

Stock Code: 6416

CASwell, Inc.

Meeting Agenda for 2025
Shareholders' Meeting
Meeting Handbook

May 22, 2025

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CASwell, Inc.

Meeting Agenda for 2025 Shareholders' Meeting

I. Report on Number of Shares Represented at the Meeting

II. Call for a Meeting

III. Chairman's Remarks

IV. Matters Reported

V. Matters Ratified

VI. Matters Discussed

VII. Extemporaneous Motions

VIII. Adjournment

CASwell, Inc.

Meeting Agenda for 2025 Shareholders' Meeting

I. Time : 9:00 a.m, May 22, 2025

Address: Meeting Room, 12F, No. 308, Jianguo 1st Rd.,
Xinzhuang Dist., New Taipei City

Meeting Methods: Video-Assisted Shareholders' Meeting

Video conferencing platform:

Taiwan Depository and Clearing Corporation (TDCC)

「Shareholder e-Service Platform-Shareholders' Video Conference」
(Website: <https://stockservices.tdcc.com.tw>)

II. Chairman's Remarks

III. Matters Reported

(1) Business Report of 2024

(2) Audit Committee Review Report of 2024

(3) Report on the Distribution of Remuneration for Employees
and Directors of 2024

(4) Report on Cash Dividends Distribution of Earnings for 2024

IV. Matters Ratified

(1) 2024 Business Report and Financial Statements

(2) 2024 Earnings Distribution

V. Matters Discussed

(1) Amendments to the Articles of Incorporation

(2) Proposal to lift the non-compete restrictions On Directors of
the Company

VI. Extemporaneous Motions

VII. Adjournment

Matters Reported

Proposal 1: Business Report of 2024

Notes: Please refer to Attachment 1 (page 9-11) for the business report.

Proposal 2: Audit Committee Review Report of 2024

For the Audit Committee Review Report, refer to Attachment 2 (Page 12).

Proposal 3: Report on the Distribution of Remuneration for Employees and Directors of 2024

Notes: On March 5, 2025, the Board of Directors of the Company passed a resolution that the Company's distribution of the remuneration to employees in cash for 2024 totaled NT\$13.8 million, accounting for 3.33% of the profit in the final accounts of 2024; the distribution of the bonus to Director reached NT\$5.28 million, accounting for 1.27% of the profit in the final accounts of 2024.

Proposal 4: Report on Cash Dividends Distribution of Earnings for 2024

Notes:

1. In accordance with Article 23-1 of the Articles of Incorporation, if the Company distributes dividends and bonuses in cash, or all or part of the statutory surplus reserve and capital reserve are paid in cash, the Board of Directors shall be authorized to do so in the presence of more than two-thirds of the directors and with the consent of more than half of the directors present, and report to the shareholders' meeting.
2. The Company distributed cash dividends to shareholders of NT\$212,710,534 (NT\$ 2.9 per share) from the earnings of 2024. The cash dividend is calculated rounded down to the nearest

New Taiwan dollar. The fractional amounts are aggregated and recognized in the total cash dividends for distribution.

3. After the case has been approved by the resolution of the Board of Directors, the Chairman was authorized to confirm the ex-dividend date and distribution date. Afterwards, in case the Company buys back the shares or any change occurs to the share capital that the quantity of outstanding shares is impacted, thus causing any change in the ratio of allotments per share, the Chairman will be authorized to deal with related matters and announce the results.

Matters Ratified

(Proposals of the Board of Directors)

Proposal 1: 2024 Business Report and Financial Statements of the Company to be Ratified.

Notes:

1. The Company's 2024 business report and financial statements were approved by the resolutions of the Company's Audit Committee and Board of Directors. Meanwhile, the Company's financial statements have been audited and attested by CPAs Kou Hui-Chih and Chen Pei-Chi of KPMG.
2. For the business report, please refer to Attachment I (page 9-11); for related financial statements, please refer to Attachment III (page 13-28).

Resolution:

(Proposals of the Board of Directors)

Proposal 2: 2024 Earnings Distribution of the Company to be Ratified.

Notes:

1. The Company has prepared the 2024 earnings distribution statement (page 6) in accordance with the Company Law and the Articles of Incorporation.
2. Submitted to ratify.

Resolution:

CASwell, Inc.
Earnings Distribution
2024

Unit: NTD

Item	Amount
Beginning undistributed earnings	\$ 632,660,468
Current year's net profit after tax	330,081,985
Disposal of equity instruments at fair value through other comprehensive income recognized in retained earnings	(1,677,690)
Net profit after tax for the current period, plus other items included in the undistributed earnings for the year excluding net profit	328,404,295
Appropriation of legal reserve	(32,840,430)
Less special reserve appropriated	(8,242,124)
Earnings available for distribution	919,982,209
Distribution items:	
Shareholder dividends - cash (NT\$2.9 per share)	(212,710,534)
Ending undistributed retained earnings	\$ 707,271,675

Chairman: Steve Chu Manager: Reaforl Hung Accounting Supervisor: Amber Lee

Matters Discussed

(Proposals of the Board of Directors)

Proposal 1: Amendments to the Articles of Incorporation to Be Ratified.

Notes:

1. For the Company's future operational needs and in compliance with the Financial Supervisory Commission Order No. 1130385442, which provides supplementary provisions to Article 14, Paragraph 6 of the Securities and Exchange Act regarding the requirement for companies to specify in their articles of incorporation a certain percentage of annual profits to be allocated for salary adjustments or distribution of remuneration to entry-level employees, it is proposed to amend certain provisions of the Company's Articles of Incorporation.
2. See the Comparison Table of Amendments to Articles of Incorporation in Attachment IV (page 29-30).

Resolution:

(Proposals of the Board of Directors)

Proposal 2: Proposal to lift the non-compete restrictions on Directors of the Company

Notes:

1. In accordance with Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".
2. To successfully expand the business of the Company, the Company's directors and their representatives may engage in the same or similar activities as the business scope of the Company for their concurrent positions in other companies. To the extent that it is not damaging to the interests of the Company, it is

proposed that the directors and their representatives be released from the non-competition restrictions in accordance with Section 209 of the Company Law. The details of the non-competition are as follows:

Category	Name	Name and Position Held Concurrently in Other Company
Directors	Representative of Ennoconn Corporation: Steve Chu	Chairman, Ennoconn Investment Holdings Co., Ltd. Chairman, Ennorise Corporation Chairman, Innovative Systems Integration Limited Chairman, EnnoVision INC. Director, Ennoconn Solutions Singapore Director, EnnoAI Singapore Chairman, Nera Telecommunications Ltd. Director, EnnoMech Precision (Cayman) Co., Ltd. Ennoconn Thailand Co., Ltd. Directors
Directors	Representative of Ennoconn Corporation: Aven Lou	Chairman of Chung Sheng Hua Chih New Energy (Suzhou) Co., Ltd. Director of Ennoconn Malaysia Sdn. Bhd. HighAim Technology INC. Directors
Directors	Representative of Ennoconn Corporation: Nelson Tsay	Chairman, EnnoRise Corporation Director, Ennoconn Philippines Corporation Director, Ennoconn India Corporation Director, Ennoconn Australia Pty Ltd Director, Ennoconn New Zealand Limited Chairman, Ennotech Vietnam Company Limited Director, cacaFly Co., Ltd. Chairman, Ennoconn(Suzhou) Technology Co.,Ltd.
Independent Director	Luke Teng	Legal Person and Representative Director, Perfec Prime Limited (Samoa) Independent Director, Data Image Co., Ltd. Legal Person and Representative Director, NCCU Star Venture Capital Co., Ltd.

Resolution:

Extemporary Motions

Adjournment

CASwell, Inc.

Business Report

In 2024, the overall economic situation were impacted by negative factors such as global inflation, a slower-than-expected interest rate cuts, escalating geopolitical tensions, sluggish economic performance in China, and heightened conflicts in Ukraine and the Middle East. These factors hindered the full recovery of global end market demand, affecting industry growth. Despite these circumstances, with the efforts of all colleagues, the Company still had positive operating performance. For 2024, the consolidated net operating income amounted to NT\$4,253,669 thousand, an increase of NT\$171,232 thousand compared to NT\$4,082,437 thousand in 2023, a growth rate of 4%; the net profit after tax was NT\$330,082 thousand, an increase of NT\$7,375 thousand from NT\$322,707 thousand in 2023, a growth rate of 2%. Despite the Company facing macroeconomic and political uncertainties throughout 2024, there were still modest growths in revenue and profit. Moving forward, we will continue to develop, expanding our portfolio through new and next-generation products, while also integrating group resources to layout and exploring new business models. We hope that in the future, as the economy returns to normal, we will be able to transform ourselves and make a successful transition, bringing new growth performance to the Company.

With the continuous development of digital technology and internet communications (5G and 6G), innovative applications of cloud and edge computing continue to emerge. With the proliferation of connected devices and the transmission of large amounts of data, cybersecurity issues such as ransomware attacks continue to emerge, posing a serious threat to business operations. Supply chain attacks have also recently become an emerging target, particularly affecting industries with significant capital expenditures, such as industrial infrastructure and technology applications. As a result, information security has become a key focus for governments and businesses worldwide. The rapid development of algorithms in artificial intelligence (AI), combined with the powerful and fast computing capabilities of AI chips, has enhanced training of AI reinforcement learning. This has facilitated the development of a wider variety of AI models, allowing more precise applications of AI reasoning capabilities across various industries, including healthcare, education, and entertainment, further integrating AI into daily life. Artificial intelligence (AI) technology has brought new momentum to cybersecurity. AI can help organizations improve their cybersecurity defenses, but it can also be used by attackers to launch more destructive attacks. As a result, major technology companies are actively investing in AI cybersecurity and developing various AI cybersecurity products and services. By integrating AI with cybersecurity technology, they aim to help

enterprises strengthen their cybersecurity resilience, improve corporate governance, and reduce operational risks to build a more secure and reliable network environment and provide robust protection for enterprises and organizations.

The main operation plan of the Company in 2025 is to integrate various innovative designs, technologies, experience and innovative thinking of strategic partners developed in recent years. The Company will explore the excellent R&D capabilities for software, ruggedness and hardware accumulated over the years, combining various ingenuity and innovation of R&D teams and customers' industrial experience and needs, and taking into account the development trend of science and technology, actively seek strategic partners, and carry out continuous design and development of more netcom security system platforms, cloud server systems, cloud computing and enterprise client network packet switches, software-defined wide area network (SD-WAN) and virtual/extended client equipment (vCPE/uCPE), industrial Internet control, storage and security gateways, and edge computing intelligent gateways. Based on the requirements of network traffic management, data packet storage and transmission and data security in various cloud application service fields, low latency of fog computing/edge computing, Edge AI, deep learning and intelligent computing applications, the Company helps customers to integrate software and hardware in a complete and quick manner, obtains various products and services certifications, shortens the development time of various application platform systems, and provides comprehensive product lines with high cost performance in combination with advantageous supply chain and manufacturing resources, thus meeting the needs of customers for diversified IT/OT/CT/DT network security application products and services.

The Company continues to invest in research and development of high-performance multicore processors (Intel/AMD X86 and RISC/ARM architectures), high-bandwidth Ethernet networks (10G/25G/40G/100/200GbE), network switches, data processing units (DPU), and field-programmable gate arrays (FPGA). The Company will also work with customers to develop servers and server Board remote management systems (LOM/BMC) to address and prevent various network and hacker attacks. The Company will also continue to invest in and promote a new business model of system integration services and solution sales. This will enable the Company to explore new business directions and gradually increase unit sales prices and value, thereby improving profitability. Besides this, since customers have specific requirements for the production history, test verification, customized specifications, quality certification system, maintenance service/record and global distribution management of system products, the Company continuously develops and refines information integrated platform services, test verification software suite, improves the automation degree of process verification software/process, optimizes the global delivery center and logistics management information system, fully docks with customers' internal systems, makes the test verification products more

complete, and continues to implement the various quality, environmental, and information security management systems standards of the International Organization for Standardization (ISO), and active develops ESG policies to provide customers with better supply chain choices.

In the face of ever-changing global economic activities, trade tariffs, and geopolitical risks, the Company's management team and all employees continue to uphold the spirit of hard work and dedication. They are actively developing and cultivating related industries (information security, 5G/6G mobile communications, semiconductors, electric vehicles, artificial intelligence, smart manufacturing and smart cities, as well as robotics applications) in line with the Company's sustainable business policy. They are also actively promoting measures related to corporate sustainable development (ESG) in response to the global goal of achieving net-zero carbon emissions. In the second quarter of 2024, the relocation of the Xinzhuang Global Operations Factory was completed, effectively optimizing research, development, production and sales efficiency. enabling the company to operate sustainably while being considerate of the overall social environment. The Company aims to sustain its operations while treating the entire social environment with kindness and responding prudently to risks caused by geopolitical factors. It will carefully plan global production and sales models, actively develop global customers, and strive to achieve a stable growth rate in sales and profitability so that all shareholders can grow and share in the benefits.

Chairman	Steve Chu
Manager	Reaforl Hung
Accounting Supervisor	Amber Lee

CASwell, Inc.
Audit Committee Review Report

The Board of Directors has prepared and submitted the Company's 2024 Business Report, Financial Statements and the proposed profit distribution, of which the Financial Statements have been audited and certified by the independent auditors, Kou Hui-Chih and Chen Pei-Chi of KPMG. And an audit report has been issued. The Business Report, Financial Statements and the proposed profit distribution has been reviewed by us, the Audit Committee of the Company. We have not found any inconsistencies with applicable laws in our review of the aforementioned documents. Therefore we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Best regards

2025 Shareholders' Meeting of CASwell, Inc.

Audit Committee of CASwell, Inc.

Convener: Jennifer Shao

March 5, 2025

Independent Auditors' Report

To the Board of Directors of CASwell, Inc.:

Opinion

We have audited the accompanying parent company only balance sheets of CASwell, Inc. (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the parent company only financial statements referred to above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission of the Republic of China. The financial statements present fairly, in all material respects, the financial position of CASwell, Inc. as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in 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 this report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

1. *Measurement of Inventories*

Refer to Note 4(7) for the accounting policy on inventory valuation, Note 5(1) for critical accounting estimates and assumptions regarding inventory write-downs, and Note 6(4) for further inventory disclosures.

Inventories are measured at the lower of cost or net realizable value. Due to rapid technological developments and the frequent introduction of new products, consumer demand and market pricing for certain products may fluctuate, potentially causing inventory costs to exceed net realizable values. CASwell, Inc. evaluates losses for obsolete and slow-moving inventory based on the nature and aging of the inventories, which involves significant judgment. Accordingly, inventory valuation was identified as a key audit matter.

Our audit procedures included evaluating whether the Company's inventory valuation policies were consistently applied and appropriate; verifying the basis of the net realizable values used by management; performing sampling procedures to assess inventory aging; and analyzing inventory write-down ratios relative to total inventory, in order to evaluate whether the write-downs were reasonable.

2. *Revenue Recognition, Including Cut-Off Testing*

Refer to Note 4(14) for accounting policies on revenue recognition and Note 6(16) for related revenue disclosures. The Company primarily derives its revenue from the R&D, production, and sales of network appliances. Revenue is a key performance indicator for shareholders and is subject to inherent risk regarding the appropriate timing of recognition. Accordingly, revenue recognition and cut-off testing were considered key audit matters.

Our audit procedures included testing internal controls over revenue recognition; reviewing significant contracts and evaluating the relevant terms affecting revenue recognition; and performing cut-off testing by selecting sales transactions that occurred before and after the balance sheet date to assess the timing and appropriateness of revenue recognition.

3. *Assessment of Impairment of Investments Accounted for Using the Equity Method*

Refer to Note 4(8) for the accounting policy on investments in subsidiaries, Note 5(2) for estimation uncertainty and assumptions related to impairment testing, and Note 6(5) for details of equity-method investments.

The goodwill arising from acquisitions accounted for under the equity method is significant. In accordance with IFRS, management is required to assess impairment by estimating the future cash flows expected from the cash-generating units to which the investment belongs. These cash flow forecasts involve significant assumptions and estimates, making the impairment assessment highly judgmental. Accordingly, this matter was identified as a key audit matter.

Our audit procedures included evaluating the forecasted future cash flows and discount rates used in the impairment models; comparing historical performance to the projected cash flows; and benchmarking the discount rate against relevant external data sources to assess the appropriateness of the impairment test.

Responsibilities of Management and Those Charged with Governance

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, IFRS, IAS, and the interpretations and announcements issued by the Financial Supervisory Commission. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation of the 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 required to assess the Company's ability to continue as a going concern, disclose matters related to going concern where applicable, and apply the going concern basis of accounting unless management intends to liquidate the Company or cease operations, or has no realistic alternative but to do so. Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit 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 made based on these financial statements.

We conduct our audit in accordance with auditing standards and apply professional judgment and professional skepticism throughout the audit. As part of our audit, we:

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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 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 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 identified during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated, we determine the key audit matters to be included in our report, unless law or regulation precludes public disclosure or, in rare cases, we determine that such communication would result in consequences that outweigh the public interest benefits.

KPMG

CPA:

Securities Authority	MOF Securities Letter No. 0930106739
Approval Reference No.	FSC Securities Letter No. 0960069825

March 5, 2025

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CASwell, Inc.
Statements of Comprehensive Income
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

		2024		2023	
		Amount	%	Amount	%
4000	Sales revenue-net (Note 6(16) and 7)	\$ 3,368,123	100	3,120,065	100
5000	Cost of sales (Note 6(4), (6), (7), (11), (12), (17), 7 and 12)	2,612,465	78	2,383,990	77
	Gross profit	755,658	22	736,075	23
	Operating expenses (Note 6(6), (7), (11), (12), (17) and 12):				
6100	Selling and marketing expenses	131,592	4	93,463	3
6200	General and administrative expenses	67,266	2	62,982	2
6300	Research and development expenses	223,026	6	196,271	6
	Total operating expenses	421,884	12	352,716	11
	Net operating income	333,774	10	383,359	12
	Non-operating income and expenses (Note 6(18)):				
7100	Interest income	9,820	-	3,552	-
7010	Other income	47,093	1	37,304	1
7020	Other gains and losses	25,741	1	(11,474)	-
7050	Finance costs (Note 6(10)(11))	(15,985)	-	(9,838)	-
7070	Share of loss of subsidiaries accounted for using the equity method	(5,105)	-	(15,654)	(1)
	Total non-operating income and expenses	61,564	2	3,890	-
7900	Net income before income tax	395,338	12	387,249	12
7950	Less: Income tax expense (Note 6(13))	65,256	2	64,542	2
8200	Net income after tax	330,082	10	322,707	10
8300	Other comprehensive income/(loss):				
8310	Items that will not be reclassified to profit or loss				
8316	Unrealized gain (loss) on equity investments at fair value through other comprehensive income	-	-	(3,187)	-
8330	Share of other comprehensive income of subsidiaries accounted for using the equity method - items not reclassified to profit or loss	(17,156)	-	(838)	-
8349	Less: Income tax relating to items that will not be reclassified	-	-	-	-
	Total of items that will not be reclassified to profit or loss	(17,156)	-	(4,025)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising from the translation of foreign operations	7,236	-	(8,730)	-
8399	Less: Income tax relating to items that may be reclassified	-	-	-	-
	Total of items that may be reclassified subsequently to profit or loss	7,236	-	(8,730)	-
8300	Other comprehensive loss	(9,920)	-	(12,755)	-
8500	Total comprehensive income	\$ 320,162	10	309,952	10
	Earnings per share (Note 6(15))				
9750	Basic earnings per share (NT\$)	\$ 4.50		4.40	
9850	Diluted earnings per share (NT\$)	\$ 4.49		4.38	

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

Chairman: Steve Chu Manager: Reaforl Hung Accounting Supervisor: Amber Lee

CASwell, Inc.
Statements of Changes in Equity
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Retained earnings					Other equity items		Total Equity
	Share capital	Capital surplus	Legal reserve	Special earnings reserve	Undistributed earnings	Exchange differences arising from the translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	
Balance, January 1, 2023	\$ 731,889	1,431,140	309,644	50,872	856,601	(29,780)	(10,450)	3,339,916
Net income	-	-	-	-	322,707	-	-	322,707
Other comprehensive loss	-	-	-	-	-	(8,730)	(4,025)	(12,755)
Total comprehensive income/(loss)	-	-	-	-	322,707	(8,730)	(4,025)	309,952
Earnings distribution:								
Appropriation of legal reserve	-	-	42,834	-	(42,834)	-	-	-
Reversal of special earnings reserve	-	-	-	(10,642)	10,642	-	-	-
Cash dividends to shareholders	-	-	-	-	(264,054)	-	-	(264,054)
Conversion of convertible bonds	1,596	14,056	-	-	-	-	-	15,652
Balance, December 31, 2023	733,485	1,445,196	352,478	40,230	883,062	(38,510)	(14,475)	3,401,466
Net income	-	-	-	-	330,082	-	-	330,082
Other comprehensive income/(loss)	-	-	-	-	-	7,236	(17,156)	(9,920)
Total comprehensive income/(loss)	-	-	-	-	330,082	7,236	(17,156)	320,162
Earnings distribution:								
Appropriation of legal reserve	-	-	32,270	-	(32,270)	-	-	-
Appropriation of special earnings reserve	-	-	-	12,755	(12,755)	-	-	-
Cash dividends to shareholders	-	-	-	-	(205,376)	-	-	(205,376)
Disposals of equity investments measured at fair value through other comprehensive income	-	-	-	-	(1,678)	-	1,678	-
Balance, December 31, 2024	\$ 733,485	1,445,196	384,748	52,985	961,065	(31,274)	(29,953)	3,516,252

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc.
Statements of Cash Flow
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	2024	2023
Cash flows from operating activities:		
Net income before income tax	\$ 395,338	387,249
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	47,783	39,666
Amortization expense	4,882	2,431
Net loss (gain) on financial assets/liabilities at fair value through profit or loss	(4,228)	6,454
Interest expense	15,985	9,838
Interest income	(9,820)	(3,552)
Dividend income	-	(303)
Share of loss of subsidiaries accounted for using the equity method	5,105	15,654
Gain on lease modification	-	(43)
Loss on disposal of property, plant and equipment	2,517	-
Unrealized profit on intercompany sales of inventory	(4,757)	(7,613)
Total adjustments to reconcile profit (loss)	57,467	62,532
Changes in operating assets/liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable -including related parties	(90,451)	(21,250)
Decrease (increase) in other payables -including related parties	(53,508)	53,508
Decrease (increase) in inventories	(432,191)	880,595
Decrease (increase) in other current assets	(11,505)	6,627
Total changes in operating assets	(587,655)	919,480
Changes in operating liabilities:		
Increase (decrease) in accounts payable -including related parties	96,462	(213,403)
Increase (decrease) in other payables -including related parties	10,782	(38,588)
Increase in warranty provisions	4,579	1,301
Increase (decrease) in other current liabilities	3,910	(77,160)
Total changes in operating liabilities	115,733	(327,850)
Total changes in operating assets and liabilities	(471,922)	591,630
Total adjustments	(414,455)	654,162
Cash inflow (outflow) generated from operations	(19,117)	1,041,411
Interest received	9,609	3,545
Dividends received	25,471	27,593
Interest paid	(15,985)	(3,193)
Income tax paid	(71,782)	(103,754)
Net cash flow generated from (used in) operations	(71,804)	965,602
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(40,000)
Acquisition of financial assets at fair value through profit or loss	-	(13,556)
Return of capital from investees	4,991	1,347
Acquisition of property, plant and equipment	(41,094)	(537,084)
Proceeds from disposal of property, plant and equipment	285	-
Acquisition of intangible assets	(3,367)	(6,190)
Decrease in other non-current assets	3,654	419
Net cash used in investing activities	(35,531)	(595,064)
Cash flows from financing activities:		
Increase in short-term borrowings	600,000	150,000
Decrease in short-term borrowings	(450,000)	(150,000)
Repayment of corporate bonds	-	(151,958)
Proceeds from long-term borrowings	-	500,000
Repayment of long-term borrowings	(50,000)	(200,000)
Payment of lease liabilities	(17,830)	(206,255)
Decrease in other non-current liabilities	(14)	(14)
Cash dividends paid	(205,376)	(264,054)
Net cash flow used in financing activities	(123,220)	(322,281)
Increase (decrease) in cash and cash equivalents	(230,555)	48,257
Cash and cash equivalents at beginning of period	431,815	383,558
Cash and cash equivalents at end of period	\$ 201,260	431,815

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

Independent Auditors' Report

To the Board of Directors of CASwell, Inc.:

Opinion

We have audited the accompanying consolidated balance sheets of CASwell, Inc. and its subsidiaries (the “Group”) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements referred to above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission of the Republic of China. The consolidated financial statements present fairly, in all material respects, the financial position of CASwell, Inc. as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in 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 this report.

We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China (“the Norm”) and have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for 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. We do not provide a separate opinion on these matters.

1. *Measurement of Inventories*

Refer to Note 4(8) for the accounting policy on inventory valuation, Note 5(1) for critical accounting estimates and assumptions regarding inventory write-downs, and Note 6(3) for further inventory disclosures.

Inventories are measured at the lower of cost or net realizable value. Due to rapid technological developments and the frequent introduction of new products, consumer demand and market pricing for certain products may fluctuate, potentially causing inventory costs to exceed net realizable values. CASwell, Inc. evaluates losses for obsolete and slow-moving inventory based on the nature and aging of the inventories, which involves significant judgment. Accordingly, inventory valuation was identified as a key audit matter.

Our audit procedures included evaluating whether the Group's inventory valuation policies were consistently applied and appropriate; verifying the basis of the net realizable values used by management; performing sampling procedures to assess inventory aging; and analyzing inventory write-down ratios relative to total inventory, in order to evaluate whether the write-downs were reasonable.

2. *Revenue recognition, including cut-off testing*

Refer to Note 4(14) for accounting policies on revenue recognition and Note 6(15) for related revenue disclosures.

The Group primarily derives its revenue from the R&D, production, and sales of network appliances. Revenue is a key performance indicator for shareholders and is subject to inherent risk regarding the appropriate timing of recognition. Accordingly, revenue recognition and cut-off testing were considered key audit matters.

Our audit procedures included testing internal controls over revenue recognition; reviewing significant contracts and evaluating the relevant terms affecting revenue recognition; and performing cut-off testing by selecting sales transactions that occurred before and after the balance sheet date to assess the timing and appropriateness of revenue recognition.

3. *Assessment of Goodwill Impairment*

Refer to Note 4(12) for accounting policies on goodwill impairment, Note 5(2) for critical estimates and assumptions, and Note 6(6) for goodwill disclosures.

The Group's goodwill arising from business combinations is material. Management is required to perform an annual impairment test in accordance with IFRS. This process involves significant estimates, including projected future cash flows and the weighted average cost of capital used in estimating value in use. Given the complexity and judgment involved, goodwill impairment assessment was identified as a key audit matter.

Our audit procedures included evaluating the reasonableness of key assumptions used in the impairment model, such as cash flow forecasts and discount rates; comparing projected results to historical performance; and benchmarking discount rates against external market data.

Other Matters

CASwell, Inc. has also prepared separate parent company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion for reference.

Responsibilities of Management and Those Charged with Governance

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, IFRS, IAS, and the interpretations and announcements issued by the Financial Supervisory Commission. Management is also responsible for the design, implementation, and maintenance of internal controls to ensure the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to assess the Group's ability to continue as a going concern, disclose matters related to going concern where applicable, and apply the going concern basis of accounting unless management intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit 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 made based on these consolidated financial statements.

We conduct our audit in accordance with auditing standards and apply professional judgment and professional skepticism throughout the audit. As part of our audit, we:

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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date

of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 identified during our audit.

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

From the matters communicated, we determine the key audit matters to be included in our report, unless law or regulation precludes public disclosure or, in rare cases, we determine that such communication would result in consequences that outweigh the public interest benefits.

KPMG

CPA:

Securities Authority MOF Securities Letter No. 0930106739
Approval Reference No. :
FSC Securities Letter No. 0960069825

March 5, 2025

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CASwell, Inc. and its subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NT\$ thousand

Assets		2024.12.31		2023.12.31		Liabilities and equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 487,593	9	678,872	13	2100	Short-term borrowings (Note 6 (7))	\$ 158,749	3	30,835	1
1136	Financial assets at amortized cost - Current	69,189	1	52,279	1	2170	Accounts payable	618,699	11	500,916	9
1170	Notes and accounts receivables - net (Note 6(2) and (15))	843,499	15	752,370	14	2180	Accounts payable - related parties (Note 7)	36,807	-	49,630	1
1180	Accounts receivable from related parties - net (Note 6(2), (15) and 7)	13,230	-	19,041	-	2200	Other payables (including related parties) (Note 7)	143,473	3	135,172	2
1200	Other receivables (including related parties) (Note 7)	64,301	1	41,554	1	2230	Current income tax liabilities	51,503	1	74,658	1
1220	Current income tax assets	-	-	4,900	-	2252	Short-term warranty provisions	6,162	-	5,587	-
130X	Inventories (Note 6(3))	2,104,877	37	1,788,145	33	2280	Lease liabilities - Current (Note 6(10))	38,402	1	45,158	1
1470	Other current assets (Note 8)	94,205	2	73,366	1	2322	Long-term borrowings due within one year (Note 6(8) and 8)	1,388	-	1,427	-
	Total current assets	<u>3,676,894</u>	<u>65</u>	<u>3,410,527</u>	<u>63</u>	2399	Other current liabilities (Note 7)	116,568	2	136,825	3
							Total current liabilities	<u>1,171,751</u>	<u>21</u>	<u>980,208</u>	<u>18</u>
Non-current assets:						Non-current liabilities:					
1510	Financial assets at fair value through profit or loss - Non-current	47,364	1	48,127	1	2540	Long-term borrowings (Note 6(8) and 8)	269,920	5	321,117	6
1517	Financial assets at fair value through other comprehensive income - Non-current	79,402	1	106,781	2	2552	Long-term warranty provisions	23,389	-	19,226	-
1600	Property, plant and equipment (Note 6(4), 7 and 8)	784,767	14	767,718	14	2570	Deferred income tax liabilities (Note 6(12))	25,727	-	29,016	1
1755	Right-of-use assets (Note 6(5))	714,507	13	717,331	13	2580	Lease liabilities - Non-current (Note 6(10))	499,314	9	490,423	9
1780	Intangible assets (Note 6(6))	338,026	6	346,997	7	2670	Other non-current liabilities	14	-	28	-
1840	Deferred income tax assets (Note 6(12))	14,053	-	12,110	-		Total non-current liabilities	<u>818,364</u>	<u>14</u>	<u>859,810</u>	<u>16</u>
1900	Other non-current assets	11,086	-	16,940	-		Total liabilities	<u>1,990,115</u>	<u>35</u>	<u>1,840,018</u>	<u>34</u>
		<u>1,989,205</u>	<u>35</u>	<u>2,016,004</u>	<u>37</u>		Equity attributable to shareholders of the parent company (Note 6(13)):				
						3100	Share capital	733,485	13	733,485	14
						3200	Capital surplus (Note 6(9) and (13))	1,445,196	25	1,445,196	27
						3300	Retained earnings:				
						3310	Legal reserve	384,748	7	352,478	6
						3320	Special earnings reserve	52,985	1	40,230	1
						3350	Undistributed earnings	961,065	17	883,062	16
							Total retained earnings	1,398,798	25	1,275,770	23
						3400	Other equity	(61,227)	(1)	(52,985)	(1)
							Equity attributable to shareholders of the parent company	3,516,252	62	3,401,466	63
						36XX	Non-controlling interests	159,732	3	185,047	3
							Total equity	<u>3,675,984</u>	<u>65</u>	<u>3,586,513</u>	<u>66</u>
							Total liabilities and equity	<u>\$ 5,666,099</u>	<u>100</u>	<u>\$ 5,426,531</u>	<u>100</u>
	Total assets	<u>\$ 5,666,099</u>	<u>100</u>	<u>5,426,531</u>	<u>100</u>						

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

		<u>2024</u>		<u>2023</u>	
		Amount	%	Amount	%
4000	Sales revenue-net (Note 6(15) and 7)	\$ 4,253,669	100	4,082,437	100
5000	Cost of sales (Note 6(3), (4), (5), (10), (11), (16), 7 and 12)	3,239,943	76	3,088,923	76
	Gross profit	<u>1,013,726</u>	<u>24</u>	<u>993,514</u>	<u>24</u>
	Operating expenses (Note 6(4), (5), (10), (11), (16), 7 and 12):				
6100	Selling and marketing expenses	174,638	4	144,593	4
6200	General and administrative expenses	235,603	6	220,418	5
6300	Research and development expenses	270,608	6	251,714	6
6450	Reversal of expected credit loss (Note 6(2))	(1,445)	-	(1,119)	-
	Total operating expenses	<u>679,404</u>	<u>16</u>	<u>615,606</u>	<u>15</u>
	Operating Income	<u>334,322</u>	<u>8</u>	<u>377,908</u>	<u>9</u>
	Non-operating income and expenses (Note 6(17)):				
7100	Interest income	12,163	-	6,640	-
7010	Other income	64,952	2	51,775	1
7020	Other gains and losses	28,142	-	(12,275)	-
7050	Finance costs (Note 6(9) and (10))	(22,007)	-	(14,396)	-
	Total non-operating income and expenses	<u>83,250</u>	<u>2</u>	<u>31,744</u>	<u>1</u>
7900	Net Income before income tax	417,572	10	409,652	10
7950	Less: Income tax expense (Note 6(12))	86,607	2	88,374	2
	Net Income after tax	<u>330,965</u>	<u>8</u>	<u>321,278</u>	<u>8</u>
8300	Other comprehensive income/(loss):				
8310	Items that will not be reclassified to profit or loss				
8316	Unrealized gain (loss) on equity investments at fair value through other comprehensive income	(28,292)	(1)	(4,570)	-
8349	Income tax relating to items that will not be reclassified	-	-	-	-
	Total of items that will not be reclassified to profit or loss	<u>(28,292)</u>	<u>(1)</u>	<u>(4,570)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising from the translation of foreign operations	8,703	-	(8,856)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total of items that may be reclassified subsequently to profit or loss	<u>8,703</u>	<u>-</u>	<u>(8,856)</u>	<u>-</u>
8300	Other comprehensive loss	<u>(19,589)</u>	<u>(1)</u>	<u>(13,426)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 311,376</u>	<u>7</u>	<u>307,852</u>	<u>8</u>
	Net Income attributable to:				
8610	Shareholders of the parent company	\$ 330,082	8	322,707	8
8620	Non-controlling interests	883	-	(1,429)	-
	Net Income	<u>\$ 330,965</u>	<u>8</u>	<u>321,278</u>	<u>8</u>
	Comprehensive income attributable to:				
8710	Shareholders of the parent company	\$ 320,162	7	309,952	8
8720	Non-controlling interests	(8,786)	-	(2,100)	-
	Total comprehensive income	<u>\$ 311,376</u>	<u>7</u>	<u>307,852</u>	<u>8</u>
	Earnings per share (Note 6(14))				
9750	Basic earnings per share (NT\$)	<u>\$ 4.50</u>		<u>4.40</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 4.49</u>		<u>4.38</u>	

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Equity attributable to shareholders of parent company					Other equity items		Total equity attributable to shareholders of the parent company	Non-controlling interests	Total Equity
	Share capital	Capital surplus	Legal reserve	Retained earnings		Exchange differences arising from the translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income			
				Special earnings reserve	Undistributed earnings					
Balance, January 1, 2023	\$ 731,889	1,431,140	309,644	50,872	856,601	(29,780)	(10,450)	3,339,916	204,857	3,544,773
Net Income	-	-	-	-	322,707	-	-	322,707	(1,429)	321,278
Other comprehensive loss	-	-	-	-	-	(8,730)	(4,025)	(12,755)	(671)	(13,426)
Total comprehensive income/(loss)	-	-	-	-	322,707	(8,730)	(4,025)	309,952	(2,100)	307,852
Earnings distribution:										
Appropriation of legal reserve	-	-	42,834	-	(42,834)	-	-	-	-	-
Reversal of special earnings reserve	-	-	-	(10,642)	10,642	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(264,054)	-	-	(264,054)	-	(264,054)
Conversion of convertible bonds	1,596	14,056	-	-	-	-	-	15,652	-	15,652
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(17,710)	(17,710)
Balance, December 31, 2023	733,485	1,445,196	352,478	40,230	883,062	(38,510)	(14,475)	3,401,466	185,047	3,586,513
Net Income	-	-	-	-	330,082	-	-	330,082	883	330,965
Other comprehensive loss	-	-	-	-	-	7,236	(17,156)	(9,920)	(9,669)	(19,589)
Total comprehensive income/(loss)	-	-	-	-	330,082	7,236	(17,156)	320,162	(8,786)	311,376
Earnings distribution:										
Appropriation of legal reserve	-	-	32,270	-	(32,270)	-	-	-	-	-
Appropriation of special earnings reserve	-	-	-	12,755	(12,755)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(205,376)	-	-	(205,376)	-	(205,376)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(16,529)	(16,529)
Disposals of equity investments measured at fair value through other comprehensive income	-	-	-	-	(1,678)	-	1,678	-	-	-
Balance, December 31, 2024	\$ 733,485	1,445,196	384,748	52,985	961,065	(31,274)	(29,953)	3,516,252	159,732	3,675,984

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its subsidiaries
Consolidated Statements of Cash Flows
From January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net Income before income tax	\$ 417,572	409,652
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	83,859	81,310
Amortization expense	12,409	9,995
Reversal of expected credit loss	(1,445)	(1,119)
Net loss (gain) on financial assets /liabilities at fair value through profit or loss	(4,228)	6,454
Interest expense	22,007	14,396
Interest income	(12,163)	(6,640)
Dividend income	-	(303)
Loss on disposal of property, plant and equipment	2,517	3
Gain on lease modification	(4)	(43)
Total adjustments to reconcile profit (loss)	<u>102,952</u>	<u>104,053</u>
Changes in operating assets/liabilities:		
Changes in operating assets:		
Decrease (Increase) in notes and accounts receivable -including related parties	(88,132)	29,248
Decrease (Increase) in other payables -including related parties	(22,747)	58,577
Decrease (Increase) in inventories	(316,131)	975,425
Decrease (Increase) in other current assets	(20,839)	42,711
Total changes in operating assets	<u>(447,849)</u>	<u>1,105,961</u>
Changes in operating liabilities:		
Increase (Decrease) in accounts payable -including related parties	104,960	(322,985)
Increase (Decrease) in other payables -including related parties	8,301	(55,635)
Increase in warranty provisions	4,738	1,215
Decrease in other current liabilities	(20,257)	(57,086)
Total changes in operating liabilities	<u>97,742</u>	<u>(434,491)</u>
Total changes in operating assets and liabilities	<u>(350,107)</u>	<u>671,470</u>
Total adjustments	<u>(247,155)</u>	<u>775,523</u>
Cash flow generated from operations	170,417	1,185,175
Interest received	12,163	6,640
Dividends received	-	303
Interest paid	(22,007)	(14,014)
Income tax paid	(110,094)	(137,138)
Net cash flow generated from operations	<u>50,479</u>	<u>1,040,966</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(40,000)
Proceeds from disposals of financial assets at fair value through other comprehensive income	3,268	-
Acquisition of financial assets at amortized cost	(16,909)	(40,482)
Acquisition of financial assets at fair value through profit or loss	-	(13,556)
Return of capital from investees	4,991	1,347
Acquisition of property, plant and equipment	(46,547)	(542,729)
Disposals of property, plant and equipment	285	-
Acquisition of intangible assets	(3,367)	(6,190)
Decrease in other non-current assets	4,152	840
Net cash flow used in investing activities	<u>(54,127)</u>	<u>(640,770)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	600,000	160,947
Decrease in short-term borrowings	(472,086)	(170,000)
Repayment of corporate bonds	-	(151,958)
Proceeds from long-term borrowings	-	500,000
Repayment of long-term borrowings	(51,236)	(201,307)
Repayment of lease liabilities	(50,574)	(245,582)
Decrease in other non-current liabilities	(14)	(13)
Cash dividends paid	(205,376)	(264,054)
Changes in non-controlling interests	(16,529)	(17,710)
Net cash flow used in financing activities	<u>(195,815)</u>	<u>(389,677)</u>
Effect of exchange differences on cash and cash equivalents	8,184	(9,231)
Net increase (decrease) in cash and cash equivalents	(191,279)	1,288
Cash and cash equivalents at beginning of period	678,872	677,584
Cash and cash equivalents at end of period	<u>\$ 487,593</u>	<u>678,872</u>

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc.

Comparison Table of Amendments to Articles of Incorporation

Original articles	New articles	Description
<p>Article 6.</p> <p>The Company's total capital shall be set at NT\$12 billion, divided into 120 million shares with each share having a par value of NT\$10. The Board of Directors is authorized to issue the unissued shares in separate installments as required.</p> <p>The capital amount of NT\$12 million in the preceding paragraph shall be reserved for issuance of employee stock warrants with each share having a par value of NT\$10 which may be issued in installments according to the resolution of the Board of Directors.</p>	<p>Article 6.</p> <p>The Company's total capital shall be set at NT\$1 billion, divided into 100 million shares with each share having a par value of NT\$10. The Board of Directors is authorized to issue the unissued shares in separate installments as required.</p> <p>The capital amount of NT\$12 million in the preceding paragraph shall be reserved for issuance of employee stock warrants with each share having a par value of NT\$10 which may be issued in installments according to the resolution of the Board of Directors.</p>	<p>For the Company's future operational needs, it is proposed to increase the total capital amount.</p>
<p>Article 23.</p> <p>If the Company makes profits (i.e., net profits before tax after deduction of the portion set aside for employee remuneration) within a fiscal year, 2-15% of the profits shall be reserved as the employee remuneration <u>with at least 20% of the allocated amount reserved as entry-level employee remuneration;</u> no more than 2% shall be reserved as director remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.</p>	<p>Article 23.</p> <p>If the Company makes profits (i.e., net profits before tax after deduction of the portion set aside for employee remuneration) within a fiscal year, 2-15% of the profits shall be reserved as the employee remuneration, and no more than 2% shall be reserved as director remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.</p>	<p>In compliance with the Financial Supervisory Commission Order No. 1130385442, which provides supplementary provisions to Article 14, Paragraph 6 of the Securities and Exchange Act regarding the requirement for companies to specify in their articles of</p>

Original articles	New articles	Description
<p>The employee remuneration mentioned above may be paid in the form of shares or in cash. It shall also be paid to employees of the Company's affiliates who meet certain conditions. The terms of payment shall be decided by the Board of Directors. The above remuneration to the directors shall be in cash.</p> <p>The preceding remunerations to employees and directors shall be determined by the resolution of Board of Directors and reported to the shareholders' meeting. The terms of payment shall be decided by the Board of Directors.</p>	<p>The employee remuneration mentioned above may be paid in the form of shares or in cash. It shall also be paid to employees of the Company's affiliates who meet certain conditions. The terms of payment shall be decided by the Board of Directors. The above remuneration to the directors shall be in cash.</p> <p>The preceding remunerations to employees and directors shall be determined by the resolution of Board of Directors and reported to the shareholders' meeting. The terms of payment shall be decided by the Board of Directors.</p>	<p>incorporation a certain percentage of annual profits to be allocated for salary adjustments or distribution of remuneration to entry-level employees.</p>
<p>Article 25</p> <p>The Articles of Incorporation were formulated on April 11, 2007.</p> <p>The first amendment was made on January 2, 2008.</p> <p>(omitted)</p> <p><u>The twelfth amendment was made on June 16, 2021.</u></p> <p><u>The thirteenth amendment was made on May 22, 2025.</u></p> <p>The Articles of Incorporation shall enter into force from their approval by the resolution of the shareholders' meeting, so shall the amendments.</p>	<p>Article 25.</p> <p>The Articles of Incorporation were formulated on April 11, 2007.</p> <p>The first amendment was made on January 2, 2008.</p> <p>(omitted)</p> <p><u>The twelfth amendment was made on June 16, 2021.</u></p> <p>The Articles of Incorporation shall enter into force from their approval by the resolution of the shareholders' meeting, so shall the amendments.</p>	<p>Date of this amendment to be added.</p>

CASwell, Inc.

Rules of Procedure for Shareholders' Meetings

Revised by the Board of Directors on February 25, 2013

Approved by the Shareholders' Meeting on April 9, 2013

- Article 1 Unless otherwise required by laws, the shareholders' meeting of the Company shall be convened in accordance with the Rules of Procedure for the shareholders' meetings.
- Article 2 The shareholders as set forth in the Rules mean the shareholders and the proxies entrusted by them to attend the shareholders' meetings on behalf of them.
- Article 3 The shareholders attending the shareholders' meetings are required to wear an attendance card and to submit such cards in lieu of sign-in. The number of shares represented by the shareholders attending the shareholders' meetings shall be calculated in accordance with the number of attendance cards submitted by the shareholders.
- Article 4 The chairman shall call the meeting to order at the time scheduled for the meeting. In the event that only shareholders representing less than half of the total issued shares attend a shareholders' meeting, the chairman may announce adjournment, but a meeting shall not be adjourned for more than twice, and the cumulative time of adjournment shall not be longer than one hour. If two adjournments are still insufficient for shareholders representing more than 1/3 of the total issued shares to attend the meeting and constitute a quorum, a tentative resolution shall be passed in accordance with Article 175 of the Company Act. In the event that the total number of shares represented by the shareholders present in a shareholders' meeting constitutes a majority of the total issued shares before the end of the meeting, the chairman shall bring a tentative resolution so adopted into the shareholders' meeting a new to be duly resolved according to Article 174 of the Company Act.
- Article 5 In the event that the shareholders' meeting is convened by the Board of Directors and the agenda shall be worked out by the Board of Directors, the shareholders' meeting shall duly be convened based on the predetermined agenda, which shall not be changed unless duly approved by a resolution of the shareholders' meeting. The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. The chairman shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional

(extemporaneous) motions) unless duly resolved in the meeting. Once a meeting is adjourned by a resolution, the shareholders shall not additionally elect a chairman to proceed with the meeting in the place where the meeting would have been convened or another place. However, in the event that the chairman announces adjournment of the meeting against the rules of procedure for the shareholders' meetings, one of the shareholders shall be elected as chairman with the consent of the shareholders present representing a majority of voting rights to reconvene the meeting.

Article 6 During the process of the meeting, the chairman may announce a recess at an appropriate time at discretion. When the matters discussed at a meeting cannot be addressed, a resolution shall be passed by the shareholders to adjourn or reconvene the meeting within five days without giving a notice or making a public announcement.

Article 7 Before the shareholders present speak, they shall first fill in notes for speaking, where the subjects of their speaking, shareholder accounts and account name shall be indicated. The chairman shall determine the order of precedence for the shareholders to speak at the meeting. The shareholders who have submitted the notes for speaking but have not spoken at the meeting shall be deemed to have not spoken. In the event of any inconsistency between the content of any shareholder's speech and that recorded on the note, the former shall prevail. While a shareholder is speaking, no other shareholder shall interrupt the speaking shareholder unless permitted by the chairman and such speaking shareholder, and the chairman shall stop any such interruptions.

Article 8 For each proposal, each shareholder shall not speak for more than twice and five minutes each time unless agreed upon by the chairman. If any shareholder present speaks against provisions of the preceding paragraph, beyond the subject discussed, or against the order of precedence for speaking, the chairman may stop or suspend the shareholder's speech. Other shareholders may also request the chairman to do so.

Article 9 Where the chairman believes that a proposal has been discussed in the meeting up to the level for voting, the chairman may announce discontinuance of the discussion process and bring that proposal to a vote.

Article 10 Except as otherwise provided under the Company Act and/or the Company's Articles of Incorporation, a resolution shall be adopted with the approval of a majority of the votes of the shareholders present.

If, in the course of voting, no objection is made after the chairman's inquiry, the

proposal shall be deemed to have been adopted with the same effect as if it has been adopted through voting.

The shareholders may attend a shareholders' meeting by proxy. Except for trusts or service agents approved by competent securities authorities, any person simultaneously entrusted by two and more shareholders shall not represent more than 3% of the voting rights in total issued shares, otherwise, the votes casted shall be disregarded.

Article 11 The number of shareholders present in a shareholders' meeting and their voting shall be duly calculated based on the shares they hold, and a shareholder shall have the right to cast one vote for each share held.

Article 12 The shareholders' meeting shall be held in the city or county where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.

Article 13 If a shareholders' meeting is convened by the Board of Directors of the Company (the "Board" or "Board of Directors"), the chairman shall preside at such meeting. If the chairman is on leave or unable to exercise his powers and duties for any reason, the Vice chairman shall preside at such meeting. The chairman shall designate a managing director to preside as the chairman if the Vice chairman is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the chairman shall designate a director to preside as the chairman. If the chairman fails to designate a chairman for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting. If a shareholders' meeting is convened by anyone other than the Board of Directors, the convener shall act as the chairman. Where there are more than two conveners, one of such conveners shall be elected from among themselves the chair the shareholder's meeting.

Article 14 The Company shall appoint attorney (s)-at-law, certified public accountant (s) or relevant personnel to attend a shareholders' meeting. Staff at an shareholders' meeting shall wear ID badges or arm badges.

Article 15 The Company shall record the whole meeting process and keep the records for at least one year.

Article 16 In the event that a proposal has amendments or substitutes, the order of voting shall be determined by the chairman. When one among such amendments or substitutes is approved, the remained ones shall be deemed to have been vetoed and no further voting shall be required.

Article 17 In the event that a juristic (corporate) person is entrusted to attend a shareholders' meeting, that juristic (corporate) person may appoint only one representative to attend the meeting. If a shareholder who is a juristic person appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on any given proposal.

Article 18 After a shareholder speaks, the chairman shall answer either by himself or herself or through a designee.

Article 19 Staff such as supervisor and vote counter shall be appointed by the chairman. The supervisor shall be a shareholder. The voting results shall be announced at the meeting and recorded in writing.

Article 20 The chairman may direct staff or inspectors or security personnel to assist in maintaining the order of each shareholder's meeting.

In maintaining the order of the meeting, such personnel shall wear identification certificates useful for identification.

If any shareholder present willfully disrupts the order of the meeting in words or by acts, which constitute personal attack, and fails to control himself or herself when stopped by the chairman, the chairman shall ask the staff mentioned in the preceding clause to ask such shareholder to leave the meeting, in order to maintain the order of the meeting, ensure smooth completion of the meeting, and safeguard a majority of shareholders' equity.

Article 21 In the event of a major disaster such as an air raid alarm, an earthquake or a fire, the meeting shall be announced as ended or suspended. The personnel shall be evacuated from the premises. One hour after the situation has been resolved, the chairman shall announce the new meeting time.

Article 22 Matters not specified in the Rules shall be governed by the Company Act, the Company's Articles of Incorporation.

Article 23 These rules and any amendments hereof shall be put into enforcement after being resolved at the shareholder meeting.

Articles of Association of CASwell, Inc.

Amended by the Shareholders' Meeting on June 16, 2022

Chapter I General

Article 1 The Company is organized according to the Company Act under the name of CASwell, Inc.

English name: CASWELL,INC.

Article 2 The business to be operated by the Company is as follows:

CC01080 Electronic Parts and Components Manufacturing

CC01110 Computers and Computing Peripheral Equipment Manufacturing

CC01120 Data Storage Media Manufacturing and Duplicating.

E605010 Computing Equipment Installation Construction

F113050 Wholesale of Computing and Business Machinery Equipment

F118010 Information Software Wholesale Industry

F119010 Electronic Materials Wholesale Industry

F401010 International Trade

I501010 Product Design Services

I301010 Information Software Services

I301020 Data Processing Services

I301030 Digital Information Supply Services

IG02010 Research Development Service

ZZ99999 All business not prohibited or restricted by law, except for those subject to special approval

Article 3 The Company may provide endorsements and guarantees for the purpose of its business. Unless otherwise stipulated by laws, the total amount of foreign investments [shall not be limited to 40% of the paid-in capital] as specified in Article 13 of the Company Act.

Article 4 The Company is headquartered in New Taipei, and when necessary, it may establish branches home and abroad upon resolution of the Board of Directors.

Article 5 Public announcements of the Company shall be duly made in accordance with Article 28 of the Company Act, other relevant laws and regulations.

Chapter II Share

Article 6 The Company's total capital shall be set at NT\$1 billion, divided into 100 million shares with each share having a par value of NT\$10. The Board of Directors is authorized to issue the unissued shares in separate installments as required.

The capital amount of NT\$12 million in the preceding paragraph shall be reserved for issuance of employee stock warrants with each share having a par value of NT\$10 which may be issued in installments according to the resolution of the Board of Directors.

Article 6-1 The shares purchased by the Company may be transferred to employees of the Company's affiliates who meet certain conditions under terms and conditions determined by the Board of Directors.

The stock warrants of the Company may be issued to employees of the Company's affiliates who meet certain conditions under terms and conditions determined by the Board of Directors.

The Company may issue restricted stock awards to employees of its affiliates who meet certain conditions under terms and conditions determined by the Board of Directors.

When the Company issues new shares by increasing capital in cash, employees of the Company's affiliates who meet certain conditions shall be eligible for subscribing to such shares under terms and conditions determined by the Board of Directors.

Article 7 The Company may issue shares, which shall be registered or kept by a central securities depository.

Other negotiable securities, if any, shall also be issued according to the foregoing provision.

Article 8 Unless otherwise stipulated by laws or competent securities authorities, related affairs shall be handled in accordance with the Company Act and Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9 No registration of share transfer shall be made within sixty days (60) prior to a general shareholders' meeting, or within thirty days (30) prior to an extraordinary shareholders' meeting, or within five (5) days prior to the day on which dividend, bonus or other benefits are scheduled to be paid by the Company.

Chapter III Shareholders' Meetings

Article 10 Shareholders' meetings are divided into general and extraordinary shareholders'

meetings. The general shareholders' meetings are convened once a year and lawfully held by the Board of Directors within six months after the end of each fiscal year. The extraordinary meetings shall be duly convened when necessary.

The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.

For relevant regulations such as the conditions, operating procedures and other matters for video conference, and if there are other regulations by the securities authority, such regulations shall prevail.

Article 10-1 The shareholder holding one percent of the total issued and outstanding shares may submit a proposal in writing to be discussed at the annual meeting, provided that only one matter may be included in such proposal. Any proposal that includes more than one matter shall be disregarded and excluded from the meeting agenda. The relevant process shall comply with the Company Act, all applicable laws and regulations.

Article 10-2 When the Company convenes a shareholders' meeting, the shareholders may exercise the voting rights in writing or electronically.

Article 11 Where a shareholder meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. If the chairman is on leave or unable to exercise his powers and duties for any reason, the Chairman shall appoint one director to preside at the meeting. If the Chairman appoints no agent, the directors shall elect one among themselves to chair the meeting; if the meeting is convened by anyone with the authority to convene other than the Board of Directors, the convener shall be the chairman; if there are more than two persons with the authority to convene, the chairman of the meeting shall be appointed from among them.

Article 12 When a shareholder is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on his/her behalf by providing a power of attorney in accordance with Article 177 of the Company Act. The proxy process is governed by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" prescribed by the competent authority.

Article 13 Unless otherwise provided by laws or regulations, each shareholder of the Company shall have one vote for each share.

Article 14 Unless otherwise provided for in the Company Act, resolutions shall be adopted by a majority of votes at a meeting attended by shareholders who represent a majority of the total issued shares.

Article 15 All resolutions passed at a shareholders' meeting shall be recorded in the written minutes, which shall be signed or affixed with seal by the chairman and served to all shareholders within twenty days after the meeting. The minutes shall record essential content and results of the discussions, kept in the Company together with the attendance book and the proxies. The term for keeping the minutes, attendance book and proxies shall be determined according to the Company Act. The preceding minutes may be distributed electronically or by making public announcements.

Article 15-1 If the Company intends to revoke a public issuance plan, it shall present it to be resolved at a shareholders' meeting before making a request to the competent authority. This clause may not be changed during the emerging period and after the Company goes public.

Chapter IV Directors

Article 16 The Company has 7 to 9 directors, whose term of office shall be 3 years. The directors of the Company shall be elected and appointed using the candidate nomination system stated in Clause 1, Article 192 of the Company Act and from the candidates of directors nominated at the shareholders' meeting, They may be eligible for reelection.

Among the designated number of directors as mentioned above, there shall be at least three independent directors.

The restrictions on professional qualifications, shareholding and concurrent positions held, manners of nomination and election of independent directors, and other related matters shall comply with the Company Act, Securities Exchange Act, other related laws and regulations. The directors shall comply with the rules of the competent securities authorities concerning their total shareholding ratio.

The Company's directors shall be elected by cumulative voting. Each share is entitled to the number of votes equivalent to the number of directors to be elected. A director shall be elected in a centralized manner, or several persons may be elected together, among whom the one with the most votes shall be appointed as director.

The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected shall be calculated separately.

When it is necessary to amend the Company's method for electing directors, in addition to the provisions of Article 172 of the Company Act, a comparison table

for the amendment of the method shall be listed in the reasons for convening the shareholders' meeting.

The Board of Directors shall establish various functional committees, each of which shall formulate rules and regulations for exercising their powers. Such rules and regulations shall be implemented after they are approved by the Board of Directors.

Article 16-1 If a director's tenure has expired and it is too late for re-election, it shall be extended until the re-elected director takes office.

Article 17 The directors shall organize a Board meeting, where over two-thirds of the directors shall attend, elect one from among them to be the chairman with the consent of a majority of them, and a vice chairman in the same manner. The chairman shall act on behalf of the Company externally.

Article 17-1 In case that the vacancies in the office of directors reach one-third of the Board or if all independent directors have been removed, the Board of Directors shall convene an extraordinary shareholders' meeting within sixty days to elect new directors to fill the vacancies. A director elected to fill such vacancy shall hold office for the remained term of the director whose office was vacant. When the number of directors falls below 5 or the number of independent directors falls below that prescribed in the Company's Articles of Association due to removal for any reason, a by-election to fill the vacancy shall be held at the next shareholders' meeting, and the elected directors shall hold office for the remained term of the vacant office.

Article 17-2 Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by at least a majority of the directors present at a meeting attended by at least a majority of the directors holding office. Upon the chairman's leave, absence or unavailability for performance of duties, the proxy shall act at the meeting in accordance with Article 208 of the Company Act.

Where a director is unable to attend a Board of Directors meeting for any reason, the director may issue a power attorney, stating therein the scope of authority with reference to the matters for convening the meeting, and appoint another director to serve as his or her proxy. However, a proxy may only accept the appointment of one director only. The proxy shall act according to Article 205 of the Company Act.

To convene a Board of Directors meeting, a seven-day notice shall be served to all directors, expressly indicating the subject (s) of the meeting. In case of an emergency, a Board of Directors meeting may be convened any time.

Such notices mentioned in the preceding paragraph may be served in writing or by means of facsimile or email.

If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

Article 18 The Company shall set up an Audit Committee in accordance with the provisions of Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors. The members of the Audit Committee or the Audit Committee shall be responsible for performing the duties under the Company Act, the securities exchange law, and other laws and regulations as supervisors.

Article 19 The directors shall be paid by the Company for holding their offices in the Company. Their remuneration shall be determined by the Board of Directors based on the degree of their participation in and contributions to the business operations of the Company, as well as industry standards home and abroad.

Article 19-1 The Company may purchase and maintain liability insurances for directors and managers with respect to their liabilities lawfully arising from exercising their duties. The amount and other details of the insurances shall be determined by the Board of Directors.

Article 20 The resolutions adopted at a shareholders' meeting shall be made into minutes, which shall be signed by or affixed with seal by the chairman of the meetings and distributed to all shareholders within 20 days after the meeting. Such minutes shall be produced and distributed electronically.

The minutes shall record essential content and results of the subject (s) discussed at the meeting, kept in the Company together with the attendance book of the directors present and power attorneys of those attending the meeting by proxy, which shall be kept for a period as stipulated in Article 207 of the Company Act.

Chapter V Manager

Article 21 The Company may appoint managers, whose appointment, removal and remuneration shall be governed by Article 29 of the Company Act.

Chapter VI Accounting

Article 22 At the end of each fiscal year, the Board of Directors shall prepare following statements, which shall be submitted to the Audit Committee for auditing no later than 30 days prior to the date of the annual general shareholders' meeting, and then presented for approval at the meeting.

- (I) Business Report
- (II) Financial statements
- (III) Statements on earnings distribution or loss appropriation

Article 23 If the Company makes profits (i.e., net profits before tax after deduction of the portion set aside for employee remuneration) within a fiscal year, 2~15% of the profits shall be reserved as the employee remuneration, and no more than 2% shall be reserved as director remuneration. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.

The employee remuneration mentioned above may be paid in the form of shares or in cash. It shall also be paid to employees of the Company's affiliates who meet certain conditions. The terms of payment shall be decided by the Board of Directors. The above remuneration to the directors shall be in cash.

The preceding remunerations to employees and directors shall be determined by the resolution of Board of Directors and reported to the shareholders' meeting. The terms of payment shall be decided by the Board of Directors.

Article 23-1 In case there are profits after tax in the final settlement of the current year, the Company should first offset the accumulated loss and retain 10% as legal surplus reserve in accordance with the law; however, when the legal surplus reserve exceeds the paid-in capital of the Company, it is not subject to this limitation. Certain amount should be further allocated as special reserve or the special reserve should be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan is proposed by the BOD and approved by the shareholders' meeting.

If the Company distributes dividends and bonuses in cash, or all or part of the statutory surplus reserve and capital reserve stated in the first paragraph of Article 241 of the Company Act are paid in cash, the board of directors shall be authorized to do so in the presence of more than two-thirds of the directors and with the consent of more than half of the directors present, and report to the shareholders' meeting in accordance with Article 240, paragraph 5, of the Company Act.

The dividend distribution to the shareholders of the Company can be distributed in cash or shares, in which the amount shall not less than 10% of the retained earnings the after tax of the current year, and the proportion of shareholders' cash dividends shall not be less than 10% of the total dividends of the

shareholders. The Company is in a growing industry. The type and proportion of this retained earnings distribution is based on the Company's future capital demand and long-term operating plan. The BOD may draw up a distribution proposal according to the current operating conditions and taking into account shareholders' equity, balanced dividend policy and capital demand plan, and submit it to the shareholders' meeting for resolution and adjustment.

If there is no loss and the Company has no earnings to be distributed or has financial, business or operational considerations, part or all of the reserve may be distributed according to the law or the competent authority's requirements.

Chapter VII Supplementary Provisions

Article 24 Any matters unmentioned under the Articles of Incorporation shall be subject to the Company Act, related rules and regulations.

Article 25 The Articles of Association were formulated on April 11, 2007.

The first amendment was made on January 2, 2008.

The second amendment was made on January 28, 2008.

The third amendment was made on April 1, 2008.

The fourth amendment was made on April 15, 2009.

The fifth amendment was made on June 10, 2010.

The sixth amendment was made on May 24, 2011.

The seventh amendment was made on April 9, 2013.

The eighth amendment was made on June 11, 2014.

The ninth amendment was made on April 20, 2016.

The tenth amendment was made on April 20, 2017.

The eleventh amendment was made on June 5, 2019.

The twelfth amendment was made on June 16, 2022.

The Articles of Incorporation shall enter into force from their approval by the resolution of the shareholders' meeting, so shall the amendments.

CASwell, Inc.

Other Supplementary Information

Description on Handling Shareholders' Proposals at the 2025 Regular Shareholders' Meeting:

- I. Pursuant to Article 172-1 of the Company Act, a shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal at a regular shareholders meeting.
- II. The Company, in accordance with the law, announced on the MOPS that it would accept proposals raised from March 14, 2025 to March 24, 2025 (registered mail is subject to arrival) by shareholders for this regular shareholders meeting. During the period, the Company did not receive any shareholder proposals.

[Annex IV]

CASwell, Inc.
Shareholding of Directors

Date: March 24, 2025

Position	Name	Number of Shares Held
Chairman	Ennoconn Corporation Legal Representative: Steve Chu	20,000,000
Directors	Ennoconn Corporation Legal Representative: Aven Lou	20,000,000
Directors	Ennoconn Corporation Legal Representative: Nelson Tsay	20,000,000
Directors	Reaforl Hung	115,446
Independent Director	Jennifer Shao	0
Independent Director	Wen-Chang Fang	0
Independent Director	Luke Teng	0
Total		20,115,446

Note:

1. 73,348,460 ordinary shares were issued as of March 24, 2025.
2. 5,867,876 shares were statutory shares held by all directors.