

Stock Code 3518

Paragon Technologies Co., Ltd.

Annual Shareholders' Meeting 2021

Meeting Handbook

Date: June 16, 2021

Place: No. 68, Wen 21st St., Guishan Dist., Taoyuan City 333,
Taiwan (R.O.C.) (Coral Hall, 3rd Floor, Fullon Hotel
Linkou)

Table of Contents

Chapter 1.	Meeting Procedures	2
Chapter 2.	Meeting Agenda.....	3
Chapter 3.	Report Items	4
Chapter 4.	Proposals Items.....	5
Chapter 5.	Discussions Items.....	6
Chapter 6.	Election Items.....	7
Chapter 7.	Other Matters	11
Chapter 8.	Extempore Motions	11
Chapter 9.	Attachments	
I.	2020 Business Report	12
II.	Audit Committee's Review Report on the 2020 Financial Statements	14
III.	2020 Status Report on Endorsements and Guarantees	15
IV.	Independent Auditor's Report and 2020 Financial Statements	16
V.	Contrast Table for the Amended Articles of the "Operational Procedures for Loaning of Funds to Others"	35
VI.	Procedures Governing Loaning of Funds (Before Amendment)	38
VII.	Articles of Incorporation	44
VIII.	Procedures for the Election of Directors	49
IX.	Rules of Procedure for Shareholders' Meetings	51
X.	Shareholding Status of Directors	56

2021 Annual Shareholders' Meeting of Paragon Technologies Co., Ltd.

Meeting Procedures

- I. Call the Meeting to Order
- II. Chair's Remarks
- III. Report Items
- IV. Proposals Items
- V. Discussions Items
- VI. Election Items
- VII. Other Matters
- VIII. Extempore Motions
- IX. Adjournment

2021 Annual Shareholders' Meeting of Paragon Technologies Co., Ltd.

Meeting Agenda

Time: 9:00 a.m., Wednesday, June 16, 2021

Place: No. 68, Wen 21st St., Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.)
(Coral Hall, 3rd Floor, Fullon Hotel Linkou)

- I. Call the Meeting to Order (Number of shares reported on attendance)
- II. Chair's Remarks
- III. Report Items
 - (I) 2020 Business Report
 - (II) Audit Committee's Review Report of 2020 Financial Statements.
 - (III) 2020 Status Report on Endorsements and Guarantees
 - (IV) Implementation Report on Treasury Stock Buyback
- IV. Proposals Items
 - (I) 2020 Business Report and Financial Statements
 - (II) Deficit Compensation Proposal
- V. Discussion Items

Amendment to the Operational Procedures for Loaning of Company Funds
- VI. Election Matters

Re-elect the Director of the company
- VII. Other Matters

Proposal to release the newly elected directors and the representatives from non-competition restrictions
- VIII. Extempore Motions
- IX. Adjournment

Report Items

I. 2020 Business Report.

Explanation: 2020 Business Report (Please refer to #page 12-13# of the handbook).

II. Audit Committee's Review Report on the 2020 Financial Statements.

Explanation: Audit Committee's Review Report (Please refer to #page 14# of the handbook).

III. 2020 Status Report on Endorsements and Guarantees for Examination

Explanation: The Company's status of endorsements and guarantees by December 31, 2020.
(Please refer to #page 15# of the handbook).

IV. Implementation Report on Treasury Stock Buyback for Examination

Explanation: 1. The buyback was conducted pursuant to "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" issued by the Financial Supervisory Commission.

2. The Company's implementation report on shares buyback is as follows:

Issue of Buyback	The Seventh Time
Purpose of the Buyback	Shares Transferred to Employees
Buyback Period	106.5.16~106.7.10
Buyback Range Price	NT\$13.37 to NT\$31.74
Type and Number of Buyback Shares	1,610,000 shares
Amount of Buyback Shares	NT\$34,650,781
Ratio of quantity repurchased to scheduled quantity of repurchase	53.67%
Number of Cancelled and Transferred Shares	0
Cumulative Number of the Company's Shares	1,610,000 shares
Ratio of Cumulative Number of the Company's Shares of the Total Issued Shares (%)	1.99%

Proposals Items

Case 1: (Proposed by the Board)

Ratification of the 2020 Business Report and Financial Statements (submitted by the Board of Directors)

- Explanation:
1. The Company's 2020 financial statements were audited by CPA, Chih Jui Chuan and Chen Hui Ming, of Deloitte Touche Tohmatsu Limited and unqualified opinion audit report was provided.
 2. The above-mentioned financial statements along with business reports were audited by Audit Committee and resolved and approved by the Board are attached as #page 12-13# and #page16-34# of the handbook.

Resolution:

Case 2: (Proposed by the Board of Directors)

Ratification of 2020 the Company's Deficit Compensation Proposal (submitted by the Board of Directors)

- Explanation:
1. The Company's accumulated loss at the beginning of the period was NT\$0. After deducting the net loss after tax of NT\$55,939,123 in 2020 and the increase of amount of retained earnings due to the addition of the actuarial losses and gains of NT\$294,614, the accumulated loss to be compensated is NT\$55,644,509. Additional paid-in capital - stock premium
The Company intends to use the capital reserve-capital stock premium of NT\$55,644,509 to compensate the loss, and the accumulated loss at the end of the period will be NT\$0.
 2. The Company's 2020 Deficit Compensation Statement is as follows:

Paragon Technology Co., Ltd. Deficit Compensation Statement 2020

Unit: NTD

Items	Amount
Beginning Accumulated Deficit	0
Minus: Net loss after tax in 2020	(55,939,123)
Plus: Adjustments of Actuarial Gains and Losses to Retained Earnings	294,614
2020 Net Loss Adding Adjusted Amount of Retained Earnings	(55,644,509)
Closing Accumulated Deficit Yet to Be Compensated	(55,644,509)
Compensated Items:	
Plus: Capital Reserve-Capital Stock Premium to Compensate for the Deficit	55,644,509
Closing Accumulated Deficit	0

Chairman: Chen Tsai Pu Manager: Wang Hsiao Lung Accounting Supervisor: Liu Ming Yi

Resolution:

Discussions Items

Case 1: (Proposed by the Board)

Proposal: Amendment to Certain Articles of the Company's Operational Procedures for Loaning of Funds for Resolution

Explanation: 1. To meet the company's operational needs Table of Articles Before and After Amendments for Operational Procedures for Loaning of Company Funds to Others is attached on #page 35-37# of the handbook..

2. Articles Before Amendment for Operational Procedures for Loaning of Funds to Others is attached on #page 38-43# of the handbook.

Resolution:

Election Matters

(Proposed by Board of Directors)

Proposal of Re-election of the Directors for discussion.

- Explanation:
1. The tenure of the current director will expire on June 20, 2021. The re-election shall be approached according to the laws at the Annual Shareholders' Meeting this time.
 2. Nine Directors (including three Independent Directors) will be elected using a nomination system during the general re-elections in accordance with the Articles of Incorporation.
Shareholders shall elect Directors from the list of candidates.
 3. The newly elected Directors will have a term of 3 years, starting from June 16, 2021 and ending on June 15, 2024.
The tenure of the original director will expire at the end of the Annual Shareholders' Meeting this time.
 4. This election is based on the Company's "Procedures for the Election of Directors." Professional qualifications and electing procedure is based on "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."
 5. The name list of director (independent director included) candidates has already been reviewed and approved by the Board on March 23, 2021.
Relevant information is as follows:

Category	Name	Education Background	Experience	Other Position	Share Holdings Cash surplus (deficit)
Director	Chen Zai Pu	EMBA, National Chengchi University	Deputy Chairman of Paragon Technologies Co., Ltd. General Manager of Paragon Technologies Co., Ltd. Deputy General Manager of Shing Chang Plastics Co., Ltd	Chairman and Chief Investment Officer of Paragon Technologies Co., Ltd. Chairman of Marco Sight International Co., Ltd. Chairman of Marco Sight Technology Limited. Chairman of Leading Bridge Investment Ltd. Chairman of Clear Smart Investments Limited Paragon Technologies Co., Ltd. Chairman of the Board Essence International Investment Limited Chairman of the Board Leading Bridge Investment Limited Chairman of the Board Director of Bo Ting (Suzhou) Optoelectronics Technology Director of Paragon (Kunshan) Optoelectronics Technology Director of Bo Ting (Jiangsu) Optoelectronics Technology Director of Paragon (Neijiang) Optoelectronics Technology Director of Paragon (Chongqing) Optoelectronics Technology Director of Zhejiang Junsheng Optoelectronics Technologies Company Limited Director of Paragon Semiconductor Lighting Technology	1,911,810
Director	Wang Hsiao Lung	Mechanical Engineering, National Taipei University of Technology	General Manager of Paragon Technologies Co., Ltd. Executive Vice President of Paragon Technologies Co., Ltd. Manager, Manufacturing Dept., Hon Hai Precision Industry Co., Ltd. Supervisor, Manufacturing Dept., Dragonjet Corporation General Manager of Ang Ming Plastic Corporation	Vice Chairman and General Manager of Paragon Technologies Co., Ltd. Chairman of Bo Ting (Suzhou) Optoelectronics Technology Chairman of Paragon (Kunshan) Optoelectronics Technology Chairman of Bo Ting (Jiangsu) Optoelectronics Technology Chairman of Paragon (Neijiang) Optoelectronics Technology	1,028,053

				Chairman of Paragon (Chongqing) Optoelectronics Technology Chairman of Zhejiang Junsheng Optoelectronics Technologies Company Limited	
Director	Lin Chi Yong	Master's in Mechanical Engineering, St. John's University	Chairman of Stanley Electric Works Co., Ltd. General Manager of Stanley Electric Works Co., Ltd.	Chairman of Stanley Electric Works Co., Ltd. Chairman of Hopeful Trading Co., Ltd.	738,784
Director	Chen Wan Te	Chinese Professional and Small Business Manager Association Manager Advanced Research Course 12	Chairman of Huide Industry Co., Ltd.	N/A	1,177,566
Director	Kao Wen Hsiang	Computer Information Management, California State University, Fullerton	Director of Taiwan Fluid Power Association Deputy Convener of International Committee of Taiwan Fluid Power Association Deputy Convener of Taiwan Machinery Industry Association President, Rainbow Group, China Business Cross-industry Exchange Association	Managing Supervisor of Taiwan Fluid Power Association Chairman of Sunny Enterprises Director of Sun Delta Enterprises Co., Ltd. Director of Hi-Q Marine Biotech International Ltd.	1,894,142
Director	Wang Le Qun	National Tsing Hua University Master of Industrial Engineering	General Manager of Mizuki Management Consulting Co., Ltd.	Director of Leads Bio Co., Ltd. Director of EDOM Technology Co., Ltd F-Director of Jinli Group Holdings Limited Supervisor of Paragon Semiconductor Lighting Technology YLTLINK Technology Corporation Legal Representative Director	48,000
Independent Director	Hsu Jui Tsan	Master of Information Technology Management, University of Leicester, U.K.	Senior Manager of Hon Hai Precision Technology, Co., Ltd. General Manager of Tension Steel Industries Co., Ltd. General Manager and Spokesman of Chi Sheng Pharma & Biotech Co., Ltd.	NA	0
Independent Director	Liu Yi Cheng	EMBA, National Chiao Tung University	General Manager of Yulon Motor Co., Ltd. General Manager of Yulon Nissan Motor Co., Ltd.	Legal Representative Director of Mecom Industries Corp	0

			<p>General Manager of Hua-chuang Automobile Information Technical Center Co., Ltd.</p> <p>President of Taiwan Transportation Vehicle Manufacturers Association</p> <p>Deputy Chairman of Hua-chuang Automobile Information Technical Center Co., Ltd.</p> <p>General Manager of Yueki Industrial Co., Ltd.</p> <p>General Manager of Y-Teks Co., Ltd.</p>		
Independent Director	Su Tsong Min	MBA Curtin University Australia	<p>Special Assistant of Dongfeng Yulon Motor Co., Ltd.</p> <p>Assistant Vice President of Hua-chuang Automobile Information Technical Center Co., Ltd.</p> <p>Procurement Manager of Yulon Nissan Motor Co., Ltd.</p> <p>Manager, Sales Services, Yulon Nissan Motor Co., Ltd.</p> <p>Assistant Manager/ Manager (Production Department), Yulon Motor Co., Ltd.</p> <p>Director, Manufacturing Department, Yulon Motor Co., Ltd.</p>	NA	0

Election results:

Other Matters

(Proposed by Board of Directors)

Releasing the newly appointed directors and representatives from the Non-Competition Restrictions
(Proposed by Board of Directors)

- Explanation: 1. According to Article 209 of the Company Act, a director who does anything for him/herself or on behalf of another person that is within the scope of the Company's business,
shall explain in the shareholders' meeting the essential contents of such an act and secure its approval.
2. To request the shareholders' meeting to release the newly appointed Directors of the Company and their representatives
from non-compete restrictions as stipulated in the Company Act.
3. It is proposed to release the prohibition on competition for newly appointed directors and representatives as follows:

Title	Name	Positions held concurrently in any other companies
Director	Chen Zai Pu	Chairman and Chief Investment Officer of Paragon Technologies Co., Ltd. Chairman of Marco Sight International Co., Ltd. Chairman of Marco Sight Technology Limited. Chairman of Leading Bridge Investment Ltd. Chairman of Clear Smart Investments Limited Chairman of Paragon Technologies Co., Ltd. Chairman of Essence International Investment Limited Chairman of Leading Bridge Investment Limited Director of Bo Ting (Suzhou) Optoelectronics Technology Director of Paragon (Kunshan) Optoelectronics Technology Director of Bo Ting (Jiangsu) Optoelectronics Technology Director of Paragon (Neijiang) Optoelectronics Technology Director of Paragon (Chongqing) Optoelectronics Technology Director of Zhejiang Junsheng Optoelectronics Technologies Company Limited Director of Paragon Semiconductor Lighting Technology
Director	Wang Hsiao Lung	Vice Chairman and General Manager of Paragon Technologies Co., Ltd. Chairman of Bo Ting (Suzhou) Optoelectronics Technology Chairman of Paragon (Kunshan) Optoelectronics Technology Chairman of Bo Ting (Jiangsu) Optoelectronics Technology Chairman of Paragon (Neijiang) Optoelectronics Technology Chairman of Paragon (Chongqing) Optoelectronics Technology Chairman of Zhejiang Junsheng Optoelectronics Technologies Company Limited
Director	Lin Chi Yong	Chairman of Stanley Electric Works Co., Ltd. Chairman of Hopeful Trading Co., Ltd.
Director	Kao Wen Hsiang	Managing Supervisor of Taiwan Fluid Power Association Chairman of Sunny Enterprises Director of Sun Delta Enterprises Co., Ltd. Director of Hi-Q Marine Biotech International Ltd.
Director	Wang Le Qun	Director of Leads Bio Co., Ltd. Director of EDOM Technology Co., Ltd F-Director of Jinli Group Holdings Limited Supervisor of Paragon Semiconductor Lighting Technology Legal Representative Director YLTLink Technology Corporation
Independent Director	Liu Yi Cheng	Legal Representative Director of Mecom Industries Corp

Resolution:

Extempore Motions

Adjournment

Attachment 1

Business Report

In 2020, the global economy was deeply affected by COVID-19 epidemic, and the national blockade policy of various countries restricts people activities and international cross-border business. However, due to the stay-at-home economy arising from long-distance work and new lifestyle of home school, global market has a significant increase in demand for laptops. In 2020, the shipment of notebook computers for the whole year is estimated to be 200 million units, an increase of 20% compared to the previous year. In 2020, the Company's consolidated revenue still grew by 25.2% compared to the same period in 2019, and its consolidated net operating profit in 2020 is NT\$10,297 thousand, an increase by NT\$114,833 thousand compared to last year. Owing to the increase in interconnection rate and cost reduction of EMI products, the combined gross profit margin of the Company for the whole year of 2020 doubled to 33% compared to last year. Both in terms of revenue and operating performance, there have been very obvious improvements.

The report on the operations in 2020 is as follows:

The consolidated revenue of the Company for the year of 2020 is NT\$684,5989 thousand; the net profit is NT\$10,297 thousand; net loss after tax is NT\$55,9401 thousand; shareholders' equity is NT\$1,379,768 thousand, and the book value per share is NT\$17.43. The operations of each department by 2020 are described as follows:

- (1) The revenue of the EMI business is NT\$669,996 thousand in 2020 and increased approximately 26.1% compared to the same period in 2019 due to the increase in market orders. The profit of EMI products in 2020 increased significantly owing to the increase in interconnection rate and cost reduction.
- (2) The automotive wheel exterior business was affected more deeply by COVID-19 epidemic, as the timing of the development of new products in 2020 was delayed by foreign customers, and the after-sales market was affected by the end consumption of the city lock-down, the revenue of the product in 2020 was only slightly increased to NT\$13,158 thousand compared to last year.

As for the notebook computer market, TrendForce's display research team reported that thanks to the stay-at-home economy arising from the pandemic, notebook computer shipments not only exceeded 200 million units for the first time, but also grew by a record high of 22.5% year-on-year in 2020. However, in comparison with strong demand for notebook after OEMs resumed operations in the second quarter of the last year, the global pandemic situation has worsened once again and countries around the world have implemented border controls and lockdowns. The research organization predicts that global notebook shipments are estimated to grow by 8.6% year-on-year to 217 million units in 2021. To meet the growing demand for orders from existing customers, the Company currently plans to increase its production capacity in the first half of 2021 to meet the growth demand for orders from existing customers. In addition, the new cosmetic technology of 3C products was first adopted by the customers in 2020 for the appearance of magnesium casing used for Chromebook. As the production schedule of new models for the customer is expected to increase the revenue of 3C appearance by quarter in 2021, it is expected that the new 3C cosmetic technology of the Company will be gradually introduced to more customers in the future, and it is expected that the product will bring significant growth for the Company's future.

In terms of rim cosmetic products which were affected by the impact of COVID-19 epidemic in 2020 and owing to many cities implemented lockdowns mainly in the North American after-sales (AM) markets that resulted in poor sales in the retail refitting market. Business activities also stagnated due to national isolation policy, which made the original plan of introducing new products delayed and unable to launch normally. Many important auto shows in 2020 were also changed to online show or suspension. As of now, international business activities have not fully resumed. It is hoped that with the popularization of vaccines, national borders can be gradually opened, and

normal international business activities can be resumed as soon as possible. Apart from strengthening its own technical capability, product capability, quality and cost ability to implement cost control, the Company will focus on consolidating the Group's resources to enhance the efficiency of idle assets and improve operational performance.

In terms of research and development, the Company adheres to the core values of "environmental protection, innovation and professional" and focuses on the development of environmentally-friendly materials, the improvement of coating technology and the integration of cosmetic manufacturing process. In the future, the Company will focus on the research and development of environmental-friendly appearance process technology and combining the innovative technology of function and cosmetic coating. In addition to emphasize the connection between products and market demand, the Company also increases future core competency through integrating front and back process and cooperating with different industries.

"Environmental Protection Processing. Unique Innovation. Aesthetically pleasing." is an inevitable trend of the techniques in cosmetic coating, and the way forward for Paragon Technologies Co., Ltd. On behalf of the Group, I would like to express our most sincere gratitude to all our shareholders for the long-term trust and support given, and it is our hope to continue to be trusted and supported by you.

Chairman:
Chen Zai Pu

General Manager:
Wang Hsiao Long

Accounting Supervisor:
Liu Ming Yi

Attachment 2

Paragon Technology Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared (1) the 2020 Consolidated and Individual Financial Statements of Paragon Technologies Co., Ltd. The CPA firm, Deloitte & Touche, was retained to audit the Financial Statements and has issued an audit report relating to the Financial Statements. (2) The Business Report and Deficit Compensation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Paragon Technologies Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

The Company's 2021 Annual Shareholders' Meeting

Paragon Technologies Co., Ltd.
Convener of the Audit Committee: Chang Tzuh Sin

Dated: March 25, 2021

Attachment 3

Paragon Technologies Co., Ltd. and its Subsidiaries
Endorsements and Guarantees Provided
January 1 ~ December 31, 2020

No. (Notes 1)	Endorsement/Guarantee Provider	Endorsed/Guaranteed Party		To single entity Endorsements/Guarantees Quota (Notes 3)	Maximum Guarantee Amount Balance on Guarantee	Endorsements/Guarantees - Ending Balance on Guarantee	Amount Actually Drawn	Secured with Collateral Amount of Endorsements/Guarantees	Ratio of Accumulated Endorsements/Guarantees to Net Equity per Latest Financial Statements (%)	Endorsements/Guarantees Limit of Endorsements/Guarantees (Notes 3)	Endorsements/Guarantees Provided by the Parent Company	Endorsements/Guarantees Provided by A Subsidiary	Endorsements/Guarantees Provided to Subsidiaries in Mainland China	Notes
		Company Name	Relationship (Notes 2)											
0	Paragon Technology Co., Ltd.	Macro Sight International Co., Ltd.	(2)	\$ 689,884	\$ 194,777 USD 5,100 and EUR 1,250	\$ 189,023 USD 5,100 EUR 1,250	\$ 67,851	\$ 8,755	13.70%	\$ 689,884	Y	N	N	
0	Paragon Technology Co., Ltd.	Paragon (Neijiang) Optoelectronics Technology Company Limited	(2)	689,884	21,895 RMB 5,000	21,885 RMB 5,000	-	-	1.59%	689,884	Y	N	Y	
2	Bo Ting (Suzhou) Optoelectronics Technology Company Limited	Zhejiang Junsheng Optoelectronics Technology Company Limited	(4)	301,094 RMB 68,790	87,580 RMB 20,000	87,540 RMB 20,000	70,032 RMB 16,000	87,540 RMB 20,000	6.34%	301,094 RMB 68,790	N	N	Y	
2	Bo Ting (Suzhou) Optoelectronics Technology Company Limited	Bo Ting (Jiangsu) Optoelectronics Technology Company Limited	(4)	301,094 RMB 68,790	87,580 RMB 20,000	87,540 RMB 20,000	80,975 RMB 18,500	87,540 RMB 20,000	6.34%	301,094 RMB 68,790	N	N	Y	
3	Paragon (Chongqing) Optoelectronics Technology Company Limited	Paragon (Neijiang) Optoelectronics Technology Company Limited	(4)	45,267 RMB 10,342	43,790 RMB 10,000	43,770 RMB 10,000	41,582 RMB 9,500	43,770 RMB 10,000	3.17%	45,267 RMB 10,342	N	N	Y	

Notes 1: explanations are as follows:

- (1) For the issuer, fill in 0.
- (2) Starting with number 1, investee companies are numbered and listed in ascending order.

Notes 2: Listed below are the 7 types of companies to which the Company may provide endorsements/guarantees:

- (1) Companies with which the Company does business.
- (2) Companies in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- (3) Companies that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- (5) Companies in same type of business or providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
- (6) Companies with all capital contributing shareholders making endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Notes 3: The total amount of endorsements/guarantees provided by the Company shall not exceed 50% of the Company's net worth as stated in its latest financial statements. The aggregate amount of endorsements/guarantees provided by the Company to any single entity shall not exceed 20% of the Company's net worth as stated in its latest financial statements; for overseas single affiliate, the threshold shall be 50%. As for endorsements/guarantees arising from business dealings with the entity, its amount shall not exceed the amount of either purchase or sales (whichever is greater) with the entity during the most recent year.

Attachment 4

Independent Auditor's Report

To Paragon Technologies Co., Ltd.,

Opinion

We have audited the Consolidated Balance Sheets of Paragon Technologies Co., Ltd. and its subsidiaries as of December 31, 2020 and 2019, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2020 and 2019.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Paragon Technologies Co., Ltd. as of December 31, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2020 and 2019 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Basis for opinion

We conducted in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in 2020. And conducted in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," and No. 1090360805 Letter issued by the Financial Supervision and Administration Commission on February 25, 2020. and generally accepted auditing standards to implement the review work in 2019. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 consolidated financial statements of Paragon Technologies Co., Ltd. and its subsidiaries. These items have been covered in the verification process of the overall consolidated financial statements and the audit opinions; hence, we shall not express separate opinions on these items.

Key Audit Matters for the consolidated financial statements of Paragon Technologies Co., Ltd. and its subsidiaries for 2020 are stated as follows:

Authenticity of revenue generated by some specific customers

Key audit matters

Paragon Technologies Co., Ltd. and its subsidiaries are mainly engaged in the research, development, manufacturing, processing and trading of EMI, optoelectronics, optical film production, mechanical equipment, and components. In 2020, the company recognized operating income of NT\$684,598 thousand, and based on the importance and auditing standards, the income recognition is preset as a significant risk that the accountant perceives whether the sales revenue recognized by Paragon Technology Co., Ltd. and its subsidiaries for some specific customers has occurred is a significant impact on the financial statements. Therefore, the authenticity of the sales

revenue for some specific customers is listed as the key audited issue of this year. For details of the revenue recognition policy, please refer to Notes 4 (13) of the consolidated financial statements.

Our major audit procedures executed on the key audit matter are as follows.

1. Understanding and testing the design and implementation of internal controls over the revenue recognition of certain specific customers.
2. Selecting samples based on the revenue breakdown of certain specific customers as mentioned above, reviewing the relevant supporting documents and testing the collection status to confirm the sales transactions have occurred.
3. Reviewing whether any significant sales returns and allowances have occurred subsequent to the balance sheet date to confirm if there is any material misstatement of the revenue of certain specific sales customers.

Other Items

Paragon Technologies Co., Ltd. has also compiled Individual Financial Statements for 2020 and 2019, and they have also received an unqualified audit opinion from our CPA for your reference.

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

The responsibilities of the management are to prepare the consolidated financial statements that give a true and fair view in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission with effective dates, as well as to maintain necessary internal controls that enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they shall be deemed as material.

As part of an audit in accordance with the Generally Accepted Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also executed the following tasks:

1. Identify and assess the risks of material misstatement within the consolidated financial statements, whether due to fraud or error; design and execute countermeasures in response to those risks; and obtain sufficient and appropriate audit evidence 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the group audit, and for forming the audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including significant deficiencies identified in the 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 determined the key audit matters of the consolidated financial statements of Paragon Technologies Co., Ltd. and its subsidiaries of 2020. We have described these matters in our auditor's report unless law or regulation precludes public or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu
CPA Chih Jui-Chuan

CPA Chen Hui-Ming

Financial Supervisory Commission
Approval Document No.
FSC Approval No. 1060023872

Securities and Futures Bureau Approval
Document No.
Tai-Cai-Zheng-6 No. 0920123784

March 25, 2021

Paragon Technologies Co., Ltd. and its Subsidiaries
Consolidated Balance Sheets
December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4, 6 and 31)	\$ 673,153	31	\$ 634,041	30
1110	Financial assets at fair value through profit or loss (Notes 4, 7 and 31)	7,441	-	-	-
1150	Notes receivable, net (Notes 4, 9, 23 and 31)	2,278	-	269	-
1170	Accounts receivable, net (Notes 4, 9, 23 and 31)	434,891	20	313,267	15
1200	Other receivables (Notes 4, 9 and 31)	25,104	1	14,893	1
1220	Current income tax assets (Notes 4 and 25)	90	-	255	-
130X	Inventories (Notes 4 and 10)	9,987	-	9,140	-
1429	Prepayments (Notes 16)	13,752	1	15,532	1
1470	Other current assets (Notes 16)	1,099	-	1,852	-
11XX	Total current assets	<u>1,167,795</u>	<u>53</u>	<u>989,249</u>	<u>47</u>
	Non-current Assets				
1535	Financial assets at amortized cost - non-current (Notes 4, 8, 31 and 33)	253,866	12	249,690	12
1550	Investments accounted for using equity method (Notes 4 and 12)	1,763	-	3,307	-
1600	Real estate, plants, and equipment (Notes 4, 13 and 33)	434,597	20	507,045	24
1755	Right-of-use asset (Notes 4 and 14)	98,859	5	112,205	6
1780	Intangible Assets (Notes 4 and 15)	353	-	603	-
1840	Deferred tax assets (Notes 4 and 25)	73,380	3	88,481	4
1915	Prepayments (Notes 16)	3,878	-	1,005	-
1920	Refundable deposits (Notes 15, 31, 33 and 34)	156,327	7	146,102	7
1990	Other non-current assets (Notes 16)	3,450	-	3,450	-
15XX	Total non-current assets	<u>1,026,473</u>	<u>47</u>	<u>1,111,888</u>	<u>53</u>
1XXX	Total	<u>\$ 2,194,268</u>	<u>100</u>	<u>\$ 2,101,137</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Bank loans (Notes 4, 17, 31 and 33)	\$ 377,729	17	\$ 361,811	17
2170	Accounts payable (Notes 18 and 31)	7,280	-	6,513	-
2200	Other Accounts payable (Notes 19 and 31)	145,031	7	118,909	6
2230	Current income tax liabilities (Notes 4 and 25)	14,035	1	4,836	-
2250	Liabilities provision – current (Notes 4 and 20)	921	-	11,261	1
2280	Lease liabilities - current (Notes 4, 14 and 31)	14,480	1	13,883	1
2320	Current portion of long-term bank loans, (Notes 16, 17, 31 and 33)	67,912	3	8,568	-
2399	Other current liabilities (Notes 19)	2,996	-	884	-
21XX	Total Current Liabilities	<u>630,384</u>	<u>29</u>	<u>526,665</u>	<u>25</u>
	Non-current Liabilities				
2540	Long-term loans (notes 16, 17, 31 and 33)	157,606	7	118,429	6
2550	Liabilities provision – non-current (Notes 4 and 20)	3,243	-	2,677	-
2580	Lease liabilities - non-current (Notes 4, 14 and 31)	13,545	1	26,781	1
2630	Long-term deferred income (Notes 19 and 28)	8,400	-	8,481	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	1,234	-	1,774	-
2670	Other non-current liabilities (Notes 19 and 31)	88	-	86	-
25XX	Total non-current liabilities	<u>184,116</u>	<u>8</u>	<u>158,228</u>	<u>8</u>
2XXX	Total liabilities	<u>814,500</u>	<u>37</u>	<u>684,893</u>	<u>33</u>
	Equity attributable to owners of the parent (Notes 4, 22 and 27)				
	Capital Stock				
3110	Ordinary capital stock	<u>807,522</u>	<u>37</u>	<u>807,522</u>	<u>38</u>
3200	Capital surplus	<u>810,542</u>	<u>37</u>	<u>1,007,800</u>	<u>48</u>
	Retained earnings				
3320	Special reserve	-	-	-	-
3350	Unappropriated retained earnings	(55,645)	(2)	(197,258)	(9)
3300	Total Retained Earnings	(55,645)	(2)	(197,258)	(9)
3400	Others	(148,000)	(7)	(167,175)	(8)
3500	Treasury stock	(34,651)	(2)	(34,651)	(2)
31XX	Equity attributable to shareholders of the parent	<u>1,379,768</u>	<u>63</u>	<u>1,416,238</u>	<u>67</u>
36XX	Non-controlling Interests	-	-	6	-
3XXX	Total equity	<u>1,379,768</u>	<u>63</u>	<u>1,416,244</u>	<u>67</u>
	Total Liabilities and Equity	<u>\$ 2,194,268</u>	<u>100</u>	<u>\$ 2,101,137</u>	<u>100</u>

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

Chairman: Chen Zai Pu

General Manager: Wang Hsiao Lung

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2020 and 2019

Unit: Thousand NTD,
except for loss per share in NTD

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4, 23, 33 and 38)	\$ 684,598	100	\$ 546,881	100
5000	Operating cost (Notes 4, 10 and 24)	(461,032)	(67)	(461,069)	(84)
5950	Operating margin	<u>223,566</u>	<u>33</u>	<u>85,812</u>	<u>16</u>
	Operating expenses (Notes 21 and 24)				
6100	Selling expense	(21,214)	(3)	20,219	3
6200	Management and general expenses	(153,224)	(22)	(170,774)	(31)
6300	Research and development expenses	(38,831)	(6)	(39,793)	(7)
6000	Total operating expenses	(213,269)	(31)	(190,348)	(35)
6900	Income (Loss) From Operations	<u>10,297</u>	<u>2</u>	(104,536)	(19)
	Non-operating income and expenses (Notes 4, 9, 12, 13, 14, 16, 24, 27, 28, 34 and 36)				
7100	Interest income	17,583	3	32,694	6
7010	Other income	3,847	-	-	-
7020	Other gains and losses	(15,130)	(2)	(64,031)	(12)
7050	Financial costs	(17,516)	(3)	(24,551)	(5)
7060	Recognized share of the profit and loss of the affiliated enterprises and joint ventures using equity method	(1,544)	-	(1,292)	-
7000	Total non-operating income and expenses	(12,760)	(2)	(57,180)	(11)
7900	Net loss before tax	(2,463)	-	(161,716)	(30)
7950	Income tax expense (Notes 4 and 25)	(53,477)	(8)	(35,769)	(6)
8200	Net loss	(55,940)	(8)	(197,485)	(36)

(Continued)

(Continued from previous page)

Code		2020		2019	
		Amount	%	Amount	%
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans (Notes 4, 21 and 25)	\$ 369	-	\$ 282	-
8349	Income tax related to items that will be reclassified (Notes 4 and 25)	(74)	-	(56)	-
	Subtotal	<u>295</u>	-	<u>226</u>	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of financial statements of foreign operations (Notes 4 and 22)	23,969	4	(58,956)	(11)
8399	Income tax related to items that will be reclassified (Notes 4, 22 and 25)	(4,794)	(1)	<u>11,791</u>	<u>2</u>
	Subtotal	<u>19,175</u>	<u>3</u>	(<u>47,165</u>)	(<u>9</u>)
8300	Other comprehensive loss for the year, net of income tax	<u>19,470</u>	<u>3</u>	(<u>46,939</u>)	(<u>9</u>)
8500	Total comprehensive income (loss) for the year	(<u>\$ 36,470</u>)	(<u>5</u>)	(<u>\$ 244,424</u>)	(<u>45</u>)
	Net loss attributable to:				
8610	Shareholders of the parent	(\$ 55,940)	(8)	(\$ 197,484)	(36)
8620	Noncontrolling Interests	-	-	(1)	-
8600		(<u>\$ 55,940</u>)	(<u>8</u>)	(<u>\$ 197,485</u>)	(<u>36</u>)
	Total comprehensive income (loss) attributable to:				
8710	Shareholders of the parent	(\$ 36,470)	(5)	(\$ 244,423)	(45)
8720	Noncontrolling Interests	-	-	(1)	-
8700		(<u>\$ 36,470</u>)	(<u>5</u>)	(<u>\$ 244,424</u>)	(<u>45</u>)
	Loss Per Share (Notes 26) from continuing business				
9710	Basic earnings per share	(<u>\$ 0.71</u>)		(<u>\$ 2.50</u>)	
9810	Diluted earnings per share	(<u>\$ 0.71</u>)		(<u>\$ 2.50</u>)	

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

Chairman: Chen Zai Pu

General Manager: Wang Hsiao Lung

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2020 and 2019

Unit: Thousand NTD, unless otherwise stated

		Equity Attributable to Shareholders of the Parent										
Code		Capital Stock		Retained earnings			Foreign operation Translation of the financial statements Exchange difference	Treasury stock	Total	Non-controlling Interests (Notes 21)	Total Equity	
		Stocks (In Thousands)	Amount	Capital surplus	Legal surplus	Special reserve						Accumulated deficit
A1	Balance, January 1, 2019	80,752	\$ 807,522	\$ 1,437,214	\$ -	\$ 60,379	(\$ 489,793)	(\$ 120,010)	(\$ 34,651)	\$ 1,660,661	\$ 7	\$ 1,660,668
B15	Loss offset by appropriated retained earnings	-	-	-	-	(60,379)	60,379	-	-	-	-	-
C11	Compensation for deficit from paid-in capital reserve	-	-	(429,414)	-	-	429,414	-	-	-	-	-
D1	Total net loss in 2019	-	-	-	-	-	(197,484)	-	-	(197,484)	(1)	(197,485)
D3	Other comprehensive income (loss) in 2019	-	-	-	-	-	226	(47,165)	-	(46,939)	-	(46,939)
D5	Total comprehensive income (loss) in 2019	-	-	-	-	-	(197,258)	(47,165)	-	(244,423)	(1)	(244,424)
Z1	Balance as of December 31, 2019	80,752	807,522	1,007,800	-	-	(197,258)	(167,175)	(34,651)	1,416,238	6	1,416,244
C11	Compensation for deficit from paid-in capital reserve	-	-	(197,258)	-	-	197,258	-	-	-	-	-
D1	2020 Total Net Loss	-	-	-	-	-	(55,940)	-	-	(55,940)	(6)	(55,946)
D3	Other comprehensive income (loss) (net of tax) for 2020	-	-	-	-	-	295	19,175	-	19,470	-	19,470
D5	Total comprehensive income in 2020	-	-	-	-	-	(55,645)	19,175	-	(36,470)	(6)	(36,476)
Z1	Balance, December 31, 2020	80,752	\$ 807,522	\$ 810,542	\$ -	\$ -	(\$ 55,645)	(\$ 148,000)	(\$ 34,651)	\$ 1,379,768	\$ -	\$ 1,379,768

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

Chairman: Chen Zai Pu

General Manager: Wang Hsiao Lung

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd. and its Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Code		2020	2019
	Cash flows from operating activities		
A10000	Income before income tax	(\$ 2,463)	(\$ 161,716)
A20010	Adjustments for		
A20300	(Gain on recovery) loss of expected credit loss	1,994	(2,503)
A20100	Depreciation expense	106,202	164,798
A20200	Amortization expense	780	620
A20900	Financial costs	17,516	24,551
A20400	Net gain recognized on financial assets and liabilities measured at fair value through profit or loss	(1,750)	(7,151)
A21200	Interest income	(17,583)	(32,694)
A22300	Share of profits (losses) of associates accounted for using equity method	1,544	1,292
A29900	Reverse Debt Provision	(9,482)	(46,651)
A22500	Disposal of loss of real estate, plants and equipment (profit)	1,214	(9)
A23100	Advance profit due to disposal of subsidiaries	(532)	-
A29900	Amortization on realized long-term deferred income	(513)	(349)
A23600	Reverse on impairment of refundable deposits	-	(1,457)
A23700	Allowance for inventories	362	726
A23700	Impairment loss recognized on property, plant and equipment	11,273	16,850
A24100	Loss (gain) on foreign exchange	21,636	(563)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(2,009)	8,899
A31150	Accounts receivable	(123,776)	(30,234)
A31180	Other receivables	(51)	(143)
A31200	Inventory	(1,177)	(1,460)
A31230	Prepayments	1,780	(3,909)
A31240	Other current assets	753	(36)
A32150	Accounts payable	767	(1,398)
A32180	Other Payables	28,254	1,696
A32200	Provisions	(424)	(20,748)
A32230	Other current liabilities	2,112	461
A32240	Net defined benefit liabilities	(<u>171</u>)	(<u>17</u>)
A33000	Net cash inflows (outflows) from operating activities	36,256	(91,145)
A33100	Interest received	7,423	29,930

(Continued)

(Continued from previous page)

<u>CODE</u>		<u>2020</u>	<u>2019</u>
A33300	Interest paid	(\$ 16,556)	(\$ 23,491)
A33500	Income Tax Paid	(33,767)	(29,251)
AAAA	Net cash outflow from operating activities	(6,644)	(113,957)
	Cash flow from investment activities		
B00100	Acquisition of financial assets at fair value through profit or loss	(225,416)	(271,215)
B00200	Sale of financial assets at fair value through profit or loss	219,725	308,501
B00040	Acquisition of financial assets at amortized cost	(1,262,765)	(1,013,253)
B00050	Disposal of financial assets at amortized cost	1,262,765	1,335,833
B02700	Acquisition of property, plant and equipment	(24,809)	(9,620)
B02800	Disposal of real estate, plants and equipment	803	275
B03700	Refundable deposits paid	(10,225)	(131,110)
B04500	Acquisition of intangible assets	(529)	(463)
B07100	Increase in prepaid expenses for equipment	(3,952)	-
BBBB	Net cash used in (generated by) investing activities	(44,403)	218,948
	Cash flows from financing activities		
C00200	Decrease in short-term loans	(5,311)	(111,301)
C01600	Increase in long-term borrowings	98,521	126,997
C03000	Increase in deposits received	2	-
C03100	Deposit refund	-	(3)
C04020	Repayment of the principal amount of lease liabilities	(15,325)	(14,492)
CCCC	Net cash provided by financing activities	77,887	1,201
DDDD	Effect of exchange rate changes on cash and cash equivalents	12,272	(11,281)
EEEE	Increases in cash and cash equivalents	39,112	94,911
E00100	Cash and cash equivalents at beginning of year	634,041	539,130
E00200	Cash and cash equivalents at end of year	\$ 673,153	\$ 634,041

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

Chairman: Chen Zai Pu General Manager: Wang Hsiao Lung Accounting Supervisor: Liu Ming Yi

Independent Auditor's Report

To Paragon Technologies Co., Ltd.,

Opinion

We have audited the Individual Balance Sheets of Paragon Technologies Co., Ltd. as of December 31, 2020 and 2019, the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows, and Notes to Individual Financial Statements (including the Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2020 and 2019.

In our opinion, the aforementioned Individual Financial Statements present fairly, in all material respects, the individual financial position of Paragon Technologies Co., Ltd. as of December 31, 2020 and 2019, and its individual financial performance and individual cash flows for the annual periods ended December 31, 2020 and 2019.

Basis for opinion

We conducted audit in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in 2020. Besides, we conducted audit in 2019 in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," and Letter No. 1090360805 issued by the Financial Supervisory Commission on February 25, 2020, as well as generally accepted auditing standards. 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 the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2019 individual financial statements of Paragon Technologies Co., Ltd. These items have been covered in the verification process of the overall individual financial statements and the audit opinions; hence, the CPA shall not express separate opinions on these items.

Key Audit Matters for the individual financial statements of Paragon Technologies Co., Ltd. are stated as follows:

Key Audit Matters relating to the Subsidiaries' financial statements

Key audit matters

As of December 31, 2020, Paragon Technologies Co., Ltd.'s investments accounted for using equity method were NT\$1,322,907 thousand, accounting for 86% of the total assets. We have also taken into account the key audit matters identified in the subsidiaries' financial statements when dealing with those identified in the individual financial statements of Paragon

Technologies Co., Ltd. For details, please see notes 4 and 9 of the individual financial statements.

As the amount is substantial on the consolidated level, any misstatements in the subsidiaries' financial statements that fail to reflect the subsidiaries' operations for the year, or any miscalculations of their profits and loss, shall lead to an inaccurate amount of investments accounted for using equity method.

Corresponding Audit procedures performed

We have understood the Company's controls over the operations and financial performances of its subsidiaries, and have performed the following audit procedures on the key audit matters regarding the subsidiaries' financial statements:

Authenticity of revenue generated by some specific customers

Paragon Technologies Co., Ltd and its subsidiaries. is principally engaged in the research, manufacturing, processing and trading of optical thin films, manufacturing of mechanical equipment, components and parts. Given the significance and the default risk on revenue recognition as stated in the Statement of Auditing Standards, we are of the opinion that whether the recognition of sales revenue by Paragon Technologies Co., Ltd. on some specific customers is material to the financial statements and therefore the authenticity of shipments from some specific customers is a key audit matter. For details of the revenue recognition policy, please refer to Notes 4 (13) of the individual financial statements.

Our major audit procedures executed on the key audit matter are as follows.

1. Understanding and testing the design and implementation of internal controls over the revenue recognition of certain specific customers.
2. Selecting samples based on the revenue breakdown of certain specific customers as mentioned above, reviewing the relevant supporting documents and testing the collection status to confirm the sales transactions have occurred.
3. Reviewing whether any significant sales returns and allowances have occurred subsequent to the balance sheet date to confirm if there is any material misstatement of the revenue of certain specific sales customers.

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

The responsibilities of the management are to prepare the individual financial statements that give a true and fair view in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission with effective dates, as well as to maintain necessary internal controls that 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the parent financial statements, they shall be deemed as material.

As part of an audit in accordance with the Generally Accepted Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We have also executed the following tasks:

1. Identify and assess the risks of material misstatement within the individual financial statements, whether due to fraud or error; design and execute countermeasures in response to those risks; and obtain sufficient and appropriate audit evidence 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes), and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the individual

financial statements. We are responsible for the direction, supervision and execution of the individual audit, and for forming the audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including significant deficiencies identified in the 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 determined the key audit matters of the individual financial statements of Paragon Technologies Co., Ltd. of 2020. We have described these matters in our auditor's report unless law or regulation precludes public or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu
CPA Chih Jui-Chuan

CPA Chen Hui-Ming

Financial Supervisory Commission
Approval Document No.
FSC Approval No. 1060023872

Securities and Futures Bureau Approval
Document No.
Tai-Cai-Zheng-6 No. 0920123784

March 25, 2021

Paragon Technology Co., Ltd.
Individual Balance Sheets
December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents (Notes 4,6 and 26)	\$ 69,662	5	\$ 58,074	4
1150	Net notes receivable (Notes 4, 7, 20 and 26)	2	-	147	-
1170	Accounts receivable (Notes 4,7,20 and 26)	503	-	154	-
1210	Other Receivables - Related Parties (Notes 4, 7, 26 and 27)	19,366	1	50,508	3
1200	Other Accounts receivable (Notes 4, 7 and 26)	5	-	80	-
1220	Current tax assets (Notes 4 and 22)	90	-	185	-
130X	Inventories (Notes 4 and 8)	548	-	1,517	-
1410	Prepaid expenses (Note 13)	4,397	-	3,835	-
1470	Other current assets (Note 13)	117	-	457	-
11XX	Total current Assets	<u>94,690</u>	<u>6</u>	<u>114,957</u>	<u>7</u>
Non-current Assets					
1550	Investments accounted for using equity method (Notes 4,9 and 27)	1,322,907	86	1,299,846	83
1600	Real estate, plants, and equipment (Notes 4,10, 21 and 27)	37,994	3	42,463	3
1755	Right-of-use asset (Notes 4 and 11)	10,647	1	16,148	1
1780	Intangible assets (Notes 4 and 12)	213	-	236	-
1840	Deferred tax assets (Notes 4 and 22)	65,873	4	78,629	5
1915	Prepayments for equipment (Note 13)	-	-	518	-
1920	Deposited Margin (Note 13 and 26)	5,122	-	5,122	1
1990	Other non-current assets (Notes 13)	3,450	-	3,450	-
15XX	Total non-current assets	<u>1,446,206</u>	<u>94</u>	<u>1,446,412</u>	<u>93</u>
1XXX	Total	<u>\$ 1,540,896</u>	<u>100</u>	<u>\$ 1,561,369</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2100	Bank loans (Notes 14, 24 and 26)	\$ 115,000	8	\$ 100,000	6
2170	Accounts receivable (Notes 15 and 26)	276	-	750	-
2219	Other payables (Notes 16 and 26)	32,081	2	23,378	2
2220	Other payables - related parties (Notes 16, 26 and 27)	-	-	1,176	-
2280	Lease liabilities-current (Notes 4, 11, 24 and 26)	6,321	-	6,216	-
2399	Other current liabilities (Notes 16)	307	-	364	-
21XX	Total Current Liabilities	<u>153,985</u>	<u>10</u>	<u>131,884</u>	<u>8</u>
Non-current Liabilities					
2550	Provisions - non-current portion (Notes 4 and 17)	1,407	-	1,418	-
2580	Lease liabilities-non-current (Notes 4, 11 and 26)	4,502	-	10,055	1
2640	Net defined benefit liability - non-current portion (Notes 4 and 18)	1,234	-	1,774	-
25XX	Total non-current liabilities	<u>7,143</u>	<u>-</u>	<u>13,247</u>	<u>1</u>
2XXX	Total liabilities	<u>161,128</u>	<u>10</u>	<u>145,131</u>	<u>9</u>
Equity Attribute to Shareholders of the Parent (Notes 4, 18, 19 and 24)					
Capital Stock					
3110	Ordinary capital stock	<u>807,522</u>	<u>53</u>	<u>807,522</u>	<u>52</u>
3200	Capital surplus	<u>810,542</u>	<u>53</u>	<u>1,007,800</u>	<u>65</u>
Retained earnings					
3310	Legal surplus	-	-	-	-
3320	Special reserve	-	-	-	-
3350	Unappropriated retained earnings	(55,645)	(4)	(197,258)	(13)
3300	Total Retained Earnings	(55,645)	(4)	(197,258)	(13)
3400	Others	(148,000)	(10)	(167,175)	(11)
3500	Treasury stock	(34,651)	(2)	(34,651)	(2)
3XXX	Total equity	<u>1,379,768</u>	<u>90</u>	<u>1,416,238</u>	<u>91</u>
Total Liabilities and Equity		<u>\$ 1,540,896</u>	<u>100</u>	<u>\$ 1,561,369</u>	<u>100</u>

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

Chairman: Chen Zai Pu

General Manager: Wang Hsiao Lung

Accounting Supervisor: Liu Ming Yi

Paragon Technology Co., Ltd.
Individual Statements of Comprehensive Income
January 1 to December 31, 2020 and 2019

Unit: Thousand NTD,
except for loss per share in NTD

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4, 20 and 27)	\$ 1,572	100	\$ 6,143	100
5000	Operating costs (Notes 4, 8 and 21)	(1,339)	(85)	(3,098)	(50)
5900	Operating margin	233	15	3,045	50
5920	Realized profits on subsidiaries, affiliated companies and joint ventures (Notes 4 and 27)	<u>37,197</u>	<u>2,366</u>	<u>47,304</u>	<u>770</u>
5950	Realized Gross Profit	<u>37,430</u>	<u>2,381</u>	<u>50,349</u>	<u>820</u>
	Operating expenses (Notes 18, 21 and 27)				
6100	Selling expense	(5)	-	(194)	(3)
6200	General and administrative	(67,590)	(4,300)	(63,056)	(1,027)
6300	Research and development expenses	(33,343)	(2,121)	(33,811)	(550)
6000	Total operating expenses	(100,938)	(6,421)	(97,061)	(1,580)
6900	Loss from operations (Net operation loss)	(63,508)	(4,040)	(46,712)	(760)
	Non-operating income and expenses (Notes 9, 21 and 27)				
7100	Interest income	230	15	838	14
7010	Other income	19,404	1,234	25,830	420
7020	Other gains and losses	(505)	(32)	(3,527)	(58)
7050	Financial costs	(2,084)	(133)	(1,923)	(31)
7070	Share of profits of subsidiaries, associates and joint ventures	<u>2,165</u>	<u>138</u>	(156,209)	(2,543)
7000	Total non-operating income and expenses	<u>19,210</u>	<u>1,222</u>	(134,991)	(2,198)

(Continued on the next page)

(Continued from the previous page)

Code		2020		2019	
		Amount	%	Amount	%
7900	Continuing Operating Loss before Tax	(\$ 44,298)	(2,818)	(\$ 181,703)	(2,958)
7950	Income Tax Expense (Notes 4 and 22)	(11,642)	(741)	(15,781)	(257)
8200	Net loss	(55,940)	(3,559)	(197,484)	(3,215)
	Other Comprehensive Income (Loss) (Notes 4, 18, 19 and 22)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation	369	24	282	5
8349	Income tax benefit related to items that will not be reclassified subsequently	(74)	(5)	(56)	(1)
8310		<u>295</u>	<u>19</u>	<u>226</u>	<u>4</u>
	Items that may be reclassified subsequently to profit or loss:				
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	23,969	1,525	(58,956)	(960)
8399	Income tax expense related to items that may be reclassified subsequently	(4,794)	(305)	<u>11,791</u>	<u>192</u>
8360		<u>19,175</u>	<u>1,220</u>	(47,165)	(768)
8300	Other comprehensive loss for the year, net of income tax	<u>19,470</u>	<u>1,239</u>	(46,939)	(764)
8500	Total comprehensive income (loss) for the year	(\$ 36,470)	(2,320)	(\$ 244,423)	(3,979)
	Loss per share (Notes 23) from continuing business				
9710	Basic earnings per share	(\$ 0.71)		(\$ 2.50)	
9810	Diluted earnings per share	(\$ 0.71)		(\$ 2.50)	

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

Chairman: Chen Zai Pu General Manager: Wang Hsiao Lung Accounting Supervisor: Liu Ming Yi

Paragon Technology Co., Ltd.
Individual Statements of Changes in Equity
January 1 to December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Code		Capital Stock		Retained earnings			Others	Treasury stock	Total Equity	
		Stocks (In Thousands)	Amount	Capital surplus	Legal surplus	Special reserve	Accumulated deficit			Foreign operation Translation of the financial statements Exchange difference
A1	Balance, January 1, 2019	80,752	\$ 807,522	\$ 1,437,214	\$ -	\$ 60,379	(\$ 489,793)	(\$ 120,010)	(\$ 34,651)	\$ 1,660,661
B15	Loss offset by appropriated retained earnings	-	-	-	-	(60,379)	60,379	-	-	-
C11	Compensation for deficit from paid-in capital reserve	-	-	(429,414)	-	-	429,414	-	-	-
D1	Total net loss in 2019	-	-	-	-	-	(197,484)	-	-	(197,484)
D3	Other comprehensive income (loss) in 2019	-	-	-	-	-	226	(47,165)	-	(46,939)
D5	Total comprehensive income (loss) in 2019	-	-	-	-	-	(197,258)	(47,165)	-	(244,423)
Z1	Balance as of December 31, 2019	80,752	807,522	1,007,800	-	-	(197,258)	(167,175)	(34,651)	1,416,238
C11	Compensation for deficit from paid-in capital reserve	-	-	(197,258)	-	-	197,258	-	-	-
D1	Total Net Loss in 2020	-	-	-	-	-	(55,940)	-	-	(55,940)
D3	Other comprehensive income (loss) (net of tax) in 2020	-	-	-	-	-	295	19,175	-	19,470
D5	Total comprehensive income in 2020	-	-	-	-	-	(55,645)	19,175	-	(36,470)
Z1	Balance, December 31, 2020	<u>80,752</u>	<u>\$ 807,522</u>	<u>\$ 810,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 55,645)</u>	<u>(\$ 148,000)</u>	<u>(\$ 34,651)</u>	<u>\$ 1,379,768</u>

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

Chairman: Chen Zai Pu

General Manager: Wang Hsiao Lung

Accounting Supervisor: Liu Ming Yi

Paragon Technology Co., Ltd.
Individual Statements of Cash Flows
January 1 to December 31, 2020 and 2019

Code	In Thousands of New Taiwan Dollars	
	2020	2019
	Cash flows from operating activities	
A10000	(\$ 44,298)	(\$ 181,703)
A20010	Adjustments for	
A20100	14,993	17,296
A20200	552	354
A20900	2,084	1,923
A22400	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	
	(2,166)	156,209
A22500	Disposal of real estate, plants and equipment	
	(87)	-
A21200	(230)	(838)
A23800	Loss from price decline in inventories	
	172	201
A24000	Realized Gross Profit on Sales to Subsidiaries, Associates and Joint-Ventures.	
	(37,197)	(47,304)
A30000	Net changes in operating assets and liabilities	
A31130	145	(147)
A31150	(349)	100
A31180	65	(16)
A31190	6,464	1,813
A31200	797	(1,265)
A31230	(562)	443
A31240	340	(140)
A32150	(474)	(706)
A32180	7,595	(2,970)
A32200	(11)	258
A32230	(57)	-
A32240	Net defined benefit liabilities-non-current	
	(<u>171</u>)	(<u>17</u>)
A33000	(52,395)	(56,509)
A33100	239	881
A33300	(1,825)	(1,621)
A33500	(<u>3,659</u>)	(<u>6,595</u>)
AAAA	Net cash outflow from operating activities	
	(<u>57,640</u>)	(<u>63,844</u>)

(Continued)

(Continued from previous page)

Code		2020	2019
	Cash flow from investment activities		
B07600	Dividends received from Subsidiaries, Joint Ventures and Associates	\$ 64,948	\$ 59,768
B02700	Acquisition of real estate, plants and equipment	(4,066)	(2,954)
B02800	Disposal of real estate, plants and equipment	680	-
B04500	Acquisition of intangible assets	(529)	(463)
B03700	Refundable deposits paid	-	(960)
B07100	Increase in prepaid expenses for equipment	(76)	(518)
BBBB	Net cash used in (generated by) investing activities	<u>60,957</u>	<u>54,873</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	15,000	-
C00200	Decrease in short-term loans	-	(10,000)
C04020	Repayment of the principal amount of lease liabilities	(6,729)	(6,729)
CCCC	Net cash inflow (outflow) from financing activities	<u>8,271</u>	(16,729)
EEEE	Increase (decrease) in cash and cash equivalents	11,588	(25,700)
E00100	Cash and Cash Equivalents, Beginning of the year	<u>58,074</u>	<u>83,774</u>
E00200	Cash and Cash Equivalents, End of the year	<u>\$ 69,662</u>	<u>\$ 58,074</u>

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

Chairman: Chen Zai Pu

General Manager: Wang Hsiao Lung

Accounting Supervisor: Liu Ming Yi

Attachment 5

Paragon Technologies Co., Ltd.

Contrast Table of Amendments for the Operational Procedures for Loaning Funds to Others

Articles	Articles after the amendment	Articles before the amendment	Explanation
Article 4	<p>Limits and Evaluation Standards for Loaning Funds to Others</p> <p>I.For a company or firm which has business dealings with the Company, the single amount lent shall be limited to the total amount of trading between both parties, and the total amount lent shall be limited to 20% of the Company's net worth. Business dealings between both parties refers to the amount of purchase or sales in recent one year, whichever is higher.</p> <p>II.For a company or firm which has a need of short-term financing, the single amount lent shall be limited to 20% of the Company's net worth, and the total amount lent shall be limited to 40% of the Company's net worth.</p> <p>For loaning funds between the Company and foreign company, directly and indirectly, holding 100% voting shares, it is not limited by the item 2, clause 1 of this article, but single amount lent shall be limited to <u>100%</u> of the current net worth, and the total amount lent shall be limited to <u>100%</u> of the current net worth.</p>	<p>Limits and Evaluation Standards for Loaning Funds to Others</p> <p>I.For a company or firm which has business dealings with the Company, the single amount lent shall be limited to the total amount of trading between both parties, and the total amount lent shall be limited to 20% of the Company's net worth. Business dealings between both parties refers to the amount of purchase or sales in recent one year, whichever is higher.</p> <p>II.For a company or firm which has a need of short-term financing, the single amount lent shall be limited to 20% of the Company's net worth, and the total amount lent shall be limited to 40% of the Company's net worth.</p> <p>For loaning funds between the Company and foreign company, directly and indirectly, holding 100% voting shares, it is not limited by the item 2, clause 1 of this article, but single amount lent shall be limited to <u>60%</u> of the current net worth, and the total amount lent shall be limited to <u>80%</u> of the current net worth.</p>	To align with the Group's operational need
Article 5	<p>Duration and Interest Rates of Financing</p> <p>I.Duration: every single short-term financing fund loan duration shall not exceed one year from the date of lending. For loaning funds between the Company and foreign company holding 100% voting shares, the loaning duration shall take one year as principle, and if necessary shall be limited to <u>five</u> years.</p>	<p>Duration and Interest Rates of Financing</p> <p>I.Duration: every single short-term financing fund loan duration shall not exceed one year from the date of lending. For loaning funds between the Company and foreign company holding 100% voting shares, the loaning duration shall take one year as principle, and if necessary shall be limited to <u>three</u> years.</p>	To align with the Group's operational need

Articles	Articles after the amendment	Articles before the amendment	Explanation
	<p><u>If the overdue compensation needs to be postponed, a written request must be made in advance and submitted to the board of directors for approval. Each deferred repayment is still not more than two years and is limited to one time.</u></p> <p>II. Interest rate: shall not be lower than the one-year deposit interest rate of the Bank of Taiwan. The loan interest calculation and collection of the Company follows the principle of paying interest once a month.</p> <p>In case of special circumstances, the interest rate of a loan may be adjusted after the approval of the Board of Directors according to real situations.</p>	<p>II. Interest rate: shall not be lower than the one-year deposit interest rate of the Bank of Taiwan. The loan interest calculation and collection of the Company follows the principle of paying interest once a month.</p> <p>In case of special circumstances, the interest rate of a loan may be adjusted after the approval of the Board of Directors according to real situations.</p>	
Article 6	<p>Processing Procedures</p> <p>I. Application Procedures</p> <p>1. The borrower shall provide basic information and financial information, fill in the application form, describe the use of the funds, the duration and amount of the loan, and present it to the financial department of the Company.</p> <p>2. If the Company is engaged in fund loaning due to business relations, <u>Head of its finance department</u> should assess whether the amount of the loan is equal to the amount of the business transaction; if short-term financing is needed, the reasons and circumstances of the loan and capital should be cited, credit investigation conducted and the relevant information and proposed loan conditions submitted to the head of the unit and general manager of the financial department followed by resolution by the Board of Directors.</p> <p>3. Where the Company has established the position of independent director, when it loans funds to others, it shall take each</p>	<p>Processing Procedures</p> <p>I. Application Procedures</p> <p>1. The borrower shall provide basic information and financial information, fill in the application form, describe the use of the funds, the duration and amount of the loan, and present it to the financial department of the Company.</p> <p>2. If the Company is engaged in fund loaning due to business relations, <u>its financial department staff</u> should assess whether the amount of the loan is equal to the amount of the business transaction; if short-term financing is needed, the reasons and circumstances of the loan and capital should be cited, credit investigation conducted and the relevant information and proposed loan conditions submitted to the head of the unit and general manager of the financial department followed by resolution by the Board of Directors.</p> <p>3. Where the Company has established the position of independent director, when it loans funds to others, it shall take each</p>	To align with the Group's operational need

Articles	Articles after the amendment	Articles before the amendment	Explanation
	<p>independent director's opinions into full consideration; independent directors' opinions specifically expressing assent or dissent and the reasons therefore shall be included in the minutes of the Board of Directors meeting.</p> <p>II.Credit Investigation</p> <p>1.For the initial borrower, the borrower should provide basic information and financial information in order to facilitate the credit investigation.</p> <p>2.If it is a continuous borrower, in principle, when the renewed loan is submitted, the credit investigation will be re-processed. If it is a major or emergency event, it will be handled at any time depending on the actual needs.</p> <p>3.If the borrower is in good financial condition and the annual financial statements are used to request the accountant to complete the financing visa, the investigation report that has not exceeded one year may be used, and the accountant in the same period shall check the visa report as a reference for the loan.</p> <p>4.When the Company conducts a credit investigation on the borrower, it should also assess the impact of the fund loan on the Company's operational risk, financial status and shareholders' equity.</p> <p>5.However, for subsidiaries in which the Company directly or indirectly holds 100% of the voting rights, the above credit investigation shall not be carried out for loaning funds and guarantee.</p>	<p>independent director's opinions into full consideration; independent directors' opinions specifically expressing assent or dissent and the reasons therefore shall be included in the minutes of the Board of Directors meeting.</p> <p>II.Credit Investigation</p> <p>1.For the initial borrower, the borrower should provide basic information and financial information in order to facilitate the credit investigation.</p> <p>2.If it is a continuous borrower, in principle, when the renewed loan is submitted, the credit investigation will be re-processed. If it is a major or emergency event, it will be handled at any time depending on the actual needs.</p> <p>3.If the borrower is in good financial condition and the annual financial statements are used to request the accountant to complete the financing visa, the investigation report that has not exceeded one year may be used, and the accountant in the same period shall check the visa report as a reference for the loan.</p> <p>4.When the Company conducts a credit investigation on the borrower, it should also assess the impact of the fund loan on the Company's operational risk, financial status and shareholders' equity.</p> <p>5.However, for subsidiaries in which the Company directly or indirectly holds 100% of the voting rights, the above credit investigation shall not be carried out for loaning funds and guarantee.</p>	

Attachment 6

Paragon Technologies Co., Ltd.

Document No.	MO-2-021	Document Name	Procedures Governing Loaning of Funds				
Formulating Department	Auditing Office	Date of Formulation	2019.03.20	Version	J	Page Number	1/4
<p>Article 1: Objective</p> <p>In order to strengthen the management of fund loaning and reduce business risks, special operating procedures have been established. For any unspecified issues, the provisions in other relevant laws and decrees shall be followed.</p>							
<p>Article 2: Legal Compliance</p> <p>This operation procedures is formulated in accordance with Article 36-1 of Securities Exchange Act as well as the provisions of "Loaning Fund and Endorsements/Guarantees Handling Norms of Public Companies" by Financial Supervisory Commission (hereinafter referred to as the "FSC"), and handled in accordance with the operation procedures determined.</p>							
<p>Article 3: Object of Lending of Funds</p> <p>The company's funds must not be loaned to shareholders or anyone other than the following requirements.</p> <ol style="list-style-type: none"> I. A company or firm that has business transactions. II. A company or firm, where short-term financing is necessary. The term "short-term" referred to in the preceding paragraph shall mean one year or one operating cycle (whichever is longer). The need for short-term financing referred to the following <ol style="list-style-type: none"> (I) Short-term financing for the need of business in a company in which the Company holds directly or indirectly over 50% voting shares. (II) A company or firm having a need of short-term financing due to the purchase of materials or operating turnover. <p>The restriction in Paragraph 1, Subparagraph 2 shall not apply to inter-company loans of funds, between foreign companies in which the Company holds directly or indirectly 100% of the voting shares.</p> <p>However, the Company shall set up the total loans and the limits on individual objects, and shall also specify the duration of the fund loan.</p> <p>Subsidiary and parent company referred to in these Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>Where a company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>							
<p>Article 4: Limits and Evaluation Standards for Loaning Funds to Others</p> <ol style="list-style-type: none"> I. For a company or firm which has business dealings with the Company, the single amount lent shall be limited to the total amount of trading between both parties, 							

and the total amount lent shall be limited to 20% of the Company's net worth. Business dealings between both parties refers to the amount of purchase or sales in recent one year, whichever is higher.

- II. For a company or firm which has a need of short-term financing, the single amount lent shall be limited to 20% of the Company's net worth, and the total amount lent shall be limited to 40% of the Company's net worth.

For loaning funds between the Company and foreign company, directly and indirectly, holding 100% voting shares, it is not limited by the item 2, clause 1 of this article, but single amount lent shall be limited to 60% of the current net worth, and the total amount lent shall be limited to 80% of the current net worth.

Article 5: Duration and Interest Rates of Financing

- I. Duration: every single short-term financing fund loan duration shall not exceed one year from the date of lending. For loaning funds between the Company and foreign company holding 100% voting shares, the loaning duration shall take one year as principle, and if necessary shall be limited to three years.
- II. Interest rate: shall not be lower than the one-year deposit interest rate of the Bank of Taiwan. The loan interest calculation and collection of the Company follows the principle of paying interest once a month.

In case of special circumstances, the interest rate of a loan may be adjusted after the approval of the Board of Directors according to real situations.

Article 6: Processing Procedures

I. Application Procedures

- 1. The borrower shall provide basic information and financial information, fill in the application form, describe the use of the funds, the duration and amount of the loan, and present it to the financial department of the Company.
- 2. If the Company is engaged in fund loaning due to business relations, its financial department staff should assess whether the amount of the loan is equal to the amount of the business transaction; if short-term financing is needed, the reasons and circumstances of the loan and capital should be cited, credit investigation conducted and the relevant information and proposed loan conditions submitted to the head of the unit and general manager of the financial department followed by resolution by the Board of Directors.
- 3. Where the Company has established the position of independent director, when it loans funds to others, it shall take each independent director's opinions into full consideration; independent directors' opinions specifically expressing assent or dissent and the reasons therefore shall be included in the minutes of the Board of Directors meeting.

II. Credit Investigation

- 1. For the initial borrower, the borrower should provide basic information and financial information in order to facilitate the credit investigation.
- 2. If it is a continuous borrower, in principle, when the renewed loan is submitted, the credit investigation will be re-processed. If it is a major or emergency event, it will be handled at any time depending on the actual needs.
- 3. If the borrower is in good financial condition and the annual financial

statements are used to request the accountant to complete the financing visa, the investigation report that has not exceeded one year may be used, and the accountant in the same period shall check the visa report as a reference for the loan.

4. When the Company conducts a credit investigation on the borrower, it should also assess the impact of the fund loan on the Company's operational risk, financial status and shareholders' equity.
5. However, for subsidiaries in which the Company directly or indirectly holds 100% of the voting rights, the above credit investigation shall not be carried out for loaning funds and guarantee.

III. Loan Approval and Notice

1. After the credit investigation and assessment, the Board of Directors decides not to propose a loaning case, and the handling staff should reply to the borrower as soon as possible on the grounds of refusal.
2. After the credit investigation and assessment, the Board of Directors decides to approve the loaning case. The handling staff should inform the borrower as soon as possible, detailing the loan conditions of the Company, including the limit, duration, interest rate, collateral and guarantor, etc., and ask the borrower to complete the signing procedures within the deadline.

IV. Contract Signing and Identity Verification

1. The case of loan and credit shall be prepared by the handling staff and the contractual procedures shall be conducted after review by the supervisor.
2. The provisions of a loan contract shall be consistent with the terms and conditions of the ratified loan. After the borrower and the guarantor sign in the loan contract, the responsible employee shall perform the identity verification.

V. Collateral Value Evaluation and Rights Setting

In case of a loan guarantee case, the borrower shall provide the collateral and complete the procedures for setting up the pledge or mortgage rights setting. The Company shall also evaluate the value of the collateral to ensure the Company's claims.

VI. Insurance

1. Except for land and securities, fire and relevant insurances shall be purchased, based on the principle of the insurance amount not lower than the collateral, and the insurance policy shall indicate the Company as the beneficiary. The name, quantity, storage location, insurance conditions and insurance endorsement on the insurance policy are consistent with the original loan conditions of the Company.
2. The responsible employee shall notify the borrower of policy renewal before the insurance expires.

VII. Appropriation

The loan conditions are approved and the contract is signed by the borrower to complete the registration of guarantee quality mortgage, etc.

Once the check is correct, the funds can be appropriated.

Article 7: Repayment

After the loan has been allocated, the financial, business, and credit status of the borrower and the guarantor must be often paid attention to. If there is a provision of a security product, attention shall be paid to whether there is any change in the value of

the security, and the borrower should be notified one month before the loan expires to repay the principal and interest during the period.

- I. When a borrower repays loans upon maturity, interests accrued shall be computed first. After the interests and principal are paid off altogether, the Company may cancel certificates of the obligatory claim, such as promissory notes and certificate of indebtedness, and then return them to the borrower.
- II. If a borrower applies for the cancellation of mortgage, the Company shall first check whether there is a loan balance and then decide whether to cancel or not.

Article 8: Registration and Safeguarding of Cases

- I. The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, fund loaning date, and matters to be carefully evaluated according to the regulations.
- II. An employee in charge of handling loaning cases shall, after the loan is appropriated, organize certificates of the obligatory claim, such as certificates of indebtedness and promissory notes, and certificates of collateral, insurance policies and correspondences in an orderly fashion for the case conducted by himself/herself, place them in a safekeeping bag, mark the contents of goods under custody and the name of the client outside the bag, and then submit such to be inspected by the supervisor of financial department. The bag shall be sealed after an inspection and be kept under custody after the both parties sign or seal on the registry book for goods under custody.

Article 9: Noteworthy Matters Concerning Handling Loaning Funds to Others

- I. Before the Company loans funds to others, it should carefully assess whether it meets the requirements of these Procedures and submit it after submitting the assessment results to the Board of Directors for resolution. It must not authorize other people to decide.

The loaning funds between the Company and its subsidiaries, or between subsidiaries, shall be submitted for a resolution to the Board of Directors pursuant to previous Subparagraph in the preceding paragraph, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

The "certain monetary limit" referred to in the preceding paragraph shall be in compliance with Paragraph 2, Article 4. In addition, the authorized limit on loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth of the lending company in the most current financial statements.

- II. The Company's internal auditors shall audit the Procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the members of the Audit Committee in writing of any material violation found, if any.
- III. If, as a result of a change in circumstances, an entity to which a fund is lent does not meet the requirements of the Procedures or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee, and shall complete the rectification according to the schedule set out in the plan.

- IV. The handling staff shall prepare a memorandum book for the previous month and prepare a checklist for other persons before the 10th day of each month, and submit it for review level by level.
- V. The Company shall evaluate the status of its loaning of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.
- VI. In addition to engaging in the short-term financing in accordance with relevant regulations, the Company shall also enhance risk assessment and formulate loan limits for those that are not guaranteed and the same industry, the same related companies or group companies.
- VII. The Company has established the position of independent director, and the matters notified to supervisor pursuant to Article 15-2 or 18-2 of the processing standards shall be notified to the independent directors in writing; the rectification plan notified to supervisor pursuant to Article 16 or 20 shall be sent to the independent directors.

The Company has established the position of Audit Committee, and the regulations for supervisor prepared pursuant to Article 15, 16, 18 and 20 shall apply to the Audit Committee.

Article 10: Procedures for Controlling Loans Lent by Subsidiaries

- I. If a subsidiary of the Company intends to lend funds to others, the Company shall ask the subsidiary to formulate procedures for loaning funds to others in accordance with the Procedures or relevant standards, and handle it in accordance with the determined operational procedures.
- II. The subsidiary company shall, before the 10th day of each month (excluding), compile and submit to the Company a copy of the funds loaned to other persons in the preceding month for reference.
- III. The internal auditor of the subsidiaries shall at least quarterly audit the procedures concerning loans lent to others and the execution status, and prepare written record accordingly. If material violation is found, they shall immediately notify the Company's audit unit in writing. The later shall submit the written documents to the audit committee.
- IV. When the auditor of the Company carries out the audit according to the annual audit plan to the subsidiary company, he/she shall also understand the operating procedure and execution of the subsidiary's funds loaned to others, and shall continuously follow up on the improvement of the company if there is any missing matter found, and shall make a follow-up report to the General Manager.

Article 11: Information Disclosure

The Company shall handle the relevant announcement matters in accordance with the announcement standards stipulated in the "Guidelines for Handling the Loan of Funds and Endorsement & Guarantee of Public Issuance Companies" issued by the Financial Supervisory Commission.

Article 12: Penalties

When the Company's management and in-charge persons violate the Procedures, they would be submitted for performance review in accordance with the Company's employees rewards and penalties management procedures and employee manuals, and

be penalized depending on the severity of the case.

Article 13: Implementation and Amendment

These Procedures shall be submitted to the board of directors for resolution after approved by the audit committee, and submitted for the approval of the shareholders' meeting before implementation. If the audit committee has been established in accordance with the law, the auditor shall acknowledge the matter in accordance with the regulations. The matter shall first be agreed by more than half of all members of the audit committee and proposed for resolution of the board of directors. If the above is not agreed by more than half of all members of the audit committee, it may be agreed by more than two-thirds of all directors, and the resolution of the audit committee shall be stated in the proceedings of the board of directors. The same applies at the time of amendment. When the procedure is submitted for discussion by the Board of Directors in accordance with the preceding paragraph, the Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board Meeting.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Attachment 7

Articles of Incorporation of Paragon Technologies Co., Ltd.

Chapter 1. General Policies

- Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Paragon Technologies Co., Ltd; the English name of the Company is Paragon Technologies Co., Ltd.
- Article 2: The scope of the Company business is as follows:
- I. CA04010 Metal Surface Treating.
 - II. CB01010 Machinery Manufacturing.
 - III. CB01990 Other Machinery Manufacturing.
 - IV. CC01080 Electronic Components Manufacturing.
 - V. F113010 Wholesale Machinery Business.
 - VI. F119010 Electronic Materials Wholesale.
 - VII. F401010 International Trade.
 - VIII. CC01040 Lighting Equipment Manufacturing.
 - IX. ZZ99999 the Company may operate any business not prohibited or restricted by laws or regulations, except for those that require special permission.
- Article 3: The Company set up its headquarters in Taoyuan City. If necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors.
- Article 4: The Company may, as necessary in its business, invest outside the Company, and may, by resolution of the Board of Directors, be a shareholder of limited liabilities of other companies. The total amount of its investment may not be restricted by the amount of investment specified in Article 13 of the Company Act.
- Article 5: The Company may endorse or guarantee other companies for its business or investment relations.
- Article 6: The Company makes public announcements in accordance with Article 28 of the Company Act.

Chapter 2. Capital stocks

- Article 7: The total capital of the Company is set at NT\$2 billion, divided into 200 million shares, and the amount per share is NT\$10. For those unissued shares, the Board of Directors is authorized to issue shares on a separate basis. The amount of NT\$200 million was retained in the total amount of capital in the preceding paragraph. It is divided into 20 million shares, and the amount of NT\$10 per share is retained for the use of exercise of warrants. They may be issued on a separate basis according to the resolutions of the Board of Directors.
- Article 7-1 The Company's employee treasury stocks, employee stock warrants, employee compensation, employee subscription of new stocks, and restricted stock for employees and other payees may include employees of subordinate companies that meet certain conditions, and the Board of Directors is authorized to resolve on the conditions and distribution methods.
- Article 8: Shares of the Company are name-bearing certificates, signed or stamped by Directors representing the Company and numbered, and then issued after being attested by banks which are competent to serve as attestors in compliance with relevant laws and regulations. When the Company issues new shares, it may merge and print the total number of such issues, and may also issue shares by way of

exemption from printing stocks, provided that the Company shall register or keep the shares with the securities central custody institution. Its stock issuance procedures are governed by the Company Act and related laws and regulations.

Article 9: All changes made to the list of shareholders shall be halted sixty days prior to an upcoming Annual Shareholders' Meeting, thirty days prior to an Extraordinary Shareholders' Meeting, or five days prior to the base date before the Company issues dividends, bonuses, or other interests.

Article 10: Except as otherwise provided in the decree, the Company shall handle the relevant stock affairs in accordance with the provisions of "Guidance of Handling Stock Affairs by Public Offering Companies" approved and issued by the competent authority.

Chapter 3. Shareholders' meeting

Article 11: Shareholders' meeting can be classified into general or provisional meeting. The general meeting is held at least once per year, convened by the Board of Directors according to the law and commenced within six months from the end of a fiscal year. The provisional meeting is held whenever necessary in accordance with the relevant laws and regulations. The convening procedure is handled according to the Company Act.

The Chairman of the Board of Directors shall serve as the chair when a Shareholders' Meeting is convened by the Board of Directors. If the Chairman is absent or cannot perform his duty for any reason, the delegation process shall be carried out in accordance with Article 208 of the Company Act. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 12: Shareholder may appoint a proxy to attend the shareholders' meeting on behalf by providing a signed and stamped letter of appointment of representation in the format provided by the Company, stating the scope of authorization. Method of attendance by proxy, besides abiding by the conditions stated in Article 177 of the Company Act, shall also follow the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" from the regulatory authority.

Article 13: Other than situations of no voting rights stipulated under Article 179-2 of the Company Act, each shareholder of the Company shall enjoy the right to one vote.

Article 14: Unless otherwise stipulated for in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. When the shareholders' meeting is held, with the exception of the Company Act and the Articles of Incorporation, the Company shall follow the Rules of Procedure for Shareholders' Meetings of the Company.

Article 15: The resolutions of shareholders' meetings shall be made into minutes and shall be handled in accordance with Article 183 of the Company Act.

Article 15-1: If the Company intends to transfer the shares of the Company to the employees at an average price lower than the actual price of shares bought back, it shall follow the regulations of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" and obtain the approval from a shareholders' meeting representing the majority of the total number of shares issued by the shareholders, with more than two-thirds of the voting rights of the attending shareholders, and may not be filed on a extempore motion.

Chapter 4. Board of Directors

- Article 16: The Company has nine to eleven directors. The number of directors elected at the time is authorized by the Board of Directors and the term of office is three years. Those who have the capability to act shall be elected by the shareholders' meeting and may be re-elected.
The Company shall duly elect Directors from persons with disposing capacity by the shareholders.
by the shareholders.
During the Directors' terms, the Company may delegate the Board of Directors for any legal indemnities they are liable to pay within the scope of its business.
to purchase liability insurance
- Article 16-1: In accordance with the provisions of Article 14-2 of the Securities Exchange Act, there shall be at least three independent directors among the number of directors to be elected referred to in the preceding paragraph. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the independent directors, and other related matters shall comply with applicable laws and regulations prescribed by the competent authority.
- Article 16-2: The total shareholding of all directors of the Company shall be in accordance with the provisions of the securities regulatory authority.
- Article 17: The Board of Directors shall be organized by directors. The attendance of more than two-thirds of the directors and the consent of more than half of the directors present shall be used to elect one Chairman of the Board of Directors. In the same manner, one Vice Chairman shall be elected. The Chairman of the Board shall represent the Company externally.
- Article 18: Unless otherwise provided, resolutions of a Board of Directors meeting requires presence of over half of the directors and agreed upon by over half of the directors present. Directors may appoint proxies with a letter of appointment of representation, stating the scope of authorization to entrust other directors to attend the Board of Directors. However, one proxy can only be appointed by one director. Matters related to the Board of Directors shall be handled in accordance with the Rules of Procedure for the Board of Directors of the Company except as otherwise provided in the Company Act and this Articles of Incorporation.
- Article 18-1: The convening of the Board of Directors of the Company shall notify the directors of the convening matters in writing, by e-mail or by fax seven days before the meeting.
The Company may convene the Board of Directors at any time in case of an emergency by written notice, e-mail or fax.
- Article 19: In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, his representative shall be selected according to Article 208(3) of the Company Act.
- Article 20: When the directors of the Company perform the duties of the Company, regardless of the operating profit and loss of the Company, the Company may pay compensation to them. The remuneration authorized to the Board of Directors shall be based on the value of the directors' participation and contribution to the Company's operations, and shall refer to the usual standards of the same companies. It shall be agreed upon within the maximum salary level stipulated in the Company's measures for the payroll approach. If the Company has a surplus, it shall distribute the remuneration according to Article 23 of the Articles of Incorporation.
- Article 20-1: The Board of Directors of the Company may be required to set up auditing, salary compensation committees or other functional committees for the needs of business operations. The above audit committee is composed of all independent directors and

is responsible for the enforcement of supervisory powers stipulated in the Company Act, Securities Exchanges Act and other laws.

Chapter 5. Managers

Article 21: The Company shall have one Chief Executive Officer, one General Manager and several Deputy General Managers and Assistant Vice Presidents. The employment, dismissal and remuneration shall be done in accordance with Article 29 of the Company Act.

Chapter 6. Accounting

Article 22: The Company shall, at the end of each fiscal year, make the following reports by the Board of Directors and submit them to the Annual Shareholders' Meeting for recognition:

- (I) Business report.
- (II) Financial statements.
- (III) Proposals of profit distribution or deficit compensation.

Article 23: If there is profit at the end of a fiscal year, the Company shall appropriate 1% to 10% of the profit to be employee remuneration and no more than 3% to be director remuneration. But the Company shall reserve a portion of profit to make up for accumulated losses, if any. The decision of allocation ratio of employee remuneration, director remuneration and employee's remuneration in stock or cash shall be decided by the Board of Directors and reported to the shareholder meeting. The counterparty to whom stocks or cash are distributed to as employee's compensation in the preceding paragraph includes the employees of its subordinate companies that meet certain criteria.

If there is a surplus in the Company's total final account for the year, it shall, after first paying taxes and making up for the losses of previous years, advance 10% of its balance to be the legal surplus reserve, provided that it is exempted from further appropriation when the legal surplus reserve has reached the paid-in capital. In accordance with the business needs, decrees or regulations of the competent authority, the special surplus reserve may be allocated or reversed, and the accumulated undistributed surplus shall be added to the balance thereof, and the Board of Directors shall draw up a motion for the allocation of the surplus, which shall be submitted to the shareholders' meeting for decision. Where dividends and bonuses are distributed in whole or in part in cash, the Board of Directors shall adopt a resolution by a majority vote at a meeting attended by over two thirds of the Directors and report such distribution to the shareholders' meeting.

The policy of dividend distribution shall be based on the most consideration of shareholders' rights and interests, taking into account the current and future domestic and foreign industry competition, investment environment and capital demand of the Company, and in the form of stock dividends or cash dividends. As the Company is currently in a growth stage, in order to consider the Company's long-term financial planning, the total amount of dividends distributed each year shall not be less than 30% of the net profit after tax for the current year. The percentage of cash dividends distributed shall not be less than 20% of total dividends.

Supplementary articles

- Article 24: When the shares of the Company are intended to be retired for public offering, a special resolution of the shareholders' meeting shall be submitted, and this clause shall not be changed during the listing period.
- Article 25: The matters not specified in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.
- Article 26: The Articles of Incorporation was made on October 17, 1995.
The 1st amendment was made on August 5, 1996.
The 2nd amendment was made on January 10, 1997.
The 3rd amendment was made on May 16, 1997.
The 4th amendment was made on June 15, 1997.
The 5th amendment was made on June 26, 1998.
The 6th amendment was made on March 5, 1999.
The 7th amendment was made on April 3, 1999.
The 8th amendment was made on March 15, 2000.
The 9th amendment was made on August 21, 2000.
The 10th amendment was made on April 4, 2001.
The 11th amendment was made on May 10, 2001.
The 12th amendment was made on November 20, 2002.
The 13th amendment was made on December 24, 2002.
The 14th amendment was made on June 30, 2004.
The 15th amendment was made on June 24, 2005.
The 16th amendment was made on March 31, 2006.
The 17th amendment was made on March 31, 2006.
The 18th amendment was made on December 22, 2006
The 19th amendment was made on May 5, 2008.
The 20th amendment was made on April 30, 2009.
The 21th amendment was made on May 20, 2010.
The 22th amendment was made on June 17, 2011.
The 23th amendment was made on June 19, 2012.
The 24th amendment was made on June 18, 2015.
The 25th amendment was made on June 21, 2016.
The 26th amendment was made on June 16, 2020.

Paragon Technologies Co., Ltd

Chairman: Chen Zai Pu

Attachment 8

Paragon Technology Co., Ltd.

Document No.	MO-2-023	Document Name	Procedures for the Election of Directors				
Formulating Department	Auditing Office	Date of Formulation	2020.3.24	Version	B	Page Number	1/2
Article 1:	The Company has formulated the Process in accordance with Article 21 of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to elect Directors with fairness, impartiality and openness.						
Article 2:	Except as otherwise provided by law or by the Articles of Incorporation, elections of the Company's directors shall be conducted in accordance with these Procedures.						
Article 3:	The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:						
	I. The ability to make judgments about operations.						
	II. Accounting and financial analysis ability.						
	III. Business management ability.						
	IV. Crisis management skills.						
	V. Knowledge of the industry.						
	VI. An international market perspective.						
	VII. Leadership ability.						
	VIII. Decision-making ability.						
Article 4:	The qualifications of independent directors of the Company shall be governed by the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Offering Companies."						
Article 5:	Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.						
Article 6:	The Company's Directors shall be duly elected by means of cumulative voting. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of Directors and Supervisors to be elected.						
Article 7:	The Board of Directors shall prepare ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.						
Article 8:	The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. In the election of directors of this Company, candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the chair shall draw lots on behalf of the candidate who is not present.						

Paragon Technology Co., Ltd.

Document No.	MO-2-023	Document Name	Procedures for the Election of Directors				
Formulating Department	Auditing Office	Date of Formulation	2015.3.27	Version	B	Page Number	2/2
Article 9:	Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before the voting commences.						
Article 10:	If a candidate is a shareholder, the voter shall enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.						
Article 11:	<p>A ballot is invalid under any of the following circumstances:</p> <ul style="list-style-type: none"> I. The ballot was not prepared by the Board of Directors. II. A blank ballot is placed in the ballot box. III. The writing is unclear and indecipherable or has been altered. IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. V. Other words or marks are entered in addition to the candidate's account name (full name) or shareholder account number (or identity card number) and the number of voting rights allotted. VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual. 						
Article 12:	The counting of the ballots voting for the directors shall be conducted in public in the venue of the shareholders' meeting. The ballots shall be counted during the shareholders' meeting immediately after they are cast. The results, including the list of elected directors and the number of votes voting for such candidates, shall be announced by the chair or other person designated by the chair at such a shareholders' meeting.						
Article 13:	This rule shall be implemented after approval by the shareholder's meeting. Same for any revisions.						

Attachment 9

Paragon Technologies Co., Ltd.

Rules of Procedure for Shareholders' Meetings

- Article 1: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law and regulation, shall be as provided in these Rules.
- Article 2: The Company shall indicate on the meeting notice the check-in time and location and other things to note.
The check-in time described in the preceding paragraph shall be at least 30 minutes before the meeting begins. The check-in counter shall be precisely indicated, and enough competent personnel shall be assigned to help shareholders check in.
Shareholders or agents attending the shareholders' meeting shall sign in. The sign-in procedure shall be replaced by the payment of the sign-in card. The number of shares present shall be calculated according to the sign-in card paid, and the number of shares which exercise the voting rights in writing or electronically shall be added. Shareholders shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. Attending shareholders or proxies shall bring identification documents for verification.
- Article 3: The attendance and voting of the annual general shareholders' meeting shall be calculated based on the number of shares they represent.
- Article 4: The shareholders' meeting shall be held in the city where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting,
and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.
- Article 5: When shareholders' meeting is convened by the Board of Directors, the Chairman of the Board is the chair of the meeting. In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of the Board shall designate one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting Chairman of the Board of Directors.
When the Vice Chairman acting on behalf of the Chairman or electing the Chairman from managing directors or directors, those who have held the positions for six months or longer and understand the financial and business operations of the Company shall be considered with priority. The same shall be true for a representative of a juristic person director that serves as the chair. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chair of that meeting. However, if there are two or more persons having the convening right, the chair of the meeting shall be elected from among eligible persons.
- Article 6: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting.

- Article 7: The Company shall establish uninterrupted audio and video recordings of the entire process of shareholder check-in, meeting proceedings, and voting and ballot counting.
The aforementioned video shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the records shall be retained until the conclusion of the litigation.
- Article 8: At the time of the meeting, the chair shall declare the meeting begins immediately. In the absence of a majority of the shareholders representing the total number of shares issued, the chair may announce postponement of the meeting time, provided that only two postponements may be made and total delay time shall not exceed 1 hour. When two such postponements are made and the shares in present still cannot represent sufficient outstanding shares, but more than one-third of the total issued shares are in attendance, tentative resolutions may be made pursuant to Paragraph 1 of Article 175 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 9: The agenda for the shareholders' meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Relevant motions (including extempore motions and amendments to the original motion) shall be decided on a case-by-case basis. Unless otherwise resolved by resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.
The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda stated in the preceding two paragraphs (including extemporaneous motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
The chair shall give the opportunity to fully explain and discuss the proposals, as well as the amendments or motions proposed by the shareholders. When the chair is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the proposal to vote. The chair shall also allocate sufficient time for voting.
After the meeting has adjourned, the shareholders may not appoint another chair and continue the meeting either at the same or a different venue.
- Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

- Article 11: Unless the chair consents, each shareholder shall make no more than two speeches for an agenda item, and each speech shall not exceed five minutes. If a shareholder's speech violates the provisions of the preceding paragraph or goes beyond the scope of the topic, the chair may stop him from speaking, and the chair may discontinue his speech if the speaker continues to violate.
- Article 12: When appointing a legal person to attend an annual general shareholders' meeting, such legal person may only designate one person as representative. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 13: In the wake of shareholder's speech, the chair of the meeting may answer in person or designate relevant personnel to answer.
- Article 14: When the chair at the meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.
Vote counting for voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.
- Article 15: When a proposal comes to a vote, personnel of vote monitoring and counting is appointed by the chair, provided that personnel of vote monitoring shall be shareholders. The result of voting shall be reported on the spot and prepared in the minutes.
- Article 16: During meeting proceedings, the chair may declare a break according to his or her judgment.
- Article 17: A shareholder shall have one voting power in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.
When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing. The method for exercising voting rights in writing or by electronic means shall be indicated in the notice of shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the extempore motions and the amendments of the original proposals in the said shareholders' meeting will be deemed to have waived his/her rights. Therefore, the Company is best to avoid proposing extempore motions and the amendments of the original proposals.
A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply when a declaration is made to cancel the earlier declaration of intent.

If a shareholder (who has exercised his/her voting rights in correspondence or electronically) intends to attend the meeting in person, he/she shall cancel the voting rights in the same manner stated in the preceding paragraph 2 days before the date of a shareholders' meeting. If the deadline is not met, the voting right exercised by correspondence or electronically shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record is made for the vote.

Article 18: In the event amendments or substitutions are provided for in the same proposal, the meeting chair may decide the order of the vote including the original proposal. If one of the proposals is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

Article 19: The meeting chair may command picket (or security personnel) to maintain order of meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 20: The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The production and distribution of the meeting minutes may be effected by electronic means.

The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System.

The meeting minutes shall contain the faithful record of the year, month, day of the meeting, venue, name of the chair, resolution method, method of discussion and voting results (including counted weights). When there are elections of directors and supervisors, the weights won by each candidate shall also be disclosed. The meeting minutes shall be kept permanently during the existence of the Company.

Article 21: These rules shall take effect after approval by the shareholders' meeting and the same procedure shall apply when they are amended.

Attachment 10

Paragon Technology Co., Ltd. Shareholding Status of Directors

- I. As of the book closure date of this Annual Shareholders' Meeting on April 18, 2021, the paid-in capital of the Company was NT\$807,522,300 and the total number of issued shares was 80,752,230 shares.
- II. According to Article 26 of the Securities and Exchange Act, all directors should hold at least 6,460,178 shares in total as the minimum legal amount. The Company has established an audit committee in accordance with the law, and does not apply the regulation that the number of shares held by relevant supervisors shall not be less than a certain percentage
- III. The Company appoints three independent directors, and shareholding ratio of all directors is lowered to 80% according to regulations except for independent directors.
- IV. The shareholding of all directors recorded in the shareholder list complied with the statutory standards.
- V. The details of the shareholdings of the directors are as follows:

Title	Name	Date elected	Term	Number of shares held at the time of appointment		Shares held as recorded on the shareholder's records on the book closure date	
				Number of Shares	Ratio	Number of Shares	Ratio
Chairman of the Board	Chen Tsai Pu	107.6.21	3 years	1,911,810	2.37%	1,911,810	2.37%
Director	Wang Hsiao Lung	107.6.21	3 years	1,028,053	1.27%	1,028,053	1.27%
Director	Wang Le Qun	107.6.21	3 years	48,000	0.58%	48,000	0.58%
Director	Lin Chi Yong	107.6.21	3 years	738,784	0.91%	738,784	0.91%
Director	Kao Wen Hsiang	107.6.21	3 years	1,894,142	2.35%	1,894,142	2.35%
Director	Chen Wan Te	107.6.21	3 years	1,177,566	1.46%	1,177,566	1.46%
Director	Union Polymer International Investment Co., Ltd. Representative: Wang Jia Yeh	107.6.21	3 years	1,505,000	1.86%	1,505,000	1.86%
Director	Union Polymer International Investment Co., Ltd. Representative: Ou Keng Tsuo	107.6.21	3 years	1,505,000	1.86%	1,505,000	1.86%
Independent Director	Chang Tzuh Sin	107.6.21	3 years	0	0%	0	0%
Independent Director	Pan Fu Jen	107.6.21	3 years	0	0%	0	0%
Independent Director	Hsu Jui Tsan	107.6.21	3 years	0	0%	0	0%
Total of all directors				8,303,355	10.80%	8,303,355	10.80%