



Stock code : 3325

Casing Macron Technology Co.,LTD

Handbook for the 2024 Annual Meeting of
Shareholders

Meeting Time : 9:00 a.m., June.27th ,2024

Meeting Method : Physical meeting

Meeting Place : 2nd Floor, No. 67, Sec. 1, Guangfu Rd.,
Sanchong Dist., New Taipei City
(Jen Hour Restaurant)

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Casing Macron Technology Co., LTD

Year 2024

Agenda of Annual Meeting of Shareholders

Time : 9:00 a.m., June.27th (Thu.), 2024

Place : 2nd Floor, No. 67, Sec. 1, Guangfu Rd., Sanchong Dist., New Taipei City
(Jen Hour Restaurant)

- 1.Call The Meeting to Order
- 2.Chairperson Remarks
- 3.Reports on Company Affairs
 - (1) 2023 Business Report
 - (2) 2023 Audit Committee's Review Report
 - (3) 2023 Implementation of Investments in China
 - (4) The 3rd Issue of Domestic Unsecured Corporate Bonds Report
 - (5) Other Reports
4. Ratification Items
 - (1) 2023 Business Report and Financial Statements
 - (2) Proposal for 2023 Deficit Compensation
- 5.Discussions Items
 - (1) Issues of Issued Private Stock Shares
- 6.Questions and Motions

Reports on Company Affairs :

Report No.1 : 2023 Business Report

Explanation : The 2023 Business Report is attached as P. 7, Appendix 1.

Report No.2 : 2023 Audit Committee's Review Report

Explanation : The 2023 Audit Committee's Review Report is attached as P. 10, Appendix2.

Report No.3 : 2023 Implementation of Investments in China

Explanation : The implementation of the company's investment in China is attached as P.11, Appendix 3.

Report No.4: The 3rd Issue of Domestic Unsecured Corporate Bonds Report

Explanation : The total amount of the 3rd Issue of Domestic Unsecured Corporate Bonds is 100,000,000 dollars. The bonds, which have been effectively registered under letter No. 1110368219 issued by Financial Supervisory Commission on Jan. 30, 2012, had been converted into common stock on 31st Jan, 2024.

Other Reports :

Explanation :

- 1.The 2023 annual audit was a profit before tax. Therefore, no employees' and directors' remuneration were paid.
- 2.The shareholders' proposal and nomination application open from April 19th to April 29th 2024. The information has been announced on "Market Observation Post System" according to law. No shareholders' proposals and nomination have been received during this period.
- 3.The 2023 financial instrument transactions implementation is attached as P.12, Appendix 4.
- 4.The company did not lend money to others in 2023.
- 5.The company did not endorse or guarantee for others in 2023.

Ratification Items :

Proposal 1

Adoption of the 2023 Business Report and Financial Statements

(Proposed by the Board)

Explanation :

- 1.The business report and financial statements in 2023 (Individual and consolidated financial statements are included) have been audited by the certificated public accountants Guan-Hao, Li and Wang-Sheng, Lin of Deloitte Taiwan and determined that they are presented fairly, which were released. (Please refer to Appendix 5, P. 13 of the Annual Meeting Handbook.)
- 2.The Auditing Committee has reviewed the 2023 individual and consolidated financial statements on March 8th, 2024. (Please refer to Appendix 2, P. 10 of the Annual Meeting Handbook.)
- 3.Please adopt.

Resolution :

Proposal 2

Adoption of the Proposal for 2023 Deficit Compensation

(Proposed by the Board)

Explanation :

- 1.The profit loss after tax in 2023 was NT\$24,027,836. The resolution was announced by the board on record on March 08th, 2024.
- 2.Deficit yet to be compensated at the end of 2023 was NT\$165,407,083.
(The accumulated deficit of early 2023 Profits NT\$134,553,495 – the 2023 retained earnings of defined benefit plan adjusted to NT\$ 114,454 – the 2023 retained earnings of investments accounted for using equity method adjusted to NT\$6,711,298– the 2023 profit loss after tax was NT\$24,027,836.) The company proposed not to distribute dividends 2023.
(Please refer to Appendix 6, P. 33 of the Annual Meeting Handbook.)
- 3.Please adopt.

Resolution:

Discussions Items :**Proposal 1:**

Issue of Issued Private Stock Shares.

Explanation:

1. In order to enrich the company's working capital and strengthen its financial structure, the company is planning to issue the private placement stock shares.
2. The main contents of the private placement shares:
 - (1) The number of Issued shares by private placement: no more than 10 million shares.
 - (2) Total Issuance Amount: no more than NTD 100 million (calculate par value)
 - (3) Methods of selecting the specific invertors:

The selecting of the investors is in accordance with the relevant regulations of Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. The company does not have a selected specific investor at present.

 - a. Temporary lists of private investors (insiders or related persons):

Name	Selecting method and purpose	Relation with the company
ZHAN,XI-LONG	The individual is familiar with the company and is able to make benefits for the company and also in accordance with the law and regulations.	Director of Tai Serng Sin Metal Company (Thailand) (other related persons)

- b. Private investors as strategic investors:
 - b-1 Methods and purposes: Strategic investors who can assist the company's various business management, products diversification and maintain long-term cooperation will be considered.
 - b-2 Necessities: Due to the constructional development of the PC industry, the company prefer strategic investors who can promote the company's future products and market development to keep up with the competition.
 - b-3 Anticipated benefits: With the long-term cooperation between the strategic investors, the relationship would make the positive benefits to the shareholders and stabilized the operation of the company.
- (4) The basis and rationale for the setting of the price:
 - a. For pricing the subscription to common shares of this private placement, the reference price shall be the highest of either the simple arithmetic average of the closing price of the common shares either on the first, third, or fifth business day immediately prior to the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, or the simple arithmetic average of the closing price of the common shares 30 business days prior to the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. The price for common shares of this private placement shall be no less than 80% of the reference price and no less than the Par Value of the stock.
 - b. The actual pricing date and actual private placement price will be determined based on the status of specific persons contacted, the company's operating efficiency, market conditions in the future, the Securities and Exchange Act, and Pricing basis for shareholder meeting's resolution.

- (5) The reason necessitating the Private Placement: Not adopting fundraising from public is considering about the rapid changes of current industrial structure and capital market. Private Placement can quickly increase the required funds and improve financing efficiency.
- (6) the Company may authorize the Board to issue the privately placed common shares in 1 to 4 tranches within one year from the date of the resolution of the Shareholders' Meeting.
- a. The use of fund: the fund raised by the Private Placement will be used to enrich the Company's working capital or repay bank loan.
- b. Anticipated benefits

Times of Issuance	Expected amount of shares to be issued	The Use of Funds	Anticipated Benefits
1 st	2,500,000 shares	Enrich the company's working capital or repay bank loan	-Strengthen the company's financial structure - Improve the company's operational efficiency
2 nd	2,500,000 shares	Enrich the company's working capital or repay bank loan	-Strengthen the company's financial structure - Improve the company's operational efficiency
3 rd	2,500,000 shares	Enrich the company's working capital or repay bank loan	-Strengthen the company's financial structure - Improve the company's operational efficiency
4 th	2,500,000 shares	Enrich the company's working capital or repay bank loan	-Strengthen the company's financial structure - Improve the company's operational efficiency

- (7) The rights and obligations of the shares issued by the Private Placement: The rights and obligations of the common shares issued by the Private Placement are same as the those of existing shares. However, in accordance with Article 43-8 of the Securities and Exchange Act, except for the transfer objects and conditions stipulated in this article, the common shares issued by the Private Placement shall not be freely transferable within three years from the date of delivery. After three full years from the issuance, the company plans to apply to the competent authority for the public issuance of privately placed common shares and to apply for Trading Mechanism in accordance with the Securities and Exchange Act and other relevant regulations.
- (8) After the approval of the Private Placement by Shareholders' Meeting, except for the percentage of the pricing for the Private Placement, it is proposed that the Shareholders' Meeting authorizes the Board with full discretionary power to, depending on the actual need of the Company, the market conditions and relevant laws and regulations, determine, adjust and deal with the main content and other matters in connection with this Private Placement, including the actual issuance price, the pricing date, the number of shares to be issued each time, the amount raised, terms and conditions of the Private Placement, fund utilization plan, the use of funds, expected process and other related issues. If some revision or adjustment has to be made due to amendment to the laws and regulations, the competent authorities' instructions, or based on changes in objective environmental factors such as operational assessments or the market status, it is also proposed that the Shareholders' Meeting authorizes the Board with full discretionary power to handle all related matters.

3. Please discuss.

Questions and Motions :

Adjournment

Casing Macron Technology Co.,LTD

2023 Business Report

Facing the sever turmoil of global political and economic situation and the era of high interest rates and high inflation, all industries, enterprises and individuals are not able to keep themselves out of these affairs. Casing Macron Technology lists sustainability management, steady progress and sound financial structure as priority. Furthermore, in viewing of the external uncertainty environment, Casing Macron Technology will keep maintaining its flexible organization, deepened customers' and markets' arrangements, enhance each factories' cooperation efficiency and maintain the co-prosperity spirit between the upstream and downstream supply chains to face the impact of the whole industry change.

Looking ahead to 2024, we still have various challenges. Casing Macron Technology will gather more intelligent personnel to explore more wisdom and integrate the internal and external resources. In viewing of this, the company would develop long-term business plans and create the best performance for customers, employees and shareholders.

1.2023 Business Report :

(1)Business Plan Implementation Report :

The company's net sales revenue in 2023 was NT\$ 1,558,930,000 which increased 65 % in comparison to the same period last year. Net income of consolidated revenue was NT\$ 1,675,460,000 which increased 57% in comparison to the same period last year. The company's profit loss after tax 2023 was NT\$ 24,028,000. The loss per share was NT\$0.28.

(2)Budget Execution : According to the current law, the company did not disclose 2024 financial forecast to the public. Therefore, there is no need to disclose the implementation status.

(3)Financial income and expenditure and profitability analysis :

a. Financial Revenue and Expenditure Analysis

Consolidated

Unit : NTD1000\$; %

Item	2023		2022		Difference Rate
	Amount	%	Amount	%	
Operating Revenue	1,675,460	100%	1,065,995	100%	57%
Gross Profit	156,552	10%	39,317	4%	298%
Operating Income	(56,573)	-3%	(160,480)	-15%	-65%
Net Income	(37,696)	-2%	(91,795)	-9%	-59%

b. Earning Power Analysis :

Consolidated		Unit : NTDS ; %	
Item	2023	2022	
Return On Assets (%)	-1%	-5%	
Return On Equality (%)	-4%	-9%	
Capital Ratio(%)	Operating Income	-6%	-19%
	Pre-tax Income	-5%	-13%
Net Income to sales (%)	-2%	-9%	
Earning per share (NT\$)	-0.28	-0.9	

(4) Research and Development Status: The company invested NT\$23,409,000, accounting for 2 % of operating income, in research and development in 2023. The company will continue strengthening the company's competitive through introducing automated manufacturing system, increasing added value and optimizing supply chains.

2.2024 Business Plans
(1). Management Policies :

- a. Enhance and strengthen customers' stickiness
- b. Foreseen production capacity
- c. Enhance ESG Sustainable Development Trend

(2) Sale Forecast

Item	Estimate of Sales
Computer Case (set)	1,550,000
Environmental Resource Products (Note)	30,000

(Note) Drinking water related products , unit : set and piece

(3) Future Prospects

Due to the ongoing Ukrainian-Russian War, the Israel-Palestinian Conflict and the Red Sea Shipping Crisis, the rising of price and freight rates has caused the demand of consumer computer market continuously revise downwards. Our company, Casing Macron, will strictly control various cost strategies to meet highly customized customers' needs. Also, our company will continuously research high-efficiency cooling solutions to obtain the social responsibilities of ESG qualification. With these strategies, Casing Macron would be able to strengthen its market competitive, enhance its business performance, increase employees' welfare and create higher value for our shareholders.



CASING MACRON TECHNOLOGY CO., LTD

Wish you all the best,

Chairman : Yu-Zhang, Xiao

General Manager : Ting-Hong, Hong

Audit Committee's Review Report

The Audit Committee is pleased to submit its 2023 Annual Business Report, Financial Statement and Proposal of Deficit Compensation to the shareholders. The Audit Committee has reviewed the reports and statements and determined that they are presented fairly. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby present the report for your reference.

To:

2024 Shareholders' Annual Meeting, Casing Macron Technology, Co. Ltd.

Casing Macron Technology Co.Ltd.
Audit Committees

Committee : Kuo-Min, Chien

Committee : Li-Zhen, Lu

Committee : Yu-Sheng, Wang

March 08th, 2024

Casing Macron Technology Co., LTD
Report of Investment in China
2023

1. Re-Investment related information in China

Unit: NTD1,000

Re-Invested Company Name	Business Items	Contributed Capital	Direct/Indirect investment shareholding ratio	Investment Profit and Loss (this year)	Book Value (at the end of the year)	Remittance to Taiwan (till this year)
Dongguan Casing Macron Technology Co., Ltd	Computer Cases.Power Supplies and Computer Peripherals and Devices	\$ 480,419 (USD 15,631)	100%	\$ 28,656 RMB 6,525 (Note4)	\$ 919,695	\$ -
Dongguan Yiwen Electronic Technology Co. Ltd.	Computer Cases.Computer Peripherals and Devices.Aluminum Products.Water Dispenser Wholesale and Import and export	36,882 (USD 1,200)	100%	(2,111) (RMB 482) (Note4)	77,984	-

2. Investment in China Limitation

Unit: NTD 1,000

Remittance Amount (Taiwan to China) the end of this year	Approved Investment Amount (MOEA)	Investment Limitation in China (MOEA)
\$466,650 (USD 15,183) (Note2)	\$533,191 (USD 17,348)	\$635,891(Note5)

Ntoe1 : The investment method is to reinvest companies in China through investing in existing companies in the third region.

Ntoe2 : The list includes the total amount transferring from Taiwan to China at the end of this year. The amount includes the investment cost, USD 517,000, from the liquidated Suzhou Kaiju Electronics Co. Ltd.

Note3 : Assets, profit and loss amount in USD and RMB listed above are converted into NTD according to the year end exchange rate and average exchange rate.

Note4 : Calculated on the basis of the financial report , which has audited by an accountant, of the investee company.

Note5 : According to “ The principle of Investment or technical cooperation in Mainland China’ , MOEA, the limit is depending on the higher one: 60% of the Company’s net worth or consolidated net worth.

Note6 : The surplus, from the difference between the paid-in capital of Dongguan Casing Macron Technology Co. Ltd. and the accumulated investment remitted from Taiwan transferred to increase capital.

Casing Macron Technology Co., LTD.
**Financial instrument transactions implementation
2023**

The company engages in financial transaction implementation to avoid the risk of exchange rate fluctuations in terms of foreign currency assets and debts. The financial instrument transactions from 2022-2023 details are as follow:

	<u>Dec.31st, 2023</u>	Unit: NTD 1,000 <u>Dec. 31st, 2022</u>
<u>Financial Debt—Liquid</u>		
For Trade		
Financial instrument		
— Currency Transfer		
Contract	\$ _____	\$ <u>1,389</u>

The financial instrument transaction contracts (before the asset debts end date):

	<u>Currency</u>	<u>Due Date</u>	Unit:NTD1,000 <u>Contract Amount(1,000)</u>
<u>Dec.31st,2022</u>			
Currency Transfer		2022.10.14~	
Contract	USD to NTD	2023.1.13	USD 700
Currency Transfer		2022.10.27~	
Contract	USD to NTD	2023.4.27	USD 500

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Casing Macron Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Casing Macron Technology Co., Ltd. (hereinafter referred to as the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits entrusted by the Company 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Revenue from Major Customers

The operating revenue of the Company is mainly generated from the Top 3 customers who occupied about 86% of the Company's total operating revenue. Because the Company's businesses are concentrated on the major customers and the amount of the operating revenue from the aforesaid customers is significant in the entire consolidated financial statements, we determined that the recognition of the revenue from the Top 3 customers is identified as a key audit matter for the year.

We performed the following key audit procedures in respect of the above key audit matter:

1. Understand the design of the relevant internal controls on the process related to the recognition of the revenue from the Top 3 customers, and examine the execution effectiveness thereof.
2. Sample the accounts from the Top 3 customers listed on the statements of the operating revenue, from which the detailed items are examined, review the original orders, the shipping documents and the relevant transaction documents confirmed to the sampled accounts, and verify the truthfulness of the transactions executed with the customers.
3. Check over the receipts of the payment collection and the debit notes, review the dates on which the payments are actually collected from the aforesaid customers, comparing to the offered credit periods for detecting whether there is any major abnormality, and verify the correspondence between the names of goods receivers and payers.

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

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

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

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

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

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not

be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Li, Guan-Hao and Lin, Wang-Sheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2024

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1100372936

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1060023872

CASING MACRON TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4, 6 and 23)	\$ 116,547	5	\$ 86,753	4
1170	Notes and accounts receivable, net (Notes 4, 8 and 23)	553,554	23	375,424	18
1200	Other receivables, net (Notes 4, 8 and 23)	2,505	-	2,293	-
1210	Other receivables - related parties (Notes 4, 22 and 23)	16	-	-	-
1220	Current tax assets (Note 4)	346	-	35	-
130X	Inventories, net (Notes 4 and 9)	583	-	609	-
1476	Other financial assets (Notes 4, 23 and 25)	103,128	4	102,324	5
1479	Other current assets (Note 13)	4,248	-	4,072	1
11XX	Total current assets	<u>780,927</u>	<u>32</u>	<u>571,510</u>	<u>28</u>
	NON-CURRENT ASSETS				
1550	Investments accounted for using equity method (Notes 4 and 10)	1,509,676	62	1,384,595	66
1600	Property, plant and equipment, net (Notes 4, 11 and 25)	34,168	2	35,390	2
1755	Right-of-use assets, net (Notes 4 and 12)	869	-	197	-
1780	Intangible assets (Notes 4)	256	-	-	-
1840	Deferred tax assets (Notes 4 and 20)	92,253	4	80,617	4
1990	Other non-current assets (Notes 13 and 17)	6,187	-	6,243	-
15XX	Total non-current assets	<u>1,643,409</u>	<u>68</u>	<u>1,507,042</u>	<u>72</u>
1XXX	TOTAL ASSETS	<u>\$ 2,424,336</u>	<u>100</u>	<u>\$ 2,078,552</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 14, 23 and 25)	\$ 391,886	16	\$ 327,531	16
2120	Financial liabilities at fair value through profit or loss (Notes 4, 7 and 23)	-	-	1,389	-
2170	Notes and accounts payable (Note 23)	44	-	64	-
2180	Accounts payable to related parties (Notes 23 and 24)	884,078	37	685,268	33
2219	Other payables (Notes 16 and 23)	31,666	1	33,408	1
2280	Lease liabilities - current (Note 4 and 12)	251	-	184	-
2322	Long-term borrowings, current portion (Notes 14, 23 and 25)	42,059	2	34,518	2
2399	Other current liabilities	4,614	-	2,921	-
21XX	Total current liabilities	<u>1,354,598</u>	<u>56</u>	<u>1,085,283</u>	<u>52</u>
	NON-CURRENT LIABILITIES				
2530	Corporate bonds payables (Notes 4, 15 and 23)	9,616	-	-	-
2540	Long-term borrowings (Notes 14, 23 and 25)	64,352	3	106,382	5
2570	Deferred tax liabilities (Notes 4 and 20)	1,237	-	2,541	-
2580	Lease liabilities - non-current (Note 4 and 12)	618	-	-	-
25XX	Total non-current liabilities	<u>75,823</u>	<u>3</u>	<u>108,923</u>	<u>5</u>
2XXX	Total liabilities	<u>1,430,421</u>	<u>59</u>	<u>1,194,206</u>	<u>57</u>
	EQUITY (Note 15 and 18)				
3110	Common stock	896,097	37	846,346	41
3200	Capital surplus	171,392	7	133,789	7
	Retained earnings				
3310	Legal reserve	26,919	1	26,919	1
3320	Special reserve	72,694	3	72,694	3
3350	Accumulated deficit	(165,407)	(7)	(134,553)	(6)
3300	Total retained earnings	(65,794)	(3)	(34,940)	(2)
3400	Other equity interest	(7,780)	-	(60,849)	(3)
3XXX	Total equity	<u>993,915</u>	<u>41</u>	<u>884,346</u>	<u>43</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 2,424,336</u>	<u>100</u>	<u>\$ 2,078,552</u>	<u>100</u>

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

Chairman: Hsiao, Yi-Chang

Managerial Officer: Hung, Ting-Hung

Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, except Losses per Share in New Taiwan Dollars)

Code		2023		2022	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Note 4)	\$ 1,558,930	100	\$ 945,868	100
5000	COST OF REVENUE (Notes 4, 9 and 24)	<u>1,560,387</u>	<u>100</u>	<u>1,054,410</u>	<u>112</u>
5900	GROSS LOSS	(<u>1,457</u>)	<u>-</u>	(<u>108,542</u>)	(<u>12</u>)
	OPERATING EXPENSES (Notes 4, 11, 13, 17 and 19)				
6100	Marketing expenses	13,377	1	14,133	1
6200	Administrative expenses	26,179	2	24,355	3
6300	Research and development expenses	<u>2,311</u>	<u>-</u>	<u>2,620</u>	<u>-</u>
6000	Total operating expenses	<u>41,867</u>	<u>3</u>	<u>41,108</u>	<u>4</u>
6900	NET LOSS FROM OPERATIONS	(<u>43,324</u>)	(<u>3</u>)	(<u>149,650</u>)	(<u>16</u>)
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	3,925	-	840	-
7190	Other income	1,387	-	2,476	1
7020	Other gains and losses (Note 19)	4,737	1	44,475	5
7050	Finance costs (Note 19)	(15,863)	(1)	(8,161)	(1)
7070	Share of profit or loss of subsidiaries accounted for using equity method (Notes 4 and 10)	<u>15,517</u>	<u>1</u>	<u>11,526</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>9,703</u>	<u>1</u>	<u>51,156</u>	<u>6</u>
7900	NET LOSS BEFORE INCOME TAX	(33,621)	(2)	(98,494)	(10)
7950	INCOME TAX BENEFIT (Notes 4 and 20)	(<u>9,593</u>)	(<u>1</u>)	(<u>21,942</u>)	(<u>2</u>)
8200	NET LOSS	(<u>24,028</u>)	(<u>1</u>)	(<u>76,552</u>)	(<u>8</u>)

(Continued)

(Concluded)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation (Notes 4 and 17)	(\$ 143)	-	\$ 1,030	-
8320	Share of other comprehensive income of subsidiaries accounted for using equity method (Notes 4 and 20)	66,344	4	-	-
8349	Income tax related to items that will not be reclassified subsequently (Notes 4 and 20)	29	-	(206)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations(Notes 4 and 18)	(16,594)	(1)	20,545	2
8399	Income tax related to items that may be reclassified subsequently (Notes 4, 18 and 20)	<u>3,319</u>	<u>-</u>	<u>(4,109)</u>	<u>-</u>
8300	Other comprehensive income (loss), net of income tax	<u>52,955</u>	<u>3</u>	<u>17,260</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 28,927</u>	<u>2</u>	<u>(\$ 59,292)</u>	<u>(6)</u>
	LOSSES PER SHARE (Note 21)				
9750	Basic losses per share	<u>(\$ 0.28)</u>		<u>(\$ 0.90)</u>	
9850	Diluted losses per share	<u>(\$ 0.28)</u>		<u>(\$ 0.90)</u>	

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

Chairman: Hsiao, Yi-Chang

Managerial Officer: Hung, Ting-Hung Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Code		Retained earnings					Other equity			Total equity
		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange Differences Arising on Translation of Foreign Operations	Gain on revaluation of properties	
A1	BALANCE, JANUARY 1, 2022	\$ 846,346	\$ 133,789	\$ 26,919	\$ 72,694	(\$ 58,825)	\$ 40,788	(\$ 77,285)	\$ -	\$ 943,638
D1	NET LOSS FOR THE YEAR 2022	-	-	-	-	(76,552)	(76,552)	-	-	(76,552)
D3	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX FOR THE YEAR 2022	-	-	-	-	824	824	16,436	-	17,260
D5	TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2022	-	-	-	-	(75,728)	(75,728)	16,436	-	(59,292)
Z1	BALANCE, DECEMBER 31, 2022	846,346	133,789	26,919	72,694	(134,553)	(34,940)	(60,849)	-	884,346
D1	NET LOSS FOR THE YEAR 2023	-	-	-	-	(24,028)	(24,028)	-	-	(24,028)
D3	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX FOR THE YEAR 2023	-	-	-	-	(114)	(114)	(13,275)	66,344	52,955
D5	TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2023	-	-	-	-	(24,142)	(24,142)	(13,275)	66,344	28,927
C5	ISSUANCE OF CONVERTIBLE BONDS RECOGNIZED IN EQUITY	-	3,853	-	-	-	-	-	-	3,853
I1	CONVERSION OF CORPORATE BONDS TO COMMON STOCK	49,751	35,440	-	-	-	-	-	-	85,191
M7	CHANGES IN OWNERSHIP OF INTERESTS OF SUBSIDIARIES	-	(1,690)	-	-	(6,712)	(6,712)	-	-	(8,402)
Z1	BALANCE, DECEMBER 31, 2023	\$ 896,097	\$ 171,392	\$ 26,919	\$ 72,694	(\$ 165,407)	(\$ 65,794)	(\$ 74,124)	\$ 66,344	\$ 993,915

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

Chairman: Hsiao, Yi-Chang

Managerial Officer: Hung, Ting-Hung

Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING		
	ACTIVITIES		
A10000	Loss before income tax	(\$ 33,621)	(\$ 98,494)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	2,015	2,066
A20400	Losses (gains) on financial assets and liabilities at fair value through profit or loss	(1,389)	1,389
A20900	Finance costs	15,863	8,161
A21200	Interest income	(3,925)	(840)
A22400	Share of profit (loss) of subsidiaries accounted for using equity method	(15,517)	(11,526)
A24100	Loss (gain) on unrealized foreign exchange	13,013	(6,465)
A30000	Changes in operating assets and liabilities		
A31150	Decrease (increase) in notes and accounts receivable	(195,000)	245,283
A31180	Decrease (increase) in other receivables	(166)	(1,073)
A31190	Decrease (increase) in other receivables due from related parties	(16)	691
A31200	Decrease (increase) in inventories	26	34
A31240	Decrease (increase) in other current assets	(263)	(390)
A32150	Increase (decrease) in notes and accounts payable	(20)	16
A32160	Increase (decrease) in accounts payable to related parties	198,810	(44,116)
A32180	Increase (decrease) in other payables	2,434	(9,567)
A32230	Increase (decrease) in other current liabilities	(507)	(9)
A33000	Cash generated from (used in) operations	(18,263)	85,160
A33100	Interest received	3,879	741
A33300	Interest paid	(14,627)	(7,744)
A33500	Income tax paid	(311)	(26)
AAAA	Net cash generated by (used in) operating activities	<u>(29,322)</u>	<u>78,131</u>
	CASH FLOWS FROM INVESTING		
	ACTIVITIES		
B01800	Acquisition of investment accounted for using equity method	(68,215)	-
B02700	Acquisition of property, plant and equipment	(597)	-
B06500	Increase in other financial assets	(804)	(9,645)
B06700	Increase in other non-current assets	(256)	-
BBBB	Net cash generated from (used in) investing activities	<u>(69,872)</u>	<u>(9,645)</u>

(Continued)

Code		2023	2022
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	\$ 1,369,564	\$ 1,273,847
C00200	Decrease in short-term borrowings	(1,301,375)	(1,352,636)
C01200	Issuance of corporate bonds	100,000	-
C01600	Proceeds from long-term bank loans	-	66,000
C01700	Repayment of long-term bank loans	(34,489)	(12,100)
C04020	Repayment of the principal portion of lease liabilities	(_____ 184)	(_____ 198)
CCCC	Net cash generated by (used in) financing activities	<u>133,516</u>	<u>(25,087)</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(_____ 4,528)	<u>5,045</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,794	48,444
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>86,753</u>	<u>38,309</u>
E00200	CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 116,547</u>	<u>\$ 86,753</u>

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

Chairman: Hsiao, Yi-Chang Managerial Officer: Hung, Ting-Hung Accounting Officer: Li, Rong-De

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Casing Macron Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Casing Macron Technology Co., Ltd. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 Casing Macron Technology Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits entrusted by Casing Macron Technology Co., Ltd. and its subsidiaries 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 Casing Macron Technology 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 Casing Macron Technology Co., Ltd. and its subsidiaries for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Casing Macron Technology Co., Ltd. and its subsidiaries for the year ended December 31, 2023 are stated as follows:

Recognition of Revenue from Major Customers

The operating revenue of Casing Macron Technology Co., Ltd. and its subsidiaries is mainly generated from the Top 3 customers who occupied about 80% of the total operating revenue of

Casing Macron Technology Co., Ltd. and its subsidiaries. Because the businesses of Casing Macron Technology Co., Ltd. and its subsidiaries are concentrated on the major customers and the amount of the operating revenue from the aforesaid customers is significant in the entire consolidated financial statements, we determined that the recognition of the revenue from the Top 3 customers is identified as a key audit matter for the year.

We performed the following key audit procedures in respect of the above key audit matter:

1. Understand the design of the relevant internal controls on the process related to the recognition of the revenue from the Top 3 customers, and examine the execution effectiveness thereof.
2. Sample the accounts from the Top 3 customers listed on the statements of the operating revenue, from which the detailed items are examined, review the original orders, the shipping documents and the relevant transaction documents confirmed to the sampled accounts, and verify the truthfulness of the transactions executed with the customers.
3. Check over the receipts of the payment collection and the debit notes, review the dates on which the payments are actually collected from the aforesaid customers, comparing to the offered credit periods for detecting whether there is any major abnormality, and verify the correspondence between the names of goods receivers and payers.

Other Matter

We have also audited the parent company only financial statements of Casing Macron Technology Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified 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 abilities of Casing Macron Technology Co., Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Casing Macron Technology Co., Ltd. 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 financial reporting process of Casing Macron Technology Co., Ltd. and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with the general Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Casing Macron Technology Co., Ltd. and its subsidiaries.
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 abilities of Casing Macron Technology Co., Ltd. and its subsidiaries 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 Casing Macron Technology Co., Ltd. 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 group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for

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

The engagement partners on the audits resulting in this independent auditors' report are Li, Guan-Hao and Lin, Wang-Sheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2024

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1100372936

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1060023872

CASING MACRON TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4, 6 and 24)	\$ 423,889	21	\$ 439,153	24
1170	Notes and accounts receivable, net (Notes 4, 8 and 24)	590,776	29	405,359	23
1180	Notes and accounts receivable – related parties, net (Notes 4, 24 and 25)	-	-	1,195	-
1200	Other receivables, net (Notes 4, 8 and 24)	12,195	1	2,855	-
1210	Other receivables - related parties (Notes 4, 24 and 25)	130	-	-	-
1220	Current tax assets (Note 4)	348	-	36	-
130X	Inventories, net (Notes 4 and 9)	245,357	12	280,697	16
1476	Other financial assets (Notes 4, 24 and 26)	103,487	5	102,680	6
1479	Other current assets (Note 14)	45,676	2	25,748	1
11XX	Total current assets	<u>1,421,858</u>	<u>70</u>	<u>1,257,723</u>	<u>70</u>
	NON-CURRENT ASSETS				
1600	Property, plant and equipment, net (Notes 4, 11, 17, 25 and 26)	375,499	18	418,456	23
1755	Right-of-use assets, net (Notes 4, 12 and 26)	20,904	1	24,919	1
1760	Investment properties (Note 4, 13 and 26)	107,583	5	-	-
1780	Intangible assets (Note 4)	520	-	338	-
1840	Deferred tax assets (Notes 4 and 21)	92,253	5	80,617	5
1990	Other non-current assets (Notes 8, 14, 18 and 24)	19,486	1	7,640	1
15XX	Total non-current assets	<u>616,245</u>	<u>30</u>	<u>531,970</u>	<u>30</u>
1XXX	TOTAL ASSETS	<u>\$ 2,038,103</u>	<u>100</u>	<u>\$ 1,789,693</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 15, 24 and 26)	\$ 426,339	21	\$ 327,531	18
2120	Financial liabilities measured at fair value through profit or loss (Notes 4, 7 and 24)	-	-	1,389	-
2170	Notes and accounts payable (Note 24)	197,411	10	154,694	9
2180	Notes and accounts payable to related parties (Notes 24 and 25)	-	-	1,117	-
2219	Other payables (Notes 17 and 24)	80,423	4	95,526	5
2220	Other payables to related parties (Notes 24 and 25)	2,832	-	702	-
2230	Current tax liabilities (Note 4)	2,626	-	6,126	-
2280	Lease liabilities - current (Note 4, 12 and 24)	251	-	184	-
2322	Long-term borrowings, current portion (Notes 15, 24 and 26)	67,619	3	43,434	3
2399	Other current liabilities (Notes 24 and 29)	16,379	1	14,251	1
21XX	Total current liabilities	<u>793,880</u>	<u>39</u>	<u>644,954</u>	<u>36</u>
	NON-CURRENT LIABILITIES				
2530	Corporate bonds payables (Notes 4, 16 and 24)	9,616	1	-	-
2540	Long-term borrowings (Notes 15, 24 and 26)	149,930	7	186,528	11
2570	Deferred tax liabilities (Notes 4 and 21)	23,375	1	2,541	-
2580	Lease liabilities – non-current (Note 4, 12 and 24)	618	-	-	-
2670	Other non-current liabilities (Notes 24)	866	-	884	-
25XX	Total non-current liabilities	<u>184,405</u>	<u>9</u>	<u>189,953</u>	<u>11</u>
2XXX	Total liabilities	<u>978,285</u>	<u>48</u>	<u>834,907</u>	<u>47</u>
	EQUITY OF OWNERSHIP ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 16 and 19)				
3110	Common stock	896,097	44	846,346	47
3200	Capital surplus	171,392	8	133,789	7
	Retained earnings				
3310	Legal reserve	26,919	1	26,919	2
3320	Special reserve	72,694	4	72,694	4
3350	Accumulated deficit	(165,407)	(8)	(134,553)	(8)
3300	Total retained earnings	(65,794)	(3)	(34,940)	(2)
3400	Other equity interest	(7,780)	-	(60,849)	(3)
31XX	Total equity of the Company's shareholders	<u>993,915</u>	<u>49</u>	<u>884,346</u>	<u>49</u>
36XX	NON-CONTROLLING EQUITY INTEREST	<u>65,903</u>	<u>3</u>	<u>70,440</u>	<u>4</u>
3XXX	Total equity	<u>1,059,818</u>	<u>52</u>	<u>954,786</u>	<u>53</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$ 2,038,103</u>	<u>100</u>	<u>\$ 1,789,693</u>	<u>100</u>

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

Chairman: Hsiao, Yi-Chang

Managerial Officer: Hung, Ting-Hung

Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, except Losses per Share in New Taiwan Dollars)

Code		2023		2022	
		Amount	%	Amount	%
4000	OPERATING REVENUE (Notes 4, 25 and 29)	\$ 1,675,460	100	\$ 1,065,995	100
5000	COST OF REVENUE (Notes 9, 20 and 25)	<u>1,518,908</u>	<u>90</u>	<u>1,026,678</u>	<u>96</u>
5900	GROSS PROFIT	<u>156,552</u>	<u>10</u>	<u>39,317</u>	<u>4</u>
	OPERATING EXPENSES (Notes 12, 18 and 20)				
6100	Marketing expenses	53,857	3	44,642	4
6200	Administrative expenses	135,859	8	132,152	13
6300	Research and development expenses	<u>23,409</u>	<u>2</u>	<u>23,003</u>	<u>2</u>
6000	Total operating expenses	<u>213,125</u>	<u>13</u>	<u>199,797</u>	<u>19</u>
6900	NET LOSS FROM OPERATIONS	(<u>56,573</u>)	(<u>3</u>)	(<u>160,480</u>)	(<u>15</u>)
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	6,067	-	3,647	-
7190	Other income (Note 20)	15,548	1	10,424	1
7020	Other gains and losses (Note 20)	15,664	1	47,112	5
7050	Finance costs (Note 20)	(<u>21,636</u>)	(<u>1</u>)	(<u>9,663</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>15,643</u>	<u>1</u>	<u>51,520</u>	<u>5</u>
7900	NET LOSS BEFORE INCOME TAX	(<u>40,930</u>)	(<u>2</u>)	(<u>108,960</u>)	(<u>10</u>)
7950	INCOME TAX BENEFIT (Notes 4 and 21)	(<u>3,234</u>)	<u>-</u>	(<u>17,165</u>)	(<u>1</u>)
8200	NET LOSS	(<u>37,696</u>)	(<u>2</u>)	(<u>91,795</u>)	(<u>9</u>)

(Continued)

(Concluded)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8312	Gains on revaluation of properties (Notes 4 and 13)	\$ 88,459	5	\$ -	-
8311	Remeasurement of defined benefit obligation(Notes 4 and 18)	(143)	-	1,030	-
8349	Income tax related to items that will not be reclassified subsequently (Notes 4 and 21)	(22,086)	(1)	(206)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations (Notes 4 and 19)	(15,865)	(1)	25,591	2
8399	Income tax related to items that may be reclassified subsequently (Notes 4, 19 and 21)	<u>3,319</u>	<u>-</u>	<u>(4,109)</u>	<u>-</u>
8300	Other comprehensive income (loss), net of income tax	<u>53,684</u>	<u>3</u>	<u>22,306</u>	<u>2</u>
8500	TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 15,988</u>	<u>1</u>	<u>(\$ 69,489)</u>	<u>(7)</u>
	NET LOSS ATTRIBUTABLE TO:				
8610	Shareholders of the parent	(\$ 24,028)	(1)	(\$ 76,552)	(7)
8620	Non-controlling equity interest	(<u>13,668</u>)	(<u>1</u>)	(<u>15,243</u>)	(<u>2</u>)
8600		(<u>\$ 37,696</u>)	(<u>2</u>)	(<u>\$ 91,795</u>)	(<u>9</u>)
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
8710	Shareholders of the parent	\$ 28,927	2	(\$ 59,292)	(6)
8720	Non-controlling equity interest	(<u>12,939</u>)	(<u>1</u>)	(<u>10,197</u>)	(<u>1</u>)
8700		<u>\$ 15,988</u>	<u>1</u>	(<u>\$ 69,489</u>)	(<u>7</u>)
	LOSSES PER SHARE (Note 22)				
9750	Basic losses per share	(<u>\$ 0.28</u>)		(<u>\$ 0.90</u>)	
9850	Diluted losses per share	(<u>\$ 0.28</u>)		(<u>\$ 0.90</u>)	

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

Chairman: Hsiao, Yi-Chang Managerial Officer: Hung, Ting-Hung Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Code		Retained earnings					Other equity			Non-controlling interests	Total equity	
		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange Differences Arising on Translation of Foreign Operations	Gain on revaluation of properties			Total
A1	BALANCE, JANUARY 1, 2022	\$ 846,346	\$ 133,789	\$ 26,919	\$ 72,694	(\$ 58,825)	\$ 40,788	(\$ 77,285)	\$ -	\$ 943,638	\$ 80,637	\$ 1,024,275
D1	NET LOSS FOR THE YEAR 2022	-	-	-	-	(76,552)	(76,552)	-	-	(76,552)	(15,243)	(91,795)
D3	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX FOR THE YEAR 2022	-	-	-	-	824	824	16,436	-	17,260	5,046	22,306
D5	TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2022	-	-	-	-	(75,728)	(75,728)	16,436	-	(59,292)	(10,197)	(69,489)
Z1	BALANCE, DECEMBER 31, 2022	846,346	133,789	26,919	72,694	(134,553)	(34,940)	(60,849)	-	884,346	70,440	954,786
D1	NET LOSS FOR THE YEAR 2023	-	-	-	-	(24,028)	(24,028)	-	-	(24,028)	(13,668)	(37,696)
D3	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX FOR THE YEAR 2023	-	-	-	-	(114)	(114)	(13,275)	66,344	52,955	729	53,684
D5	TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2023	-	-	-	-	(24,142)	(24,142)	(13,275)	66,344	28,927	(12,939)	15,988
C5	ISSUANCE OF CONVERTIBLE BONDS RECOGNIZED IN EQUITY	-	3,853	-	-	-	-	-	-	3,853	-	3,853
I1	CONVERSION OF CORPORATE BONDS TO COMMON STOCK	49,751	35,440	-	-	-	-	-	-	85,191	-	85,191
M7	CHANGES IN OWNERSHIP OF INTERESTS OF SUBSIDIARIES	-	(1,690)	-	-	(6,712)	(6,712)	-	-	(8,402)	8,402	-
Z1	BALANCE, DECEMBER 31, 2023	\$ 896,097	\$ 171,392	\$ 26,919	\$ 72,694	(\$ 165,407)	(\$ 65,794)	(\$ 74,124)	\$ 66,344	\$ 993,915	\$ 65,903	\$ 1,059,818

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

Chairman: Hsiao, Yi-Chang

Managerial Officer: Hung, Ting-Hung

Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Loss before income tax	(\$ 40,930)	(\$ 108,960)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	67,746	67,991
A20200	Amortization expense	154	230
A20400	Losses (gains) on financial assets and liabilities at fair value through profit or loss	(1,389)	1,389
A20900	Finance costs	21,636	9,663
A21200	Interest income	(6,067)	(3,647)
A22500	Losses on disposal of property, plant and equipment	(245)	(108)
A23700	Loss for market price decline and obsolete and slow-moving inventories	4,406	8,779
A24100	Loss (gain) on unrealized foreign exchange	12,546	(4,276)
A30000	Changes in operating assets and liabilities		
A31150	Decrease (increase) in notes and accounts receivable	(203,237)	239,783
A31160	Decrease (increase) in accounts receivable due from related parties	1,203	(1,142)
A31180	Decrease (increase) in other receivables	(9,442)	(1,296)
A31190	Decrease (increase) in other receivables due from related parties	(130)	159
A31200	Decrease (increase) in inventories	27,380	31,833
A31240	Decrease (increase) in other current assets	(20,422)	13,107
A32150	Increase (decrease) in notes and accounts payable	49,815	(60,281)
A32160	Increase (decrease) in accounts payable to related parties	(1,117)	1,117
A32180	Increase (decrease) in other payables	(11,792)	(5,373)
A32190	Increase (decrease) in other payables to related parties	2,117	(29,680)
A32230	Increase (decrease) in other current liabilities	68	1,404
A33000	Cash generated from (used in) operations	(107,700)	160,692
A33100	Interest received	6,021	3,548
A33300	Interest paid	(20,397)	(9,247)
A33500	Income tax paid	(10,108)	(1,708)
AAAA	Net cash generated by operating activities	(132,184)	153,285

(Continued)

(Concluded)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B02700	Acquisition of property, plant and equipment	(\$ 50,726)	(\$ 137,138)
B02800	Disposals of property, plant and equipment	8,284	188
B03800	Refundable deposits (paid) refunded	(70)	(266)
B04500	Acquisition of intangible assets	(333)	(355)
B06500	Decrease (increase) in other financial assets	(804)	(9,985)
B06800	Decrease (increase) in other non-current assets	(5,937)	122
B07100	Decrease (increase) in prepaid of equipment	(<u>6,015</u>)	<u>28,515</u>
BBBB	Net cash generated from (used in) investing activities	(<u>55,601</u>)	(<u>118,919</u>)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	1,433,224	1,273,847
C00200	Decrease in short-term borrowings	(1,330,677)	(1,352,636)
C01200	Issuance of corporate bonds	100,000	-
C01600	Proceeds from long-term bank loans	35,543	151,156
C01700	Repayment of long-term bank loans	(48,888)	(12,100)
C04020	Repayment of the principal portion of lease liabilities	(<u>184</u>)	(<u>198</u>)
CCCC	Net cash generated from (used in) financing activities	<u>189,018</u>	<u>60,069</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(<u>16,497</u>)	<u>13,963</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,264)	108,398
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>439,153</u>	<u>330,755</u>
E00200	CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 423,889</u>	<u>\$ 439,153</u>

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

Chairman: Hsiao, Yi-Chang Managerial Officer: Hung, Ting-Hung Accounting Officer: Li,
Rong-De

Casing Macron Technology Co. Ltd.
Deficit Compensation Statement
2023

Unit : NTDS

Items	Total
Inappropriate retained earnings (or accumulated deficit) of prior years	(134,553,495)
(-): 2023 retained earnings of defined benefit plan	(114,454)
(-): 2023 retained earnings of investments accounted for using equity method	(6,711,298)
(-): 2023 profit loss after tax	(24,027,836)
Deficit yet to be compensated – at the end of 2023	(165,407,083)

Chairman: Yi-Zhang, Xiao
General Manager: Ting-Hong, Hong
Accounting Supervisor: Jung-De, Li

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**Casing Macron Technology Co. Ltd.
Articles of Incorporation**

Chapter 1 General Provisions

Article 1 : The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be Casing Macron Technology Co., LTD.

Article 2 : The business of the company are as follows

- 1.F213030 Retail Sale of Office Machinery and Equipment
2. F213080 Retail Sale of Machinery and Tools
3. F219010 Retail Sale of Electronic Materials
4. F401010 International Trade
5. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
6. CC01080 Electronic Parts and Components Manufacturing
7. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 : The company shall have the power to guarantee.

Article 2-2 : With the consent of the board meeting, the company shall not limited by the company law article 13 a public company becomes a shareholder of limited liability in other companies the total amount of its investments in such other companies shall not exceed forty percent of the amount of its own paid-up capital.

Article 3 : The company shall have its head office in New Taipei City, Taiwan, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of Taiwan when deemed necessary.

Article 4 : Deleted.

Chapter 2 Shares

Article 5 : The Company's authorized capital amounted to NT\$13 billion with 1.3 billion shares issued at a par value of NT\$ 10 per share, in which, the Board is authorized to have the unissued shares issued by installments. The company could issue the Employee Stock Option. The company retains 9 million shares as ESOs. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirement

Article 6 : The employee stock option issued by the company not restricted to the law only within the approval by the majority votes in a meeting of the board of directors at which two-thirds or more directors are present and register in a year.

Article 6-1 : Treasury stock purchased by the Company can be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company. Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.

Article 7: The Company may issue shares without printing share certificates; but such shares shall be registered at a Centralized Securities Depository Enterprise.

Article 8: Registration for transfer of shares shall be suspended for sixty (60) days immediately before the day of an Annual General Meeting of shareholders, for thirty (30) days immediately before the day of any Special General Meeting of shareholders, and for five (5) days before the day on which dividends or any other benefit is scheduled to be paid by the Company.

Article 8-1: All matters related to the Company's shares shall be handled in accordance with the relevant regulations of the competent authority.

Chapter 3 Shareholder Meeting

- Article 9 : The Corporation's Shareholders' meeting shall be divided into two kinds: Annual General meeting of shareholders and Extraordinary General meeting of shareholders. Annual General meeting of shareholders will be held once every year within six months after close of each fiscal year, while the Extraordinary General meeting of shareholders will be held when necessary. Unless otherwise provided for in the Company Act, the Shareholders' Meetings in the preceding paragraph shall be convened by the board of directors. Meeting of the preferred shareholders can be convened in accordance with applicable laws and regulations when necessary. The Corporation's Shareholders' meeting may be held by video conference or other methods announced by central competent authorities.
- Article 10: Shareholders who are unable to attend the meeting of shareholders may issue the company's proxy with the scope of authorization detailed and signed or sealed to commission the representative attending the meeting.
- Article 11 : Unless otherwise stipulated by the Company Act, a shareholder shall be entitled to one vote per share.
- Article 11-1 : The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission in accordance with the Company Act and the relevant regulations of the competent authority.
- Article 12: Unless otherwise provided by the Company Act, a resolution of the shareholders' meeting shall be adopted by a majority of the shareholders attending such meeting, and the shareholders attending such meeting shall represent the majority of the total number of the issued shares.

Chapter 4 Directors and Audit Committee

- Article 13 : The company shall have 5 to 9 Directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisors shall be eligible for re-election in accordance with Article 192 of the Company Act. For the directors, the number of independent directors shall not be less than two seats, and one fifth of the director seats.
- Article 13-1 : The Company shall form an Audit Committee to replace supervisors. The Audit Committee shall be responsible for performing the Supervisors' duties as stipulated in the Company Act, Securities and Exchange Act and other relevant laws and regulations as well as complying with applicable laws, regulations and rules and regulations of the Company.
- Article 14 : The Directors shall elect one Director among themselves to serve as the Chairperson of the Board and may elect another among themselves to serve as the Vice Chairperson of the Board. The Chairperson of the Board shall represent the Company over all matters of the Company. Unless otherwise specified in the Company Act, meetings of the Board of Directors shall be convened by the Chairperson of the Board. Unless otherwise stipulated by the Company Act, a resolution of the Board shall be adopted by the majority of the Directors attending the meeting and the Directors attending the meeting shall represent the majority of the Board of Directors. A meeting of the Board of Directors shall be called in writing, via e-mail or facsimile. A notice setting forth the purpose of the meeting shall be given to each Director no later than seven (7) days prior to a Board meeting; however, a Board meeting may be convened at any time in case of emergency.
- Article 15: In case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.
- Article 16: Remuneration of Directors and Supervisor(s) of the Company shall be determined by the shareholders' meeting and may be paid at such level as generally adopted by the enterprises of the same industry, no matter whether the Company is in a loss or not.
- Article 16-1: The Company may, during the term of the Directors, take out liability insurance for the Directors with respect to the liabilities that might arise from the performance of duties during their term of office.

Chapter 5 Manager

Article 17 : The Company may have one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18 : After the close of each fiscal year, a report on operations, financial statements and proposals concerning appropriation of net profits or making up losses shall be prepared by the Board of Directors, and shall be submitted to the regular meeting of shareholders for acceptance.

Article 19 : The Employees' remuneration may be distributed in shares or in cash while the ratio of dividends is set no more than 50%.

Article 20: If there is profit at the end of each fiscal year, a ratio 5%~10% (or of Directors' and Supervisors' remunerations no more than 3%) of profit of the current year distributable as employees' compensation shall be appropriated. The Employees' remuneration may be distributed in shares or in cash and voted by the Board and report at the shareholders' meeting. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirement.

Article 20-1:After closing of accounts, if there is earnings, the Company shall first pay the tax, make up the losses for the proceeding years and then set aside a legal reserve of 10% of the net profit. After the dividends are distributed, the remaining profit shall be distributed as Shareholders' dividends upon subject to the approval of the shareholders meeting. When the dividends and bonuses in the preceding paragraph are paid in cash, the Board of Directors shall be authorized to resolve with the attendance of two thirds directors and the consent of more than half of the directors in attendance, which shall be reported to the Shareholders Meeting.

Chapter 7 Appendix

Article 21:The matters that are not regulated in the Company Corporate Charter (Articles of Incorporation) should be processed in accordance with the Company Act

Article 22:The Company Corporate Charter (Articles of Incorporation) was established on April 15, 1996.

The 1st amendment was implemented on July 5, 1996.

The 2nd amendment was implemented on July 3, 2000.

The 3rd amendment was implemented on August 4, 2000

The 4th amendment was implemented on December 27, 2001

The 5th amendment was implemented on January 9, 2002

The 6th amendment was implemented on September 26, 2002.

The 7th amendment was implemented on November 25, 2002.

The 8th amendment was implemented on March 28, 2003.

The 9th amendment was implemented on June 25, 2003.

The 10th amendment was implemented on June 25, 2004.

The 11th amendment was implemented on June 16, 2006.

The 12th amendment was implemented on June 26, 2007

The 13th amendment was implemented on June 13, 2008

The 14th amendment was implemented on June 19, 2009

The 15th amendment was implemented on June 21, 2010

The 16th amendment was implemented on June 27, 2012

The 17th amendment was implemented on June 29, 2016.

The 18th amendment was implemented on June 28, 2017.

The 19th amendment was implemented on June 27, 2018

The 20th amendment was implemented on June 27, 2019

The 21th amendment was implemented on June 2, 2020.

Casing Macron Technology Co. Ltd. The Rules of Procedure for Shareholder Meetings

- Article 1: The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter .
- Article 2: The term “shareholders” in this rule refers to the shareholders themselves and the proxies entrusted by the shareholders.
- Article 3: The Company shall have the meeting time, location and other information listed on the notice of Annual Meeting of Shareholders . The registration of attending shareholders should begin 30 minutes prior to the meeting. The Company should have the attendance registry ready for the signature of the attending shareholders or the shareholder’s representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature. The Company should have the annual meeting handbook, annual reports, attendance pass, speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots should be distributed for the election of directors, if applicable.
- Article 4: Attendance at shareholders meetings shall be calculated based on numbers of shares. Shareholders who are unable to attend the meeting of shareholders may issue the company’s proxy with the scope of authorization detailed and signed or sealed to commission the representative attending the meeting, but a shareholder is limited to issuing one proxy and assigning one representative only. When there are two representatives, only one person could speak. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means
- Article 5 : The place of meeting of shareholders should be at the Company’s or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.
- Article 6 : If the meeting of shareholders is convened by the Board, the chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his powers for certain reasons, the chairman is to appoint one of the managing directors to chair the meeting. If a representative is not appointed by the chairman, one of the managing directors or directors should be elected among the board members to chair the meeting.
- Article 7: The chairperson shall call the meeting to order at the meeting time. If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted. If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act. If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.
- Article 8: If the meeting of shareholders is convened by the Board, the agenda is scheduled by the Board. Also, the meeting should be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the meeting of shareholders. If an authorized person other than the Board convenes the meeting of shareholders, the provision referred to above is applicable. The chairperson may not have the meeting adjourned at his discretion before the proposals (including questions and motions) resolved in the two agendas referred to above. If the chairman has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the chairman with the majority votes of the attending shareholders to

continuously chair the meeting.

Article 9 : Deleted.

Article 10: Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number, and account name (or attendance pass number) in detail, and then the chairperson is to determine the order of speakers. Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail.

Article 11: Deleted.

Article 12: Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the chairperson. However, the chairman may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped on the basis of Article 20 Act2.

Article 13 : The chairperson may reply to the speaking shareholders personally or by the designated personnel.

Article 14: A chairperson who believes that the proposal under discussion is ready for voting may at his discretion stop the discussion and call for a vote.

Article 15 : For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting. When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Article 16 : Shareholders are entitled to one vote per share, unless otherwise provided by law.

Article 17 : Chairperson is to appoint the scrutineers and counting officers who must be shareholders. Ballot counting should be held at the meeting place with the ballot counting result announced immediately and records kept.

Article 18: The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 19 : The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 20 : The chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card. The chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the chairman, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 21 : The chairperson may announce the meeting in recess.

Article 22: The matters that are not regulated in the Company Corporate Charter (Articles of Incorporation) should be processed in accordance with the Company Act

Article 23 : These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meetings.

Resolved in the Annual Meeting of Shareholders on March 28, 2003

Resolved in the Annual Meeting of Shareholders on June 27, 2012

Resolved in the Annual Meeting of Shareholders on June 28, 2013

Resolved in the Annual Meeting of Shareholders on June 23, 2014

Resolved in the Annual Meeting of Shareholders on June 28, 2017

Resolved in the Annual Meeting of Shareholders on June 2, 2020

Casing Macron Technology Co. Ltd. Shareholding of Directors

Directors shareholdings listed in the registry of shareholders (Till the stop transfer date)			
Title	Name	Shareholding (As of stop transfer date)	% of total issued shares (%)
Chairman	Yi-Zhang, Xiao	5,635,430	6.25%
Director	Xin-Kai, Wu	2,248,123	2.49%
Director	Bo-Xiang, Xiao	1,062,586	1.18%
Director	Yi-Hong, Xiao	981,938	1.09%
Director	Nan-Zheng, Liu	471,337	0.52%
Director	Ting-Hong, Hong	51,022	0.06%
Independent Director	Li-Zhen, Lu	0	0%
Independent Director	Kuo-Min, Chien	0	0%
Independent Director	Yu-Sheng, Wang	0	0%
All directors hold 10,450,436 shares, accounting for 11.59% of the total issued shares.			

Note :

1. The total issued shareholdings are 90,168,610 shares. The minimum required combined shareholding of all directors by law: 7,213,488 shares.
2. The company has its own audit committee in accordance with the Securities and Exchange Law. The whole supervisors' legal number of shares are not required.