart home devices, security and surveillance systems, array applications, and automotive use cases. Furthermore, MEMS microphone products for hearing aid applications have also entered mass production and shipment. Meanwhile, both airflow sensing MEMS sensors and MEMS microphone sensors have begun volume shipments. Looking ahead, the Company will not only strengthen the promotion of high-SNR MEMS microphone products but also introduce application-driven features based on market demand, including AI detection applications and ultrasonic sensing for autonomous parking. In existing application areas, in addition to deepening relationships with current customers, the Company will actively expand its reach to similar customer segments to capture the gradual recovery in market demand, while also pursuing growth opportunities by developing new application markets.

The Company began evaluating entry into the HBM (High Bandwidth Memory) market and related product technologies in 2024 and completed its fundraising by the end of the same year. However, during the execution of the plan, changes in the overall industry environment and technical conditions made it difficult to secure the high-end DRAM and advanced packaging resources required for HBM development. As a result, related costs increased to approximately two to three times the original estimates, significantly raising development expenses. In addition, during project execution, the Company’s originally targeted key customers were affected by international trade and technology control restrictions, which limited wafer fabrication and cooperation conditions and consequently impacted the overall project timeline. Furthermore, some potential partners were unable to secure funding as expected, hindering subsequent development and tape-out plans and slowing collaboration progress. These factors have made it difficult to advance the original R&D plan, and the short-term product development timeline remains uncertain. Considering the Company’s future working capital constraints, and in order to safeguard shareholder interests and enhance capital utilization efficiency, the remaining unutilized funds from the original fundraising will be fully reallocated to strengthen working capital, thereby supporting the Company’s ongoing R&D activities and day-to-day operational needs.

In 2025, the Company’s overall operations remained in a loss position. The Company has initiated relevant reviews and evaluations and will, based on actual market conditions and operational efficiency, adjust its business direction in a timely manner. Such adjustments may include product line optimization, resource reallocation, or discontinuation of certain product developments. Looking ahead, the Company will continue to uphold the principles of prudent management and continuous innovation, carefully advancing its operational plans to lay a solid foundation for returning to a growth trajectory, while striving to create long-term value for shareholders.

We sincerely thank all shareholders for their support and patience. Looking forward, we will continue striving together to seize the next wave of growth.

Chairman/President Tim Hu

【Attachment 2】

The review report of the Audit Committee

The Audit Committee approved the financial statements of the Company for the year 2025, which had been approved by the Board of Directors, and was also audited and attested by LAN-JAI Taiwan appointed by the Board of Directors, with an audit report issued.
In addition, the Company's annual business report and loss recovery proposal prepared by the Board of Directors have been reviewed by the Audit Committee and found to be in conformity with the relevant provisions of the Company Act. The Audit Committee hereby reported in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act as above.

Please review.

Sincerely,

2026 General Shareholders' Meeting of Solid State System Co., Ltd.

Convener of the Audit Committee: James Hou

February 12, 2026

【Attachment 3】

Solid State System Co., Ltd.

The status report on the execution of the sound operation plan for the 2024 cash capital raising plan

Sound Operation Plan and Implementation Control Measures

I. Product Operation Strategy

(1) NAND Flash Controller IC

As the most advanced process technology for NAND Flash has progressed to higher layer counts and faster data transfer speeds with 3D TLC/QLC, NAND Flash controller ICs must also be designed to accommodate the various characteristics of next-generation 3D NAND Flash. From a strategic perspective, the Company will focus on developing NAND Flash controller ICs and solutions that support the latest generation of 3D TLC/QLC. It will continue to strengthen product competitiveness, reduce product costs, and enhance the quality of customer service to retain existing customers while expanding into the China market. In addition, the Company will develop embedded storage eMMC controller ICs to enter new embedded storage application fields. The Company has also begun cooperating with other enterprise-grade eSSD controller IC manufacturers to promote enterprise eSSD storage solutions and gradually enter the enterprise storage market, thereby creating synergies and enhancing revenue and profitability

(2) MEMS Microphones

With respect to MEMS microphone IC products, the Company independently develops MEMS sensors and ASIC chips, designs microphone packaging structures, and develops its own mass production testing equipment to ensure product quality consistency and stable supply. Emphasis is placed on considering diverse application requirements from the initial chip development stage, in order to develop products that closely align with market demands. As high SNR/high AOP digital microphone (D-mic) products are being launched progressively this year, they are expected to help expand market share in applications such as digital televisions, security surveillance, smart wearables, and notebook computers. From a strategic standpoint, the R&D team will continue to develop high-end D-mic products and other MEMS applications. In parallel, sales and product promotion efforts will target areas including security applications, automotive, hearing aids, smart devices, TWS/learning devices, notebook computers, and MEMS flow sensors.

(3) USB Audio

With respect to Audio IC products, in the short term the Company will leverage its existing product portfolio to further expand the customer base that it has worked diligently to stabilize over the past two years amid supply shortages in the consumer IC market, as well as customers previously affected by finished goods inventory issues arising from the U.S.-China trade tensions. The Company will continue to enhance product functionality and improve cost-performance to maintain stable market supply. The Company has been deeply engaged in the Audio IC market for over a decade, providing consistent shipments to certified customers cultivated over many years. As such, its current market positioning primarily focuses on entry-level products or standard headsets that do not require additional algorithm functionalities. As the market has digested excess inventory this year and enters a new phase of growth, the newly revised IC products are expected to begin realizing their full potential, enabling the Company to recover and potentially surpass its previous market share.

(4) HBM

High Bandwidth Memory (HBM) has become a bottleneck in the expansion of AI computing power and is currently in a phase of high growth and strong profitability. In terms of the Company's operational strategy for HBM product development, this includes forming strategic partnerships with DRAM manufacturers, such as Winbond, to develop customized, stackable DRAM, as well as independently designing and developing the Base Die used to stack the aforementioned DRAM. Specifically, the Company aims to design the HBM Base Die IC using TSMC's 16nm embedded MRAM process. The role of this Base Die relative to DRAM is analogous to that of the Company's existing Flash controller ICs relative to NAND Flash. Therefore, the HBM Base Die can effectively be regarded as a DRAM controller IC. An HBM solution consists of one Base Die paired with multiple stacked DRAM ICs, similar to how a NAND controller IC is paired with one or more NAND Flash devices. In addition, it is necessary to develop finished-product testing equipment to perform final DRAM repair and to manage the yield of HBM products. The Company will leverage its many years of experience in NAND Flash module testing equipment and apply it to defect repair and yield management in the final stage of HBM product manufacturing.

The reason we are confident in entering the development of HBM Base Die—an area that few Taiwanese companies have ventured into—is that, in addition to the long-established Word Line and Bit Line repair mechanisms used in DRAM design, we believe we can further enhance repair capabilities by integrating additional repair units and highly efficient repair mechanisms within the HBM Base Die. This approach enables further improvement beyond the limitations of traditional Word Line and Bit Line repair in DRAM, as well as addressing the compounded defect rates arising from the stacking of multiple DRAM dies in HBM. By leveraging a high-efficiency cross-die repair mechanism embedded within our HBM Base Die—capable of performing repairs across multiple stacked DRAM chips—together with our self-developed testing equipment, the resulting HBM products are expected to achieve significant improvements in yield.

The Company will collaborate with domestic DRAM manufacturers to help drive Taiwan's DRAM industry to make a significant leap into the high-growth and high-profit HBM market. It will also leverage Taiwan's highly efficient wafer-level packaging supply chain. Going forward, the Company will continue to cooperate with competitive DRAM suppliers or emerging DRAM alternative memory manufacturers in the HBM field, and will further develop memory solutions required for the high computing power demands of the AI era.

II. Operational Management

(1) Operational Development Plan

① Continue to actively develop customers for new products to increase revenue contribution from new product lines.

② Control product costs and improve capacity utilization in order to reduce costs and enhance profitability.

(2) Financial Improvement Plan

① Strengthen inventory management by reviewing sales conditions to adjust production and procurement plans, and actively clear slow-moving or obsolete inventory to reduce capital tie-up and inventory risk.

② Conduct cash capital increases through private placement or public offering to improve the financial structure and strengthen working capital.

③ Reduce personnel-related expenses and conduct item-by-item reviews of daily expenditures to eliminate duplicate or unnecessary costs.

III. Implementation Status for 2025

Item	Actual	Budget	Achievement Rate
Operating Revenues	281,877	368,760	76%
Operating Costs	246,272	275,421	89%
Gross Profit	35,605	93,339	38%
Gross Profit Margin	13%	25%	-
Operating Expenses	211,994	266,489	80%
Net Operating Loss	(176,389)	(173,150)	-
Non-operating Income and Expenses	4,319	4,373	-
Loss before income tax	(172,070)	(168,777)	-

Explanation of Material Variances:

With respect to operating revenue, the USB controller IC business was originally expected to generate additional revenue from new customers in China and new eSSD products; however, these have not yet materialized. For Audio IC products, it was initially expected that shipment volumes would increase following product revisions; however, issues were identified during the revision process. These issues have recently been resolved, and shipments have now stabilized. For MEMS sensor new applications, the ramp-up timing of major customer demand has been delayed to 3Q 2025. As a result of the above factors, the achievement rate of operating revenue was 76%.Regarding gross profit margin, it was originally expected that previously recognized inventory obsolescence losses of NT$24 million could be reversed, which would have improved gross margin by approximately 7%. In reality, inventory obsolescence losses of NT$4,240 thousand were reversed. In addition, due to lower-than-expected revenue realization, the achievement rate of gross profit was 38%；For operating expenses, R&D expenses related to HBM remained in the stage of feasibility simulation using existing equipment. Only partial manpower was allocated, and full-scale development manpower and project expenses had not yet been deployed as originally expected. As a result, operating expenses were lower than forecast. In summary, the variance in losses compared to the forecast was not material.

【Attachment 4】

2025 remuneration to Directors

Title	Name	Remuneration Paid to Directors								Sum of A+B+C+D and Ratio to Net Income		Relevant Remuneration Received by Directors who Are Also Employees								Sum of A+B+C+D+E+F+G and Ratio to Net Income		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		Base Compensation (A)		Retirement Allowance (B)(Note 1)		Director Remuneration (C) (Note 2)		Allowances (D)				Salary, Bonus, and Allowance (E)		Retirement Allowance(F) (Note 1)		Employee Compensation (G) (Note 2)						
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
																Cash	Stock	Cash	Stock			
Chairman	Tim Hu	0	0	0	0	0	0	24	24	24 -0.00%	24 -0.00%	2,294	2,294	108	108	0	0	0	0	2,426 -0.01%	2,426 -0.01%	0
Director	Jeffrey Lin	0	0	0	0	0	0	24	24	24 -0.00%	24 -0.00%	2,780	2,780	0	0	0	0	0	0	2,804 -0.02%	2804 -0.02%	0
Director	Chiao-Sung,Yang	0	0	0	0	0	0	12	12	12 -0.00%	12 -0.00%	0	0	0	0	0	0	0	0	12 -0.00%	12 -0.00%	0
Director	KIOXIA Corporation Representative: Hatanaka Kojiro	0	0	0	0	0	0	21	21	21 -0.00%	21 -0.00%	0	0	0	0	0	0	0	0	21 -0.00%	21 -0.00%	0
Independent Director	Cheermore Huang	360	360	0	0	0	0	21	21	381 -0.00%	381 -0.00%	0	0	0	0	0	0	0	0	381 -0.00%	381 -0.00%	0
Independent Director	James Hou	360	360	0	0	0	0	24	24	384 -0.00%	384 -0.00%	0	0	0	0	0	0	0	0	384 -0.00%	384 -0.00%	0
Independent Director	Ker Jer Huang	360	360	0	0	0	0	21	21	381 -0.00%	381 -0.00%	0	0	0	0	0	0	0	0	381 -0.00%	381 -0.00%	0
Independent Director	YU-HSIA CHAN	360	360	0	0	0	0	21	21	381 -0.00%	381 -0.00%	0	0	0	0	0	0	0	0	381 -0.00%	381 -0.00%	0

【Attachment 5】

INDEPENDENT AUDITORS' REPORT

For Solid State System Co., Ltd.:

Opinion

We have audited the individual financial statements of Solid State System Co., Ltd. (" 3S"), which comprise the individual balance sheets as of December 31, 2025 and 2024, and the individual statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the individual financial statements, including a summary of material accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of 3S as of December 31, 2025 and 2024, and its individual financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("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 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 Individual Financial Statements section of our report. We are independent of 3S 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 of 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 individual financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of inventories

Please refer to Note 4(7) " Summary of Significant Accounting Policies-Inventories" , Note 5(1) " Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty-Valuation of inventories", and Note 9 "Explanation of Significant Accounts-Inventories" to the individual financial statements.

Description:

3S's main products included NAND Flash controller IC and Audio IC, wherein its inventories are measured at the lower of cost and net realizable value. Due to the rapid changes in electronic industry, the old models produced by 3S may quickly be replaced by new ones or may fail to meet the market demand resulting in a risk in which the carrying value of inventories may be higher than its net realizable value. The net realizable value of the inventory is mainly determined based on the assumptions of the estimated selling price of the products within a specific time horizon which might be subject to significant fluctuations. Therefore, the valuation of inventories is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal was addressed in our audit:

- Inspecting the inventory aging report and analyzing the difference in the inventory aging in comparison to prior periods.
- Testing inventory Lower-of-cost-or-net-realizable value evaluating report and testing the accuracy of the inventory aging report.
- Assessing the management's assumptions on the completeness of inventory provisions.
- Evaluating the appropriateness of the inventory valuation, evaluating the management's calculations for inventory loss with reference to historical trends to ensure their appropriateness and considering the adequacy of 3S disclosures in the accounts.

2. Impairment assessment on non-financial assets

Please refer to Note 4(11)" Summary of Significant Accounting Policies-Impairment of non-financial assets", Note 5(2) "Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty-Impairment Assessment on non-financial assets", and Notes 10,11 and 12 "Explanation of Significant Accounts-Property, plant and equipment", "Explanation of Significant Accounts-Right-of-use assets" and "Explanation of Significant Accounts-Intangible assets", respectively, to the individual financial statements.

Description:
3S has performed poorly in operation in recent years, resulting in a risk in which the impainnent loss of non-financial assets and the recoverable amount of assets may become lower than the carrying value of assets. The valuation of the impairment loss of assets that are based on the cash flow in the future is subject to the management's judgment which has significant uncertainty, and the audit team needs to discuss the matter with the management to evaluate the adequacy of the valuation. Therefore, the impainnent assessment on non-financial assets is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our principal was addressed in our audit:

- Understand the methods used by management for asset impairment assessment , and the design and implementation of relevant internal control systems.
- Obtain the assessment process from management; evaluate the reasonableness of the valuation methods used by management to measure recoverable amount and net fair value, review the data sources of the assumptions and parameters used during the valuation process, and perform an analysis.
- Obtain the appraisal report issued by external experts commissioned by management, and assess the reasonableness of the valuation methods, data sources, and parameters used in the appraisal report.

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

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing 3S' 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 3S 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 3S's financial reporting process.

Auditor's Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 individual financial statements.

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

1. Identify and assess the risks of material misstatement of the individual 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 3S'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 3S'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 individual 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 3S to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the individual

financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 individual financial statements of the current period 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 audit resulting in this independent auditors' report are Ting-Hsun Chan and Pei-Hua Huang.

Lan-Jai CPAs' Firm

Taiwan(Republic of China)
February 12, 2026

Notes to Readers

The accompanying individual financial statements are intended only to present the individual financial position, financial performance and cash flows in accordance with the 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 individual financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying individual financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, of any difference in the interpretation of the English and Chinese language independent auditors' report and individual financial statements, the Chinese version shall prevail.

(English Translation of Individual Financial Statements Originally Issued in Chinese.)

Solid State System Co., Ltd.
Individual Balance Sheets
December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
Current Assets:				
Cash and cash equivalents (note 6)	$ 84,663	14	$ 430,667	60
Current financial assets at amortised cost (note 7)	200,000	33	-	-
Accounts receivable, net (note 8)	14,926	2	23,009	3
Accounts receivable from related parties, net (notes 8 and 26)	1,734	-	2,055	-
Inventories (note 9)	171,885	28	184,784	26
Other current assets (note 27)	31,691	5	23,270	3
Total current assets	504,899	82	663,785	92
Non-current assets:				
Property, plant and equipment (note 10 and 27)	89,767	14	28,065	4
Right-of-use assets (note 11)	4,831	1	13,533	2
Intangible assets (note 12)	11,151	2	7,360	1
Refundable deposits (note 27)	6,104	1	6,852	1
Other non-current assets	600	-	800	-
Total non-current assets	112,453	18	56,610	8
Total assets	$ 617,352	100	$ 720,395	100

Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
Current liabilities:				
Short-term borrowings (notes 13 and 27)	$ 25,000	4	$ 33,833	5
Accounts payable	41,379	7	7,979	1
Accrued payroll and bonus	25,314	4	12,340	2
Other accrued expenses	15,117	2	16,367	2
Current lease liabilities (note 11)	4,700	1	8,569	1
Current portion of long-term borrowings (note 13)	6,957	1	6,805	1
Other current liabilities	14,276	2	10,671	1
Total current liabilities	132,743	21	96,564	13
Non-current liabilities:				
Long-term borrowings (note 13 and 27)	59,911	10	23,189	3
Non-current lease liabilities (note 11)	210	-	4,074	1
Guarantee deposits received	618	-	628	-
Total non-current liabilities	60,739	10	27,891	4
Total liabilities	193,482	31	124,455	17
Equity (note 15):				
Common stock	729,659	119	729,659	101
Capital surplus	-	-	190,985	27
Accumulated deficits	(305,789)	(50)	(324,704)	(45)
Total equity	423,870	69	595,940	83
Total liabilities and equity	$ 617,352	100	$ 720,395	100

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

(English Translation of Individual Financial Statements Originally Issued in Chinese.)

Solid State System Co., Ltd.
Individual Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
Operating revenues (notes 18 and 26)	$ 281,877	100	$ 239,110	100
Operating costs (notes 9 and 31)	(246,272)	(87)	(225,924)	(94)
Gross profit	35,605	13	13,186	6
Operating expenses (notes 31)				
Selling	(50,429)	(18)	(49,130)	(21)
General and administrative	(37,176)	(13)	(44,228)	(19)
Research and development	(124,389)	(44)	(107,988)	(45)
Total operating expenses	(211,994)	(75)	(201,346)	(85)
Net operating loss	(176,389)	(62)	(188,160)	(79)
Non-operating income and expenses (note 19)				
Interest income	5,561	2	1,458	1
Other gains and losses	943	-	7,157	3
Financial costs	(2,185)	(1)	(1,608)	(1)
Total non-operating income and expenses	4,319	1	7,007	3
Loss before income tax	(172,070)	(61)	(181,153)	(76)
Income tax expenses (note 21)	-	-		-
Net loss for the period	(172,070)	(61)	(181,153)	(76)
Other comprehensive income for the period (after tax)	-	-	-	-
Total comprehensive income for the period	(172,070)	(61)	(181,153)	(76)
Earning (loss) per share (New Taiwan Dollars) (note 17)				
Basic earnings (loss) per share	($ 2.36)		($ 3.18)	
Diluted earnings (loss) per share	($ 2.36)		($ 3.18)	

The accompanying notes are an integral part of the financial statements

(English Translation of Individual Financial Statements Originally Issued in Chinese.)

Solid State System Co., Ltd.

Individual Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Accumulated deficits	Total equity
Balance as of January 1, 2024	$ 569,659	$ 76,464	($ 220,015)	$ 426,108
Net loss for the period	-	-	(181,153)	(181,153)
Capital surplus used to offset accumulated deficits	-	(76,464)	76,464	-
Issue of shares	160,000	190,500	-	350,500
Share-based payments	-	485	-	485
Balance as of December 31, 2024	729,659	190,985	(324,704)	595,940
Net loss for the period	-	-	(172,070)	(172,070)
Capital surplus used to offset accumulated deficits	-	(190,985)	190,985	-
Balance as of December 31, 2025	$ 729,659	$ -	($ 305,789)	$ 423,870

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

(English Translation of Individual Financial Statements Originally Issued in Chinese.)

Solid State System Co., Ltd.
Individual Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31, 2025	2024
Cash flows from operating activities:		
Loss before income tax	($ 172,020)	($ 181,153)
Adjustments to reconcile profit (loss):		
Depreciation	23,412	24,414
Amortization	8,523	7,919
Expected credit gain	(2)	(8)
Interest expense	2,185	1,608
Interest income	(5,561)	(1,458)
Share-based payments	-	485
Gain on disposals of property, plant and equipment	-	(2,884)
Provision for inventory devaluation (reversed) loss	(4,240)	17,483
Others	50	27
Changes in operating assets and liabilities:		
Accounts receivable	8,085	(9,112)
Accounts receivable from related parties	321	10,056
Inventories	17,139	66,314
Other operating assets	(7,621)	(8,377)
Accounts payable	33,400	6,697
Other operating liabilities	15,263	2,746
Cash flows used in operations	(81,116)	(65,243)
Interest received	5,385	1,473
Interest paid	(2,167)	(1,581)
Income taxes paid	(496)	(106)
Income taxes refund	28	2
Net cash flows used in operating activities	(78,366)	(65,455)
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(200,000)	-
Acquisition of property, plant and equipment	(74,482)	(11,553)
Proceeds form disposal of property, plant and equipment	-	2,884
Decrease (increase) in refundable deposits	748	(42)
Acquisition of intangible assets	(12,314)	(6,237)
Net cash flows used in investing activities	(286,048)	(14,948)
Cash flows from financing activities:		
Proceeds from borrowings	82,463	81,644
Repayments of borrowings	(91,296)	(81,981)
Proceeds from long-term borrowings	43,680	35,000
Repayments of long-term borrowings	(6,806)	(5,006)
(Decrease) increase in guarantee deposits	(10)	10
Payment of lease liabilities	(9,621)	(10,824)
Proceeds from issuing shares	-	350,500
Net cash flows from financing activities	18,410	369,343
Net (decrease) increase in cash and cash equivalents for the period	(346,004)	288,940
Cash and cash equivalents at beginning of period	430,667	141,727
Cash and cash equivalents at end of period	(84,663)	$ 430,667

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

【Attachment 6】

Solid State System Co., Ltd.
Comparison of the Fund Utilization Plan Before and After the Amendment to the 2024 Capital Increase by Cash

I. Original Plan Content

(I) Total Funds Required for This Plan

The total funds required for this plan amount to NT$437,732 thousand.

(II) Sources of Funds

A cash capital increase through the issuance of 16,000 thousand common shares, with a par value of NT$10 per share and an issue price of NT$22 per share, raising a total of NT$352,000 thousand.

The remaining funds required for this plan, amounting to NT$85,732 thousand, will be financed by the Company's internal funds or other sources.

(III) Planned Items and Expected Schedule of Fund Utilization

1. Planned Items

Unit: NT$ thousand

Item	Expected Completion Date	Total Funds Required	Planned Fund Utilization Schedule				
			2024	2025			
			Q4	Q1	Q2	Q3	Q4
R&D Expenses	Q4 2027	437,732	10,010	49,778	14,100	19,435	17,692
Total		437,732	10,010	49,778	14,100	19,435	17,692

Item	Expected Completion Date	Planned Fund Utilization Schedule							
		2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
R&D Expenses	Q4 2027	104,355	17,460	94,327	24,070	23,060	20,150	20,273	23,022
Total		104,355	17,460	94,327	24,070	23,060	20,150	20,273	23,022

(IV) Expected Benefits

In response to the development trend of the semiconductor industry and the Company's operational needs, the funds raised from 2024 to 2027 are planned to be primarily allocated to R&D expenditures for the development of High Bandwidth Memory (HBM) controllers. The development is expected to be completed by mid-2027. Upon completion, the new HBM product line based on the Company's proprietary HBM Base Die is expected to generate the following benefits:

Unit: thousand units; NT$ thousand

Year	Product	Sales Volume	Sales Revenue	Gross Profit	Operating Income
2027	HBM 16GB	20	89,600	37,632	(4,219)
2028	HBM 16GB	214	958,720	402,662	360,319
2029	HBM 16GB	321	1,335,360	507,437	467,368

II. Reasons for the Plan Amendment

The Company originally planned to allocate the proceeds from the capital increase to the research and development of High Bandwidth Memory (HBM), including Base Die design and bit-by-bit repair technology. The funds were successfully raised on December 31, 2024 , with a total planned capital requirement of NT$437,732 thousand, and the plan was approved under FSC Letter No. 1130361038 dated November 21, 2024. The actual amount raised was NT$352,000 thousand. As of now, NT$47,905 thousand has been utilized for R&D expenditures under this plan. However, during implementation, due to changes in the overall industry environment and technological conditions, the acquisition of high-end DRAM and advanced packaging resources required for HBM development has become difficult, and related costs have increased by approximately two to three times compared to initial estimates, resulting in a substantial increase in development costs. In addition, the Company's originally planned key customers have been affected by international trade and technology restrictions, limiting related wafer tape-out and cooperation conditions, thereby slowing project progress. Furthermore, some potential partners have been unable to secure sufficient funding as expected, resulting in delays or suspension of subsequent development and tape-out plans, thereby hindering cooperation progress and making the R&D plan difficult to proceed as originally scheduled. Consequently, the short-term development timeline has become uncertain. After careful evaluation, in order to improve the efficiency of fund utilization, reduce operational risks, and accommodate the Company's overall working capital needs, the Company plans to change the use of the remaining unutilized funds of NT$304,095 thousand. The full amount will be reallocated to working capital to support daily operations. In addition to improving the equity ratio and strengthening the financial structure, this adjustment will enhance the Company's financial flexibility and operational stability, thereby contributing positively to long-term competitiveness.

III. Revised Plan Content

(I) Total Funds Required for This Plan
The total funds required for this revised plan amount to NT$304,095 thousand.
(II) Sources of Funds
The funds are sourced from the 2024 cash capital increase through the issuance of 16,000 thousand common shares at an issue price of NT$22 per share, with total proceeds of NT$352,000 thousand. The capital raising was completed on December 31, 2024 . As of the fourth quarter of 2025 , NT$47,905 thousand has been utilized for R&D expenditures, and the remaining NT$304,095 thousand has not yet been used (of which NT$143,000 thousand has been utilized in Q1 2026 for working capital purposes).
(III) Planned Items and Expected Schedule of Fund Utilization

Unit: NT$ thousand

Item	Expected Completion Date	Total Funds Required	Planned Fund Utilization Schedule		
			2026		
			Q1	Q2	Q3
Working Capital	Q3 2026	304,095	143,000	97,000	64,095
Total		304,095	143,000	97,000	64,095

(IV) Expected Benefits
The Company is currently still operating at a loss in its core business. If financing were to be obtained from financial institutions, based on the Company's recent operating performance, it would be difficult to secure favorable borrowing terms. The resulting interest expenses would further increase the Company's financial burden, which is not conducive to improving its financial

structure. After the plan amendment, the Company will avoid external borrowing, thereby saving interest expenses and effectively reducing financial burden. At the same time, the funds will support other ongoing R&D projects and normal operational requirements, while enhancing the Company's ability to respond to industry risks.

Solid State System Co., Ltd.

2024 Issuance of New Shares for Capital Increase by Cash

Amendment to the Fund Utilization Plan Securities Underwriter's Assessment Opinion

Capital Securities Corporation

March 31, 2026

Solid State System Co., Ltd. (hereinafter referred to as “the Company”) resolved at its Board of Directors meeting held on October 14, 2024 to conduct a cash capital increase. The proceeds were originally planned to be used for research and development related to High Bandwidth Memory (HBM), including Base Die design and bit-by-bit repair technology development. The capital raising was completed on December 31, 2024, and the funds have been implemented in accordance with the original R&D plan. However, due to subsequent changes in the overall industry environment and technological conditions, development costs have increased significantly. In addition, the Company’s originally planned key customers have encountered obstacles in cooperation progress due to international trade and technology control restrictions. Furthermore, some potential partners have been unable to secure sufficient funding as expected, resulting in difficulties in advancing the original R&D plan. In order to improve the efficiency of fund utilization, the Company proposes to amend the original fund utilization items and implementation schedule. The relevant details are as follows:

I. Original Plan Content

(I) Total Funds Required for This Plan

The total funds required for this plan amount to NT$437,732 thousand.

(II) Sources of Funds

A cash capital increase through the issuance of 16,000 thousand common shares, with a par value of NT$10 per share and an issue price of NT$22 per share, raising a total of NT$352,000 thousand.

The remaining funds required for this plan, amounting to NT$85,732 thousand, will be financed by the Company’s internal funds or other sources.

(III) Planned Items and Expected Schedule of Fund Utilization

1. Planned Items

Unit: NT$ thousand

Item	Expected Completion Date	Total Funds Required	Planned Fund Utilization Schedule				
			2024	2025			
			Q4	Q1	Q2	Q3	Q4
R&D Expenses	Q4 2027	437,732	10,010	49,778	14,100	19,435	17,692
Total		437,732	10,010	49,778	14,100	19,435	17,692

Item	Expected Completion Date	Planned Fund Utilization Schedule							
		2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
R&D Expenses	Q4 2027	104,355	17,460	94,327	24,070	23,060	20,150	20,273	23,022
Total		104,355	17,460	94,327	24,070	23,060	20,150	20,273	23,022

(IV) Expected Benefits

In response to the development trend of the semiconductor industry and the Company’s operational needs, the funds raised from 2024 to 2027 are planned to be primarily allocated to R&D expenditures for the development of High Bandwidth Memory (HBM) controllers. The development is expected to be completed by mid-2027. Upon completion, the new HBM product line based on the Company’s proprietary HBM Base Die is expected to generate the following benefits:

Unit: thousand units; NT$ thousand

Year	Product	Sales Volume	Sales Revenue	Gross Profit	Operating Income
2027	HBM 16GB	20	89,600	37,632	(4,219)
2028	HBM 16GB	214	958,720	402,662	360,319
2029	HBM 16GB	321	1,335,360	507,437	467,368

II. Revised Plan Content

(I) Total Funds Required for This Plan

The total funds required for this revised plan amount to NT$304,095 thousand.

(II) Sources of Funds

The funds are sourced from the 2024 cash capital increase through the issuance of 16,000 thousand common shares at an issue price of NT$22 per share, with total proceeds of NT$352,000 thousand. The capital raising was completed on December 31, 2024 . As of the fourth quarter of 2025 , NT$47,905 thousand has been utilized for R&D expenditures, and the remaining NT$304,095 thousand has not yet been used (of which NT$143,000 thousand has been utilized in Q1 2026 for working capital purposes).

(III) Planned Items and Expected Schedule of Fund Utilization

Unit: NT$ thousand

Item	Expected Completion Date	Total Funds Required	Planned Fund Utilization Schedule		
			2026		
			Q1	Q2	Q3
Working Capital	Q3 2026	304,095	143,000	97,000	64,095
Total		304,095	143,000	97,000	64,095

(IV) Expected Benefits

The Company is currently still operating at a loss in its core business. If financing were to be obtained from financial institutions, based on the Company's recent operating performance, it would be difficult to secure favorable borrowing terms. The resulting interest expenses would further increase the Company's financial burden, which is not conducive to improving its financial structure. After the plan amendment, the Company will avoid external borrowing, thereby saving interest expenses and effectively reducing financial burden. At the same time, the funds will support other ongoing R&D projects and normal operational requirements, while enhancing the Company's ability to respond to industry risks.

III. Reasonableness of the Amendment

The Company originally planned to utilize the proceeds from the capital increase for research and development related to High Bandwidth Memory (HBM), including Base Die design and bit-by-bit repair technology development. The capital raising was completed on December 31, 2024 (ROC Year 113). The original total funding requirement for the plan was NT$437,732 thousand, which was approved by the Financial Supervisory Commission under Letter No. 1130361038 dated November 21, 2024. The actual funds raised amounted to NT$352,000 thousand. As of the present, NT$47,905 thousand has been utilized for R&D expenditures under this project.

However, during the course of implementation, due to changes in the overall industry environment and technological conditions, the acquisition of high-end DRAM and advanced packaging resources required for HBM development has become difficult, and related costs have increased by approximately two to three times compared with original estimates, resulting in a significant increase in development costs. In addition, during implementation, the Company's originally planned key target customers have been affected by international trade and technology control restrictions, which have limited related wafer tape-out and cooperation conditions, thereby affecting overall project progress. Furthermore, some potential partners have been unable to secure funding as expected, resulting in unsuccessful advancement of subsequent development and tape-out plans, and hindering cooperation progress. As a result, the original R&D plan has become difficult to proceed, and the short-term product development timeline is subject to uncertainty. After careful evaluation, in order to enhance the efficiency of fund utilization, reduce operational risks, and take into account the Company's overall working capital requirements, the Company proposes to amend the use of funds under the R&D expenditure plan. The remaining unutilized funds of NT$304,095 thousand will be fully reallocated to working capital to support the Company's daily operations. In addition to improving the equity ratio and strengthening the financial structure, this will also enhance the Company's financial flexibility and operational efficiency, thereby providing positive benefits to corporate management and financial soundness, and further strengthening the Company's long-term competitiveness

In summary, this amendment to the plan is made in response to changes in the industry environment, rising costs, and constraints on key cooperation conditions. It also takes into account the efficiency of fund utilization and risk management. Therefore, the reasons for the plan amendment are considered reasonable and necessary.

IV. Reasonableness of the Expected Benefits After the Amendment

In response to rapid changes in the market environment, and in order to balance the Company's operational capacity and reduce operational risks, the Company proposes to allocate the unutilized portion of the original funding plan amounting to NT$304,095 thousand to working capital. Following this amendment, the plan is expected to help improve the Company's equity ratio and optimize its financial structure, thereby enhancing funding flexibility and overall operational stability. Through this adjustment of fund utilization, the Company will be better able to support daily operations, increase its flexibility in responding to industry changes, and reduce the risks associated with concentrating resources in a single high-uncertainty project, thereby strengthening overall operational resilience. In addition, this amendment will reduce reliance on bank borrowing. Based on the Company's current average bank loan interest rate of approximately 2.3%, annual interest savings for 2026 are estimated at approximately NT$5,246 thousand, and thereafter approximately NT$6,994 thousand per year. This will further reduce financial costs and improve capital utilization efficiency. In summary, the proposed change in fund utilization and its expected benefits have been assessed to be reasonable and feasible.

V. Impact of the Amendment on Shareholders' Equity

This amendment to the plan is made with consideration of the Company's overall fund utilization efficiency and optimal resource allocation. After careful evaluation, the revised use of funds and expected benefits are deemed feasible. By reallocating the funds to working capital, the Company will enhance its financial flexibility and strengthen its short-term operational funding capacity. This will also help support various R&D projects and daily operational needs, reduce the risks arising from concentrating resources in a single project with high uncertainty, and thereby strengthen the Company's overall operational stability. In addition, this amendment will reduce reliance on external financing, lower interest expenses and financial costs, and help optimize the financial structure while improving capital efficiency. In the context of a rapidly changing industry environment, maintaining flexibility in fund utilization will also enable the Company to respond promptly to market changes and capture potential business opportunities, thereby enhancing long-term competitiveness.

With respect to shareholders' equity, this amendment does not involve any change in the Company's capital structure, nor does it affect shareholders' ownership ratios or related rights. By improving operational stability and reducing financial risk, the amendment is expected to help maintain and enhance the Company's overall corporate value, thereby having a positive impact on long-term shareholder interests. In summary, this amendment is not expected to have any material adverse impact on shareholders' eqity.

【Attachment 7】

Solid State System Co., Ltd.
Opinion on the Necessity and Reasonableness of the Private Placement of Securities

Principal of the Report: Solid State System Co., Ltd.

Recipient of the Report: Solid State System Co., Ltd.

Designated Purpose of the Report: For the sole purpose of Solid State System Co., Ltd. private placement in 2026

Type of Report: Evaluation Report on the Necessity and Reasonableness of the Private Placement of Securities

Evaluating Institution: Taishin Securities Co., Ltd.

Representative: Kuo Chia-Hung

(This opinion is provided solely as a reference for the Board of Directors and the shareholders' meeting of Solid State System Co., Ltd. in resolving the private placement proposal for 2026, and shall not be used for any other purpose. This opinion is prepared based on the financial information provided by Solid State System Co., Ltd. and the disclosures published on the Market Observation Post System (MOPS). With respect to any changes to the content of this opinion arising from amendments to the private placement plan or other circumstances that may occur in the future, this opinion assumes no legal liability whatsoever. This statement is hereby made.)

March 30, 2026

I. Foreword

Solid State System Co., Ltd. (hereinafter referred to as “Solid State System” or “the Company”) was established in 1998 and was listed on the Taipei Exchange (TPEx) in December 2007. At its inception, the Company was a supplier of flash memory controller ICs, with its primary products focusing on memory controller ICs for end-use applications such as USB storage devices and eMMC chips. In 2002, the Company entered into a patent licensing agreement with Toshiba, enabling it to jointly develop new flash memory controller products in parallel with flash memory technology advancements. In 2010, the Company mastered key micro-electro-mechanical systems (MEMS) technologies and became the first company in Taiwan to launch CMOS MEMS microphone products. Currently, the Company’s main products include NAND Flash controller ICs, MEMS microphone ICs, as well as related integrated circuit design and technical services. In the field of NAND Flash controller ICs, the Company has in recent years launched high-speed USB 3.2 Gen I controller IC products with 5Gbps transmission capability. These products adopt a high-speed and highly efficient 32-bit embedded CPU architecture, and incorporate high-speed NAND Flash I/O, LDPC-based ECC error correction IP, and optimized firmware architecture designed to support the continued evolution of 3D NAND toward higher layer counts. The Company has thus developed comprehensive capabilities in advanced technologies. Meanwhile, with the widespread adoption of solid-state drives (SSDs) in laptops, desktop computers, and servers, the Company has also collaborated with ultra-high-speed SATA III and PCIe Gen4 SSD controller IC manufacturers, providing fast, stable firmware and smooth mass-production software support to serve customers. In the MEMS microphone IC segment, the MEMS microphone development team independently designs ICs and has developed key technologies covering chip design, packaging design, and mass production testing design. The Company has obtained multiple domestic and international patents. Its product portfolio covers a wide range of applications, including array microphones, high-performance microphones, noise-canceling microphones, and communication microphones. Currently, the Company has achieved significant shipments in application markets such as AI smart home devices, security surveillance, noise-canceling headphones, automotive systems, and hearing aids, demonstrating its capabilities as an IC design company with system-level vertical integration capabilities.

The Company’s condensed balance sheets and statements of comprehensive income for the most recent five years are presented as follows:

Condensed Balance Sheets

Unit: NT$ thousand

Item	2021	2022	2023	2024	2025
Current Assets	596,135	518,842	451,953	663,785	504,899
Non-current Assets	168,219	110,948	56,982	56,610	112,453
Total Assets	764,354	629,790	508,935	720,395	617,352
Current Liabilities	104,218	121,048	80,616	96,564	132,743
Non-current Liabilities	9,330	11,083	2,211	27,891	60,739
Total Liabilities	113,548	132,131	82,827	124,455	193,482
Common stock	746,877	746,877	569,659	729,659	729,659
Capital Surplus	176,995	-	76,464	190,985	-
Accumulated Deficit	(273,066)	(249,218)	(220,015)	(324,704)	(305,789)
Total Equity	650,806	497,659	426,108	595,940	423,870
Net Book Value per	8.71	6.66	7.48	8.17	5.81

Share (NT$)					

Condensed Statements of Comprehensive Income

Unit: NT$ thousand

Item	2021	2022	2023	2024	2025
Operating Revenue	692,352	402,605	275,641	239,110	281,877
Gross Profit	229,488	116,429	15,315	13,186	35,605
Operating Loss	(3,438)	(121,136)	(207,955)	(188,160)	(176,389)
Non-operating Income and Expenses	4,759	(5,558)	(13,778)	7,007	4,319
Income (Loss) Before Tax	1,321	(126,694)	(221,733)	(181,153)	(172,070)
Net Income (Loss)	1,158	(156,559)	(220,015)	(181,153)	(172,070)
Basic Earnings (Loss) per Share (NT$)	0.02	(3.15)	(4.34)	(3.18)	(2.36)

In the past five years, the Company has been affected by COVID-19, inflation, geopolitical tensions, and the U.S.–China trade war, resulting in a decline in end-market demand for consumer products. Except for a slight increase in operating revenue in 2025, revenue has generally shown a year-by-year declining trend. In addition, due to rising supply chain costs, weakening market demand, inventory adjustments in the consumer electronics industry, and slow inventory digestion, the Company has recognized relatively high inventory valuation losses, which have adversely affected gross profit performance. As a result, except for a slight profit in 2021, the Company has recorded losses in each of the subsequent years.

In response to rapid changes in the global market and to enhance future growth momentum, ensure sustainable development, and strengthen the Company's competitiveness, as well as to meet long-term business development needs and improve operational performance and shareholder value, the Company has, while complying with the Securities and Exchange Act and ensuring long-term cooperation with investment partners and flexibility in fund raising, resolved at its Board of Directors meeting held on February 12, 2026 to conduct a private placement of cash capital increase. The total number of shares to be issued shall not exceed 20,000 thousand shares. The proceeds will be used to strengthen working capital and enhance future operational performance, and strategic investors will be introduced as shareholders of the Company in accordance with Article 43-6 of the Securities and Exchange Act. Although there were no instances of changes involving more than one-third of the directors in 2025, during the shareholder proposal period prior to the 2026 shareholders' meeting (from March 1, 2026 to March 11, 2026), a shareholder proposal to remove and re-elect directors was submitted and subsequently approved at the shareholders' meeting. As a result, the Company will experience a change in more than one-third of its directors within one year prior to the Board resolution on the private placement. This meets the criteria set forth in Article 4, Paragraph 3 of the "Directions for Public Companies Conducting Private Placements of Securities," which stipulates that if there is a significant change in control within one year prior to the Board resolution on a private placement and up to one year after the delivery of the private placement securities, the issuer shall obtain an evaluation opinion from a securities underwriter regarding the necessity and reasonableness of the private placement and include it in the notice of shareholders' meeting for shareholders' reference. Accordingly, the Company has engaged Taishin Securities Co., Ltd. (hereinafter referred to as "the Underwriter") to issue an evaluation opinion on the necessity and reasonableness of the private placement for 2026. The proposal will be submitted to the Board of Directors on March 31, 2026 and to the shareholders' meeting on May 27, 2026 for approval prior to implementation.

II. Contents of the Private Placement Plan

The Company plans to conduct a private placement of common shares within a total issuance limit of no more than 20,000 thousand shares. The placement is expected to be carried out once or twice within one year from the date of the shareholders' resolution approving this private placement proposal. The proceeds will be used entirely to strengthen working capital. The pricing of the private placement shares shall not be lower than 80% of the reference price, which is determined as the higher of the following two calculations. The simple average closing price of the common shares over one, three, or five business days prior to the pricing date (whichever is selected), adjusted for any ex-rights and ex-dividend effects arising from bonus shares, cash dividends, and reversed for any capital reduction; or The simple average closing price of the common shares over the 30 business days prior to the pricing date, adjusted in the same manner for ex-rights and ex-dividend effects and reversed for capital reduction. The actual pricing date and final issue price shall be determined by the Board of Directors based on the aforementioned pricing mechanism and prevailing market conditions at the time.

III. Evaluation of the Necessity and Reasonableness of the Private Placement

1. Evaluation of the Necessity of the Private Placement

(1) Strengthening Working Capital to Secure Business Opportunities and Maintain Long-term Competitiveness：

The Company's operating performance for the years 2021 to 2025 (ROC Years 110–114) is summarized as follows: operating revenue amounted to NT$692,352 thousand, NT$402,605 thousand, NT$275,641 thousand, NT$239,110 thousand, and NT$281,877 thousand, respectively; gross profit amounted to NT$229,488 thousand, NT$116,429 thousand, NT$15,315 thousand, NT$13,186 thousand, and NT$35,605 thousand, respectively. According to the Company's 2025 financial statements, accumulated losses have reached NT$305,789 thousand. Except for a slight increase in operating revenue and gross profit in 2025 due to effective inventory adjustments from a low base, the Company's core business remains in a loss position. If financing were to be obtained from financial institutions, based on the Company's recent operating conditions, it would likely be difficult to secure favorable borrowing terms. The resulting interest expenses would further increase the Company's financial burden, which is not conducive to improving its financial structure. If a public offering were adopted for the capital increase, it may not attract sufficient interest from general investors, making it difficult to raise the required funds within a short period of time, thereby creating uncertainty in the completion of the fundraising plan. Therefore, taking into account timeliness, convenience, and issuance cost considerations, the Company's decision to adopt a private placement of securities is considered necessary.

(2) Introduction of Strategic Investors to Strengthen Competitiveness

In response to rapid changes in the global market, and to ensure sustainable development, enhance the Company's competitiveness, and meet long-term business development needs while improving operational performance and shareholder value, the Company, while complying with the Securities and Exchange Act and ensuring long-term cooperative relationships with strategic investment partners, has resolved to conduct this private placement of securities. In accordance with Article 43-6 of the Securities and Exchange Act and Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities," all investors to be introduced under this private placement will be strategic investors. Such strategic investors refer to individuals or entities that may contribute to the Company's development in areas such as technology enhancement, product development, cost reduction, market expansion, or strengthening customer relationships. Through the introduction of such strategic investors, the Company expects to strengthen its competitiveness and future growth momentum. Therefore, this arrangement is considered necessary.

2. Evaluation of the Reasonableness of the Private Placement

The Company resolved at its Board of Directors meeting held on February 12, 2026 (ROC Year 115) to conduct a private placement of common shares within a limit of no more than 20,000 thousand shares. The placement is expected to be conducted once or twice within one year from the date of the shareholders' resolution approving this private placement proposal, and strategic investors will be introduced. The Underwriter has evaluated the reasonableness of this private placement from the following three aspects:

(1) Reasonableness of the Issuance Process of the Private Placement

According to the Company’s audited financial statements for 2025, the ending accumulated deficit amounted to NT$305,789 thousand. Therefore, the Company is not subject to the restriction under Article 3 of the “Directions for Public Companies Conducting Private Placements of Securities,” which prohibits companies with recent annual after-tax profits and no accumulated losses from conducting private placements. In addition, this private placement was approved by the Board of Directors on February 12, 2026. The Company plans to engage a securities underwriter to issue an evaluation report on the necessity and reasonableness of the private placement on March 31, 2026, which will be submitted to the Board of Directors for approval, and the proposal will further be submitted to the shareholders’ meeting on May 27, 2026 for approval prior to implementation. A review of the Board meeting materials indicates that the discussion items, pricing methodology, and selection criteria for private placement investors all comply with the Securities and Exchange Act and relevant regulations, and no material irregularities have been identified.

(2) Reasonableness of the Rationale for Adopting a Private Placement

The purpose of this private placement is to secure stable long-term funding and maintain financial flexibility. Compared with a public offering, a private placement offers greater efficiency in terms of timeliness and procedural simplicity. In addition, the restriction that privately placed shares may not be freely transferred within three years helps ensure a closer and longer-term cooperative relationship between the Company and its strategic investors. Therefore, the Company’s decision to adopt a private placement of securities is considered reasonable.

(3) Reasonableness of the Expected Benefits of the Private Placement

The proceeds from this private placement will be used to strengthen working capital. Through cooperation with strategic partners, the Company expects to enhance its competitive advantages and operational performance. This is also expected to generate positive benefits for the Company’s operations and shareholders’ equity. Accordingly, the expected benefits of this private placement are considered reasonable.

3. Evaluation of the Selection of Subscribers and Its Feasibility and Necessity

(1) Selection of Subscribers

According to the Board of Directors resolution passed on February 12, 2026 (ROC Year 115), and as stated in the agenda of the Board meeting scheduled for March 31, 2026, the subscribers for this private placement will be selected in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act. The intended subscribers will be strategic investors who meet the qualifications prescribed by the competent authority. However, the specific subscribers have not yet been finalized. The actual subscribers will be disclosed in accordance with relevant regulations upon confirmation. Therefore, the method for selecting subscribers is considered appropriate.

(2) Feasibility and Necessity of the Subscribers

Given the intense competition and rapid changes in the industry in which the Company operates, it is necessary to introduce strategic investors. In addition to providing funding, strategic investors may contribute experience, technology, knowledge, reputation, or distribution channels, thereby helping to enhance technology, improve product quality, increase efficiency, and expand market reach. This is expected to strengthen the Company’s competitiveness, operational performance, and profitability. Furthermore, due to the restriction that privately placed securities may not be freely transferred within three years, a stable and long-term cooperative relationship between the Company and the subscribers can be ensured. Through such strategic alliances, the Company can reinforce its operational fundamentals, reduce operational risks, and improve overall performance. Therefore, the selection of subscribers for this private placement is considered both feasible and necessary, and is expected to strengthen the Company's operational structure and enhance overall shareholder value.

4. Assessment of the Impact of the Private Placement on Changes in Control of the Company

In accordance with Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities," if there has been a significant change in control within one year prior to the Board resolution to conduct a private placement, or if the introduction of strategic investors through a private placement may result in a significant change in control, the issuer shall obtain an evaluation report from a securities underwriter regarding the necessity and reasonableness of the private placement.

Upon assessment, although the Company did not experience changes involving more than one-third of its directors in 2025, during the shareholder proposal period prior to the 2026shareholders' meeting (March 1, 2026 to March 11, 2026), a proposal to remove and re-elect directors was submitted and was subsequently approved by the shareholders' meeting on May 27, 2026. As a result, the Company will have experienced a change of more than one-third of its directors within one year prior to the Board resolution on the private placement. Meanwhile, considering that as of March 30, 2026, the Company has 72,966 thousand outstanding common shares, if the maximum of 20,000 thousand shares under the proposed private placement are fully issued, the total outstanding shares would increase to 92,966 thousand shares. The private placement would then account for approximately 21.51% of the post-issue share capital. Given that strategic investors under the private placement may hold a certain proportion of shares, it is not ruled out that future board composition may change due to changes in the shareholding structure, which could potentially result in a significant change in control. Therefore, in accordance with Letter No. (1999) Tai-Tsai-Zheng (I) Zi No. 47693 issued by the Ministry of Finance, Securities and Futures Commission, the Company is deemed to be subject to circumstances involving a potential material change in control. Accordingly, Taishin Securities Co., Ltd. (hereinafter referred to as "the Underwriter") is required to issue an evaluationn opinion on the necessity and reasonableness of the private placement for 2026.

Regardless of whether the shareholder proposal to remove and re-elect directors is approved at the May 27, 2026 shareholders' meeting, and whether the introduction of strategic investors through the private placement will in the future result in a change in control, the final outcome remains uncertain. However, since the subscribers of this private placement are strategic investors, the Company intends to introduce investors who may contribute to future product sales and market development. Such investors are expected to enhance technology, improve product quality, increase efficiency, and expand market reach, thereby strengthening the Company's overall competitive advantages and improving profitability and shareholder value. In addition, the three-year transfer restriction on privately placed securities will help ensure a stable and long-term cooperative relationship between the Company and its strategic investors, thereby contributing to the stability of corporate operations. Therefore, even if a change in control were to occur in the future, it is expected to have a positive impact on the Company's business operations, financial structure, and shareholders' equity.

5. Impact of the Private Placement on the Company's Business, Financial Condition, and Shareholders' Equity

(1) Impact on Business Operations

This private placement is expected to introduce strategic investors who may contribute to the Company's future operations. It is intended to assist the Company in enhancing its overall competitiveness, thereby increasing revenue and profitability. Therefore, the private placement is expected to have a positive impact on the Company's business operations.

(2) Impact on Financial Condition

The proceeds from this private placement will be used to strengthen working capital and improve the

Company's financial structure. In addition to meeting the funding needs arising from business expansion after the introduction of strategic investors, the proceeds will also enhance financial flexibility, thereby strengthening the Company's operational fundamentals and overall competitiveness. Accordingly, with the effective injection of private placement funds, the impact on the Company's financial conditio is expected to be positive.

(3) Impact on Shareholders' Equity

The subscribers of this private placement are strategic investors intended to assist the Company in enhancing overall competitiveness, thereby improving revenue and profitability. Although there exists a shareholder proposal to remove and re-elect directors, which was approved at the shareholders' meeting on May 27, 2026, and although the introduction of strategic investors through this private placement may potentially result in changes in control in the future, the final outcome remains uncertain. However, the privately placed securities are subject to a three-year restriction on free transfer, which helps ensure a long-term cooperative relationship between the Company and its stregic investors, thereby contributing to stable corporate operations. Therefore, the impact on shareholders' equity is expected to be positive.

In summary, although the shareholder proposal regarding director removal and re-election approved at the May 27, 2026 shareholders' meeting and the introduction of strategic investors through this private placement may potentially lead to changes in control, the outcome remains uncertain. Nevertheless, through strategic alliances, the Company is expected to enhance overall operational performance and shareholder value. Therefore, the impact on the Company's business, financial condition, and shareholders' equity is expected to be positive.

IV. Conclusion

In summary, the proceeds from this private placement will be used to strengthen working capital, improve the Company's financial structure, and support the funding needs for business expansion following the introduction of strategic investors. Through strategic alliances, the Company expects to reinforce its operational fundamentals, thereby reducing operational risks and expanding its market presence. This is expected to improve the Company's overall operations and have a positive impact on shareholders' equity. Taking into account the Company's funding requirements for business growth, relevant regulatory requirements, as well as the need for funding flexibility and timeliness, the adoption of a private placement of securities will enable the Company to obtain stable long-term funding and strengthen its operational foundation. Therefore, the private placement is considered both necessary and reasonable. Furthermore, based on the Underwriter's review of the Company's Board resolution dated February 12, 2026 and the proposed resolution to be submitted to the Board on March 31, 2026, the issuance plan, issuance procedures, pricing methodology, and selection of specific investors all comply with the Securities and Exchange Act and relevant regulations, and no material irregularities have been identified.

Evaluator: Taishin Securities Co., Ltd.

Chairman: Kuo Chia-Hung

March 30, 2026

Independent Declaration

The Company has been engaged by Solid State System Co., Ltd. (hereinafter referred to as "Solid State System") to issue an evaluation report on the necessity and reasonableness of the private placement of securities for the year 2026.

In performing the above engagement, the Company hereby declares that none of the following circumstances exist:

1.The Company is not an investee company accounted for under the equity method by Solid State System.
2.The Company is not an investor company that accounts for Solid State System under the equity method.
3.The Chairman or General Manager of the Company is not the same person as the Chairman or General Manager of Solid State System, nor do they have a spousal relationship or a relationship within the second degree of kinship.
4.The Company is not a director or supervisor of Solid State System.
5.Solid State System is not a director or supervisor of the Company.
6.Except for the above circumstances, there is no relationship between the Company and Solid State System that falls under the definition of a related party as set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For the engagement of issuing the evaluation report on the necessity and reasonableness of the private placement of securities for Solid State System's 2026 private placement, the Company hereby confirms that the evaluation report has been prepared with full independence and impartiality

Evaluator: Taishin Securities Co., Ltd.

Chairman: Kuo Chia-Hung

March 30, 2026

(This report is intended solely for use in the issuance of the evaluation report on the necessity and reasonableness of the private placement of securities by Solid State System Co., Ltd. for the year 2026.)

IV. Appendix

【Appendix1】

Solid State System Co., Ltd.
Articles of Incorporation

Chapter 1 — General Provisions

Article 1:
The Company is duly organized in accordance with the Company Act and is named Solid State System Co., Ltd.

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

1. CC01080 Manufacture of Electronic Parts and Components
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. F401010 International Trade
5. I301010 Software Services
6. IZ99990 Other Commercial Services Not Elsewhere Classified
7. ZZ99999 Any business not prohibited or restricted by law, except for those requiring special approval

Article 2-1:
The Company may provide guarantees to external parties.

Article 2-2:
The total amount of the Company's investments in other enterprises shall not be subject to the restriction of 40% of paid-in capital.

Article 3:
The Company's headquarters is located in Hsinchu County. When necessary, the Company may, by resolution of the Board of Directors, establish branches or offices within or outside the Republic of China.

Article 4:
The Company's announcements shall be made in accordance with the Company Act and other relevant laws and regulations.

Chapter 2 — Shares

Article 5:
The total capital of the Company is set at NT$1,200,000,000, divided into 120,000,000 shares, with a par value of NT$10 per share. The Board of Directors is authorized to issue the shares in installments.
The Company may issue employee stock warrants. Within the total number of shares stated in the preceding paragraph, 10,000,000 shares shall be reserved for issuance under employee stock warrant plans.
The recipients of restricted stock awards issued by the Company may include employees of

subsidiaries who meet certain qualifying criteria.
If the Company intends to withdraw from public listing, such matter shall be submitted to the shareholders' meeting for resolution and handled in accordance with Article 156 of the Company Act.

Article 6:
Shares issued by the Company may be exempt from printing physical share certificates; however, they shall be registered with a centralized securities depository institution.

Article 7:
Matters related to the Company's shareholder services shall be handled in accordance with the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies, and other relevant laws and regulations.

Chapter 3 — Shareholders' Meetings

Article 8:
Shareholders' meetings are divided into regular meetings and extraordinary meetings. A regular meeting shall be convened once a year within six months after the end of each fiscal year. Extraordinary meetings shall be convened when necessary in accordance with law.
The convening of shareholders' meetings and other related matters shall be handled in accordance with the Company Act, the Securities and Exchange Act, and relevant regulations issued by the competent authority.

Article 8-1:
Shareholders' meetings shall be convened by the Board of Directors, with the Chairman serving as the presiding chairperson. If the Chairman is on leave or unable to exercise his/her duties for any reason, the Chairman shall designate one director to act on his/her behalf. If no such designation is made, one director shall be elected by and among the directors to serve as acting chairperson.
If the meeting is convened by a person other than the Board of Directors who has convening authority, that person shall serve as the chairperson. Where there are two or more convening persons, they shall mutually elect one person to act as chairperson.

Article 9:
If a shareholder is unable to attend a shareholders' meeting for any reason, such shareholder may appoint a proxy to attend in accordance with Article 177 of the Company Act. Unless otherwise provided by law, matters relating to proxy attendance shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.

Article 10:
Each share of the Company shall be entitled to one voting right, except for preferred shares. However, shares subject to restrictions or without voting rights as specified in Articles 179 and 197-1 of the Company Act shall not be subject to this provision.
Voting rights may be exercised in writing or electronically. When voting rights are exercised in writing or electronically, the method of exercise shall comply with relevant regulations issued by the competent authority and shall be specified in the notice of shareholders' meeting.
Article 11:
Resolutions of shareholders' meetings, unless otherwise provided by the Company Act, shall be adopted by a majority vote of shareholders present who represent more than half of the total issued shares.

Article 11-1:
Resolutions adopted at shareholders' meetings shall be recorded in the meeting minutes, which shall be signed or sealed by the chairperson. The minutes shall be distributed to all shareholders within twenty (20) days after the meeting. Distribution of the minutes may be made by public announcement.

Chapter 4 — Directors and Audit Committee

Article 12:
The Company shall have seven to eleven directors. The number of directors shall be determined by the Board of Directors. Among them, independent directors shall not be fewer than three.
The term of office for directors shall be three years, and they shall be eligible for re-election. Restrictions on the consecutive re-election of independent directors shall be governed by applicable laws and regulations.
The total shareholding ratio of all directors shall comply with the regulations of the securities competent authority.
The qualifications, election methods, and candidate nomination system for directors shall be conducted in accordance with the Company Act, the Securities and Exchange Act, relevant regulations issued by the competent authority, and the "Procedures for Election of Directors" approved by the shareholders' meeting.

Article 13:
The Board of Directors shall be composed of directors. The Chairman of the Board shall be elected by mutual consent of more than two-thirds of the directors present at a meeting attended by more than half of all directors. The Chairman shall represent the Company externally.

Article 14:
The Board of Directors shall meet at least once every quarter. Notices of Board meetings shall be given to all directors at least seven (7) days in advance; however, meetings may be convened at any time in case of necessity or emergency.
Board meeting notices may be delivered via written notice, email, or facsimile.
Board meetings shall be convened by the Chairman. If the Chairman is on leave or unable to perform duties for any reason, the Chairman shall designate one director to act on his/her behalf. If no such designation is made, the directors shall elect one among themselves to act as chairperson.
If a Board meeting is conducted via video conference, directors participating through video shall be deemed to have attended in person.

Article 15:
Resolutions of the Board of Directors, unless otherwise provided by the Company Act, shall require the attendance of more than half of all directors and approval by more than half of the directors present.
If a director is unable to attend a meeting for any reason, he/she may issue a proxy authorization specifying the scope of authorization for the meeting agenda items and appoint another director to act on his/her behalf; however, one director may only act as proxy for one other director.
Independent directors shall attend in person matters required by law. They shall not be represented by non-independent directors. If an independent director has dissenting or reserved opinions, such opinions shall be recorded in the meeting minutes. If an independent director is unable to attend in person and has dissenting or reserved opinions, he/she shall submit a written opinion in advance unless there is a legitimate reason, and such opinion shall be recorded in the minutes.

Article 16:
The Company shall establish an Audit Committee composed entirely of independent directors. Matters regarding the exercise of the Audit Committee's duties and other related requirements shall be governed by the Securities and Exchange Act, relevant regulations issued by the competent authority, and the Company's Audit Committee Charter.

Article 17:
The remuneration of the Chairman and directors shall be determined by the Compensation Committee, taking into account their participation in the Company's operations and the value of their contributions, and with reference to industry standards, and submitted to the Board of Directors for approval.
If a director concurrently serves as a managerial officer of the Company, such director may receive monthly salary in accordance with industry compensation levels for managerial personnel, in addition to director remuneration distributed pursuant to Article 22 of these Articles of Incorporation.
Article 18:
The Company may purchase liability insurance for its directors during their term of office to cover legal liability arising from the performance of their duties within the scope of their business operations.

Chapter 5 — Managers

Article 19:
The Company may appoint one or more managers. The appointment, dismissal, and remuneration of managers shall be handled in accordance with the Company Act and relevant regulations.

Such managers shall execute duties assigned by the Chairman or the Board of Directors.

Chapter 6 — Accounting

Article 20:
The Company's fiscal year shall run from January 1 to December 31 of each year. At the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the annual shareholders' meeting for approval:
1.Business Report
2.Financial Statements
3.Proposal for Profit Distribution or Loss Offsetting

Article 21:
If the Company has annual profit (i.e., profit before tax minus directors' remuneration and employees' compensation), it shall appropriate no more than 2% as directors' remuneration and 1% to 10% as employees' compensation. Of the aforementioned employees' compensation, 5% shall be allocated as compensation for entry-level employees. If the Company still has accumulated losses, an amount sufficient to offset such losses shall be reserved in advance.
The distribution of employees' compensation and directors' remuneration shall be resolved by the Board of Directors with the approval of more than two-thirds of the directors present and more than half of the attending directors, and shall be reported to the shareholders' meeting. Employees' compensation and entry-level employees' compensation may be distributed in cash or shares, and may include employees of subsidiaries who meet certain position or performance criteria. The eligibility criteria shall be determined by the Board of Directors.
The remuneration of independent directors shall be paid as fixed monthly compensation and shall not participate in the distribution described in Paragraph 1.

Article 22:
If the Company has annual net profit, it shall be distributed in the following order:
1.Payment of income tax in accordance with law
2.Offset accumulated losses from previous years
3.Set aside 10% as legal reserve, unless the legal reserve has reached the total paid-in capital, in which case this requirement shall not apply
4.Appropriation or reversal of special reserve as required
5.The remaining balance, together with undistributed earnings from previous years, shall be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution on distribution

Article 23:
Dividend distribution shall take into account the Company's annual earnings and future capital budgeting plans. Dividends may be distributed in cash or shares, provided that total dividends shall not be less than 10% of distributable earnings for the year, and cash dividends shall not be less than 10% of total dividends.

Chapter 7 — Supplementary Provisions

Article 24:
Matters not covered in these Articles of Incorporation shall be governed by the Company Act and relevant laws and regulations.

Article 25:
These Articles of Incorporation were unanimously agreed upon by all promoters and signed on November 11, 1998.
First amendment: December 7, 2001
Second amendment: April 25, 2002
Third amendment: April 25, 2002
Fourth amendment: June 20, 2003
Fifth amendment: June 20, 2003
Sixth amendment: May 27, 2004
Seventh amendment: June 16, 2005
Eighth amendment: June 16, 2005
Ninth amendment: June 27, 2006
Tenth amendment: June 27, 2007
Eleventh amendment: June 13, 2008
Twelfth amendment: June 18, 2009
Thirteenth amendment: June 18, 2010
Fourteenth amendment: June 6, 2012
Fifteenth amendment: June 4, 2013
Sixteenth amendment: June 16, 2016
Seventeenth amendment: May 31, 2017
Eighteenth amendment: June 8, 2018
Nineteenth amendment: May 27, 2025

【Appendix2】

Solid State System Co., Ltd.
Rules of Procedure for Shareholders' Meetings

Article 1:
Unless otherwise provided by law or the Articles of Incorporation, shareholders' meetings of the Company shall be conducted in accordance with these Rules.

Article 2:
The Company shall prepare an attendance register for shareholders or their proxies to sign in (hereinafter referred to as "shareholders"), or shareholders may submit an attendance card in lieu of signing in.
The number of shares represented at the meeting shall be calculated based on the attendance register or attendance cards submitted, plus the shares exercised through written or electronic voting.

Article 3:
Attendance and voting at shareholders' meetings shall be calculated based on shares.
Each share is entitled to one voting right, except for shares with restricted voting rights or those without voting rights as set forth in Article 179 of the Company Act.
Voting rights may be exercised in writing or electronically. When exercised in such manner, the procedures shall comply with the regulations of the competent authority and shall be specified in the meeting notice.
Shares without voting rights shall not be counted in the total issued shares for purposes of resolutions.
A shareholder shall not vote, nor appoint a proxy to vote, on any matter in which such shareholder has a conflict of interest that may be detrimental to the Company.

Article 4:
Shareholders' meetings shall be held at the Company's registered location or at a venue convenient for shareholders' attendance and suitable for holding a shareholders' meeting. The meeting shall not begin earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5:
Unless otherwise provided by law, shareholders' meetings shall be convened by the Board of Directors.
If convened by the Board, the Chairman shall preside over the meeting. If the Chairman is on leave or unable to perform duties, a director designated by the Chairman shall act as chairperson. If no designation is made, the directors shall elect one among themselves.
If convened by a person other than the Board of Directors, the meeting shall be chaired by the convening party. If there are two or more convening parties, they shall mutually elect one person to serve as chairperson.
If the agenda includes a full re-election of directors and specifies the date of assuming office, such date may not be changed by interim motion or otherwise at the same meeting after the election is completed.

Article 6:
The Company's appointed attorneys, accountants, or relevant personnel may attend shareholders' meetings. Staff responsible for meeting affairs shall wear identification badges or armbands.

Article 7:
The proceedings of shareholders' meetings shall be audio or video recorded in full and retained for at least one year.

Article 8:
When the scheduled meeting time arrives, the chairperson shall declare the meeting open. If shareholders representing more than half of the total issued shares are not present, the chairperson may postpone the meeting, up to two times, with total delay not exceeding one hour.
If after two postponements the quorum is still not met but shareholders representing at least one-third of the total issued shares are present, a provisional resolution may be adopted in accordance with Article 175 of the Company Act.
If, before adjournment, shareholders present represent more than half of the total issued shares, the provisional resolution may be re-submitted for approval in accordance with Article 174 of the Company Act.

Article 9:
If convened by the Board, the agenda shall be determined by the Board. All proposals, including interim motions and amendments, shall be voted on item by item, and the meeting shall proceed according to the agenda unless otherwise resolved by the shareholders' meeting.
If convened by a party other than the Board, the same rule applies.
No change to the agenda may be made without resolution before completion of all scheduled business. The chairperson shall not declare adjournment prior to completion of the agenda unless resolved by the meeting.
After adjournment, shareholders shall not reconvene the meeting at the same venue or elsewhere unless the chairperson unlawfully adjourns the meeting; in such case, shareholders representing more than half of the voting rights present may elect a new chairperson to continue the meeting.

Article 9-1:
A shareholder holding more than 1% of total issued shares may submit one proposal for consideration at an annual shareholders' meeting. If more than one proposal is submitted, none shall be included. Such matters shall be handled in accordance with Article 172-1 of the Company Act.
Proposals intended to promote public interest or fulfill social responsibility may still be included at the discretion of the Board.

Article 10:
Before speaking, a shareholder must submit a speech slip indicating the key points of the speech, shareholder account number (or attendance card number), and name. The chairperson shall determine the speaking order. Failure to speak after submitting a speech slip shall be deemed as no speech.
If the content spoken differs from the speech slip, the spoken content shall prevail.
Other shareholders may not interrupt or speak during another shareholder's speech unless agreed by both the chairperson and the speaking shareholder. Violations shall be stopped by the chairperson.

Article 11:
For the same proposal, each shareholder may not speak more than twice without the chairperson's consent, and each speech shall not exceed five minutes. The chairperson may stop any speech that violates these rules or goes beyond the scope of the agenda.

Article 12:
When a juridical person is appointed as proxy, it may designate only one representative to attend the meeting.
If a juridical shareholder appoints two or more representatives, only one may speak on the same

agenda item.

Article 13:
After a shareholder has spoken, the chairperson may respond personally or designate relevant personnel to respond.

Article 14:
When the chairperson determines that a proposal has been sufficiently discussed and is ready for voting, the chairperson may announce the end of discussion and proceed to voting.

Article 15:
Scrutineers and vote-counting personnel shall be appointed by the chairperson, and scrutineers must be shareholders. Voting results shall be announced on-site and recorded.

Article 16:
The chairperson may, as necessary, announce recesses during the meeting.

Article 17:
Unless otherwise provided by law or the Articles of Incorporation, resolutions shall be adopted by a majority of votes represented by shareholders present.
If no objection is raised when the chairperson inquires, the matter shall be deemed approved with the same legal effect as a formal vote. When voting is required, the chairperson or designated personnel shall announce total voting rights present, and the results (approval, opposition, abstention) shall be entered into the Market Observation Post System on the same day.

Article 18:
If there are amendments or alternative proposals for the same agenda item, the chairperson shall determine the order of voting. If one proposal is approved, the others shall be deemed rejected without further voting.

Article 19:
The chairperson may direct inspectors (or security personnel) to maintain order. Such personnel shall wear armbands labeled "Inspector" while on duty.

Article 20:
Resolutions of shareholders' meetings shall be recorded in meeting minutes, which shall be distributed to all shareholders.
Minutes may be distributed electronically, or by posting on the website designated by the competent authority.

Article 21:
These Rules shall be implemented upon approval by the shareholders' meeting. The same applies to amendments.

Adopted on April 25, 2002
1st amendment: June 13, 2008
2nd amendment: June 4, 2013
3rd amendment: June 17, 2015
4th amendment: May 31, 2017
5th amendment: June 8, 2018
6th amendment: June 18, 2020

【Appendix3】

Shareholding Status of the Directors

1.According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies:
(1).The paid-in capital of the Company outstanding shares are 72,965,934 shares.
(2).The minimum shareholding of all Directors of the Company is 5,837,275 shares.
2. As of the book closure date of this annual shareholders' meeting, the shareholding of all Directors in the shareholders book, are as follows:

Title	Name	Current shareholding	Shareholding ratio
Chairman	Mr. Tim Hu	364,212	0.50%
Director	Mr. Kojiro Hatanaka Representative of Kioxia	3,375,480	4.63%
Director	Mr. Jeffrey Lin	2,097,722	2.87%
Director	Mr. CHIAO -SUNG,YANG	0	0.00%
Independent Director	Mr. Cheermore Huang	135,810	0.19%
Independent Director	Mr. James Hou	0	0.00%
Independent Director	Mr. Ker Jer Huang	0	0.00%
Total Shares of All Directors		5,973,224	8.19%
Total Shares of non-Independent Directors		5,837,414	8.00%

Note：The closing date of the regular shareholders' meeting is from March 29, 2026 to May 27, 2026.