

# Paragon Technologies Co., Ltd

## 2024 Annual Shareholders' Meeting Meeting Agenda

Meeting date: June 18, 2024

Meeting place: No. 2, Fuxing 1st Rd., Guishan Dist., Taoyuan City 333005, Taiwan (3F, Coral Hall, Fullon Hotels)

Method of convention: Physical shareholders' meeting

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# Paragon Technologies Co., Ltd

## 2024 Annual Shareholders 'Meeting

### Meeting Procedure

- I. Call meeting to order
- II. Chairman's address
- III. Reported Matters
- IV. Ratification Matters
- V. Matters for Discussion
- VI. Extemporaneous Motions
- VII. Adjournment

# Paragon Technologies Co., Ltd 2024 Annual Shareholders' Meeting

## Meeting Agenda

Meeting date: June 18, 2024 (Tuesday), at 9:00 a.m.

Meeting place: No. 2, Fuxing 1st Rd., Guishan Dist., Taoyuan City 333005, Taiwan (3F, Coral Hall, Fullon Hotels)

Method of convention: Physical shareholders' meeting

I. Call Meeting to Order (report of shareholding attendance)

II. Chairman's Address

III. Reported Matters

1. 2023 Business Report
2. 2023 Annual Final Accounting Books and Statements Audited by Audit Committee
3. 2023 Private Placement of Common Stock Implementation Report
4. 2023 Making of Endorsements/Guarantees Report
5. 2023 Directors' Remuneration Report Proposal

IV. Ratification Matters

1. 2023 Business Report and Financial Statements Proposal
2. Adoption of the Proposal for 2023 Deficit Compensation

V. Matters for Discussion

1. Re-election of Directors of the Company.
2. Lifting the restriction on non-competition of new directors and their representatives.

VI. Extemporaneous Motions

VII. Adjournment

# Reported Matters

1. 2023 business report, for your approval.

Explanation: 2023 business report, please refer to P.10-11 of the agenda.

2. 2023 annual final accounting books and statements audited by audit committee, for your approval.

Explanation: 2023 audit committee's audit report, please refer to P.12 of the agenda.

3. 2023 private placement of common stocks implementation report, for your approval.

Explanation: 1. After approved by a resolution of a shareholders' meeting on June 13, 2023, the Company authorized the Board of Directors to conduct securities private placement: issue: increased capital by cash for issuing common stocks by the way of private placement within total issue amount less than 12,000,000 shares, the denomination per share was NT\$ 10, and submitted to a shareholders' meeting for authorizing the Board of Directors to issue by in four times within one year from the resolution date of a shareholders' meeting.

2. The Company completed first common stock placement 2,300,000 shares on August 28, 2023, issue price was NT\$ 25 per share, the placement capital was NT\$ 57,500,000, and the remaining amount was not continuing to conduct approved by the Board of Directors' meeting on May 8, 2024 when it was expired.

3. Relevant conducted situation, please refer to P. 13-14 of the agenda.

4. 2023 making of endorsements/guarantees situation, for your approval.

Explanation: As of December 31, 2023, the Company's making endorsements/guarantees situation, please refer to P. 15 of the agenda.

5. 2023 directors' remuneration report proposal, for your approval.

Explanation: (1) Directors' remuneration of the Company payment policy, system, standard and structure, and according to factors, like his/her responsibility, risk, and investing time, etc., the relevance between the description and remuneration payment amount:

1. Remuneration payment policy, standard and combination

According to the Company's Articles of Incorporation, when a shareholder exercises the Company's duties, his/her remuneration is paid by authorized Board of Directors in accordance with his/her participation degree and contributed value for the Company's operation, and referring to the normal standard in the same industry, and the termination shall not exceed the standard of the highest salary level specified in the Company's salary audit procedure. If the Company has earnings, the remuneration shall be allotted in accordance with Article 23 of the Company's Articles of Incorporation.

2. Formulation procedure of Remuneration

Evaluation of the Company's directors and managerial officers' remuneration shall be conducted in accordance with the Company's Rules for Performance Evaluation of Directors and Managerial Officers, and according to Remuneration Committee Charter, refer to payment of normal level in the same industry, and considering the time invested by a person, duties, achievement of personal goals, performance of serving at other position, salary of the same level position paid by the Company in recent years, and achievement of the Company's short-term and long-term business goals, the Company's financial situation, etc. to evaluate relevant rationality of personal performance and the Company's business performance and future risk, and evaluation of directors' and managerial officers' performance, and salary shall be audited by remuneration

committee and the Board of Directors.

3. Relevance between business performance and future risk

According to items specified in Rules for Performance Evaluation of directors and managerial officers, directors' performance is evaluated, and remuneration committee periodically reviews relevant policy, system, standard and structure to assure rationality of performance appraisal items.

4. 2023 directors' separate remuneration statement, please refer to P.16 of the agenda.

# Ratification Matters

1. (Proposed by Board of Directors)

Proposal: 2023 business report and financial statements proposal, for your approval.

Explanation: 1. 2023 the Company's financial statements were audited by accountants Roy Weng and Ruske Ho of Deloitte, Taiwan and audit report has been offered.

2. The preceding financial statements and the business report were reviewed by audit committee, and approved by a resolution of the Board of Directors' meeting, please refer to P.12, P.17-36 of the agenda.

Resolution:

2. (Proposed by Board of Directors)

Proposal: Adoption of the Proposal for 2023 Deficit Compensation

Explanation: 1. The Company's cumulative deficit at the beginning of the period was NT\$0. After deducting the difference between the actual acquisition or disposal price and the book value of the molecule's equity, which was NT\$153,512,491, and after deducting the after-tax net loss for the year of 2023, which was NT\$48,408,675, and after adding actuarial (loss) gain or loss to increase the retained earnings, which was NT\$490,762, the Company is expected to make up for the cumulative deficit, which was NT\$201,430,404, and is expected to be recovered. After the proposed loss recovery of NT\$6,913,695 from legal reserve, NT\$62,223,260 from special reserve and NT\$132,293,449 from capital surplus-equity premium, the accumulated deficit at the end of the period is NT\$0.

2. The company's statement of deficit compensation in 2023 is as follows:

## Paragon Technologies Co., Ltd. Deficit Compensation Statement 2023

Unit: New Taiwan Dollars

Item	Amount
Accumulated deficit at the beginning of the period	0
Deduct: Difference between the actual acquisition or disposal price and the book value of equity interests in subsidiaries	(153,512,491)
Deduct: 2023 Net Loss After Tax	(48,408,675)
Add: Retained earnings from actuarial (loss) adjustments	490,762
Accumulated deficit to be compensated	(201,430,404)
Items for compensating deficit:	
Add: Statutory surplus reserve to compensate for deficit	6,913,695
Add: Special surplus reserve to compensate for deficit	62,223,260
Add: Capital surplus - equity premium to compensate for deficit	132,293,449
Accumulated deficit at the end of the period	0

Chairman: Chen, Tsai-Pu    Managerial officer: Yu, Hsiu-Ping    Accounting in charge: Liu, Ming-Yi

Resolution:

# Matters for Discussion

1. (Proposed by Board of Directors)

Proposal: Re-election of Directors of the Company.

Explanation: 1. The term of office of the current directors will expire on August 3, 2024, and the re-election should be handled at this regular shareholders' meeting in accordance with the law.

2. In accordance with the Company's Articles of Incorporation, the proposed election of seven directors (including four independent directors) is based on the candidate nomination system, and the shareholders shall elect the directors from the list of candidates.

3. The new directors will be appointed for a term of three years from June 18, 2024 to June 17, 2027, and the former directors will be appointed for a term ending at the completion of this regular shareholders' meeting.

4. The election was conducted in accordance with the Company's "Procedures for Election of Directors" and the qualifications of the independent directors were handled in accordance with the "Regulations Governing the Establishment of Independent Directors of Listed Companies and Matters to be Followed".

5. The list of candidates for directors (including independent directors) was reviewed and approved by the Board of Directors of the Company on May 8, 2024, and the relevant information is stated below:

Title	Name	Educational Background	Main Experience	Current Positions	Number of shares held
Director	Chen, Tsai-Pu	M.B.A., National Chengchi University	Chairman, Paragon Technologies Co., Ltd .	Chairman & CIO, Paragon Technologies Co., Ltd . Chairman, Macro Sight International Co., Ltd. Chairman, Macro Sight Technology Limited Chairman, Clear Smart Investments Limited Chairman, Paragon Technology Investment Ltd . Chairman, Precise International Investment Limited. Chairman, Essence International Investment Limited. Director, Paragon (Suzhou) Technology LTD Director, Paragon (Jiangsu) Technology Co.,LTD Director, Paragon (Neijiang) Technology Co.,LTD. Director, Zhejiang Paragon Technology Co.,LTD. Director, Paragon Semiconductor Lighting Technology Co., Ltd. Director, Jing Cheng Material Co.,LTD.	2,046,810
Director	Chen, Wan-De	The 12th Term of the Advanced Study Program, Professional Managers Association of Small and Medium Enterprises of R.O.C.	Chairman, Huei De Industrial Co., Ltd.	None	1,427,566
Director	Representative: Huang,I-Chun, Chun Tung International Investment Co., Ltd	Department of Accounting , National Chengchi University	Chairman ,Chun Tung International Investment Co., Ltd	Chairman ,Chun Tung International Investment Co., Ltd Director, Jing Cheng Material Co.,LTD.	1,505,000
Independent Director	Liu, Yi-Zhen	EMBA 5E, EMBA Master, National Chiao Tung University	General Manager, Yulon Motor Co., Ltd. General Manager, Yulon Nissan Motor Co., Ltd. General Manager, Hua-Chuang Automobile Information Co., Ltd. Director, Taiwan Transportation Vehicle Manufacturers Association Vice President, Hua-Chuang Automobile Information Co., Ltd. Chairman , Yueki Industrial	Representative Director, Mecom Industries Corp.	0



			Co., Ltd Chairman , Y-Teks Co., Ltd.		
Independent Director	Su, Cong-Min	Master of International Business Management (MIBM), Curtin University, Australia	Senior Specialist, Jui Li Enterprise Co., Ltd. Chief Minister/Special Assistant, DF Yulon Motor Co., Ltd. Associate, Hua-Chuang Automobile Information Co., Ltd. Purchasing Manager, Yulon Nissan Motor Co., Ltd. Manager, Service Department of Yulon Nissan Motor Co., Ltd. Assistant Manager/Manager (Production), Yulon Motor Co., Ltd. Head of Manufacturing Division, Yulon Motor Co., Ltd.	Senior Specialist, Jui Li Enterprise Co., Ltd.	0
Independent Director	Zhang, Dong-Long	National Tsing Hua University EMBA	Deputy General, Business and Planning of Pioneer International Semiconductor Corporation Deputy General Manager, Fab and Technology Center of Mosel Vitelic INC. R&D manager, Microchip. R&D manager, ROHM. R & D engineer, ZNTEE .	Director ,TITC Independent Director,ProMOS Technologies Inc. Director, PROGATE GROUP CORPORATION	0
Independent Director	Zheng, Qin-xin	Graduate Institute of Business Administration of National Taipei University	Audit Associate, Deloitte Taiwan Partnership Accountant, MACRO CPA Accountant, Grand H&C CPAs Firm Finance Committee, Visiting Committee, Ministry of Health and Welfare	Director, Grand H&C CPAs Firm Partnership Accountant, Grand H&C CPAs Firm General Manager, GRAND CONSULTANT CO., LTD. General Manager, Tax Consultant, Tax consultant for health care and marketing companies, Jing Shen Tang Investment Co., Ltd.	0

Resolution:

2. (Proposed by Board of Directors)

Proposal: We hereby submit for approval the proposal of lifting the restriction on non-competition of new directors and their representatives.

Explanation:1. T In accordance with Article 209 of the Company Act, "A director shall explain to the shareholders' meeting the important contents of his/her acts and obtain permission for him/her to perform acts for himself/herself or for others that are within the scope of the Company's business.

2. In accordance with the Company Act, we intend to seek the approval of the shareholders' meeting to lift the restriction on non-competition of the Company's new directors and their representatives as described below:

Title	Name	Concurrently holding other company names and positions
Director	Chen, Tsai-Pu	Chairman & CIO, Paragon Technologies Co., Ltd .Chairman, Macro Sight International Co., Ltd. Chairman, Macro Sight Technology Limited Chairman, Clear Smart Investments Limited Chairman, Paragon Technology Investment Ltd . Chairman, Precise International Investment Limited. Chairman, Essence International Investment Limited. Director, Paragon (Suzhou) Technology LTD Director, Paragon (Jiangsu) Technology Co.,LTD Director, Paragon (Neijiang) Technology Co.,LTD. Director, Zhejiang Paragon Technology Co.,LTD. Director, Paragon Semiconductor Lighting Technology Co., Ltd. Director, Jing Cheng Material Co.,LTD.

Legal person director representative	Huang, I-Chun	Director, Jing Cheng Material Co., LTD.
Independent Director	Liu, Yi-Zhen	Representative Director, Mecom Industries Corp.
Independent Director	Zhang, Dong-Long	Director, TITC Independent Director, ProMOS Technologies Inc. Director, PROGATE GROUP CORPORATION

Resolution:

## Extemporaneous Motions

## Adjournment

## Attachment I

# Business Report

After two years of inventory adjustment in the notebook industry, the market inventory is gradually turning healthy. Research organizations estimate that global notebook shipments will end two consecutive years of recession in 2024, and the overall notebook shipments are expected to grow by 4.7% due to the slowdown of inflation and new product launches. Although the global economic recession is slowing down, Paragon is still facing many challenges such as geopolitics, regional wars, and net-zero carbon emissions, etc. Paragon has adjusted its strategies according to its operational needs to cope with the market changes. The 2023 operating results and 2024 business plan are summarized below:

### 1. 2023 business report

#### (1) Operating results

2023 consolidated operating revenue of Paragon was NT\$ 382,573 thousand; operating net loss was NT\$ 56,575 thousand; net loss after tax was NT\$ 49,915 thousand; net loss after tax per share was NT\$ 0.59; shareholders' equity was NT\$ 1,225,785 thousand, and net worth per share was NT\$ 14.59.

(2) Budget implementation: the Company did not publish financial forecasting, so there's no situation of budget achievement.

(3) Financial balance and profitability analysis:

Item		FY 2023	FY 2022	
Financial Structure	Debt-to-Asset Ratio (%)	21.49	16.30	
	Long-term capital to fixed assets ratio (%)	489.97	746.30	
Profitability	Debt-to-Asset Ratio (%)	(2.67)	1.60	
	Long-term capital to fixed assets ratio (%)	(3.68)	1.67	
	Percentage of paid-in capital (%)	Operating income	(6.73)	(6.35)
		Profit Before Tax	1.45	7.08
	Net Profit Margin (%)	(13.05)	5.30	
	EPS (NT\$)	(0.59)	0.31	

(4) Research and development condition: R&D expenses invested in 2023 was NT\$ 29,683 thousand, and accounted for 7.76% of consolidated operating revenue.

### 2. 2024 business plan

Looking ahead to 2024, with global trade activities expected to recover, according to a survey report by DIGITIMES, it is estimated that the notebook market will terminate two years of recession and grow by 4.7% in 2024 due to the slowdown of inflation and the stimulation of new product launches and will enter a new wave of expansion in 2025 with a growth rate of up to 6%. From 2024 to 2028, the compound annual growth rate (CAGR) of global notebook shipments will reach 3%, and the future product growth will be moderate. The Company will not only continue to focus on the NB anti-EMI market to maintain its market share but will also adjust the direction of its product development in the future towards the development of exterior coating, functional coating, and silicon carbide (SiC) products. In addition to expanding the scope of application of PVD technology, Paragon will invest more resources to continuously increase the production capacity of non-EMI products

and SiC wafers in order to reduce the risk of single industry and customer concentration through diversification.

Looking ahead to 2024, Paragon will continue to optimize its product mix and has the following business strategies for the future:

- (1) Continue to cultivate the EMI and appearance film products in the notebook market to consolidate the market share.
- (2) Expand the application of PVD process technology to increase capacity utilization.
- (3) Adjust the business model to reduce the proportion of OEM revenue.
- (4) Continuously carry out production line automation and introduction of process optimization projects to reduce energy and labor costs and improve production efficiency.
- (5) Actively develop SiC products and diversify operations to spread operational risks

Regarding PVD product layout, Paragon currently ranks first in the market share of NB anti-EMI shipments. In addition to strengthening its leading position in existing products and technologies, Paragon will continue to invest in the development of non-EMI product technologies in the future, especially focusing on the application of PVD appearance technology in compliance with ESG and environmental protection and carbon reduction, and Paragon will work with its customers to develop new PVD appearance process technologies, and gradually transform its role to equipment development and technical services.

Regarding the product layout of silicon carbide (SiC), Paragon 's reinvested subsidiary, Crystalline Materials, expects to increase the production capacity of silicon carbide (SiC) long-grain and crystal processing and invest in the development of 8-inch product technology in this fiscal year. The new capacity will be compatible with both 6-inch and 8-inch products in the future, in order to respond to the demand of the future growth of the silicon carbide (SiC) market.

In the aspect of research and development, Paragon adheres to the core values of "environmental protection, innovation, and professionalism" and focuses on the development of innovative materials and technological advancement of manufacturing processes, combining material innovation, process design, and the ability of equipment autonomy. Paragon will focus more on the research and development of new technologies in the future. In addition to emphasizing the connection between products and market demands, Paragon will also increase its core competitiveness in the future through the integration of front and back-end manufacturing processes, cross-industry cooperation, and strategic alliances with upstream and downstream industries to establish partnerships, with a view to establishing and demonstrating the long-term value of the enterprise.

Looking to the future, Paragon will take a positive view of its future operations and actively plan for its growth objectives.

In addition to strengthening its leading position in existing products and technologies, Paragon will continue to increase revenue from PVD non-EMI products and silicon carbide (SiC) substrates, which will provide Paragon with growth momentum for its future operations.

Hereby, I represent the Company sincerely appreciate shareholders' long-term support and faith and look forward to keeping to give encouragement.

Chairman: Chen, Tsai-Pu    General Manager: Yu, Hsiu-Ping    Accounting in charge: Liu, Ming-Yi

## Attachment II

Paragon Technologies Co., Ltd.

### Audit Committee's Audit Report

The Company's Board of Directors prepared (1) 2023 consolidated financial statements and individual financial statement was audited by accountants Wong, Po-Jen and Chi, Jui-Chuan of Deloitte, Taiwan and audit report has been offered; and (2) business report and earnings distribution proposal were audited by the audit committee, and determined to be correct and accurate. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report above, for your approval.

Faithfully

2024 Annual Shareholders' Meeting of the Company

Paragon Technologies Co., Ltd.

Convener of the audit committee: Hsu, Jui-Tsan

March 13, 2024

Item	2023 First Private Placement First Phase Issuance date: August 28, 2023
Private Placement Securities type	Common stocks
Approval date and Number of Shareholders' Meeting	Date: June 13, 2023 Number: within 12,000,000 shares
Base and Rationality of Price Setting	<p>(1) For reference price of price setting of subscription for the private placement of common stocks, the simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction or the simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction, and it shall be the higher of the two calculations.</p> <p>(2) Price determination date of first issuing private placement of common stocks is the convenance date of the Board of Directors' meeting on June 26, 2023:</p> <p>(3) The price of the private placement is determined by pricing principle made by a resolution of a shareholders' meeting on June 13, 2023. Pricing date of the private placement is on June 26, 2023, the simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before (a) the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, was separately NT\$ 32.8, NT\$ 31.08, NT\$ 30.30; the simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before (b) the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction was NT\$ 30.36; selecting average closing price of common stocks five business days before (a) was NT\$ 30.30, average closing price of common stocks 30 business days before (b) price determination date was NT\$ 30.36, selecting higher NT\$ 30.36 as reference price. Refer to the Company's business performance, market conditions, etc., and restriction of not freely transfer within three years for private placement of securities specified in Securities Exchange Act, setting NT\$ 25 as the actual price of private placement, not less than 80% of reference price, and within the authorized scope of a resolution of a shareholders' meeting.</p> <p>The Company distributed a cash dividend of NT\$0.50 per share, with the ex-dividend transaction date and ex-dividend basis date on June 30, 2023 and July 8, 2023, respectively. The above average price was calculated as the simple arithmetic average of the closing price of common shares, less the share price after deducting the gratuitous dividend.</p>
Specific Person Selecting Method	<ol style="list-style-type: none"> <li>1. The objectives of the Private Placement are limited to those specified in Article 43-6 of the Securities and Exchange Act, and must be strategic investors, with priority given to those that can generate benefits for the Company's long-term development and competitiveness, as well as for the equity of existing shareholders.</li> <li>2. The purpose, necessity, and expected benefits of selecting a strategic investor are based on the need for the Company's operation and development, and the intention to use the strategic investor to directly or indirectly assist the Company in its financial, business, production, technology, procurement, management, and strategic development, in order to strengthen the Company's competitiveness and to enhance its operational efficiency and long-term development, which will positively benefit shareholders' equity.</li> </ol>
Necessary Reasons of Conducting Private Placement	Considering current capital market conditions and to control timeliness and feasibility of capital placement for favor acquirement of needed capital within the shortest period to achieve the purpose of introducing strategic investor, and regulations of limited transfer for private placement of stocks are more assured the long-term cooperation relationship between the Company and strategic investor.

Price Payment Complete Date	July 10, 2023				
Applicant Information	Private placement object	Qualification	Number of subscription	Relationship with the Company	Participation in the Company's operation
	Su, Chen -Han	Conform to Article 43-6, subparagraph 2	1,800,000	None	None
	Huang, Chang-Hua	Conform to Article 43-6, subparagraph 2	500,000	None	None
Actual Price of Subscription	NT\$ 25.-				
Difference of Actual Price of Subscription and Reference Price	Setting of private placements of common stocks NT\$ 25 was the price of the actual private placement, around 90% of reference price NT\$ 30.36, and conforms to the requirement on the price not less than 80% of reference price.				
Influence of Conducting Private Placement for Shareholders' Equity	The proceeds from the private placement of common stock will be used to supplement operating capital to meet the Company's long-term development needs, with the expected benefits of enhancing the Company's operational competitiveness, strengthening its overall financial structure and improving its operational efficiency, which will benefit shareholders' equity.				
Utilization Situation of Private Placement and Plan Implementation Progress	The proceeds from the private placement of common stock will be used to supplement operating capital for the Company's long-term development needs and will be fully utilized in the third quarter of 2023 in accordance with the plan.				
Private Placement Benefit Appearance Situation	Enhancing the Company's operational competitiveness, strengthening the overall financial structure and improving operational efficiency will be beneficial to the Company's long-term development.				

## Attachment IV

Paragon Technologies Co., Ltd.  
 ENDORSEMENTS AND GUARANTEES FOR OTHERS  
 January 1 to December 31, 2023

(In Thousands of New Taiwan Dollars,  
 Unless Specified Otherwise)

Number(No te 1)	Company name of making endorsements/guarant ees	Endorsee/guarantee objective		Guarantee limit for endorsement of a single enterprise (Note 2)	The maximum endorsement guarantee balance in the current period	Balance of endorsement guarantee at the end of the period	Actual expenditure amount	Using property to guarantee Amount of endorsements/guarant ees	Accumulated number of endorsements/guarant ees, accounted for rate of net worth in financial statement of the most current year (%)	The highest amount of endorsements/guarantees(N ote 3)	Parent company makes endorsements/guarant ees for the subsidiary	The subsidiary makes endorsements/guarant ees for parent company	Making endorsements/guarant ees for China region	Remar k
		Company's name	Relationship(No te 2)											
0	Paragon Technologies Co., Ltd.	MACRO SIGHT INTERNATIO NAL CO., LTD.	(2)	\$ 705,701	\$ 189,100, USD 5,100, EUR1,250	\$ 125,400	\$ -	\$ -	8.92%	\$ 705,701	Y	N	N	
0	Paragon Technologies Co., Ltd.	Paragon (Neijiang) Photoelectric Technology Co., Ltd.	(2)	705,701	22,000, RMB 5,000	RMB -	RMB -	RMB -	-	705,701	Y	N	Y	
2	Paragon (Neijiang) Photoelectric Technology Co., Ltd.	Po Ting (Suzhou) Photoelectric Technology Co., Ltd.	(4)	274,868, RMB 62,357	90,000, RMB 20,000	RMB -	RMB -	RMB -	-	274,868 RMB 62,357	N	N	Y	

Note 1 : Explanation of number column is as follows:

- (1) Issuer entered in 0.
- (2) Invested company started to be number in order from 1 in accordance with companies.

Note 2 : Relationship between company of making endorsements/guarantees and endorsee/guarantee objective has seven types below, mark category only:

- (1) Companies of business transaction.
- (2) Companies directly and indirectly hold shares represent more than 50% shares of voting rights.
- (3) Companies directly and indirectly hold shares represent more than 50% shares of voting rights for the Company.
- (4) Inter-companies directly and indirectly hold shares represent more than 90% shares of voting rights.
- (5) Based on contract project needs, among same industry or mutual insured companies in accordance with contract regulations among mutual applicants.
- (6) As mutual investment relationship, all investing shareholders make endorsements/guarantees for the Company in accordance with shareholding ratio.
- (7) Performance guarantee joint guarantee among same industry in accordance with Consumer Protection Act.

Note 3 : The total amount of the Company making endorsements/guarantees shall not exceed 50% of net worth of the current year. Accumulated amount of making endorsements/guarantees for single enterprise shall not exceed 20% of net worth of the current year as limit. As business relationship, making endorsements/guarantees shall not exceed total amount of transaction with the Company last year (higher purchase or sales amount between two parties).



## 2023 Directors' Remuneration Receiving Situation

Unit: NTD\$ thousand; thousand shares

Title	Name	Directors' Remuneration								Proportion of total amount of four items: A, B, C and D, and net profit after tax		Salary received by part-time employees								Proportion of total amount of seven items: A, B, C, D, E, F and G, and net profit after tax		If receiving remuneration of reinvestment enterprise or parent company besides the subsidiary
		Remuneration (A)		retirement pension (B)		Directors' remuneration(C)		Business execution expenses(D)				Salary, bonus and special allowance, etc. (E)		Retirement pension (F)		Employees' remuneration (G)						
		The Company	All companies in financial statement	The Company	All companies in financial statement	The Company	All companies in financial statement	The Company	All companies in financial statement			The Company	All companies in financial statement	The Company	All companies in financial statement	The Company	All companies in financial statement	The Company				
										Cash amount	Stock amount							Cash amount	Stock amount			
Chairman	Chen, Tsai-Pu	0	0	0	0	0	0	42	42	42	42	4,137	5,705	0	0	0	0	0	0	4,179	5,747	
General Manager	Wang, Hsiao-Lung	0	0	0	0	104	104	0	0	0	0	200	785	0	0	0	0	0	0	200	785	
Director	Lin, Chi-Yang	0	0	0	0	0	0	0	0	42	42	0	0	0	0	0	0	0	0	42	42	
Director	Chen, Wen-Te	0	0	0	0	104	104	42	42	36	36	0	0	0	0	0	0	0	0	36	36	
Director	Kao, Wen-Hsiang	0	0	0	0	0	0	42	42	30	30	0	0	0	0	0	0	0	0	30	30	
Director	Wang, Le-Chun	0	0	0	0	104	104	42	42	36	36	0	0	0	0	0	0	0	0	36	36	
Independent director	Hsu, Jui-Tsan	0	0	0	0	0	0	36	36	522	522	0	0	0	0	0	0	0	0	522	522	
Independent director	Su, Tsung-Min	480	480	0	0	104	104	48	48	522	522	0	0	0	0	0	0	0	0	522	522	
Independent director	Liu, Yi-Chen	0	0	0	0	0	0	30	30	510	510	0	0	0	0	0	0	0	0	510	510	

1. Please describe independent directors' remuneration payment policy, system, standard and structure, and according to factors, like duties, risk, investing time, etc., and relevance between description and amount of remuneration payment: the Company's independent directors all serve as members of audit committee and remuneration committee, they receive fix directors' remuneration, in addition, allotting of worthy to participate in directors' remuneration in accordance with participation of the Company's operation and contributed value.

2. Except exposure in the statement above, remuneration received by the Company's directors provide services in the most recent year (if serve as consultant of non-employees in parent company/all companies in financial statements/reinvestment enterprise): none.

## Attachment VI

### Independent Auditors' Report

Paragon Technologies Co., Ltd.

#### Opinion

We have audited the accompanying consolidated financial statements of Paragon Technologies Co., Ltd. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

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

#### Key Audit Matters

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

Key audit matter for the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023 is stated as follows:

## Shipping Authenticity of Revenues for Some Specific Clients

### Explanation of Key Audit Matters

The Company and its subsidiaries are mainly engaged in manufacturing EMI, Optoelectronic, and optical film, and research, development, manufacturing, processing and trading of machinery and equipment, and components. The 2023 recognition of operating revenue is NTD \$382,573 thousand. Based on the importance and Bulletin of Standards on Auditing, the sales recognition is the significant risk. Therefore, we believe the occurrence of sales revenue of the Company and its subsidiaries for some specific clients has a significant impact on the consolidated financial statements. Thus, the shipping authenticity for revenues of some specific clients is listed as the key audit matters this year. Refer to Note 4 (15 and 25) for the explanation of sales recognition policies.

We performed the following main audit procedures:

1. Understand and test the design and implementation of internal controls related to the sales recognition of some specific clients.
2. Sample the revenue details from the above specific clients, review the supporting documentation and test the receipts to confirm that sales transactions have actually occurred.
3. Examine whether significant sales returns and allowances have occurred after the balance sheet date to confirm whether revenues from some specific clients are materially misstated.

### **Other Matter**

We have also audited the individual financial statements of Paragon Technologies Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company and its subsidiaries' financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists in the consolidated financial statements. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

\*These consolidated financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

Deloitte & Toche

Accountant Roy Weng

Accountant Ruske Ho

Approval No. of Financial Supervision  
Commission

No. Financial-Supervisory-Securities-  
Auditing-1010028123

Approval No. Approval No. of Securities and  
Futures Commission

No. Taiwan-Finance-Securities-VI-  
0930128050

March 22, 2024

Paragon Technologies Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Codes	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4, 6 and 36)	\$ 800,566	51	\$ 885,863	50
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 36)	-	-	212,658	12
1136	Financial assets at amortized cost - current (Notes 4, 8, 9,36 and 38)	57,544	4	-	-
1170	Accounts receivable (Notes 4, 10, 25 and 36)	279,231	18	268,220	15
1200	Other receivables (Notes 4, 10 and 36)	846	-	2,458	-
1220	Current tax assets (Notes 4 and 27)	1,460	-	129	-
130X	Inventories (Notes 4 and 11)	22,295	2	4,521	-
1429	Prepayments (Note 18)	20,010	1	13,327	1
1470	Other current assets (Note 18)	2,266	-	2,991	-
11XX	Total current assets	<u>1,184,218</u>	<u>76</u>	<u>1,390,167</u>	<u>78</u>
	<b>Non-current assets</b>				
1550	Investments accounted for using equity method (Notes 4 and 13)	-	-	-	-
1600	Property, plant and equipment (Notes 4, 14 and 39)	257,501	16	207,695	12
1755	Right-of-use assets (Notes 4 and 15)	56,774	4	79,697	5
1805	Goodwill (Notes 4, 16 and 32)	9,051	1	9,051	1
1821	Intangible assets (Notes 4 and 17)	48	-	231	-
1840	Deferred tax assets (Notes 4 and 27)	43,499	3	56,502	3
1915	Prepayment for equipment (Note 18)	-	-	25,303	1
1920	Refundable deposits (Notes 18 and 36)	4,565	-	5,588	-
1990	Other noncurrent assets (Notes 4, 18 and 23)	5,635	-	5,007	-
15XX	Total non-current assets	<u>377,073</u>	<u>24</u>	<u>389,074</u>	<u>22</u>
1XXX	Total	<u>\$ 1,561,291</u>	<u>100</u>	<u>\$ 1,779,241</u>	<u>100</u>
	<b>Liabilities and equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (Notes 4, 19, 36 and 38)	\$ 190,000	12	\$ 70,000	4
2170	Accounts payable (Notes 2 and 36)	8,578	1	4,511	-
2200	Other Payables (Notes 21 and 36)	72,461	5	117,739	7
2230	Current tax liabilities (Notes 4 and 27)	7,288	-	13,628	1
2250	Current provisions (Notes 4 and 22)	2,213	-	3,006	-
2280	Current lease liabilities (Notes 4, 15, 34 and 36)	14,573	1	15,721	1
2320	Current portion of long-term loans payable (Notes 19, 36 and 38)	4,066	-	3,978	-
2399	Other current liabilities (Note 21)	422	-	628	-
21XX	Total current liabilities	<u>299,601</u>	<u>19</u>	<u>229,211</u>	<u>13</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (Notes 19, 36 and 38)	4,518	-	8,575	-
2550	Non-current provisions (Notes 4 and 22)	728	-	846	-
2570	Deferred tax liabilities (Notes 4 and 27)	201	-	188	-
2580	Non-current lease liabilities (Notes 4, 15, 34 and 36)	26,486	2	46,878	3
2630	Long-term deferred revenue (Notes 21 and 31)	3,972	-	4,176	-
2670	Other non-current liabilities (Notes 21 and 36)	-	-	88	-
25XX	Total non-current liabilities	<u>35,905</u>	<u>2</u>	<u>60,751</u>	<u>3</u>
2XXX	Total liabilities	<u>335,506</u>	<u>21</u>	<u>289,962</u>	<u>16</u>
	<b>Equity attributable to owners of the Company (Notes 4, 12, 24, 29, 30 ,32 and 33)</b>				
	<b>Capital stock</b>				
3110	Common stock	840,422	54	807,422	45
3200	Capital reserve	697,863	45	673,820	38
	<b>Retained earnings</b>				
3310	Legal reserve	6,913	1	4,129	-
3320	Special reserve	62,223	4	37,169	2
3350	Unappropriated earnings (accumulated deficit)	( 201,431)	( 13)	27,838	2
3300	Total retained earnings	( 132,295)	( 8)	69,136	4
3400	Other interests	( 180,205)	( 12)	( 138,976)	( 8)
31XX	Total equity attributable to owners of the Company	<u>1,225,785</u>	<u>79</u>	<u>1,411,402</u>	<u>79</u>
36XX	Non-controlling interests	-	-	77,877	5
3XXX	Total equity	<u>1,225,785</u>	<u>79</u>	<u>1,489,279</u>	<u>84</u>
	<b>Total liabilities and equity</b>	<u>\$ 1,561,291</u>	<u>100</u>	<u>\$ 1,779,241</u>	<u>100</u>

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

From January 1 to December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) per share)

Codes		2023		2022	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4, 25 and 43)	\$ 382,573	100	\$ 457,220	100
5000	Operating costs (Notes 4,11, 17 and 26)	( 280,415 )	( 73 )	( 343,880 )	( 75 )
5950	Operating margin	<u>102,158</u>	<u>27</u>	<u>113,340</u>	<u>25</u>
	Operating expenses (Notes 10, 17, 23, 26 and 30)				
6100	Sales and marketing expenses	( 19,820 )	( 5 )	( 19,603 )	( 4 )
6200	General & administrative expenses	( 115,254 )	( 30 )	( 109,971 )	( 24 )
6300	Research and development expenses	( 29,683 )	( 8 )	( 32,402 )	( 7 )
6450	Expected credit impairment benefit (loss)	<u>6,024</u>	<u>1</u>	( <u>2,646</u> )	( <u>1</u> )
6000	Total operating expenses	( <u>158,733</u> )	( <u>42</u> )	( <u>164,622</u> )	( <u>36</u> )
6900	Net operating income (loss)	( <u>56,575</u> )	( <u>15</u> )	( <u>51,282</u> )	( <u>11</u> )
	Non-operating income and expenses (Notes 13, 14, 15, 26,29 and 31)				
7100	Interest income	10,184	2	6,565	1
7010	Other income	56,334	15	10,653	2
7020	Other gains and losses	6,910	2	97,686	21
7050	Finance costs	( 4,685 )	( 1 )	( 6,254 )	( 1 )
7060	Share of profit of associates and joint ventures, accounted for using equity method	<u>-</u>	<u>-</u>	( <u>238</u> )	<u>-</u>
7000	Total non-operating income and expenses	<u>68,743</u>	<u>18</u>	<u>108,412</u>	<u>23</u>
7900	Income from continuing operations before income tax	12,168	3	57,130	12
7950	Total income tax expense (Notes 4 and 27)	( <u>62,083</u> )	( <u>16</u> )	( <u>32,909</u> )	( <u>7</u> )
8200	Net income (loss) for the period	( <u>49,915</u> )	( <u>13</u> )	<u>24,221</u>	<u>5</u>

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Codes		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Not reclassified to profit or loss				
8311	Measure on defined benefit plans (Notes 4 and 23)	\$ 614	-	\$ 2,233	1
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 24)	-	-	1,000	-
8349	Income tax expense related to items that will not be reclassified subsequently (Notes 4 and 27)	( 123 )	-	( 447 )	-
	Subtotal	<u>491</u>	<u>-</u>	<u>2,786</u>	<u>1</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences resulting from translating the financial statements of foreign operations (Notes 4 and 24)	( 22,323 )	( 6 )	22,747	5
8399	Income tax related to items that may be reclassified subsequently (Notes 4, 24 and 27)	<u>4,338</u>	<u>1</u>	( <u>4,423</u> )	( <u>1</u> )
	Subtotal	( <u>17,985</u> )	( <u>5</u> )	<u>18,324</u>	<u>4</u>
8300	Other comprehensive income (net of income tax)	( <u>17,494</u> )	( <u>5</u> )	<u>21,110</u>	<u>5</u>
8500	Total comprehensive income	( <u>\$ 67,409</u> )	( <u>18</u> )	<u>\$ 45,331</u>	<u>10</u>
	Net income(loss) attributable to:				
8610	Owner of the Company	( \$ 48,409 )	( 13 )	\$ 25,052	5
8620	Non-controlling interests	( 1,506 )	-	( 831 )	-
8600		( <u>\$ 49,915</u> )	( <u>13</u> )	<u>\$ 24,221</u>	<u>5</u>
	Total comprehensive income(loss) attributable to:				
8710	Owner of the Company	( \$ 65,271 )	( 17 )	\$ 45,530	10
8720	Non-controlling interests	( <u>2,138</u> )	( <u>1</u> )	( <u>199</u> )	-
8700		( <u>\$ 67,409</u> )	( <u>18</u> )	<u>\$ 45,331</u>	<u>10</u>
	Earnings (Loss) per share (Note 28) from continuing operations				
9710	Basic	( <u>\$ 0.59</u> )		<u>\$ 0.31</u>	
9810	Diluted	( <u>\$ 0.59</u> )		<u>\$ 0.31</u>	

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi



Paragon Technologies Co., Ltd. and Its Subsidiaries  
Consolidated Statements of Changes in Equity  
From January 1 to December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars  
, Unless Otherwise Specified)

Codes		Equity attributable to owners of the Company						Others					Non-controlling interests (Note 24)	Total equity
		Capital Stock		Retained earnings				Foreign currency translation reserve	Unearned Stock-Based Employee Compensation	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	Treasury stock			
		Shares (in thousands)	Capital Stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)							
A1	Balance, January 1, 2022	80,752	\$ 807,522	\$ 759,327	\$ -	\$ -	\$ 41,298	( \$ 156,668 )	\$ -	\$ -	( \$ 34,651 )	\$ -	\$ 1,416,828	
B1	Appropriations of 2021 year's earnings													
	Legal reserve	-	-	-	4,129	-	( 4,129 )	-	-	-	-	-	-	
B3	Special reserve	-	-	-	-	37,169	( 37,169 )	-	-	-	-	-	-	
C15	Capital reserve for cash dividends	-	-	( 79,142 )	-	-	-	-	-	-	-	-	( 79,142 )	
E1	Capital increase	1,600	16,000	12,000	-	-	-	-	-	-	-	-	28,000	
D1	Total profit of 2022	-	-	-	-	-	25,052	-	-	-	-	( 831 )	24,221	
D3	Other comprehensive income of 2022	-	-	-	-	-	1,786	17,692	-	1,000	-	632	21,110	
D5	Total comprehensive income of 2022	-	-	-	-	-	26,838	17,692	-	1,000	-	( 199 )	45,331	
L3	Treasury stocks nullifying	( 1,610 )	( 16,100 )	( 18,551 )	-	-	-	-	-	-	34,651	-	-	
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,000	-	-	( 1,000 )	-	-	-	
M7	Changes in ownership interests in subsidiaries	-	-	186	-	-	-	-	-	-	-	78,076	78,262	
Z1	Balance, December 31, 2022	80,742	807,422	673,820	4,129	37,169	27,838	( 138,976 )	-	-	-	77,877	1,489,279	
B1	Appropriations of 2022 year's earnings													
	Legal reserve	-	-	-	2,784	-	( 2,784 )	-	-	-	-	-	-	
B3	Special reserve	-	-	-	-	25,054	( 25,054 )	-	-	-	-	-	-	
N1	Issuance of new shares with restrictions on employee rights	1,000	10,000	30,100	-	-	-	-	( 30,100 )	-	-	-	10,000	
N1	Share-based payment arrangements	-	-	-	-	-	-	-	6,224	-	-	-	6,224	
C15	Capital reserve for cash dividends	-	-	( 40,371 )	-	-	-	-	-	-	-	-	( 40,371 )	
E1	Capital increase	2,300	23,000	34,500	-	-	-	-	-	-	-	-	57,500	
D1	Total profit of 2023	-	-	-	-	-	( 48,409 )	-	-	-	-	( 1,506 )	( 49,915 )	
D3	Other comprehensive income of 2022	-	-	-	-	-	491	( 17,353 )	-	-	-	( 632 )	( 17,494 )	
D5	Total comprehensive income of 2022	-	-	-	-	-	( 47,918 )	( 17,353 )	-	-	-	( 2,138 )	( 67,409 )	
M5	The difference between the equity price and book value of a subsidiary company acquired or disposed	-	-	( 186 )	-	-	( 153,513 )	-	-	-	-	( 24,501 )	( 178,200 )	
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 51,238 )	( 51,238 )	
Z1	Balance, December 31, 2023	84,042	\$ 840,422	\$ 697,863	\$ 6,913	\$ 62,223	( \$ 201,431 )	( \$ 156,329 )	( \$ 23,876 )	\$ -	\$ -	\$ -	\$ 1,225,785	

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd. and Its Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Codes		2023	2022
	Cash flows from operating activities		
A10000	Income before tax	\$ 12,168	\$ 57,130
A20010	Provided by (used in) operating activities		
A20300	Expected credit (reversal of profit) loss	( 6,024 )	2,646
A20100	Depreciation	58,733	58,452
A20200	Amortization	851	1,035
A20900	Finance costs	4,685	6,254
A20400	Net gain on financial assets or liabilities at fair value through profit or loss	( 11,067 )	( 17,036 )
A21200	Interest income	( 10,184 )	( 6,565 )
A21900	Compensation cost relating to share- based payment	6,224	-
A22300	Share of loss (profit) of associates and joint ventures, accounted for using equity method	-	238
A29900	Provision (reversal) for liability	( 447 )	( 816 )
A22500	Loss (gain) from disposal of fixed assets	10,309	( 85,030 )
A29900	Amortization of realized long-term deferred revenue	( 129 )	( 130 )
A29900	Lease Modification Benefit	( 192 )	-
A23200	Disposed of subsidiary company gain	( 1,260 )	-
A23700	impairment loss and slow-moving on inventories	13,029	-
A23800	Reversal of impairment loss and slow- moving on inventories	-	( 1,738 )
A23700	Impairment loss of property, plant and	-	5,852
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	( 4,753 )	187,918
A31180	Other receivables	1,272	( 442 )
A31200	Inventories	( 30,800 )	1,045
A31230	Prepayments	( 6,683 )	6,041
A31240	Other current assets	725	( 609 )
A32150	Accounts payable	4,067	( 3,143 )
A32180	Other Payables	( 46,746 )	( 43,167 )
A32230	Other current liabilities	( 206 )	225
A32240	Net defined benefit liability	( 14 )	( 260 )
A33000	Cash inflow(outflow) generated from operations	( 6,442 )	167,900
A33100	Interest received	10,524	6,082
A33300	Interest paid	( 2,968 )	( 5,906 )
A33500	Income tax paid	( 52,543 )	( 23,408 )
AAAA	Cash inflows (outflow) from operating activities	( 51,429 )	144,668

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Codes		2023	2022
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	\$ -	( \$ 5,000 )
B00100	Purchase of financial assets at fair value through profit or loss	( 1,523,103 )	( 1,787,444 )
B00200	Sale of financial assets at fair value through profit or loss	1,753,821	1,783,904
B00040	Purchase of financial assets at amortized cost	( 57,544 )	-
B02200	Net cash outflow for obtaining subsidiaries (Note 29)	-	( 39,277 )
B02300	Disposed subsidiary company	( 49,978 )	-
B02600	Proceeds from disposal of right-of-use assets	-	13,658
B02700	Acquisitions of property, plant and equipment	( 69,782 )	( 19,200 )
B02800	Disposal of property, plant and equipment	1,995	157,629
B03800	Refundable deposits refunded	1,023	97,916
B04500	Acquisition of intangible assets	( 661 )	( 626 )
B07100	Increase in prepayment for equipment	-	( 24,690 )
BBBB	Net cash inflows from investing activities	<u>55,771</u>	<u>176,870</u>
	Cash flows from financing activities		
C00200	Decrease in short-term loans	-	( 10,000 )
C00100	Increase in short-term loans	120,000	-
C01700	Repayments of long-term loans	( 3,969 )	( 159,231 )
C03100	Decrease in guarantee deposit received	( 88 )	-
C04020	Payments of lease liabilities	( 16,889 )	( 17,238 )
C04500	Cash dividends	( 40,371 )	( 79,142 )
C04600	Proceeds from issuing shares	57,500	28,000
C04800	Issuance of new shares with restrictions on employee rights	10,000	-
C05400	Obtain equity in subsidiary	( 178,200 )	-
C05800	Changes in non-controlling interests	-	<u>66,720</u>
CCCC	Net cash outflows from financing activities	<u>( 52,017 )</u>	<u>( 170,891 )</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>( 37,622 )</u>	<u>12,558</u>
EEEE	Increase(decrease) in cash and cash equivalents	( 85,297 )	163,205
E00100	Cash and cash equivalents at beginning of year	<u>885,863</u>	<u>722,658</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 800,566</u>	<u>\$ 885,863</u>

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi

## **Independent Auditors' Report**

Paragon Technologies Co., Ltd.

### **Opinion**

We have audited the accompanying financial statements of Paragon Technologies Co., Ltd. (the "Company"), which comprise the individual balance sheets as of December 31, 2023 and 2022, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

Key audit matter for the individual financial statements of the Company for the year ended December 31, 2023 is stated as follows:

Key audit matters of financial statements of the subsidiaries, accounted for using equity method  
Explanation of Key Audit Matters

As of December 31, 2023, the amount of investment in subsidiaries, accounted for using equity method, was \$1,190,378 thousand which is 82% of the total assets. Since the amount is significant relative to the overall financial statements, if the investee's financial statements do not properly reflect the results of operations or do not correctly calculate the investment profit or loss for the year, the investment profit or loss and the amount of investment, accounted for using equity method, will be incorrect.

Therefore, the key audit matters of financial statements of the subsidiaries, accounted for using equity method, are the key audit matters for individual financial statements of the Company. Refer to Notes 4 (7) and 9 for the individual financial statements.

The subsidiaries of the Company are mainly engaged in manufacturing EMI, Optoelectronic, and optical film, and research, development, manufacturing, processing and trading of machinery and equipment, and components. Based on the importance and Bulletin of Standards on Auditing, the sales recognition is the significant risk. Therefore, we believe the occurrence of sales revenue of the subsidiaries for some specific clients has a significant impact on the individual financial statements. Thus, the shipping authenticity for revenues of some specific clients is listed as the key audit matters this year. Refer to Note 4 (15) and 25 in the Company's 2023 consolidated financial statements for the explanation of sales recognition policies.

We have obtained and understood the Company's control over the operations and financial results of its subsidiaries, and performed the following main audit procedures for the key audit matters in planning the financial statements audit of important subsidiaries:

1. Understand and test the design and implementation of internal controls related to the sales recognition of some specific clients.
2. Sample the revenue details from the above specific clients, review the supporting documentation and test the receipts to confirm that sales transactions have actually occurred.
3. Examine whether significant sales returns and allowances have occurred after the balance sheet date to confirm whether revenues from some specific clients are materially misstated.

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

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

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, matters related to 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 members of 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists in

the individual financial statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the Company for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

\*These consolidated financial statements are translated from the traditional Chinese version and are unaudited by a CPA.

Deloitte & Toche

Accountant Roy Weng

Accountant Ruske Ho

Approval No. of Financial Supervision  
Commission

No. Financial-Supervisory-Securities-  
Auditing-1010028123

Approval No. Approval No. of Securities and  
Futures Commission

No. Taiwan-Finance-Securities-VI-  
0930128050

March 22, 2024

Paragon Technologies Co., Ltd.  
Individual Balance Sheets  
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Codes	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4, 6 and 27)	\$ 113,305	8	\$ 79,716	5
1170	Accounts receivable (Notes 4, 7, 20 and 27)	277	-	536	-
1210	Other receivables - related parties (Notes 4, 7, 27 and 28)	68,791	5	36,030	2
1200	Other receivables (Notes 4, 7 and 27)	115	-	21	-
1220	Current tax assets (Notes 4 and 22)	1,405	-	129	-
1410	Prepayments (Note 13)	8,658	-	6,471	1
1470	Other current assets (Note 13)	166	-	149	-
11XX	Total current assets	<u>192,717</u>	<u>13</u>	<u>123,052</u>	<u>8</u>
	<b>Non-current assets</b>				
1550	Investments accounted for using equity method (Notes 4, 9, 24 and 28)	1,190,378	82	1,319,312	85
1600	Property, plant and equipment (Notes 4, 10, 21 and 28)	9,112	1	23,112	2
1755	Right-of-use assets (Notes 4 and 11)	14,116	1	25,715	2
1780	Intangible assets (Notes 4 and 12)	353	-	418	-
1840	Deferred tax assets (Notes 4 and 22)	41,614	3	51,279	3
1920	Refundable deposits (Notes 13 and 27)	3,826	-	4,002	-
1990	Other non-current assets (Notes 4, 13 and 18)	5,635	-	5,007	-
15XX	Total non-current assets	<u>1,265,034</u>	<u>87</u>	<u>1,428,845</u>	<u>92</u>
1XXX	Total	<u>\$ 1,457,751</u>	<u>100</u>	<u>\$ 1,551,897</u>	<u>100</u>
	<b>Liabilities and equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (Notes 14, 25 and 27)	\$ 180,000	13	\$ 70,000	5
2170	Accounts payable (Notes 15 and 27)	276	-	276	-
2219	Other Payables (Notes 16 and 27)	22,700	2	30,502	2
2230	Current tax liabilities (Notes 4 and 22)	5,052	-	-	-
2280	Current lease liabilities (Notes 4, 11, 25 and 27)	4,865	-	6,075	-
2320	Current portion of long-term loans payable (Notes 14, 25 and 27)	4,066	-	3,978	-
2399	Other current liabilities (Note 16)	321	-	412	-
21XX	Total current liabilities	<u>217,280</u>	<u>15</u>	<u>111,243</u>	<u>7</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (Notes 14, 25 and 27)	4,518	-	8,575	1
2550	Non-current provisions (Notes 4 and 17)	728	-	764	-
2570	Deferred tax liabilities (Notes 4 and 22)	-	-	188-	-
2580	Non-current lease liabilities (Notes 4, 11 and 27)	9,440	1	19,725	1
25XX	Total non-current liabilities	<u>14,686</u>	<u>1</u>	<u>29,252</u>	<u>2</u>
2XXX	Total liabilities	<u>231,966</u>	<u>16</u>	<u>140,495</u>	<u>9</u>
	<b>Equities (Notes 4, 9, 18, 19, 22 and 24)</b>				
	<b>Capital stock</b>				
3110	Common stock	<u>840,422</u>	<u>58</u>	<u>807,422</u>	<u>52</u>
3200	Capital reserve	<u>697,863</u>	<u>48</u>	<u>673,820</u>	<u>43</u>
	<b>Retained earnings</b>				
3310	Legal reserve	6,913	1	4,129	-
3320	Special reserve	62,223	4	37,169	3
3350	Unappropriated earnings (accumulated deficit)	(201,431)	(14)	27,838	2
3300	Total retained earnings	<u>(132,295)</u>	<u>(9)</u>	<u>69,136</u>	<u>5</u>
3400	Other interests	(180,205)	(13)	(138,976)	(9)
3XXX	Total equity	<u>1,225,785</u>	<u>84</u>	<u>1,411,402</u>	<u>91</u>
	<b>Total liabilities and equity</b>	<u>\$1,457,751</u>	<u>100</u>	<u>\$ 1,551,897</u>	<u>100</u>

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi



Paragon Technologies Co., Ltd.  
Individual Statements of Comprehensive Income  
From January 1 to December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars  
, Except earnings (Loss) per share)

Codes		2023		2022	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4 and 20)	\$ 1,939	100	\$ 1,791	100
5000	Operating costs (Notes 4, 8 and 21)	( 8,834 )	( 456 )	( 8,679 )	( 484 )
5900	Operating loss	( 6,895 )	( 356 )	( 6,888 )	( 384 )
5920	Realized profits of subsidiaries, associates and joint ventures (Notes 4 and 28)	<u>69,122</u>	<u>3,565</u>	<u>21,510</u>	<u>1,201</u>
5950	Realized operating margin	<u>62,227</u>	<u>3,209</u>	<u>14,622</u>	<u>817</u>
	Operating expenses (Notes 18, 21 and 28)				
6100	Sales and marketing expenses	-	-	-	-
6200	General and administrative expenses	( 44,770 )	( 2,309 )	( 43,370 )	( 2,422 )
6300	Research and development expenses	( 26,139 )	( 1,348 )	( 31,810 )	( 1,776 )
6000	Total operating expenses	( <u>70,909</u> )	( <u>3,657</u> )	( <u>75,180</u> )	( <u>4,198</u> )
6900	Net operating loss	( <u>8,682</u> )	( <u>488</u> )	( <u>60,558</u> )	( <u>3,381</u> )
	Non-operating income and expenses (Notes 9, 21 and 28)				
7100	Interest income	2,160	111	591	33
7010	Other income	19,489	1,005	30,283	1,691
7020	Other gains and losses	( 8,384 )	( 432 )	4,003	223
7050	Finance costs	( 3,535 )	( 182 )	( 2,406 )	( 134 )
7070	Share of profits and losses of subsidiaries, associates and joint ventures, accounted for using equity method	( <u>3,026</u> )	( <u>156</u> )	<u>70,165</u>	<u>3,918</u>
7000	Total non-operating income and expenses	<u>6,704</u>	<u>346</u>	<u>102,636</u>	<u>5,731</u>

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Codes		2023		2022	
		Amount	%	Amount	%
7900	Income (loss) from continuing operations before income tax	(\$ 1,978 )	(\$ 102)	\$ 42,078	2,350
7950	Total income tax expense (Notes 4 and 22)	( 46,431 )	( 2,394 )	( 17,026 )	( 951 )
8200	Net income (loss) for the period	<u>(\$ 48,409 )</u>	<u>( 2,496 )</u>	<u>25,052</u>	<u>1,399</u>
	Other comprehensive income (Notes 4, 18, 19 and 22)				
	Not reclassified to profit or loss:				
8311	Measure on defined benefit plans	0	32	2,233	124
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Applicable for IFRS9)	-	-	1,000	56-
8349	Income tax expense related to items that will not be reclassified subsequently	( 123 )	( 7 )	( 447 )	( 25 )
8310		<u>491</u>	<u>25</u>	<u>2,786</u>	<u>155</u>
	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive profits and losses of subsidiaries, associates and joint ventures, accounted for using equity method	( 21,691 )	( 1,119 )	22,115	1,235
8399	Income tax related to items that may be reclassified subsequently	4,338	224	( 4,423 )	( 247 )
8360		<u>( 17,353 )</u>	<u>( 895 )</u>	<u>17,692</u>	<u>988</u>
8300	Other comprehensive income for the period (net of income tax)	( 16,862 )	( 870 )	20,478	1,143
8500	Total comprehensive income	<u>(\$ 65,271 )</u>	<u>( 3,366 )</u>	<u>\$ 45,530</u>	<u>2,542</u>
	Earnings (loss) per share (Note 23) from continuing operations				
9710	Basic	<u>(\$ 0.59)</u>		<u>\$ 0.31</u>	
9810	Diluted	<u>(\$ 0.59)</u>		<u>\$ 0.31</u>	

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd.  
Individual Statements of Changes in Equity  
From January 1 to December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars  
, Unless Otherwise Specified)

Codes		Capital Stock		Retained earnings			Others					
		Shares (in thousands)	Capital Stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Foreign currency translation reserve	Unearned Stock-Based Employee Compensation	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	Treasury stock	Total equity
A1	Balance, January 1, 2022	80,752	\$ 807,522	\$ 759,327	\$ -	\$ -	\$ 41,298	( \$ 156,668 )	\$ -	\$ -	( \$ 34,651 )	\$ 1,416,828
B1	Appropriations of 2021 year's earnings											
	Legal reserve	-	-	-	4,129	-	( 4,129 )	-	-	-	-	-
B3	Special reserve	-	-	-	-	37,169	( 37,169 )	-	-	-	-	-
C15	Capital reserve for cash dividends	-	-	( 79,142 )	-	-	-	-	-	-	-	( 79,142 )
E1	Capital increase	1,600	16,000	12,000	-	-	-	-	-	-	-	28,000
D1	Total profit of 2022	-	-	-	-	-	25,052	-	-	-	-	25,052
D3	Other comprehensive income of 2022	-	-	-	-	-	1,786	17,692	-	1,000	-	20,478
D5	Total comprehensive income of 2022	-	-	-	-	-	26,838	17,692	-	1,000	-	45,530
L3	Treasury stocks nullifying	( 1,610 )	( 16,100 )	( 18,551 )	-	-	-	-	-	-	34,651	-
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,000	-	-	( 1,000 )	-	-
M7	Changes in ownership interests in subsidiaries	-	-	186	-	-	-	-	-	-	-	186
Z1	Balance, December 31, 2022	80,742	807,422	673,820	4,129	37,169	27,838	( 138,976 )	-	-	-	1,411,402
B1	Appropriations of 2022 year's earnings											
	Legal reserve	-	-	-	2,784	-	( 2,784 )	-	-	-	-	-
B3	Special reserve	-	-	-	-	25,054	( 25,054 )	-	-	-	-	-
N1	Issuance of new shares with restrictions on employee rights	1,000	10,000	30,100	-	-	-	-	( 30,100 )	-	-	10,000
N1	Share-based payment arrangements	-	-	-	-	-	-	-	6,224	-	-	6,224
C15	Capital reserve for cash dividends	-	-	( 40,371 )	-	-	-	-	-	-	-	( 40,371 )
E1	Capital increase	2,300	23,000	34,500	-	-	-	-	-	-	-	57,500
D1	Total profit of 2023	-	-	-	-	-	( 48,409 )	-	-	-	-	( 48,409 )
D3	Other comprehensive income of 2022	-	-	-	-	-	491	( 17,353 )	-	-	-	( 16,862 )
D5	Total comprehensive income of 2022	-	-	-	-	-	( 47,918 )	( 17,353 )	-	-	-	( 65,271 )
M5	The difference between the equity price and book value of a subsidiary company acquired or disposed	-	-	( 186 )	-	-	( 153,513 )	-	-	-	-	( 153,699 )
Z1	Balance, December 31, 2023	84,042	\$ 840,422	\$ 697,863	\$ 6,913	\$ 62,223	( \$ 201,431 )	( \$ 156,329 )	( \$ 23,876 )	\$ -	\$ -	\$ 1,225,785

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi

Paragon Technologies Co., Ltd.  
Individual Statements of Cash Flows  
From January 1 to December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars)

Codes		2023	2022
	Cash flows from operating activities		
A10000	Income before tax	(\$ 1,978)	\$ 42,078
A20010	Provided by (used in) operating activities		
A20100	Depreciation expense	11,163	15,697
A20200	Amortization expense	598	808
A20900	Finance costs	3,535	2,406
A21900	Share-based compensation	2,489	-
A22400	Share of profits of subsidiaries, associates and joint ventures, accounted for using equity method	3,026	( 70,165)
A22500	Gain on disposal or retirement of property, plant and equipment	6,692	( 1,082)
A21200	Interest income from bank deposits	( 2,160)	( 591)
A23100	Disposal of investment interests	( 1,260)	-
A24000	Realized sales benefits of subsidiaries, associates and joint ventures	( 69,122)	( 21,510)
A29900	Lease Modification Benefit	( 192)	-
A30000	Changes in operating assets and liabilities		
A31150	Trade receivables	259	117
A31190	Other receivables - related parties	( 19,472)	26,064
A31230	Prepayments	( 2,187)	188
A31240	Other current assets	( 17)	10
A32180	Other Payables	( 7,915)	( 5,020)
A32200	Provision for liability	( 36)	( 83)
A32230	Other current liabilities	( 91)	72
A32240	Non-current liability – Net defined benefit liability	( 14)	( 260)
A33000	Cash outflow generated from operations	( 76,682)	( 11,271)
A33100	Interest received	1,018	592
A33300	Interest paid	( 2,954)	( 2,197)
A33500	Income tax paid	( 28,963)	( 10,618)
AAAA	Net cash flows from operating activities	( 107,581)	( 23,494)

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Codes		2023	2022
	Cash flows from investing activities		
B00100	Purchase of financial assets at fair value through profit or loss	\$-	(\$ 5,000)
B02200	Net cash outflow for obtaining subsidiaries	-	( 122,922)
B02300	Net cash inflow for obtaining subsidiaries	54,589	-
B07600	Dividends received from subsidiaries, associates and joint ventures	216,005	222,762
B02700	Acquisitions of property, plant and equipment	( 266)	( 1,345)
B02800	Disposal of property, plant and equipment	2,441	1,082
B03800	Refundable deposits refunded	176	1,120
B04500	Acquisition of intangible assets	( 533)	( 626)
BBBB	Net cash inflows from investing activities	<u>272,412</u>	<u>95,071</u>
	Cash flows from financing activities		
C00100	Increase in short-term loans	110,000	-
C00200	Decrease in short-term loans	-	( 10,000)
C01700	Repayments of long-term loans	( 3,969)	( 3,906)
C04020	Payments of lease liabilities	( 6,202)	( 7,274)
C04500	Cash dividends	( 40,371)	( 79,142)
C04600	Capital increase	57,500	28,000
C04800	Issuance of new shares with restrictions on employee rights	10,000	-
C05400	Obtain equity in subsidiary	( 258,200)	-
CCCC	Net cash outflows from financing activities	<u>( 131,242)</u>	<u>( 72,322)</u>
EEEE	Increase (decrease) in cash and cash equivalents	33,589	( 745)
E00100	Cash and cash equivalents at beginning of period	<u>79,716</u>	<u>80,461</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 113,305</u>	<u>\$ 79,716</u>

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

Chairman: Chen Tsai Pu

Manager: Yu Hsiu-Ping

Accounting Supervisor: Liu Ming Yi

## Attachment VII

# Paragon Technologies Co., Ltd. Articles of Incorporation

### Chapter 1 General Provision

- Article 1 The Company organized in accordance with the Company Act, named “柏騰科技股份有限公司”, and the name in English is “PARAGON TECHNOLOGIES CO., LTD.”
- Article 2 The Company’s operating business is as follow:  
1. CA04010 Surface Treatments  
2. CB01010 Machinery and Equipment Manufacturing  
3. CB01990 Other Machinery Manufacturing  
4. CC01080 Electronic Component Manufacturing  
5. F113010 Wholesale of Machinery  
6. F119010 Wholesale of Electronic Materials  
7. F401010 International Trade  
8. CC01040 Lighting Equipment Manufacturing  
9. ZZ99999 except licensing business, all business items that are not prohibited or restricted by law.
- Article 3 The Company established the head office in Taoyuan City, shall establish branches in domestic and foreign places when it’s necessary.
- Article 4 The Company may reinvest into others when it’s necessary on business, it shall be limited liability shareholder of other company approved by a resolution of Board of Directors’ meeting, and the total amount of investment shall not apply to limit of reinvestment amount specified in Article 13 of the Company Act.
- Article 5 As business or investment, the Company may make endorsements/guarantees for others.
- Article 6 The Company’s announcement methods shall be implemented in accordance with Article 28 of the Company Act.

### Chapter 2 Shares

- Article 7 The Company’s total capital was set as NT\$ 2 billion, separated into 0.2 billion shares, the price per share was NT\$ 10, and unissued shares were issued by authorized Board of Directors at several times.  
NT\$ 0.2 billion in the preceding total capital shall be reserved, separated into 20 million shares, the price per share was NT\$ 10, and it’s reserved to use when stock option certificate exercises stock option, and issued by a resolution of Board of Directors’ meeting at several times.
- Article 7-1 Payment object of the Company’s employee treasury stocks, employee stock option certificate, employees’ remuneration, employees’ new shares of subscription and restricted stock awards, etc. may include employees of subordinate company conforming to certain conditions, and the conditions and allotment method shall be determined by authorized Board of Directors
- Article 8 The Company’s shares are all adopted registered share certificates, affixed respective signatures or personal seals and number of five or more directors, and issued in accordance with the regulations after the bank license of serving as stock issuance license holder. When the Company issued new shares, shall combine to print for the total number of issuances, and the Company may be exempted from printing any share certificate for the shares issued, but shall be registered and custody in Centralized Securities Depository Enterprises. The stock issuance method shall be conducted in accordance with regulations.
- Article 9 The change of roster registration shall not be conducted within 60 days before a regular shareholders’ meeting, within 30 days before a special shareholders’ meeting or within 5 days before the record date of dividends or other benefits distribution decided by the Company, shall be suspended.
- Article 10 The Company’s stock affairs, except as otherwise provided by law and regulation, shall be conducted in accordance with “Regulations Governing the Administration of Shareholder Services of Public Companies” issued by the competent authority.

### Chapter 3 Shareholders’ Meeting

- Article 11 Shareholders’ meeting shall be of two kinds: a regular shareholders’ meeting shall be convened once a year within six months after the end of each fiscal year, and a special shareholders’ meeting shall be convened in accordance with regulations when it’s necessary. The convenance procedure shall be conducted in accordance with the Company Act.  
If a shareholders’ meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairperson, the acting in his/her behalf shall be conducted in accordance with Article 208 of the Company Act. If a shareholders’ meeting convened by a party with the power to convene, the meeting shall be chaired by him/her/it, and if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

- Article 12 When a shareholder is absent for a shareholders' meeting, shall execute a proxy issued by the Company, and authorization scope shall be specified on the proxy, appoints a proxy to attend by signature or seal. Shareholders mandate for attendance method, except Article 177 of the Company Act, shall be conducted in accordance with "Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" issued by the competent authority.
- Article 13 Except the situation of shares without voting rights specified in Article 179, paragraph 2, a shareholder shall have one voting power in respect of each share in his/her/its possession.
- Article 14 A resolution approved by a shareholders' meeting, unless otherwise provided by the Company Act, shall be adopted by a majority of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company. When a shareholders' meeting is held, except as otherwise provided by the Company Act and the Articles of Incorporation, shall be conducted in accordance with the Company's Rules of Procedure for Shareholders' meetings.
- Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, and it shall be conducted in accordance with Article 183 of the Company Act.
- Article 15-1 If the Company transfers shares bought back by the Company to employees with less than average price of actually buying back shares, shall be conducted in accordance with "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies", and the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company in the most recent shareholders' meeting, and shall not be proposed in extemporary motion.

#### Chapter 4 Director, Supervisor

- Article 16 The Company organized 9-11 directors, the number of elected directors shall be decided by the authorized Board of Directors, and the term of office is three years, directors shall be elected from among the persons with disposing capacity at the shareholders' meeting, but he/she may be eligible for re-election. If the term of office of a director expires without his/her re-election, he/she shall extend his/her term of office until the re-elected director assumes office.  
A candidate nomination system has been adopted for the election of the Company's directors, they shall be elected from the candidate list of directors at a shareholders' meeting.  
The Company may purchase liability insurance for the directors of the Company in respect of their liabilities resulting from executing their duties during their term of directorships after approved by a resolution of the Board of Director's Meeting.
- Article 16-1 In accordance with Article 14-2 of the Securities and Exchange Act, the Company shall have not less than three independent directors and not less than one-third of the total number of seats in the board of directors. The professional qualifications, shareholdings, part-time restrictions, method of nomination and election, and other requirements for independent directors shall be in accordance with the relevant regulations of the Securities and Exchange Authority.
- Article 16-2 The total shareholdings of the Company's all directors shall be conducted in accordance with regulations of securities competent authority.
- Article 17 The Board of Directors is organized by directors, the Board of Directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board, the chairman represents the Company externally.
- Article 18 Any resolution adopted by the Board of Directors, except as otherwise provided by the Company Act, it shall be agreed by a resolution to be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Company. If a shareholder is unable to do so in person for any cause, shall execute a proxy, and authorization scope of convenance reasons shall be specified, a shareholder shall appoint other director to act in attending the Board of Directors' meeting, but a director may accept the appointment to act as the proxy one other director only. Relevant matters of Board of Directors, except otherwise provided by the Company Act and the Articles of Incorporation, shall be conducted in accordance with the Company's Regulations Governing Procedure for Board of Directors Meetings.
- Article 18-1 In calling a meeting of the Company's Board of Directors, a notice shall be given to each director no later than 7 days prior to the scheduled meeting date by written, E-mail or fax.  
The Company convenes the Board of Directors' meeting at any time as emergency, and it shall be conducted by written, 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, the acting on his behalf shall be conducted in accordance with Article 208, paragraph 3 of the Company Act.
- Article 20 When the Company's directors exercise duties of the Company, no matter the Company has profit or loss, the Company shall pay remuneration, the remuneration shall be determined by not more than the highest salary scale set by the Company's salary appraisal method, it shall be made by authorized Board of Directors in accordance with the participation of the Company's operation and contribution value, and refer to the normal standard in the same industry. When the Company has earnings, remuneration shall be allotted in accordance with Article 23 of the Company's Articles of Incorporation.

Article 20-1 As the needs of business operation, the Company's Board of Directors may establish audit committee, remuneration committee or other functional committees. The preceding audit committee is composed by all independent directors, they are responsible to exercise the Company Act, Securities Exchange Act, and supervisor's duties specified in other laws and regulations.

#### Chapter 5 Managerial Officer

Article 21 The Company may have one CEO, one general manager and several directors, the appointment, dismissal and remuneration shall be conducted in accordance with Article 29 of the Company Act.

#### Chapter 6 Accounting

Article 22 In the end of each fiscal year, the Company's Board of Directors prepared the following final statements, and submitted to a shareholders' meeting for approval:

1. Business Report
2. Financial Statements
3. Earnings Distribution or Loss Recovery proposal

Article 23 If the Company has annual profits, shall appropriate 1-10% as employees' remuneration, and not more than 3% as directors' and supervisors' remuneration. However, the Company still has accumulated loss, shall preserve recovery amount first.

The determination of employees', directors' and supervisors' remuneration distribution ratio and employees' remuneration shall be paid by stocks or cash, shall be approved by a resolution of Board of Directors' meeting, and reported to a shareholders' meeting.

The object of employees' remuneration paid by stocks or cash includes employees of subordinate company conformed certain conditions.

If the Company has earnings in final accounts, shall pay taxes, recover loss of the past years first, and designate 10% of the rest amount as legal reserve, however, when legal earnings reserve reached paid-in capital, shall be exempt from continuing to appropriate, and as business needs, laws or regulations of the competent authority, when special reserve was appropriated, for insufficient amount designation of net amount in accumulated other benefit deducted item of last year, before earnings was distributed, special earnings reserve shall be designated the same amount of the retained earnings of last year, if it's still insufficient, net profit after tax added items besides net profit after tax, included in amount designation of retained earnings, afterwards when net amount in other profits deducted item has reversal, earnings shall be distributed from reversal special reserve for reversal part, and according to the balance, added accumulated undistributed retained earnings, the Board of Directors programed an earnings distribution proposal, and submit to a shareholders' meeting for approval. All or a part of distributed dividend bonus shall be paid in cash, a resolution shall be adopted by a majority vote of a meeting of the Board of Directors attended by two-thirds or more of all the directors, and it shall be reported to a shareholders' meeting.

For the Company's distributed dividend policy, shareholders' equity shall be the maximum consideration, and refer to factors, like current and future domestic and foreign industry competition conditions, investment environment and capital needs, etc. of the Company, the way of stock dividend or cash dividend shall be made. As the Company currently is in growth phase, to consider the Company's long-term financial plan, the total amount of distributed dividend each year shall not be less than 30% of net profit after tax, cash dividend distributed ratio shall not be less than 20% of the total amount of dividend.

According to Article 240 of the Company Act, the Board of Directors was authorized to adopt a resolution of a majority vote of a meeting of the Board of Directors attended by two-thirds or more of all the directors, dividend and bonus shall be distributed, or all or a part of legal surplus reserve and capital reserve shall be paid in cash in accordance with Article 241 of the Company Act, and it shall be reported to a shareholders' meeting.

#### Chapter 7 Supplemental Provisions

Article 24 When the Company's stocks were revoked to issue in public, it shall be submitted for a special resolution of a shareholders' meeting, and the article is not changed during the listing period.

Article 25 Unsettled matters of the Articles shall be conducted in accordance with the Company Act. And regulations.

Article 26 The Articles of Incorporation was drawn up on October 17, 1995.

The 1st amendment was made on August 4, 1996.

The 2nd amendment was made on January 10, 1997.

The 3rd amendment was made on May 15, 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 21st amendment was made on May 20, 2010.  
The 22nd amendment was made on June 17, 2011.  
The 23rd 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.  
The 27th amendment was made on June 8, 2022.  
The 28th amendment was made on June 13, 2023.

Paragon Technologies Co., Ltd.  
Chairman: Chen, Tsai-Pu

## Attachment VIII

### Paragon Technologies Co., Ltd

Document No.	MO-2-023	Document Name	Procedures for Election of Directors				
Formulation of department	Audit office	Formulation date	2020.03.24	Version	B	Page	1/2
<p>Article 1 : To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</p> <p>Article 2 : Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.</p> <p>Article 3 : The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation'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:</p> <ol style="list-style-type: none"> <li>1.The ability to make judgments about operations.</li> <li>2.Accounting and financial analysis ability.</li> <li>3.Business management ability.</li> <li>4.Crisis management ability.</li> <li>5.Knowledge of the industry.</li> <li>6.An international market perspective.</li> <li>7.Leadership ability.</li> <li>8.Decision-making ability.</li> </ol> <p>Article 4 : The qualifications for the independent directors of this Corporation shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p> <p>Article 5 : Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>Article 6 : The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</p> <p>Article 7 : The board of directors shall prepare separate ballots for directors 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.</p> <p>Article 8 : The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p>							

## Paragon Technologies Co., Ltd

<b>Document No.</b>	<b>MO-2-023</b>	<b>Document Name</b>	<b>Procedures for Election of Directors</b>				
<b>Formulation of department</b>	<b>Audit office</b>	<b>Formulation date</b>	<b>2020.03.24</b>	<b>Version</b>	<b>B</b>	<b>Page</b>	<b>2/2</b>
<p>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 voting commences.</p> <p>Article 10 : If the electee is a shareholder, the elector shall fill in the name of the electee and the shareholder's account number in the electee column of the election ballot; if the electee is not a shareholder, the name of the electee and the identification number shall be filled in. However, if a governmental or corporate shareholder is an elector, in addition to the shareholder's account number, the name of the governmental or corporate entity shall be entered in the elector's name column of the ballot paper, and the name of the governmental or corporate entity and the name of its representative(s) may also be entered; if there are more than one representative, the name of the representative(s) shall be added separately.</p> <p>Article 11 : A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>1.The ballot was not prepared by a person with the right to convene.</li> <li>2.A blank ballot is placed in the ballot box.</li> <li>3.The writing is unclear and indecipherable or has been altered.</li> <li>4.If the candidate is a shareholder, his/her household name or shareholder account number does not match with the shareholder list; if the candidate is not a shareholder, his/her name and identity document number do not match with the shareholder list after verification.</li> <li>5.If there are other words than the name of the candidate (name) or the shareholder's account number (identification number) and the number of voting rights allocated to the candidate, the candidate's name shall be included in the form.</li> <li>6.The name of the candidate is the same as that of the other shareholders, but the shareholder's account number or identification number is not filled in to identify the candidate.</li> </ol> <p>Article 12 : The counting of votes for the election of shareholders shall be conducted in public at the shareholders' meeting. After the counting of ballots is completed, the scrutineers shall check the total number of valid and invalid ballots for accuracy and then fill in the record sheet with the number of valid ballots, the number of invalid ballots, and the number of election rights for each of them, and submit the record sheet to the chairman of the board of directors to announce the list of elected directors and the number of rights for the directors to be elected.</p> <p>Article 13 : These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>							

## Attachment IX 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 specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

When shareholders or proxies attend a shareholders' meeting, sign-in shall be conducted, and sign-in procedure can be replaced by a sign-in card, the number of shares in attendance shall be calculated by sign-in card handed in, and plus the number of shares whose voting rights are exercised by correspondence or electronically.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance, and attending shareholders or proxies shall bring identification documents for verification.

Article 3: Attendance and voting at a shareholders' meeting shall be calculated based the number of shares.

Article 4: The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair. 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 6: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 7: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8: The chair shall call the meeting to order at the appointed meeting time, however, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, and the tentative is made, and the chair may resubmit the tentative resolution, the chair shall call the meeting to order, and the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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 of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments

or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

After the meeting adjourned, shareholders shall not additionally elect the chair, and resume the meeting at the same address or another 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: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech, after terminating, a shareholder still violates, and the chair shall seize his speech.

Article 12: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. 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: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14: When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Vote counting for shareholders' meeting proposals shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Voting results shall be reported on site, and a record shall be made.

Article 16: When a meeting is in progress, the chair may announce a break based on time considerations.

Article 17: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means 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 passage 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.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all

monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 18: 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.

Article 19: The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."

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

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 21: These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

Attachment X

## Paragon Technologies Co., Ltd. Directors' Shareholding Statement

1. As of the book closure date April 20, 2024, the Company's paid-in capital was NT\$ 840,422,300, and the total number of issued shares was 84,042,230.
2. According to Article 26 of Securities Exchange Act, the minimum legally held shares held by all directors were 6,723,378, and the Company has established audit committee in accordance with regulations, supervisors' shareholding number shall not be less than certain ratio specified in regulations shall not be applicable.
3. The Company has three independent directors, according to laws and regulations, except independent directors, all directors' shareholding number reduced to 80%.
4. All directors' shareholding specified in the roster conformed to legal number standard.
5. Directors' shareholding statement is as follows:

Title	Name	Elected Date	Term of Office	Shareholding Number When Elected		Shareholding Number of Registering in the Roster on the Book Closure Date	
				The Number of Shares	Rate	The Number of Shares	Rate
Chairman	Chen, Tsai-Pu	August 4, 2021	3 years	1,911,810	2.37%	2,046,810	2.44%
Director	Wang, Le-Tsun	August 4, 2021	3 years	48,000	0.06%	48,000	0.06%
Director	Lin, Chi-Yang	August 4, 2021	3 years	738,784	0.91%	988,784	1.18%
Director	Kao, Wen-Hsiang	August 4, 2021	3 years	1,894,142	2.35%	2,294,142	2.73%
Director	Chen, Wen-Te	August 4, 2021	3 years	1,177,566	1.46%	1,427,566	1.70%
Independent director	Hsu, Jui-Tsan	August 4, 2021	3 years	0	0%	0	0%
Independent director	Liu, Yi-Chen	August 4, 2021	3 years	0	0%	0	0%
Independent director	Su, Tsung-Min	August 4, 2021	3 years	0	0%	0	0%
Sum of all directors				5,770,302	7.15%	6,805,302	8.10%