

# Paragon Technologies Co., Ltd

## 2025 Annual Shareholders 'Meeting Meeting Agenda

Meeting date: June 11, 2025

Meeting place: No.108.Sec 1, Nankan Rd, Luzhu Dist., Taoyuan City 338, Taiwan (B1F, Ziyun Hall Hall, Monarch Skyline Hotel)

Method of convention: Physical shareholders' meeting

# Table of Contents

I. Meeting Procedure.....	2
II. Meeting Agenda.....	3
III. Report Items.....	4
IV. Proposals items.....	6
V. Discussion items.....	7
VI. Extemporary Motion.....	9
VII. Attachment	
1. 2024 Business Report.....	10
2. 2024 Audit Committee’s Audit Report.....	12
3. 2024 Endorsements and Guarantees Situation.....	13
4. 2024 Directors’ Remuneration Report.....	14
5. Implementation of the Sound Operating Plan.....	15
6. Accountant’s Audit Report and 2024 Financial Statements...	17
7. Comparison table of articles before and after the revision of the company's articles of association.	37
8. We hereby submit for approval the proposal of issuing common shares by private placement for cash capital increase.....	39
9. Articles of Incorporation (Modify before).....	50
10. Rules of Procedure for Shareholders’ meetings.....	54
11. Directors’ Shareholding Statement.....	57

# Paragon Technologies Co., Ltd

## 2025 Annual Shareholders 'Meeting

### Meeting Procedure

- I. Call meeting to order
- II. Chairman's address
- III. Report Items
- IV. Proposals items
- V. Discussion items
- VI. Extemporaneous Motion
- VII. Adjournment

Paragon Technologies Co., Ltd  
2025Annual Shareholders 'Meeting  
Meeting Agenda

Meeting date: June 11, 2025 (Wednesday), at 9:00 a.m.

Meeting place: No.108.Sec 1, Nankan Rd, Luzhu Dist., Taoyuan City 338, Taiwan (Monarch Skyline Hotel B1 Purple Cloud Hall 1)

Method of convention: Physical shareholders' meeting

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

II. Chairman's Address

III. Report Items

1. 2024 Business Report
2. Audit Committee's Review Report on the 2024 Financial Statements.
3. The Status of 2024 Endorsement and Guarantee.
4. Distribution of the 2024 Compensation of Directors.
5. Report on the Issuance of the First Secured Convertible Corporate Bonds in 2024.
6. Report on the Implementation of the Sound Operational Plan for the 2024 Cash Capital Increase Project.

IV. Proposals items

1. 2024 Business Report and Financial Statements.
2. Adoption of the Proposal for 2024 Deficit Compensation.

V. Discussion items

1. Amendment to the company's corporate charter (Articles of incorporation).
2. Proposal of Release the Prohibition on Directors from Participation in Competitive Business.
3. Proposal for the private placement of common shares through a cash capital increase.

VI. Extemporary Motion

VII. Adjournment

# Report Items

1. 2024 Business Report, for your approval.

Explanation: 2024 Business Report, please refer to P.10-11 of the agenda.

2. Audit Committee's Review Report on the 2024 Financial Statements.

Explanation: Audit Committee's Review Report on the 2024 Financial Statements., please refer to P.12 of the agenda.

3. The Status of 2024 Endorsement and Guarantee, for your approval.

Explanation: As of December 31, 2024, the Company's Endorsement and Guarantee, please refer to P. 13 of the agenda.

4. Distribution of the 2024 Compensation of Directors, 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. 2024 directors' separate remuneration statement, please refer to P.14 of the agenda.

5. Report on the Issuance of the First Secured Convertible Corporate Bonds in 2024. , for your approval.

Explanation: Issuance of the First Secured Convertible Corporate Bonds in 2024 is as follows:

Types of corporate bonds	Domestic 1st secured convertible bonds
Approval number of the competent authority	Financial Supervision Commission May 23,2024 Financial Supervisory Commission letter No. 11303413361

Issue date		August 15,2024
Each issued denomination		NTD\$100,000.
Issue price per share		NTD\$118.63. (Issued at 118.63% of par value)
Total issued denomination		Total denomination: NTD\$300,000,000.
Coupon Rate		Coupon Rate 0%
Issue period		3years ; August 15,2024~ August 15,2027
Conversion Price		NTD\$35.
Bond redemption conditions		Please refer to Article 18 of the Issuance and Conversion Rules
As of April 13, 2025	Number of units converted	0 units
	Unconverted amount	NTD\$300,000,000.

6. Report on the Implementation of the Sound Operational Plan for the 2024 Cash Capital Increase Project, for your approval.

Explanation: Pursuant to the Financial Supervisory Commission Letter No. 1130341336 and No. 11303413361 dated May 23, 2024, the implementation of the sound operating plan should be reported to the shareholders' meeting. For the report on the implementation of the sound operating plan, please refer to P.15-16 of this manual.

# Proposals items

1. (Proposed by Board of Directors)

Proposal: 2024 Business Report and Financial Statements, for your approval.

Explanation: 1. 2024 the Company's financial statements were audited by accountants Weng, Bo-Ren and Yu, Meng-Kuei 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 2024 Deficit Compensation., for your approval.

Explanation: 1. The Company's accumulated loss at the beginning of the period was NT\$0. After deducting the net loss after tax of NT\$212,095,205 in 2024 and adding the remeasurement of defined benefit plans recognized in retained earnings of NT\$10,211,443, the loss to be offset at the end of the period was NT\$201,883,762. It is planned to use capital reserve - expired employee stock options to offset losses of NT\$17,859,861 and capital reserve - common stock premium of NT\$184,023,901 to offset losses, resulting in a cumulative loss of NT\$0 at the end of the period.

2. Please refer to the 2024 Deficit Compensation Statement as follows:

## Paragon Technologies Co., Ltd. Deficit Compensation Statement 2024

Unit: New Taiwan Dollars

Item	Amount
Accumulated deficit at the beginning of the period	0
Less: Net loss after tax for the year 2024	(212,095,205)
Add: the remeasurement of defined benefit plans recognized in retained earnings	10,211,443
Accumulated deficit to be compensated	(201,883,762)
Items for compensating deficit:	
Add: capital reserve - expired employee stock options	17,859,861
Add: capital reserve - common stock premium	184,023,901
Accumulated deficit at the end of the period	0

Chairman: Huang, Yi-Chun    Managerial officer: Yu, Hsiu-Ping    Accounting in charge: Liu, Ming-Yi

Resolution:

## Discussion items

### 1. (Proposed by Board of Directors)

Proposal: Amendment to the company's corporate charter (Articles of incorporation), for your approval.

Explanation: 1. In accordance with the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act, some provisions of the Company's Articles of Association have been amended.

2. The Company's grassroots employees are defined as those who are not managers and whose salary levels are lower than the grassroots employees' salary levels defined in the "Method for Deduction of Salary Expenses for Employees of Small and Medium Enterprises".

3. For a comparison table of the articles before and after the revision of the Articles of Association, please refer to P. 37-38 of this manual.

Resolution:

### 2. (Proposed by Board of Directors)

Proposal: Proposal of Release the Prohibition on Directors from Participation in Competitive Business, for your approval.

Explanation: 1. 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
Legal person director representative	Huang, Yi-Chun	Director, Macro Sight International Co., Ltd. Director, Macro Sight Technology Limited Director, Precise International Investment Limited. Director, Essence International Investment Limited. Director, Paragon (Jiangsu) Technology Co., LTD Director, Paragon (Neijiang) Technology Co., LTD. Director, Jing Cheng Material Co., LTD.

Resolution:

### 3. (Proposed by Board of Directors)

Proposal: We hereby submit for approval the proposal of issuing common shares by private placement for cash capital increase.

Explanation: 1. To enrich working capital, improve financial structure, or support other long-term funding needs for the company's development, as well as to explore opportunities for diversified operations and strategic industry collaborations to expand the company's future business scale and create long-term value for shareholders, the company intends to issue common shares through private placement within a limit of 25,000,000 shares, with a par value of NT\$10 per share. The issuance will be carried out in two tranches within one year from the date of the shareholders' meeting resolution, subject to market conditions and the company's needs, and the board of directors will be authorized by the shareholders' meeting to execute the plan.

2. In accordance with Article 43-6 of the Securities and Exchange Act, the method and contents of the private placement are described below:

i. Basis and Reasonableness of Private Placement Price Determination:

(1) The reference price for the subscription price of common shares in the private placement is calculated by taking the simple arithmetic average of the closing price of common shares for one, three or five business days prior to the pricing date, less the ex-rights and dividends of the uncompensated share allotment and adding back the anti-exclusion price of the capital reduction; or the simple arithmetic average of the closing price of common shares for 30 business days prior to the pricing date, less the



ex-rights and dividends of the uncompensated share allotment and adding back the anti-exclusion price of the capital reduction, whichever is the higher. The higher of the two basis prices is used as the reference price.

- (2) It is proposed that the shareholders' meeting authorize the Board of Directors to set the private placement price at not less than 80% of the reference price in accordance with the above provisions, subject to future approvals of specific parties and market conditions.
- (3) The price of the aforementioned private placement of common stock was determined by reference to the Company's operating performance, future prospects and recent stock price, respectively, and was reasonable in light of the three-year transfer restriction on the delivery date of the private placement of marketable securities.

ii. Selection Method of Specific People:

- (1) The targets of this private placement are limited to specific people who meet the requirements of Article 43-6 of the Securities and Exchange Act and must be strategic investors, with priority given to those who can generate benefits for the Company's long-term development and competitiveness as well as for the interests of existing shareholders.
- (2) The purpose, necessity and expected benefits of selecting a strategic investor are to respond to the needs of the Company's operation and development, and it is intended that the strategic investor will directly or indirectly assist the Company in its financial, business, production, technology, procurement, management and strategy development, in order to strengthen the Company's competitiveness and enhance its operational efficiency and long-term development, which should be positively beneficial to shareholders' interests.
- (3) The Company has not yet appointed a specific person, and it is intended that the Board of Directors be given full authority to handle matters related to the appointment of specific people.

iii. Necessary reasons, amount, purpose of funds, and estimated benefits of the private placement:

- (1) Reasons for not adopting public offering: Considering the current capital market situation and in order to grasp the timeliness and feasibility of raising capital, in order to obtain the required capital within the shortest period of time, so as to facilitate the purpose of introducing strategic investors, and the restriction on the transfer of private shares, which is more likely to ensure the long-term cooperative relationship between the Company and the strategic investors.
- (2) Amount of Private Placement, Purpose of Funds and Expected Benefits: It is proposed to authorize the Board of Directors to approve the private placement of 25,000,000 shares of common stock in two tranches within one year from the date of the stockholders' resolution. The proceeds from the private placement of common stock will be used to replenish working capital and to meet the Company's long-term capital needs. The expected benefits of the private placement are to enhance the Company's operational competitiveness, strengthen its overall financial structure, and improve its operational efficiency, which is favorable to shareholders' interests. The purpose and expected benefits of the private placement are summarized as follows:

No. of Issues	Expected issuance size	Purpose of Funds	Expected Benefits
1st	Less than 12,500,000 shares	Enrich the working capital as well as meet the company's long-term development capital needs.	To enhance the Company's operational competitiveness, strengthen the overall financial structure and improve operational efficiency in favor of shareholders' interests.
2nd	Less than 12,500,000 shares		

Regarding the first and second planned issuance amounts mentioned above, the number of shares for each private placement may be adjusted based on the actual issuance conditions. When executing each issuance, any previously unissued shares and the subsequently planned issuance shares may be issued in whole or in part. However, the total number of issued shares shall not exceed 25,000,000 shares.

- iv. The number of shares to be placed in the private placement will not result in a significant change in the Company's management rights, however, changes in the number of directors cannot be ruled out. Therefore, in accordance with the "Matters Requiring Attention if a Public Company is to Conduct a Private Placement of Securities", the underwriters are requested to issue an "Opinion on the Necessity and Reasonableness of Conducting a Private Placement", please refer to pages 39-47 of this brochure.
  - v. The rights and obligations of the privately placed common stock are the same as those of the Company's outstanding common stock. However, within three years after the delivery of the privately placed securities, the securities are restricted from being transferred, except for the transferee in accordance with Article 43-8 of the Securities and Exchange Act. The Company intends to obtain a letter of consent from the Taiwan Stock Exchange Corporation (TSE) that meets the listing standards in accordance with the relevant laws and regulations three years after the delivery of the privately-placed securities and, based on the letter of consent, to complete the additional public offering review procedures with the competent authorities before submitting an application for listing and trading.
3. Based on the maximum number of 25,000,000 common shares to be issued and the Company's common shares outstanding to date, the maximum dilution ratio to the original shareholders' equity is 26.24%. Considering that the proceeds are expected to be utilized for the development of strategic alliances or the replenishment of working capital, etc., the benefits of which will be beneficial to the shareholders' equity, the proposed issuance of new shares will not result in a material dilution of the original shareholders' equity.
4. With respect to the conditions of issuance or private placement, plan for use of funds, use of funds, expected progress, expected benefits, and other related matters, it is proposed that the shareholders' meeting authorize the board of directors to set, adjust, and handle these matters in accordance with the Company's actual needs, market conditions, and relevant laws and regulations. In the event of any future revisions by the competent authorities or based on operational evaluations or due to changes in the objective environment, the Board of Directors will be authorized to deal with such matters in accordance with the prevailing market conditions and laws and regulations.
5. To complete the Fundraising Program, it is proposed to authorize the Chairman of the Board or his designee to execute on behalf of the Company all deeds or documents relating to the issuance of the Common Shares in the Private Placement, to perform all operations necessary to effect the issuance of the Common Shares in the Private Placement and other matters not yet completed.

Resolution:

## Extemporary Motions

## Adjournment

## Attachment I

### Business Report

Although the pressure of global recession has eased, the notebook industry is still facing challenges such as geopolitical risks, supply chain adjustments and trade protectionism, etc. Paragon continues to pay close attention to the international economic situation and current events, so as to flexibly adjust its strategies to cope with the market changes and challenges, and to ensure a steady improvement of its competitiveness. The operating results for 2024 and the business plan for 2025 are summarized below:

#### 1. 2024 business report

##### (1) Operating results

2024 consolidated operating revenue of Paragon was NT\$ 353,985 thousand; operating net loss was NT\$ 145,788 thousand; net loss after tax was NT\$ 212,095 thousand; net loss after tax per share was NT\$ 2.39; shareholders' equity was NT\$ 1,454,589 thousand, and net worth per share was NT\$ 15.

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

(3) Analysis of financial income and expenditure and profitability:

Item		FY 2024	FY 2023
Financial Structure	Debt-to-Asset Ratio (%)	33.37	21.49
	Long-term capital to fixed assets ratio (%)	684.48	489.97
Profitability	Return on Assets (ROA) (%)	(10.90)	(2.67)
	Return on Equity (ROE)	(15.83)	(3.68)
	Percentage of paid-in capital (%)	Operating income	(6.73)
		Profit Before Tax	1.45
	Net Profit Margin (%)	(59.92)	(13.05)
	EPS (NT\$)	(2.39)	(0.59)

(4) Research and development condition: R&D expenses invested in 2024 was NT\$ 70,157 thousand, and accounted for 19.82% of consolidated operating revenue.

#### 2. 2025 business plan

Looking ahead to 2025, with global inflationary pressure easing and consumer demand picking up, Trend Force's survey report estimates that the market is expected to grow by 4.9% in 2025 due to the interest rate cuts that will help liquidity and stimulate demand for business replacements. In addition to maintaining the market share of EMI products, Paragon will continue to focus on the NB anti-EMI market and actively increase the proportion of its business in appearance coating, functional coating products and silicon carbide (SiC) products. Paragon will invest more resources in the development of PVD process technology and SiC product applications, such as advanced semiconductor processes, artificial intelligence (AI), 5G, EV, renewable energy, and wearable device (AR) products, etc., and will continue to diversify its operations to reduce the risk of concentration of a single industry and customer.

Looking ahead to 2025, 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 materials and new applications of PVD process technology to create future development opportunities.

Regarding the product layout of PVD, Paragon is currently leading in the market share of NB EMI prevention shipments. We will combine the advantages of SiC materials and PVD technology to actively develop the application of PVD in advanced semiconductor products in the future. In addition to the continuous development of low-carbon and environmentally friendly PVD appearance technology that meets ESG requirements, Paragon will invest more resources to focus on the development of PVD advanced manufacturing process technology, and gradually transform into the role of PVD equipment development and technical services to further enhance the company's competitiveness and long-term growth momentum.

Regarding the product layout of silicon carbide, silicon carbide has extraordinary strength and high thermal conductivity, and is capable of high energy efficiency and durability at the same time. Due to its unique characteristics and diverse applications, it has gradually gained importance in various technological applications. In addition to continuing to cultivate the existing electric vehicle (EV) market applications, silicon carbide materials will bring breakthroughs in artificial intelligence (AI), renewable energy, and wearable device (AR) products in the future, and we will continue to focus on the development of related applications to meet future market demand and build a long-term competitive advantage. We will complete the construction of a new plant and invest in the mass production of 8-inch wafers and wafer processing capacity in order to increase production capacity and yield rate to meet the growing market demand for silicon carbide materials, and we will continue to develop the applications of silicon carbide products in the future to satisfy the diversified needs of the 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 equipment autonomy. We will continue to focus on the development of new technologies in the future. In addition to focusing on the connection between products and market demands, we will also optimize the front and back manufacturing processes, cooperate with cross-industry partners, and establish strategic alliances with both upstream and downstream industries to build partnerships and increase our core competitiveness in the future, in order to establish and demonstrate the long-term value of the enterprise.

Looking ahead, Paragon will take a positive view of its future operations and actively plan for growth targets, focusing on the development of advanced PVD processes and the silicon carbide materials market to bring growth momentum for future operations.

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

Chairman: Huang, Yi-Chun   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) 2024 consolidated financial statements and individual financial statement was audited by accountants Weng, Bo-Ren and Yu, Meng-Kuei of Deloitte, Taiwan and audit report has been offered; and (2) business report and loss compensation plan 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

2025 Annual Shareholders' Meeting of the Company

Paragon Technologies Co., Ltd.

Convener of the audit committee: Zheng, Qin-Xin

March 12, 2025

Attachment III

Paragon Technologies Co., Ltd. and Its Subsidiaries  
ENDORSEMENTS AND GUARANTEES FOR OTHERS  
From January 1 to December 31, 2024

TABLE 2 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No. (Note 1)	Endorser/Guarantor Name	Endorsee/Guarantee		Limits on endorsement/gua rantee amount provided to each guaranteed party (Notes 3)	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement/gua rantee collateralized by properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Maximum endorsement/ guarantee amount allowable (Note 3)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiari es in Mainland China	Note
		Name	Nature of relationship (Note 2)											
0	Paragon Technologies Co., Ltd.	MACRO SIGHT INTERNATIONAL CO., LTD.	(2)	\$ 727,295 (Note 3)	\$ 133,435 USD 4,100	\$ -	\$ -	\$ -	-	\$ 727,295	Y	N	N	
0	Paragon Technologies Co., Ltd.	Jing Cheng Material Co., LTD.	(2)	290,918 (Note 3)	102,660	102,660	72,164	-	7.06 %	727,295	Y	N	N	
1	MACRO SIGHT INTERNATIONAL CO., LTD.	Jing Cheng Material Co., LTD.	(4)	290,918 (Note 4)	59,103 USD 1,800	59,013 USD 1,800	30,000	59,013 USD 1,800	4.06 %	727,295	N	N	N	
1	MACRO SIGHT INTERNATIONAL CO., LTD.	Paragon Technologies Co., Ltd.	(4)	727,295 (Note 4)	300,000	150,000	150,000	107,472 RMB 24,000	10.31 %	727,295	N	Y	N	
2	Jing Cheng Material Co., LTD.	Paragon Technologies Co., Ltd.	(4)	727,295 (Note 4)	150,000	150,000	150,000	-	10.31 %	727,295	N	Y	N	

Note 1: Coding is as follows:  
(1) The issuer is coded "0".  
(2) The investee companies are coded consecutively beginning from “1”.

Note 2: There are 7 types of relationships between endorser and endorsee, the types can be indicated:  
(1) The company with business dealings with the Company.  
(2) The company directly or indirectly held by the Company by more than 50% voting shares.  
(3) The company directly or indirectly held the Company by more than 50% voting shares.  
(4) The company directly or indirectly held by the Company by more than 90% voting shares.  
(5) The company provides mutual guarantees to each other based on the contract for the purpose of contracted engineering projects.  
(6) The company in which all shareholders, based on their shareholding percentage, provide endorsements and guarantees due to the joint investment relationship.  
(7) Joint and several guarantees provided by company engaged in pre-sale house contracts and selling in accordance with the Consumer Protection Act.

Note 3: The total amount of the endorsement/guarantee provided by the Company shall not exceed 50% percent of net worth. The cumulative amount of endorsement/guarantee for a single company shall not exceed 20% of net worth, and shall not exceed 50% of net worth for a single overseas associate. However, for endorsement/guarantee made due to business relationships, it shall not exceed the total amount of transactions between the Company and the other party in the most recent year (whichever is higher between the purchase or sales amount).

Note 4: The total amount of external endorsements/guarantees of subsidiaries, MACRO SIGHT INTERNATIONAL CO., LTD. and Jing Cheng Material Co., Ltd., shall not exceed 50% of net worth of the ultimate parent company for the current period. The cumulative amount of endorsement/guarantee for a single company shall not exceed 20% of net worth of the ultimate parent company, and shall not exceed 50% of net worth of the ultimate parent company for a single overseas associate and parent company. However, for endorsement/guarantee made due to business relationships, it shall not exceed the total amount of transactions between the Company and the other party in the most recent year (whichever is higher between the purchase or sales amount).

## Attachment IV

## 2024 Directors' Remuneration Receiving Situation

Unit: NTD\$ thousand; thousand shares

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remunerat ion received from investee enterprises other than subsidiarie s or from the parent company
		Base Compensation (A)		Retirement pay and pension(B)		Director profit- sharing compensation(C)		Expenses and perquisites (D)				Salary, rewards, and special disbursement (E)		Retirement pay and pension(F)		Employee Compensation(G)						
		The compa ny	All consolida ted entities	The compa ny	All consolidat ed entities	The compa ny	All consolidat ed entities	The compa ny	All consolidat ed entities	The compa ny	All consolidat ed entities	The compa ny	All consolidat ed entities	The compa ny	All consolidat ed entities	The company		All consolidated entities		The compa ny	All consolidat ed entities	
Chairman	Chun Tung International Investment Co., Ltd Representative: Huang, Yi-Chun	0	0	0	0	0	0	36	36	36 -0.02%	36 -0.02%	0	0	0	0	0	0	0	0	36 -0.02%	36 -0.02%	None
Director	Chen, Tsai-Pu (Note 1)	600	600	0	0	0	0	48	48	648 -0.31%	648 -0.31%	2,552	3,939	11,250	14,884	0	0	0	0	14,450 -6.81%	19,471 -9.18%	None
Director	Lin, Qi-Yang (Note 2)	0	0	0	0	0	0	18	18	18 -0.01%	18 -0.01%	0	0	0	0	0	0	0	0	18 -0.01%	18 -0.01%	None
Director	Wang, Le-Chun (Note 2)	0	0	0	0	0	0	24	24	24 -0.01%	24 -0.01%	0	0	0	0	0	0	0	0	24 -0.01%	24 -0.01%	None
Director	Chen, Wan-De	0	0	0	0	0	0	54	54	54 -0.03%	54 -0.03%	0	0	0	0	0	0	0	0	54 -0.03%	54 -0.03%	None
Director	Gao, Wen-Xiang (Note 2)	0	0	0	0	0	0	24	24	24 -0.01%	24 -0.01%	0	0	0	0	0	0	0	0	24 -0.01%	24 -0.01%	None
Independent Director	Hsu, Jui-Tsan (Note 2)	240	240	0	0	0	0	30	30	270 -0.13%	270 -0.13%	0	0	0	0	0	0	0	0	270 -0.13%	270 -0.13%	None
Independent Director	Liu, Yi-Zhen	480	480	0	0	0	0	54	54	534 -0.25%	534 -0.25%	0	0	0	0	0	0	0	0	534 -0.25%	534 -0.25%	None
Independent Director	Su, Cong-Min	480	480	0	0	0	0	66	66	546 -0.26%	546 -0.26%	0	0	0	0	0	0	0	0	546 -0.26%	546 -0.26%	None
Independent Director	Zhang, Dong-Long	257	257	0	0	0	0	36	36	293 -0.14%	293 -0.14%	0	0	0	0	0	0	0	0	293 -0.14%	293 -0.14%	None
Independent Director	Zheng, Qin-Xin	257	257	0	0	0	0	36	36	293 -0.14%	293 -0.14%	0	0	0	0	0	0	0	0	293 -0.14%	293 -0.14%	None

1. Please describe the independent director's compensation policy, system, standards, and structure, and explain the correlation between the amount of compensation and their responsibilities, risks, and input time: Our company's independent directors serve as members of the Audit Committee and the Remuneration Committee, receiving fixed director remuneration. In addition, their participation in director remuneration distribution is based on their level of involvement in company operations and their contribution value.
2. In addition to the disclosure in the table above, the remuneration received by company directors for services provided in the past year (such as serving as a consultant for the parent company/ all companies listed in the financial reports/ non-employee advisors for invested businesses): None.

Note 1: Director and CIO Mr. Chen Tsai-Po retired from his position as Chief Investment Officer on August 9, 2024. Accordingly, only remuneration information prior to that date is disclosed.

Note 2: Ceased to serve following the re-election held on June 18, 2024.



## Attachment V

### Implementation of the Sound Operating Plan

1. In accordance with the Financial Supervisory Commission's letter No. 1130341336 and No. 11303413361, dated May 23, 2024, issued by the Financial Supervisory Commission.
2. Implementation situations in FY 2024:

Unit: NT\$ thousand

Item	Estimated Value	Actual Value	Difference	Achievement rate (%)
Operating Revenue	332,806	353,985	21,179	106%
Operating Costs	320,710	283,109	( 37,601 )	88%
Gross profit (loss) from operations	12,096	70,876	58,780	586%
Operating Expenses	204,425	216,664	12,239	106%
Net Profit (Loss) from Operations	( 192,329 )	( 145,788 )	46,541	76%
Non-operating Income (Expense)	6,675	7,078	403	106%
Income (Loss) Before Taxes	( 185,654 )	( 138,710 )	46,944	75%
Income tax expense	44,132	46,997	2,865	106%
Gain (loss) on discontinued operations	-	( 26,388 )	( 26,388 )	-
Net profit (loss) for the period	( 229,786 )	( 212,095 )	17,691	92%

#### (1) Operating Revenue:

The operating revenue for FY 2024 was NT\$353,985 thousand, achieving 106% compared to the original estimate of NT\$332,806 thousand, the main reason was that the progress of NB production capacity moving out of China was not as expected, so some of the orders were shifted back to China to produce and thus the operating revenue was increased compared to the original estimate.

#### (2) Operating Costs:

The operating cost for FY 2024 was NT\$283,109 thousand, achieved 88% compared to the original estimate of NT\$320,710 thousand. The main reason was to continue to improve the production yield rate, the Company invested in production equipment for research and development and validation, so part of the production capacity was transferred to research and development, thus decreasing the operating cost compared to the original estimate.

(3) Gross profit (loss) from operations:

The gross profit was NT\$70,876 thousand, achieved 586% compared to the original estimate of NT\$12,096 thousand. The main reason for the increase in gross profit margin of EMI products was due to the increase in EMI capacity utilization rate compared to the original estimate, and in order to continue to improve the production yield rate and invest in the production equipment for research and development and validation, a portion of the production capacity was shifted to research and development, which resulted in the decrease in operating costs compared to the original estimate.

(4) Operating Expenses:

The operating expenses for FY 2024 were NT\$216,664 thousand, achieved 106% compared to the original estimate of NT\$204,425 thousand, the main reason was the increase of R&D expenses due to the investment in production equipment for R&D and validation to continuously improve the production yield rate.

(5) Non-operating Income (Expense):

The non-operating income (expense) was NT\$7,078 thousand in FY 2024, achieved 106% compared with the original estimate of NT\$6,675 thousand, the main reason was the decrease of non-operating income (expense) compared with the original estimate due to the decrease of finance cost due to the repayment of bank loans.

(6) Net profit (loss) for the period:

The decrease in net loss for the period was mainly due to the effective control of operating costs and expenses in FY 2024, which resulted in a decrease in net loss for the period as compared to the original estimated valuation.

(7) Other explanatory notes:

The Company's board of directors resolved on September 18, 2024 that the Company's subsidiary, Essence International Investment Limited., should dispose of its 100% equity interest in Paragon (Suzhou) Technology LTD. In accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations Units", the disposal asset was reclassified as a non-current asset held for sale and the non-current asset held for sale meets the definition of a discontinued operation unit and is expressed as a discontinued operation unit and will be presented as a separate component of discontinued operation unit in the Consolidated Statements of Income for the year ended December 31, 2024.

## 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, 2024 and 2023, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2024 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 2024 recognition of operating revenue is NTD \$353,985 thousand (Including operating income of 14,754 thousand for suspended units ). 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 (16 and 27) 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, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Toche

Accountant Weng, Bo-Ren

Accountant Yu, Meng-Kuei

Approval No. of Financial Supervision  
Commission

No. Financial-Supervisory-Securities-  
Auditing-1010028123

Approval No. of Financial Supervision  
Commission

No. Financial-Supervisory-Securities-  
Auditing- 1130357402

March 13, 2025

Paragon Technologies Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Codes	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,069,070	49	\$ 800,566	51
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 21)	180	-	-	-
1136	Financial assets at amortized cost - current (Notes 4, 8, 9 and 39)	227,876	10	57,544	4
1170	Accounts receivable (Notes 4, 10 and 36)	246,227	11	279,231	18
1200	Other receivables (Notes 4 and 10)	4,880	-	846	-
1220	Current tax assets (Notes 4 and 29)	9,925	1	1,460	-
130X	Inventories (Notes 4 and 11)	20,160	1	22,295	2
1429	Prepayments (Note 19)	19,139	1	20,010	1
1460	Non-current assets for sale (Notes 4 and 12)	10,132	1	-	-
1470	Other current assets (Note 19)	1,192	-	2,266	-
11XX	Total current assets	<u>1,608,781</u>	<u>74</u>	<u>1,184,218</u>	<u>76</u>
	Non-current assets				
1600	Property, plant and equipment (Notes 4 and 15)	272,987	13	257,501	16
1755	Right-of-use assets (Notes 4 and 16)	140,476	6	56,774	4
1805	Goodwill (Notes 4 and 17)	9,051	-	9,051	1
1821	Intangible assets (Notes 4 and 18)	770	-	48	-
1840	Deferred tax assets (Notes 4 and 29)	32,440	1	43,499	3
1915	Prepayment for equipment (Note 19)	83,365	4	-	-
1920	Refundable deposits (Notes 19 and 39)	17,030	1	4,565	-
1990	Other noncurrent assets (Notes 4, 19 and 25)	18,192	1	5,635	-
15XX	Total non-current assets	<u>574,311</u>	<u>26</u>	<u>377,073</u>	<u>24</u>
1XXX	Total	<u>\$ 2,183,092</u>	<u>100</u>	<u>\$ 1,561,291</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Notes 4, 20, 37 and 39)	\$ 110,000	5	\$ 190,000	12
2130	Contract liabilities (Note 27)	6	-	-	-
2170	Accounts payable (Notes 22)	4,270	-	8,578	1
2200	Other Payables (Notes 23)	113,689	5	72,461	5
2230	Current tax liabilities (Notes 4 and 29)	1,922	-	7,288	-
2250	Current provisions (Notes 4 and 24)	1,446	-	2,213	-
2280	Current lease liabilities (Notes 4 and 16)	21,321	1	14,573	1
2320	Current portion of long-term loans payable (Notes 20 and 39)	61,333	3	4,066	-
2399	Other current liabilities	567	-	422	-
21XX	Total current liabilities	<u>314,554</u>	<u>14</u>	<u>299,601</u>	<u>19</u>
	Non-current liabilities				
2530	corporate bond payable ( Notes 4 and 21 )	284,437	13	-	-
2540	Long-term loans (Notes 19, 36 and 38)	15,352	1	4,518	-
2550	Non-current provisions (Notes 4 and 22)	674	-	728	-
2570	Deferred tax liabilities (Notes 4 and 27)	279	-	201	-
2580	Non-current lease liabilities (Notes 4, 15, 34 and 36)	109,228	5	26,486	2
2630	Long-term deferred revenue (Notes 21 and 31)	3,979	-	3,972	-
25XX	Total non-current liabilities	<u>413,949</u>	<u>19</u>	<u>35,905</u>	<u>2</u>
2XXX	Total liabilities	<u>728,503</u>	<u>33</u>	<u>335,506</u>	<u>21</u>
	Equity attributable to owners of the Company (Notes 4, 12, 21, 26, ,32 and 34)				
	Capital stock				
3110	Common stock	969,622	44	840,422	54
3200	Capital reserve	843,454	39	697,863	45
	Accumulated deficit				
3310	Legal reserve	-	-	6,913	1
3320	Special reserve	-	-	62,223	4
3350	Accumulated deficit	( 201,884 )	( 9 )	( 201,431 )	( 13 )
3300	Total accumulated deficit	( 201,884 )	( 9 )	( 132,295 )	( 8 )
3400	Other interests	( 156,603 )	( 7 )	( 180,205 )	( 12 )
31XX	Total equity attributable to owners of the Company	<u>1,454,589</u>	<u>67</u>	<u>1,225,785</u>	<u>79</u>
3XXX	Total equity	<u>1,454,589</u>	<u>67</u>	<u>1,225,785</u>	<u>79</u>
	Total liabilities and equity	<u>\$ 2,183,092</u>	<u>100</u>	<u>\$ 1,561,291</u>	<u>100</u>

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

Chairman: Huang, Yi-Chun

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, 2024 and 2023

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

Codes		2024		2023	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4 and 27)	\$ 353,985	100	\$ 372,669	100
5000	Operating costs (Notes 4,11 and 28)	( 283,109 )	( 80 )	( 261,048 )	( 70 )
5950	Gross Loss	70,876	20	111,621	30
	Operating expenses (Notes 10 and 28)				
6100	Sales and marketing expenses	( 19,347 )	( 5 )	( 15,518 )	( 4 )
6200	Administrative expenses	( 123,039 )	( 35 )	( 101,948 )	( 27 )
6300	Research and development expenses	( 70,157 )	( 20 )	( 29,683 )	( 8 )
6450	Expected credit impairment loss ( reversal benefit )	( 4,121 )	( 1 )	2,989	1
6000	Total operating expenses	( 216,664 )	( 61 )	( 144,160 )	( 38 )
6900	Operating Loss	( 145,788 )	( 41 )	( 32,539 )	( 8 )
	Non-operating income and expenses (Notes 28, 31 and 33)				
7100	Interest income	13,709	4	9,841	3
7010	Other income	596	-	50,827	13
7020	Other gains and losses	2,791	1	4,358	1
7050	Finance costs	( 10,018 )	( 3 )	( 4,685 )	( 1 )
7000	Total non-operating income and expenses	7,078	2	60,341	16
7900	Income from continuing operations before income tax	( 138,710 )	( 39 )	27,802	8
7950	Total income tax expense (Notes 4 and 29)	( 46,997 )	( 14 )	( 62,083 )	( 17 )
8000	Net loss for the current period of Continuing business units	( 185,707 )	( 53 )	( 34,281 )	( 9 )
8100	Losses from closed units (Notes 4,12 and 28)	( 26,388 )	( 7 )	( 15,634 )	( 4 )
8200	Net loss for the period	( 212,095 )	( 60 )	( 49,915 )	( 13 )

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Codes		2024		2023	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Not reclassified to profit or loss				
8311	Measure on defined benefit plans (Notes 4 and 25)	\$ 12,764	4	\$ 614	-
8349	Income tax expense related to items that will not be reclassified subsequently (Notes 4 and 29)	( <u>2,553</u> )	( <u>1</u> )	( <u>123</u> )	-
	Subtotal	<u>10,211</u>	<u>3</u>	<u>491</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 26)	37,396	10	( 22,323 )	( 6 )
8399	Income tax related to items that may be reclassified subsequently (Notes 4, 26 and 29)	( <u>7,479</u> )	( <u>2</u> )	<u>4,338</u>	<u>1</u>
	Subtotal	<u>29,917</u>	<u>8</u>	( <u>17,985</u> )	( <u>5</u> )
8300	Other comprehensive income (net of income tax)	<u>40,128</u>	<u>11</u>	( <u>17,494</u> )	( <u>5</u> )
8500	Total comprehensive income	( <u>\$ 171,967</u> )	( <u>49</u> )	( <u>\$ 67,409</u> )	( <u>18</u> )
	Net loss attributable to:				
8610	Owner of the Company	( \$ 212,095 )	( 60 )	( \$ 48,409 )	( 13 )
8620	Non-controlling interests	-	-	( <u>1,506</u> )	-
8600		( <u>\$ 212,095</u> )	( <u>60</u> )	( <u>\$ 49,915</u> )	( <u>13</u> )
	Total comprehensive income(loss) attributable to:				
8710	Owner of the Company	( \$ 171,967 )	( 49 )	( \$ 65,271 )	( 17 )
8720	Non-controlling interests	-	-	( <u>2,138</u> )	( <u>1</u> )
8700		( <u>\$ 171,967</u> )	( <u>49</u> )	( <u>\$ 67,409</u> )	( <u>18</u> )
	Loss per share (Note 30)				
	From continuing operations and discontinued operations				
9750	Basic	( <u>\$ 2.39</u> )		( <u>\$ 0.59</u> )	
9850	Diluted	( <u>\$ 2.39</u> )		( <u>\$ 0.59</u> )	
	from continuing operations				
9710	Basic	( <u>\$ 2.09</u> )		( <u>\$ 0.40</u> )	
9810	Diluted	( <u>\$ 2.09</u> )		( <u>\$ 0.40</u> )	

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

Chairman: Huang, Yi-Chun

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, 2024 and 2023

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

		Equity attributable to owners of the Company									
					Retained earnings			Others			
Codes		Capital Stock		Capital reserve	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Foreign currency translation reserve	Unearned Stock-Based Employee Compensation	Non-controlling interests ( Note26 )	Total equity
	Shares (in thousands)	Capital Stock									
A1	Balance, December 31, 2022	80,742	\$ 807,422	\$ 673,820	\$ 4,129	\$ 37,169	\$ 27,838	( \$ 138,976 )	\$ -	\$ 77,877	\$ 1,489,279
	Appropriations of 2022 year's earnings										
B1	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	Cash capital increase	2,300	23,000	34,500	-	-	-	-	-	-	57,500
D1	Total net loss of 2023	-	-	-	-	-	( 48,409 )	-	-	( 1,506 )	( 49,915 )
D3	Other comprehensive income of 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>491</u>	( <u>17,353</u> )	<u>-</u>	( <u>632</u> )	( <u>17,494</u> )
D5	Total comprehensive income of 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>47,918</u> )	( <u>17,353</u> )	<u>-</u>	( <u>2,138</u> )	( <u>67,409</u> )
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>51,238</u> )	( <u>51,238</u> )
Z1	Balance, December 31, 2023	<u>84,042</u>	<u>840,422</u>	<u>697,863</u>	<u>6,913</u>	<u>62,223</u>	( <u>201,431</u> )	( <u>156,329</u> )	( <u>23,876</u> )	<u>-</u>	<u>1,225,785</u>
	Appropriations of 2023 year's earnings										
B1	Legal reserve	-	-	-	( 6,913 )	-	6,913	-	-	-	-
B3	Special reserve	-	-	-	-	( 62,223 )	62,223	-	-	-	-
	Other changes in capital reserves:										
C5	The convertible corporate bonds issued by the Company are recognized as a component of equity	-	-	71,620	-	-	-	-	-	-	71,620
C11	Capital reserve to make up for losses	-	-	( 132,295 )	-	-	132,295	-	-	-	-
E1	Cash capital increase	12,000	120,000	180,000	-	-	-	-	-	-	300,000
N1	Issuance of new shares with restrictions on employee rights	920	9,200	23,966	-	-	-	-	( 23,966 )	-	9,200
N1	Share-based payment arrangements	-	-	2,300	-	-	-	-	17,651	-	19,951
D1	Total net loss of 2024	-	-	-	-	-	( 212,095 )	-	-	-	( 212,095 )
D3	Other comprehensive income of 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,211</u>	<u>29,917</u>	<u>-</u>	<u>-</u>	<u>40,128</u>
D5	Total comprehensive income of 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>201,884</u> )	<u>29,917</u>	<u>-</u>	<u>-</u>	( <u>171,967</u> )
Z1	Balance, December 31, 2024	<u>96,962</u>	<u>\$ 969,622</u>	<u>\$ 843,454</u>	<u>\$ -</u>	<u>\$ -</u>	( <u>\$ 201,884</u> )	( <u>\$ 126,412</u> )	( <u>\$ 30,191</u> )	<u>\$ -</u>	<u>\$ 1,454,589</u>

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

Chairman: Huang, Yi-Chun

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, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Codes		2024	2023
	Cash flows from operating activities		
A00010	Pre-tax profit (loss) of continuing operations	( \$ 138,710 )	\$ 27,802
A00020	Pre-tax losses of discontinued units	( 26,388 )	( 15,634 )
A20010	Income and expense items		
A20100	Depreciation	59,998	58,733
A20200	Amortization	906	851
A20300	Expected credit loss (reversal of profit)	3,452	( 6,024 )
A20400	Net gain on financial assets or liabilities at fair value through profit or loss	330	( 11,067 )
A20900	Finance costs	10,018	4,685
A21200	Interest income	( 14,842 )	( 10,184 )
A21900	Compensation cost relating to share-based payment	19,951	6,224
A22500	Losses from disposal and retirement of property, plant and equipment	2,974	10,309
A23200	Disposed of subsidiary company gain	-	( 1,260 )
A23700	impairment loss and slow-moving on inventories	11,478	13,029
A29900	Reversal of liability reserves	( 883 )	( 447 )
A29900	Lease Modification Benefits	( 319 )	( 192 )
A29900	Amortization of realized long-term deferred revenue	( 131 )	( 129 )
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	29,440	( 4,753 )
A31180	Other receivables	( 3,773 )	1,272
A31200	Inventories	( 9,346 )	( 30,800 )
A31230	Prepayments	871	( 6,683 )
A31240	Other current assets	1,074	725
A31990	Net defined benefit Assets	207	( 14 )
A32125	Increase in contract liabilities	6	-
A32150	Accounts payable	( 4,308 )	4,067
A32180	Other Payables	3,165	( 46,746 )
A32230	Other current liabilities	<u>145</u>	( <u>206</u> )
A33000	Cash outflow generated from operations	( 54,685 )	( 6,442 )
A33100	Interest received	14,581	10,524
A33300	Interest paid	( 5,445 )	( 2,968 )
A33500	Income tax paid	( <u>59,686</u> )	( <u>52,543</u> )
AAAA	Cash outflow from operating activities	( <u>105,235</u> )	( <u>51,429</u> )

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Codes		2024	2023
	Cash flows from investing activities		
B00040	Acquisition of Financial Assets		
	Measured at Amortized Cost are Asset	( \$ 170,332 )	( \$ 57,544 )
B00100	Purchase of financial assets at fair value		
	through profit or loss	-	( 1,523,103 )
B00200	Sale of financial assets at fair value		
	through profit or loss	-	1,753,821
B02300	Disposal of subsidiary company	-	( 49,978 )
B02700	Acquisitions of property, plant and		
	equipment	( 43,169 )	( 69,782 )
B02800	Disposal of property, plant and		
	equipment	20,974	1,995
B03700	Increase in refundable deposits	( 12,465 )	-
B03800	Decrease in refundable deposits	-	1,023
B04500	Acquisition of intangible assets	( 1,689 )	( 661 )
B07100	Increase in prepayment for equipment	( 83,365 )	-
BBBB	Net cash inflows (outflows) from		
	investing activities	( 290,046 )	55,771
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	120,000
C00200	Repayments of short-term loans	( 80,000 )	-
C01200	Issuance of corporate bonds	353,390	-
C01600	Increase in long-term loans	100,000	-
C01700	Repayments of long-term loans	( 31,899 )	( 3,969 )
C03100	Decrease in guarantee deposit received	-	( 88 )
C04020	Payments of lease liabilities	( 19,300 )	( 16,889 )
C04500	Cash dividends	-	( 40,371 )
C04600	Proceeds from issuing shares	300,000	57,500
C04800	Issuance of new shares with restrictions		
	on employee rights	9,200	10,000
C05400	Obtain equity in subsidiary	-	( 178,200 )
CCCC	Net cash inflows (outflows) from		
	financing activities	631,391	( 52,017 )
DDDD	Effect of exchange rate changes on cash and cash		
	equivalents	32,394	( 37,622 )
EEEE	Increase(decrease) in cash and cash equivalents	268,504	( 85,297 )
E00100	Cash and cash equivalents at beginning of year	800,566	885,863
E00200	Cash and cash equivalents at end of year	\$ 1,069,070	\$ 800,566

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

Chairman: Huang, Yi-Chun

Manager: Yu, Hsiu-Ping

Accounting Supervisor: Liu, Ming-Yi

## **Independent Auditors' Report**

Paragon Technologies Co., Ltd.

### **Opinion**

We have audited the accompanying Financial Report of Paragon Technologies Co., Ltd. (the "Company"), which comprise the individual balance sheets as of December 31, 2024 and 2023, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual Financial Report, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Report of the Company present fairly, in all material respects, the accompanying individual financial position of the Company as of December 31, 2024 and 2023, 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 Report 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 Report 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 Report of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the individual Financial Report 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 Report of the Company for the year ended December 31, 2024 is stated as follows:

Key audit matters of Financial Report of the subsidiaries, accounted for using equity method

Explanation of Key Audit Matters

As of December 31, 2024, the amount of investment in subsidiaries, accounted for using equity method, was \$1,502,446 thousand which is 82% of the total assets. Since the amount is significant relative to the overall Financial Report, if the investee's Financial Report 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 Report of the subsidiaries, accounted for using equity method, are the key audit matters for individual Financial Report of the Company. Refer to Notes 4 (7) and 12 for the individual Financial Report.

The subsidiaries of the Company are primarily engaged in the manufacturing of EMI, optoelectronic, and optical films; the research, development, manufacturing, processing, and trading of machinery, equipment, and components; as well as the supply of silicon carbide technologies and materials. In accordance with the principle of materiality and the Standards on Auditing, revenue recognition is presumed to involve significant risk. Therefore, we, as the auditors, consider that the recognition of sales revenue by the Company's subsidiaries for certain specific clients has a material impact on the individual Financial Report. As a result, the authenticity of shipments related to sales revenue for specific clients has been identified as a key audit matter for the current year.

For details regarding the revenue recognition policies, please refer to Notes 4(15) and 24 to the Company's 2024 Consolidated Financial Report.

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 Report 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 Report**

Management is responsible for the preparation and fair presentation of the individual Financial Report 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 Report that are free from material misstatement, whether due to fraud or error.

In preparing the individual Financial Report, 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 Report**

Our objectives are to obtain reasonable assurance about whether the individual Financial Report 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 Report. 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 Report.

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 Report, 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 Report 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 Report, including the disclosures, and whether the individual Financial Report 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 Report. 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 Report of the Company for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Toche

Accountant Weng, Bo-Ren

Accountant Yu, Meng-Kuei

Approval No. of Financial Supervision  
Commission

No. Financial-Supervisory-Securities-  
Auditing-1010028123

Approval No. of Financial Supervision  
Commission

No. Financial-Supervisory-Securities-  
Auditing- 1130357402

March 13, 2025



Paragon Technologies Co., Ltd.

Individual Balance Sheets

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Codes	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 200,592	11	\$ 113,305	8
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 18)	180	-	-	-
1136	Financial assets at amortized cost - current (Notes 4, 8, 9 and 33)	60,000	3	-	-
1170	Accounts receivable (Notes 4, 10 and 24)	-	-	277	-
1200	Other receivables (Notes 4 and 10)	175	-	115	-
1210	Other Receivables – Related Parties (Notes 4, 10 and 32)	10,299	1	68,791	5
1220	Current tax assets (Notes 4 and 26)	9,072	-	1,405	-
1410	Prepayments (Note 16)	5,476	-	8,658	-
1470	Other current assets	29	-	166	-
11XX	Total current assets	<u>285,823</u>	<u>15</u>	<u>192,717</u>	<u>13</u>
	Non-current assets				
1550	Investments Accounted for Using the Equity Method (Notes 4, 12, 23, 28 and 32)	1,502,446	82	1,190,378	82
1600	Property, plant and equipment (Notes 4 and 13)	2,508	-	9,112	1
1755	Right-of-use assets (Notes 4 and 14)	1,425	-	14,116	1
1780	Intangible assets (Notes 4 and 15)	501	-	353	-
1840	Deferred tax assets (Notes 4 and 26)	30,881	2	41,614	3
1920	Refundable deposits	3,114	-	3,826	-
1990	Other noncurrent assets (Notes 4, 16 and 22)	18,192	1	5,635	-
15XX	Total non-current assets	<u>1,559,067</u>	<u>85</u>	<u>1,265,034</u>	<u>87</u>
1XXX	Total	<u>\$1,844,890</u>	<u>100</u>	<u>\$1,457,751</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 17)	\$ 80,000	5	\$ 180,000	13
2170	Accounts payable (Note 19)	276	-	276	-
2219	Other Payables (Note 20)	18,590	1	22,700	2
2230	Current tax liabilities (Notes 4 and 26)	-	-	5,052	-
2280	Current lease liabilities (Notes 4 and 14)	682	-	4,865	-
2320	Current portion of long-term loans payable (Note 17)	4,169	-	4,066	-
2399	Other current liabilities	332	-	321	-
21XX	Total current liabilities	<u>104,049</u>	<u>6</u>	<u>217,280</u>	<u>15</u>
	Non-current liabilities				
2530	corporate bond payable ( Notes 4 and 18 )	284,437	15	-	-
2540	Long-term loans (Note 17)	352	-	4,518	-
2550	Non-current provisions (Notes 4 and 21)	674	-	728	-
2570	Deferred tax liabilities (Notes 4 and 26)	31	-	-	-
2580	Non-current lease liabilities (Notes 4 and 14)	758	-	9,440	1
25XX	Total non-current liabilities	<u>286,252</u>	<u>15</u>	<u>14,686</u>	<u>1</u>
2XXX	Total liabilities	<u>390,301</u>	<u>21</u>	<u>231,966</u>	<u>16</u>
	Equity (Notes 4, 18, 23 and 28)				
	Capital stock				
3110	Common stock	969,622	53	840,422	58
3200	Capital reserve	843,454	46	697,863	48
	Accumulated deficit				
3310	Legal reserve	-	-	6,913	1
3320	Special reserve	-	-	62,223	4
3350	Accumulated deficit	( 201,884 )	( 11 )	( 201,431 )	( 14 )
3300	Total accumulated deficit	( 201,884 )	( 11 )	( 132,295 )	( 9 )
3400	Other interests	( 156,603 )	( 9 )	( 180,205 )	( 13 )
3XXX	Total equity	<u>1,454,589</u>	<u>79</u>	<u>1,225,785</u>	<u>84</u>
	Total liabilities and equity	<u>\$1,844,890</u>	<u>100</u>	<u>\$1,457,751</u>	<u>100</u>

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

Chairman: Huang, Yi-Chun

Manager: Yu, Hsiu-Ping

Accounting Supervisor: Liu, Ming-Yi

Paragon Technologies Co., Ltd.  
Individual Statements of Comprehensive Income  
From January 1 to December 31, 2024 and 2023

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

Codes		2024		2023	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4 and 24)	\$ 351	100	\$ 1,939	100
5000	Operating costs (Notes 4, 11 and 25)	( 8,555 )	( 2,437 )	( 8,834 )	( 456 )
5900	Gross Loss	( 8,204 )	( 2,337 )	( 6,895 )	( 356 )
5920	Realized profits of subsidiaries(Notes 4 and 32)	3,937	1,121	69,122	3,565
5950	Realized Gross Profit (Loss)	( 4,267 )	( 1,216 )	62,227	3,209
	Operating expenses (Note 25)				
6100	Sales and marketing expenses	-	-	-	-
6200	General and administrative expenses	( 67,446 )	( 19,215 )	( 44,770 )	( 2,309 )
6300	Research and development expenses	( 18,600 )	( 5,299 )	( 26,139 )	( 1,348 )
6000	Total operating expenses	( 86,046 )	( 24,514 )	( 70,909 )	( 3,657 )
6900	Net operating loss	( 90,313 )	( 25,730 )	( 8,682 )	( 448 )
	Non-operating income and expenses (Notes 10, 25 and 32)				
7100	Interest income	1,786	509	2,160	111
7010	Other income	19,381	5,521	19,489	1,005
7020	Other gains and losses	( 10 )	( 3 )	( 8,384 )	( 432 )
7050	Finance costs	( 5,440 )	( 1,550 )	( 3,535 )	( 182 )
7070	Share of profits and losses of subsidiary accounted for using equity method	( 103,195 )	( 29,400 )	( 3,026 )	( 156 )
7000	Total non-operating income and expenses	( 87,478 )	( 24,923 )	6,704	346

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Codes		2024		2023	
		Amount	%	Amount	%
7900	Loss from continuing operations before income tax	( \$ 177,791 )	( 50,653 )	( \$ 1,978 )	( 102 )
7950	Total income tax expense (Notes 4 and 26)	( <u>34,304</u> )	( <u>9,773</u> )	( <u>46,431</u> )	( <u>2,394</u> )
8200	Net loss for the period	( <u>212,095</u> )	( <u>60,426</u> )	( <u>48,409</u> )	( <u>2,496</u> )
	Other comprehensive income (Notes 4, 22, 23 and 26)				
	Not reclassified to profit or loss:				
8311	Measure on defined benefit plans	12,764	3,636	614	32
8349	Income tax expense related to items that will not be reclassified subsequently	( <u>2,553</u> )	( <u>727</u> )	( <u>123</u> )	( <u>7</u> )
8310		<u>10,211</u>	<u>2,909</u>	<u>491</u>	<u>25</u>
	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive profits and losses of subsidiaries accounted for using equity method	37,396	10,654	( 21,691 )	( 1,119 )
8399	Income tax related to items that may be reclassified subsequently	( <u>7,479</u> )	( <u>2,130</u> )	<u>4,338</u>	<u>224</u>
8360		<u>29,917</u>	<u>8,524</u>	( <u>17,353</u> )	( <u>895</u> )
8300	Other comprehensive income for the period (net of income tax)	<u>40,128</u>	<u>11,433</u>	( <u>16,862</u> )	( <u>870</u> )
8500	Total comprehensive income	( <u>\$ 171,967</u> )	( <u>48,993</u> )	( <u>\$ 65,271</u> )	( <u>3,366</u> )
	Loss Per Share (Note 27)				
	from continuing operations				
9710	Basic	( <u>\$ 2.39</u> )		( <u>\$ 0.59</u> )	
9810	Diluted	( <u>\$ 2.39</u> )		( <u>\$ 0.59</u> )	

The accompanying notes are an integral part of the individual Financial Report.

Chairman: Huang, Yi-Chun

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, 2024 and 2023

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

		Equity attributable to owners of the Company								
					Retained earnings			Others		
Codes		Capital Stock		Capital reserve	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Foreign currency translation reserve	Unearned Stock-Based Employee Compensation	Total equity
	Shares (in thousands)	Capital Stock								
A1	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									
B3	Legal reserve	-	-	-	2,784	-	( 2,784 )	-	-	-
	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	Cash capital increase	2,300	23,000	34,500	-	-	-	-	-	57,500
D1	Total net loss of 2023	-	-	-	-	-	( 48,409 )	-	-	( 48,409 )
D3	Other comprehensive income of 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>491</u>	( <u>17,353</u> )	<u>-</u>	( <u>16,862</u> )
D5	Total comprehensive income of 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>47,918</u> )	( <u>17,353</u> )	<u>-</u>	( <u>65,271</u> )
M5	The difference between the equity price and book value of a subsidiary company acquired or disposed	<u>-</u>	<u>-</u>	( <u>186</u> )	<u>-</u>	<u>-</u>	( <u>153,513</u> )	<u>-</u>	<u>-</u>	( <u>153,699</u> )
Z1	Balance, December 31, 2023	84,042	840,422	697,863	6,913	62,223	( 201,431 )	( 156,329 )	( 23,876 )	1,225,785
B1	Appropriations of 2023 year's earnings									
B3	Legal reserve	-	-	-	( 6,913 )	-	6,913	-	-	-
	Special reserve	-	-	-	-	( 62,223 )	62,223	-	-	-
C5	Other changes in capital reserves: The convertible corporate bonds issued by the Company are recognized as a component of equity	-	-	71,620	-	-	-	-	-	71,620
C11	Capital reserve to make up for losses	-	-	( 132,295 )	-	-	132,295	-	-	-
E1	Cash capital increase	12,000	120,000	180,000	-	-	-	-	-	300,000
N1	Issuance of new shares with restrictions on employee rights	920	9,200	23,966	-	-	-	-	( 23,966 )	9,200
N1	Share-based payment arrangements	-	-	2,300	-	-	-	-	17,651	19,951
D1	Total net loss of 2024	-	-	-	-	-	( 212,095 )	-	-	( 212,095 )
D3	Other comprehensive income of 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,211</u>	<u>29,917</u>	<u>-</u>	<u>40,128</u>
D5	Total comprehensive income of 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	( <u>201,884</u> )	<u>29,917</u>	<u>-</u>	( <u>171,967</u> )
Z1	Balance, December 31, 2024	<u>96,962</u>	<u>\$ 969,622</u>	<u>\$ 843,454</u>	<u>\$ -</u>	<u>\$ -</u>	( <u>\$ 201,884</u> )	( <u>\$ 126,412</u> )	( <u>\$ 30,191</u> )	<u>\$ 1,454,589</u>

The accompanying notes are an integral part of the individual Financial Report.

Chairman: Huang, Yi-Chun

Manager: Yu, Hsiu-Ping

Accounting Supervisor: Liu, Ming-Yi

Paragon Technologies Co., Ltd.  
Individual Statements of Cash Flows  
From January 1 to December 31, 2024 and 2023  
(In Thousands of New Taiwan Dollars)

<u>codes</u>		<u>2024</u>	<u>2023</u>
	Cash Flows from Operating Activities		
A10000	Loss Before Income Tax for the Year	(\$ 177,791)	(\$ 1,978)
A20010	Adjustments for Income and Expense Items		
A20100	Depreciation Expense	5,657	11,163
A20200	Amortization Expense	692	598
A20400	Loss on Financial Assets at Fair Value Through Profit or Loss	330	-
A20900	Finance Costs	5,440	3,535
A29900	Provisions	( 54)	( 36)
A21200	Interest Income	( 1,786)	( 2,160)
A21900	Share-based Compensation Expense	8,022	2,489
A22400	Share of Profit or Loss of Subsidiaries Accounted for Using the Equity Method	103,195	3,026
A22500	Loss on Disposal and Retirement of Property, Plant and Equipment	2,965	6,692
A23100	Gain on Disposal of Investments	-	( 1,260)
A24000	Realized Gain on Sales to Subsidiaries	( 3,937)	( 69,122)
A29900	Lease Modification Gain	( 319)	( 192)
A30000	Net Changes in Operating Assets and Liabilities		
A31150	Accounts Receivable	277	259
A31190	Other Receivables – Related Parties	9,173	( 19,472)
A31230	Prepayments	3,182	( 2,187)
A31240	Other Current Assets	137	( 17)
A31990	Net Defined Benefit Assets	207	( 14)
A32180	Other Payables	( 4,014)	( 7,915)
A32230	Other Current Liabilities	<u>11</u>	<u>( 91)</u>
A33000	Cash Generated from Operations	( 48,613)	( 76,682)
A33100	Interest Received	2,774	1,018
A33300	Interest Paid	( 3,178)	( 2,954)
A33500	Income Tax Paid	<u>( 46,291)</u>	<u>( 28,963)</u>
AAAA	Net Cash Outflows from Operating Activities	<u>( 95,308)</u>	<u>( 107,581)</u>

(Continued on next page)

(Continued from previous page)

codes		2024	2023
	Acquisition of Financial Assets Measured at Amortized Cost		
B00040	Net Cash Inflows from Disposal of Subsidiaries	(\$ 60,000)	\$ -
B02300	Acquisition of Property, Plant and Equipment	-	54,589
B02700	Proceeds from Disposal of Property, Plant and Equipment	( 2,265)	( 266)
B02800	Decrease in Refundable Deposits	3,203	2,441
B03800	Acquisition of Intangible Assets	712	176
B04500	Dividends Received from Subsidiaries	( 840)	( 533)
B07600	Net Cash Inflows from Investing Activities	<u>286,270</u>	<u>216,005</u>
BBBB	Acquisition of Financial Assets Measured at Amortized Cost	<u>227,080</u>	<u>272,412</u>
	Increase in Short-term Loans		
C00100	Decrease in Short-term Loans	-	110,000
C00200	Issuance of Convertible Bonds	( 100,000)	-
C01200	Repayments of Long-term Loans	353,390	-
C01700	Repayments of Lease Liabilities	( 4,063)	( 3,969)
C04020	Payment of Cash Dividends	( 3,012)	( 6,202)
C04500	Proceeds from Capital Increase	-	( 40,371)
C04600	Issuance of Restricted Shares to Employees	300,000	57,500
C04800	Acquisition of Subsidiaries' Equity	9,200	10,000
C05400	Net Cash Outflows from Financing Activities	( <u>600,000</u> )	( <u>258,200</u> )
CCCC	Increase in Short-term Loans	( <u>44,485</u> )	( <u>131,242</u> )
EEEE	Increase in Cash and Cash Equivalents	87,287	33,589
E00100	Cash and Cash Equivalents at Beginning of Year	<u>113,305</u>	<u>79,716</u>
E00200	Cash and Cash Equivalents at End of Year	<u>\$ 200,592</u>	<u>\$ 113,305</u>

The accompanying notes are an integral part of the individual Financial Report.

Chairman: Huang, Yi-Chun

Manager: Yu, Hsiu-Ping

Accounting Supervisor: Liu, Ming-Yi

## Attachment VII

### Paragon Technologies Co., Ltd.

#### Comparison table of articles before and after the revision of the company's articles of association

Article	Amended Articles	Articles before amendment	Explanation
Article 23	<p>If the Company has annual profits, shall appropriate 1-10% as employees' remuneration, and not more than 3% as <u>directors'</u> remuneration. However, the Company still has accumulated loss, shall preserve recovery amount first.</p> <p><u>The employee remuneration ratio referred to in the preceding paragraph shall be set aside not less than 0.5% for the distribution of remuneration to grassroots employees.</u></p> <p>The determination of employees', <u>directors'</u> 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.</p> <p>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.</p> <p>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</p>	<p>If the Company has annual profits, shall appropriate 1-10% as employees' remuneration, and not more than 3% as <u>directors' and supervisors'</u> remuneration. However, the Company still has accumulated loss, shall preserve recovery amount first.</p> <p>The determination of employees', <u>directors' and supervisors'</u> 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.</p> <p>The object of employees' remuneration paid by stocks or cash includes employees of subordinate company conformed certain conditions.</p> <p>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.</p> <p>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</p>	<p>In compliance with the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act</p>

	<p>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.</p> <p>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 <u>a part of</u> 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.</p>	<p>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.</p> <p>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.</p>	
Article 26	<p>The Articles of Incorporation was drawn up on October 17, 1995.</p> <p>The 1st amendment was made on August 5, 1996.</p> <p>.....</p> <p><u>The 29th amendment was made on June 11, 2024.</u></p>	<p>The Articles of Incorporation was drawn up on October 17, 1995.</p> <p>The 1st amendment was made on August 5, 1996.</p> <p>.....</p> <p>The 28th amendment was made on June 13, 2023.</p>	Add revision date



## **Attachment VIII**

### **Paragon Technologies Co., Ltd.**

#### **Evaluation Opinion on the Necessity and Reasonableness of Private Placement**

Submission Client: Paragon Technologies Co., Ltd.

Submission Recipient: Paragon Technologies Co., Ltd.

Opinion Designated Purpose: For use exclusively by Paragon Technologies Co., Ltd. in connection with the 2025 Private Placement

Report Type: Opinion on Evaluation of Necessity and Reasonableness of Private Placement

Evaluation Organization: Taishin Securities Co., Ltd.

Representative: Guo, Jia-Horng

(The contents of the opinion are to be used exclusively for the purpose of resolving the Private Placement at the 2025 Board of Directors' and Shareholders' Meetings of Paragon Technologies Co., Ltd. and will not be used for any other purpose. The opinion herein is based on the financial information provided by Paragon Technologies Co., Ltd. and the publicly disclosed information available on the Market Observation Post System. Any future changes to the company's private placement plan or other circumstances that may lead to modifications of this opinion letter shall not impose any legal liability on this opinion letter. This is hereby declared.)

M a r c h   1 2 ,   2 0 2 5

Paragon Technologies Co., Ltd. (hereinafter referred to as "Paragon Technologies" or "the Company") aims to enhance its operational capital, strengthen its financial structure, and meet funding needs for long-term corporate development. The Company seeks opportunities for diversified operations and strategic industry collaborations to expand its future business scale and create long-term shareholder value while ensuring the timeliness and convenience of capital raising. In accordance with the "Securities and Exchange Act" and "Matters Requiring Attention if a Public Company Conducts a Private Placement of Marketable Securities", the Company intends to conduct the private placement of marketable securities under Article 43-6 of the Securities and Exchange Act, which will be discussed at the Board of Directors' meeting to be held on March 12, 2025, and plans to conduct a private placement of up to 25,000 thousand shares of common stock to be discussed at the Annual General Meeting of Shareholders to be held on June 11, 2025, and proposes the Shareholders' Meeting to authorize the Board of Directors to approve the private placement of up to 25,000 thousand shares of common stock in two tranches within one year from the date of the resolution of the shareholders' meeting. In accordance with Article 4, Paragraph 3 of the "Matters Requiring Attention if a Public Company is to Conduct a Private Placement of Securities", if there is a significant change in the management right of the company within one year prior to the board of directors' resolution to conduct a private placement of securities and within one year from the date of delivery of the privately placed securities, the board of directors should request the securities underwriter to provide an opinion on the necessity and reasonableness of the private placement of securities, which shall be included in the notice of the shareholders' meeting for the shareholders' approval or disapproval. The underwriter's evaluation is as follows:

## 1. Company Profile

Paragon Technologies Co., Ltd. (3518) was founded in 1995 with a current capital of NT\$970 million. The company is mainly engaged in the business of EMI and ESD treatment for notebook, mobile phone and other electronic products, and is the world's first company to apply vacuum sputtering thin-film technology to the EMI/ESD solutions for 3C products. As the world's leading EMI supplier for NB branded plastic chassis, the company will continue to invest in the development of non-EMI product technology in the future, especially focusing on the application of PVD coating technology that meets ESG and carbon reduction, in addition to reinforcing the leading position of its existing products and technology, and gradually transforming into the roles of equipment development and technical services.

To diversify its business and reduce its reliance on the consumer electronics industry, Paragon Technologies has been actively adjusting its business direction in recent years to strengthen its competitiveness. Regarding the product layout of Silicon Carbide (SiC), the new plant of Paragon Technologies' reinvested subsidiary, Jing Cheng Material Co., Ltd. is expected to increase the capacity of SiC long-grain and wafer processing as well as to invest in the development of 8-inch products, and the new capacity in the future will be able to be compatible with both 6-inch and 8-inch products, so that Paragon Technologies will be able to meet the future growth demand of the silicon carbide market.

The company's condensed financial information for the most recent five fiscal years is shown below:

**Individual Condensed Balance Sheets**  
( In accordance with International Financial Reporting Standards (IFRS))

Unit: NT\$ thousand

Fiscal year Item		Financial Information for Most Recent 5 Fiscal Years (Note 1 )				
		2019	2020	2021	2022	2023
Current Assets		114,957	94,690	114,070	123,052	192,717
Property, plant and equipment		42,463	37,994	30,444	23,112	9,112
Intangible Assets		236	213	600	418	353
Other assets		1,403,713	1,407,999	1,415,408	1,405,315	1,255,569
Total assets		1,561,369	1,540,896	1,560,522	1,551,897	1,457,751
Current Liabilities	Before distribution	131,884	153,985	126,050	111,243	217,280
	After distribution	131,884	153,985	126,050	111,243	217,280
Non-current liabilities		13,247	7,143	17,644	29,252	14,686
Total liabilities	Before distribution	145,131	161,128	143,694	140,495	231,966
	After distribution	145,131	161,128	143,694	140,495	231,966
Equity attributable to owners of the parent company		1,416,238	1,379,768	1,416,828	1,411,402	1,225,785
Share capital		807,522	807,522	807,522	807,422	840,422
Capital surplus		1,007,800	810,542	759,327	673,820	697,863
Retained earnings	Before distribution	(197,258)	(55,645)	41,298	69,136	(132,295)
	After distribution	(197,258)	(55,645)	41,298	69,136	(132,295)
Other equity		(167,175)	(148,000)	(156,668)	(138,976)	(180,205)
Treasury shares		(34,651)	(34,651)	(34,651)	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before distribution	1,416,244	1,379,768	1,416,828	1,489,279	1,225,785
	After distribution	1,416,244	1,379,768	1,416,828	1,489,279	1,225,785

Note 1: The financial information for the most recent five fiscal years have been audited and certified by certified public accountants.

**Individual Condensed Consolidated Statements of Profit or Loss**  
(In accordance with International Financial Reporting Standards (IFRS))

Unit: NT\$ thousand; only NT\$ for Earnings per share

Fiscal year Item	Financial data for Most Recent 5 years ( Note1 )				
	2019	2020	2021	2022	2023
Operating Revenue	6,143	1,572	1,463	1,791	1,939
Gross Revenue	3,045	233	(531)	(6,888)	(6,895)
Operating Income	(46,712)	(63,508)	(76,268)	(60,558)	(8,682)
Non-operating income and expenses	(134,991)	19,210	134,340	102,636	6,704
Profit before income tax	(181,703)	(44,298)	58,072	42,078	(1,978)
Net income from continuing operations	(197,484)	(55,940)	41,256	25,052	(48,409)
Loss from discontinued operations	0	0	0	0	0
Net income(loss) for the period	(197,484)	(55,940)	41,256	25,052	(48,409)
Other comprehensive income(net of Income Tax) for the period	(46,939)	19,470	(8,626)	20,478	(16,862)
Total comprehensive income for the period	(244,423)	(36,470)	32,630	45,530	(65,271)
Net income attributable to owners of parent	(197,484)	(55,940)	41,256	25,052	(48,409)
Net income attributable to non-controlling interest	0	0	0	0	0
Total comprehensive income attributable to owners of parent	(244,423)	(36,470)	32,630	45,530	(65,271)
Total comprehensive income attributable to non-controlling interest	0	0	0	0	0
Earnings per share(Note2)	(2.50)	(0.71)	0.52	0.31	(0.59)

Note 1: The financial information for the most recent five fiscal years have been audited and certified by certified public accountants.

Note 2: Earnings per share are calculated by dividing current earnings by the weighted number of shares outstanding during the period, without considering retroactive adjustments for stock dividends distributed at no consideration after the end of the period.

**Consolidated Balance Sheets**  
(In accordance with International Financial Reporting Standards (IFRS))

Unit: NT\$ thousand

Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note1 )				
		2019	2020	2021	2022	2023
Current Assets		989,249	1,167,795	1,405,766	1,390,167	1,184,218
Property, plant and equipment		507,045	434,597	247,720	207,695	257,501
Intangible Assets		603	353	638	231	48
Other assets		604,240	591,523	223,703	181,148	119,524
Total assets		2,101,137	2,194,268	1,877,827	1,779,241	1,561,291
Current Liabilities	Before distribution	526,665	630,384	372,035	229,211	299,601
	After distribution	526,665	630,384	372,035	229,211	299,601
Non-current liabilities		158,228	184,116	88,964	60,751	35,905
Total liabilities	Before distribution	684,893	814,500	460,999	289,962	335,506
	After distribution	684,893	814,500	460,999	289,962	335,506
Equity attributable to owners of the parent company		1,416,238	1,379,768	1,416,828	1,411,402	1,225,785
Share capital		807,522	807,522	807,522	807,422	840,422
Capital surplus		1,007,800	810,542	759,327	673,820	697,863
Retained earnings	Before distribution	(197,258)	(55,645)	41,298	69,136	(132,295)
	After distribution	(197,258)	(55,645)	41,298	69,136	(132,295)
Other equity		(167,175)	(148,000)	(156,668)	(138,976)	(180,205)
Treasury shares		(34,651)	(34,651)	(34,651)	0	0
Non-controlling interests		6	0	0	77,877	0
Total equity	Before distribution	1,416,244	1,379,768	1,416,828	1,489,279	1,225,785
	After distribution	1,416,244	1,379,768	1,416,828	1,489,279	1,225,785

Note 1: The financial information for the most recent five years have been audited and certified by certified public accountants.

Note 2: Earnings per share is calculated by dividing the current earnings by the weighted-average number of shares outstanding during the period, without regard to retroactive adjustments for stock dividends.

**Consolidated Income Statement**  
(In accordance with International Financial Reporting Standards (IFRS))

Unit: NT\$ thousand; only NT\$ for Earnings per share

Fiscal year Item	Financial data for Most Recent 5 years ( Note1 )				
	2019	2020	2021	2022	2023
Operating Revenue	546,881	684,598	800,103	457,220	382,573
Gross Profit	85,812	223,566	291,900	113,340	102,158
Operating profit and loss	(104,536)	10,297	60,614	(51,282)	(56,575)
Non-operating income and expenses	(57,180)	(12,760)	45,076	108,412	68,743
Profit before income tax	(161,716)	(2,463)	105,690	57,130	12,168
Net income from continuing operations (	(197,485)	(55,940)	41,256	24,221	(49,915)
Loss from discontinued operations	0	0	0	0	0
Net income(loss) for the period	(197,485)	(55,940)	41,256	24,221	(49,915)
Other comprehensive income(net of Income Tax)	(46,939)	19,470	(8,626)	21,110	(17,494)
Total comprehensive income for the period	(244,424)	(36,470)	32,630	45,331	(67,409)
Net income attributable to owners of parent	(197,484)	(55,940)	41,256	25,052	(48,409)
Net income attributable to non-controlling interest	(1)	0	0	(831)	(1,506)
Total comprehensive income attributable to owners of parent	(244,423)	(36,470)	32,630	45,530	(65,271)
Total comprehensive income attributable to non-controlling interest	(1)	0	0	(199)	(2,138)
Earnings per share(Note2)	(2.50)	(0.71)	0.52	0.31	(0.59)

Note 1: The financial information for the most recent five years have been audited and certified by certified public accountants.

Note 2: Earnings per share is calculated by dividing the current earnings by the weighted-average number of shares outstanding during the period, without regard to retroactive adjustments for stock dividends.

2. Review of significant changes in operating rights within one year prior to the date the Board of Directors resolved to effect the Private Placement

Paragon Technologies Co., Ltd. had a general election of directors at the 2024 Regular Meeting of Shareholders due to the expiration of the term of office of the directors, and the term of office of the directors for the current term of office commenced on June 18, 2024 and expires on June 17, 2027, and the changes in the directors for the most recent year are as follows:

Title	List of Directors for March 2024	List of Directors for March 2025	Changes (Yes/No)
Director	Chen, Tsai-Pu	Chen, Tsai-Pu	No
Director	Chen, Wan-De	Chen, Wan-De	No
Director	Lin, Qi-Yang	Representative: Huang, Yi-Chun, Chun Tung International Investment Co., Ltd	Yes
Director	Wang, Le-Chun	-	Yes
Director	Gao, Wen-Xiang	-	Yes
Independent Director	Liu, Yi-Chen	Liu, Yi-Chen	No
Independent Director	Su, Tsung-Min	Su, Cong-Min	No
Independent Director	Hsu, Jui-Tsan	Zhang, Dong-Long	Yes
Independent Director	-	Zheng, Qin-Xin	Yes

As of the publication date of this report, the number of changes in the number of directors of Paragon Technologies Co., Ltd. is 1/2, which meets the criteria under Article 4, Paragraph 3 of the “Matters Requiring Attention if a Public Company is to Conduct a Private Placement of Securities”. However, the Company has not yet been consolidated with any changes in shareholding structure resulting in a transfer of control or loss of control by the original management, therefore, there should not be any significant change in the operating rights of the Company.

3. Whether the introduction of specific investors through the private placement will result in a significant change in management control remains uncertain.

The timing of the Company's private placement of common stock is expected to take place after the 2025 Annual General Meeting of Shareholders, and the placees have not yet been identified. Therefore, it is not yet possible to have an opinion as to whether or not the strategic investors to be introduced by the proposed private placement of common stock will be able to obtain a certain number of directorships to participate in the Company's operations, which will result in a significant change in the right to operate. However, considering that the Company's targets for the private placement of common stock are specific persons in compliance with Article 43-6 of the Securities and Exchange Act and Order No. 0910003455 of the Taiwan Financial Services Commission dated June 13, 2002, the Company intends to select investors who can enhance its operating performance as the primary consideration, and the selection of the actual subscriber will be made in accordance with the relevant regulations after the negotiation is finalized, and therefore, the selection of its subscriber should still be appropriate.

Considering that the Company has 96,962 thousand shares outstanding and 121,962 thousand shares after adding 25,000 thousand shares to the proposed private placement, the total number of shares to be

placed in the private placement is estimated to be approximately 20.5% of the capital stock after the private placement. The possibility of obtaining directorships and supervisory seats in the future and having significant changes in management rights cannot be ruled out. Therefore, in accordance with the “Directions for Public Companies Conducting Private Placements of Securities”, the Company requested the securities underwriter to issue an opinion on the necessity and reasonableness of the private placement. However, the Company has not yet confirmed the specific investor, so there is no conclusion as to whether or not the introduction of the specific investor in the private placement will result in a significant change in the operating rights of the Company.

#### 4. The Private Placement Program

In view of the future business development for the purpose of enriching the working capital, improving the financial structure, or supporting other capital needs for the long-term development of the Company, and considering the fact that it may not be easy to obtain the required capital in a short period of time by raising funds through fund raising and issuing securities, and the characteristics of raising funds quickly and conveniently by way of private placement, the Company intends to issue new shares by way of a private placement in accordance with the provisions of Article 7 and Article 43-6 of the Securities and Exchange Act, and to authorize the Board of Directors to issue new shares by way of a private placement in two tranches within the amount of not more than 25,000 thousand shares. The Board of Directors is authorized to issue new shares in two tranches within one year from the date of the shareholders' meeting within an amount not exceeding 25,000 thousand shares. The price per share shall not be less than 80% of the higher of the following two prices calculated on the basis of the Company's pricing date:

1. Simple arithmetic average of the closing price of ordinary shares calculated on one, three or five business days prior to the pricing date, less the ex-rights and dividend of the uncompensated allotment of shares and after adding back the capital reduction counter-exclusion.
2. Simple arithmetic average of the closing prices of the ordinary shares for the 30 business days prior to the pricing date, less the ex-rights and ex-dividends of the free allotment of shares, plus the share price after adding back the capital reduction inverse ex-rights.

The issue price of the company's private placement of common shares was set at no less than 80% of the reference price.

#### 5. Evaluation of the necessity and reasonableness of the Private Placement

##### (1) Necessity of the Private Placement

The operating revenues and net income for the three most recent years and the most recent period included in the consolidated financial statements of Paragon Technologies are shown below:

Unit: NT\$ thousand

Fiscal year Item	2021	2022	2023	The first three quarters of 2024
Operating Revenue	800,103	457,220	382,573	266,432
Gross Profit	291,900	113,340	102,158	63,744
Net Income (Loss) from Operations	60,614	(51,282)	(56,575)	(100,854)
Net Income (Loss) Before Taxes	105,690	57,130	12,168	(98,027)

Source: Consolidated financial statements audited or reviewed by an accountant.



The company's business has been focused on consumer electronics products such as laptops and mobile phones in recent years, and its revenue is highly linked to the demand for end-products.

The global outbreak of COVID-19 in 2021 and the strong demand for distance learning and office work drove the demand for laptop and notebook products, resulting in a revenue growth of nearly 16.9%. However, as the outbreak of COVID-19 subsided in 2022, laptop and notebook brands are facing the pressure of de-stocking, and orders to upstream manufacturers have dropped sharply, resulting in a 42.8% decline in the company's revenue and a downward revision of its gross profit margin from 36.48% to 24.79%. Revenue continued to decline by 16.3% in 2023 due to continued inventory adjustments at end-customers in the notebook market, and the overall notebook market recovery was not as strong as expected in the first three quarters of 2024 due to the slow recovery of demand in the global notebook market as a result of high interest rates and geopolitical factors, as well as the delayed PC replacement due to the upcoming launch of AI PCs. The company's revenue declined 7.4% compared to the same period last year. The company will continue to invest in the development of non-EMI product technology, especially focusing on PVD appearance technology products that comply with ESG and carbon reduction and gradually transform into the role of equipment development and technical services.

The Company has been actively transforming and developing diversified businesses in order to meet the challenge of highly interconnectedness between revenue and end-product demand. In addition to disposing of the assets of its subsidiaries in Mainland China, the Company is expected to acquire a new company, Jing Cheng Material Co., Ltd. in 2022, which is expected to have a foothold in the silicon carbide field in the future. However, the production of silicon carbide wafers requires the introduction of capital injection, and the results need time to brew and ferment. Silicon carbide products have started to contribute a small amount of revenue in the first quarter of 2024, and as of the first three quarters of 2024, the proportion of revenue from silicon carbide products is approximately 0.09%.

Based on the current nature of the company, it may be difficult for investors to favor the public offering of new shares. Considering the issuance cost of the private placement of common stock and the timeliness of the fund raising method, which is relatively quick and easy, and is more favorable to the company's operation plan in 2025, the company chose the private placement of common stock as a way to obtain long-term capital.

In summary, Paragon Technologies Co., Ltd. has chosen private placement as a method of obtaining long-term capital in order to promote its long-term business development and to consider the timeliness of the quick and easy method of raising capital is necessary for the company.

## (2) Reasonableness of Managed Private Placement

Paragon Technologies expects that the resolution will be approved at the annual shareholders' meeting to be held on June 11, 2025, and that the reasons for convening the annual shareholders' meeting will be set forth in accordance with Article 43-6, Paragraph 6 of the Securities and Exchange Act, and that there are no significant exceptions to this rule. The purpose of the proceeds from the private placement is to increase working capital or to support other long-term development needs of the Company. It is expected that the proceeds will improve the Company's financial structure, operational performance, and competitiveness, which will be beneficial to shareholders' equity.

In addition to obtaining long-term stable capital, the private placement, as compared to a public offering, is subject to a three-year non-transferable restriction on the private placement of common stock, which ensures a long-term relationship between the Company and the specific investor introduced and enhances the Company's potential to enter into new business opportunities, which is helpful to the Company's medium-term operational growth in the future.

The subscription price of the private placement is not less than 80% of the reference price in compliance with relevant laws and regulations.

In summary, in accordance with the “Directions for Public Companies Conducting Private Placements of Securities”, the Underwriters consider that it is necessary and reasonable for Paragon Technologies to conduct the Private Placement.

## 6. Reasonableness and necessity of the change in operating rights as a result of the Private Placement

### (1) Impact of significant changes in operating rights on the Company's business, finances and shareholders' equity

#### i. Impact on the Company's Business

The introduction of strategic investors is planned to assist the Company in developing diversified businesses and to collaborate on technology, knowledge, or channels to expand the current scale of operations and increase the Company's profitability, which will positively contribute to the Company's business development.

#### ii. Impact on the Company's finances

The total number of common shares to be issued under the proposed private placement is subject to a maximum of 25,000 thousand shares. The reference price is based on the simple arithmetic average of the closing price of the common shares for one, three or five business days prior to the pricing date, less the ex-rights of the uncompensated share allotment, the ex-rights of the allotment of dividends, and after adding back the anti-exclusion of capital reduction, or the closing price of the common shares for 30 business days prior to the pricing date, less the ex-rights of the uncompensated share allotment, and after adding back the ex-action of the capital reduction. The higher of the simple arithmetic average of the closing price of the ordinary shares for the 30 business days prior to the pricing date, net of the ex-rights and dividend on the uncompensated allotment of shares and after adding back the capital reduction counter-exclusion price. The price of the common shares to be issued in the private placement will be set at a price not less than 80% of the reference price. The proceeds from the private placement will be used to increase working capital, improve the financial structure, or to meet other capital needs for the Company's long-term development, and to enhance the Company's competitiveness. Therefore, the Company's immediate and effective injection of funds from the private placement will have a positive impact on its financial position.

#### iii. Impact on the Company's shareholders' equity

The funds from the private placement were used to strengthen working capital, improve the financial structure, or to meet other capital needs for the Company's long-term development. The benefits of the private placement were to strengthen the Company's position in the industry, enhance its long-term competitiveness, and improve the financial structure of the Company. The subscription price of the private placement is no less than 80% of the reference price, which is following relevant laws and regulations and has a limited impact on shareholders' equity. It is expected that in the future, through collaboration with strategic investors in technology, knowledge or channels, it will be possible to expand the market scale and other strategic cooperation to improve the company's operating performance.

### (2) Selection of placee and its Feasibility and Necessity

The Company's placee for this private placement of common stock will be selected in accordance with Article 43-6 of the Securities and Exchange Act and the provisions of the letter No. 0910003455 dated June 13, 2002 from the Taiwan Financial Supervisory

Commission (TFSC), and it is intended to select a placee that will directly or indirectly benefit the Company as the primary consideration, however, the selection of the actual placee will be made in accordance with the relevant regulations after the negotiation, and the selection of the placee should therefore be appropriate.

The purpose of this private placement is to assist the Company in developing diversified products and increasing the Company's profitability, with a view to effectively expanding the Company's scale of operations and ensuring the Company's sustainable development, as well as protecting the rights and interests of employees and shareholders. The Private Placement has been negotiated by placee and should be feasible and necessary.

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

The purpose of the proceeds is to replenish working capital and to meet the Company's long-term development needs. The expected benefits of the proceeds are to strengthen the Company's position in the industry, enhance its long-term competitiveness, improve its financial structure, and save interest expenses. It is expected that these benefits will strengthen the company's position in the industry, enhance its long-term competitiveness, improve its financial structure, and save interest expenses. In addition, the introduction of capital, experience, or access to strategic investors will enable the Company to collaborate on technology, knowledge, or access to provide customers with the best integrated service solutions, and is expected to enhance profitability, increase efficiency, and expand market scale, among other benefits of strategic cooperation, which will improve the Company's overall shareholders' equity and positively impact the Company's finances and shareholders' equity. The expected benefits of the proceeds, which will be used as working capital, should be reasonable. Overall, the Company intends to use the proceeds from the private placement for the purpose of strengthening its working capital, improving its financial structure, or supporting other capital needs for long-term development of the Company, so as to enhance the Company's operating quality and competitiveness, and to increase its overall shareholders' equity. After considering the Company's current operating conditions, the timeliness of raising capital and the feasibility of raising capital, the Company's plan to issue new shares by way of a private placement for cash capital increase is necessary and reasonable. The expected benefits of the private placement and the selection of the placee are based on a combination of factors, including the impact on the Company's business, finances and shareholders' equity. It is expected that the introduction of a strategic investor will improve the Company's overall business, finance and shareholders' equity.

## Attachment IX

# 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 has 7-11 directors, the number of current directors authorized Board of Directors' meeting to determine, the term of office is three years, shall be elected from among the shareholders with disposing capacity and can be re-elected. When the term of office of the directors is expired, and reelection has not been held, and the directors exercise duties is extended until the re-election of directors and they take office.  
In case a candidates nomination system is adopted by the Company for election of the directors of the Company, and the directors shall elect from among the nominees list of director candidates in a shareholders' meeting The Company has been approved by a resolution of Board of Directors' meeting, and may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.
- Article 16-1 According to Article 14-2 of Securities Exchange Act, in the Company's preceding number of directors, independent directors shall not less than three persons, and shall not less than one -third of director seats, independent directors' professional qualification, shareholding, part-time limit, nomination and election method and other following matters, shall be conducted in accordance with securities competent 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 5, 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 X

### 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 replacement 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 XI

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

1. As of the book closure date April 13, 2025, the Company's paid-in capital was NT\$ 969,622,300, and the total number of issued shares was 96,962,230.
2. According to Article 26 of Securities Exchange Act, the minimum legally held shares held by all directors were 7,756,978.
3. If the number of independent directors appointed by the Company exceeds one-half of the total number of directors, the provision that the number of shares held by all directors must not be less than a certain ratio shall not apply.
4. 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	Representative: Huang, Yi-Chun, Chun Tung International Investment Co., Ltd	June 18, 2024	3 years	1,505,000	1.79%	1,666,168	1.72%
Director	Chen, Tsai-Pu	June 18, 2024	3 years	2,046,810	2.44%	2,046,810	2.11%
Director	Chen, Wan-De	June 18, 2024	3 years	1,427,566	1.70%	1,580,442	1.63%
Independent director	Liu, Yi-Zhen	June 18, 2024	3 years	0	0%	0	0%
Independent director	Su, Cong-Min	June 18, 2024	3 years	0	0%	0	0%
Independent director	Zheng, Qin-Xin	June 18, 2024	3 years	0	0%	0	0%
Independent director	Zhang, Dong-Long	June 18, 2024	3 years	0	0%	0	0%
Sum of all directors				4,979,376	5.93%	5,293,420	5.46%