

Minutes of 2022 Annual Shareholders' Meeting

(Translation)

Time : 9:00 a.m., Wednesday, June 8, 2022

Place : Zenitron Corp. Headquarters Meeting Room

(8F, No. 8, Lane 250, Xinhua Road, Neihu District, Taipei City, Taiwan 114)

Quorum : 144,059,982 shares were represented by the shareholders and proxies present ((Including 22,360,694 shares from electronic voting), which amounted to 66.72% of the Company's 215,893,819 issued and outstanding shares.

Board Member Present : CHOU YEOU-YIH, CHEN HSIN-YIH, YEH LU-CHANG, The representative of YUTSENG INVESTMENT : CHOU CHUN-KUANG , The representative of ZENITEX INVESTMENT : CHOU CHUN-HSIEN, HSU JUI-MAO (Independent Director), LIAO FU-LUNG (Independent Director).

7 members of Board of Directors are present.

In attendance : CFO : YU SHU-I

CPA of PwC Taiwan : LIN YI-FAN

Lawyer of Security & Integrity Law firm : Yetty Chen

Chairman : CHOU YEOU-YIH, the Chairman of Board Director

Recorder : Alicia Huang

Meeting Commencement Announced : The aggregate shareholding of the shareholders and proxies present constituted a quorum. The Chairman called the meeting to order.

Chairman's Address : (Omitted)

Report Items

1. The 2021 Business Report. (Please refer to Attachment I)
2. The 2021 Audit Committee's Review Report. (Please refer to Attachment II)
3. Report of 2021 employees' profit sharing bonus and directors' compensation.

In accordance with Company Act and regulations of Company's Articles of Incorporation, the employees' profit sharing bonus and directors' compensation are to be distributed as NT\$36,000,000 and NT\$30,000,000, respectively, and all in cash.

4. Report of the 2021 Cash Dividends.

- (1) The Board of Directors approved the cash dividends distributed from surplus as NT\$748,387,024 (NT\$3.5 per share).
- (2) The cash dividend is to be distributed to each share based on the percentage of actual holding shares on the record date for distribution and shall be rounded down to the nearest dollar. The total of any fractional amount less than one dollar will be adjusted, where number from the decimal point is from large to small and the account number is adjusted from front to back to meet the total cash dividend allocation.
- (3) In the event that proposed distribution of earnings is affected by a change in the Company's outstanding common shares, the Chairman shall be authorized to handle such revision.

5. The issuance of the 4th domestic unsecured convertible corporate bonds

Please refer to Attachment III for the issuance of the 4th domestic unsecured convertible corporate bonds.

Proposed Resolutions

Proposal 1 (Proposed by the Board of Directors)

Subject: Adoption of the 2021 Business Report and Financial Statements.

Explanation:

1. The business report, parent company only financial report and consolidated financial report of 2021 of the company have been accomplished.
2. The aforementioned financial statements have been certified by Chen, Jin-Chang and Lin, Yi-Fan, CPAs of PwC Taiwan, and reports have been verified.
3. Enclosed with attachments:
 - a. Business Report (Please refer to Attachments I)
 - b. Independent Auditors' Report and the Financial Statements (including consolidated financial

statement) (Please refer to Attachments IV)

4. Please kindly ratify the 2021 Business Report and Financial Statements.

Resolution:

Voting Results: Shares represented at the time of voting: 144,059,982

Voting Results	in person/ by proxy votes	electronic votes	toatl votes	percentage
approval votes	121,699,288	13,623,401	135,322,689	93.93%
disapproval votes	0	4,000	4,000	0.00%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	8,733,293	8,733,293	6.06%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 2 (Proposed by the Board of Directors)

Subject: Adoption of the 2021 Earnings Distribution.

Explanation:

1. The 2021 Earnings Distribution table has been accomplished. (Please refer to Attachement IV)
2. Please kindly ratify the 2021 Earnings Distribution

Resolution:

Voting Results: Shares represented at the time of voting: 144,059,982

Voting Results	in person/ by proxy votes	electronic votes	toatl votes	percentage
approval votes	121,699,288	13,892,397	135,591,685	94.12%
disapproval votes	0	3,995	3,995	0.00%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	8,464,302	8,464,302	5.87%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Matters for Discussion

Proposal 1 (Proposed by Board of Directors)

Subject: Amendment to the Articles of Incorporation.

Explanation:

In accordance with the amendments to related commercial laws, the company hereby proposes to amend the Articles of Incorporation. Please refer to Attachment VI for the comparison table of the Articles of Incorporation before and after amendments.

Resolution:

Voting Results: Shares represented at the time of voting: 144,059,982

Voting Results	in person/ by proxy votes	electronic votes	total votes	percentage
approval votes	121,699,288	13,861,353	135,560,641	94.10%
disapproval votes	0	30,051	30,051	0.02%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	8,469,290	8,469,290	5.87%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 2 (Proposed by the Board of Directors)

Subject: Amendment to the Operational Procedures for Acquisition and Disposal of Assets.

Explanation:

In accordance with the amendments and conform to related commercial laws, the company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets. Please refer to Attachment VII for the comparison table of the Operational Procedures for Acquisition and Disposal of Assets before and after amendments.

Resolution:

Voting Results: Shares represented at the time of voting: 144,059,982

Voting Results	in person/ by proxy votes	electronic votes	total votes	percentage
approval votes	121,699,288	13,860,959	135,560,247	94.09%
disapproval votes	0	31,046	31,046	0.02%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	8,468,689	8,468,689	5.87%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Extemporaneous Motions: None.

Adjournment: 09:16 AM, June 8, 2022

Attachment I

I. The 2021 Business report.

1. Implementation results of business plan

The revenue of 2021 was NT\$21,536,590 thousand, an increase of NT\$1,408,385 thousand and a growth rate of 7.00% over NT\$20,128,205 thousand in 2020. Net income before tax in 2021 was NT\$954,606 thousand, an increase of NT\$476,852 thousand and a growth rate of 99.81% over NT\$477,754 thousand in 2020.

Consolidated revenue has reached NT\$42,044,726 thousand in 2021, an increase of NT\$7,643,557 thousand and a growth rate of 22.22% over NT\$34,401,169 thousand in 2020. Net income before tax in 2021 was NT\$1,080,775 thousand, an increase of NT\$525,719 thousand and a growth rate of 94.71% over NT\$555,056 thousand in 2020.

2. Budget execution status

Financial forecast for 2021 is undisclosed so there is no budget execution status available.

3. Analysis of financial income and expenditure and profitability :

(Parent Company Only)

Items of analysis		Year	Financial Analysis	
			2020	2021
Financial Structure (%)	Debt to assets ratio		67.41	68.21
	The ratio of long-term funds to property, plant and equipment		1,325.41	1,642.28
Profitability	Return on asset (%)		4.08	5.91
	Return on equity (%)		10.25	17.39
	Ratio of Pre-tax Profit to Paid-in capital (%)		22.34	44.64
	Profit ratio (%)		2.34	4.07
	Earnings per share (NT\$)		2.21	4.10

(Consolidated)

Items of analysis		Year	Financial Analysis	
			2020	2021
Financial Structure (%)	Debt to assets ratio		75.10	75.70
	The ratio of long-term funds to property, plant and equipment		1,147.03	1,427.35
Profitability	Return on asset (%)		3.39	4.72
	Return on equity (%)		10.25	17.39
	Ratio of Pre-tax Profit to Paid-in capital (%)		25.95	50.54
	Profit ratio (%)		1.37	2.08
	Earnings per share (NT\$)		2.21	4.10

II. 2021 Business Plan Overview

1. Operating policies

- (1) To plan the mid/long-term development strategy, aiming for continuous growth of company profit and sustainability of operation.
- (2) To create the maximum value of semiconductor component distributors in the supply chain and establish and operate long-term customer-supplier relationships.
- (3) To build a harmonious labor-management relationship and create a win-win situation for employees and the company.

2. Expected sales volume and its basis:

The World Semiconductor Trade Statistics (WSTS) expects the worldwide semiconductor market growth to rise from 6.8 percent in 2020 to an outstanding 25.6 percent in the year 2021, which corresponds to a market size of US\$ 553 billion. This will be the biggest step-up, since a 31.8% increase in 2010, eleven years ago. Furthermore, it is expected continuing to grow by 8.8 percent in 2022.

The semiconductor market overall was not negatively impacted by the COVID-19 pandemic in 2021. Robust consumer demand pushed all major product categories to double-digit growth-rates, except Optoelectronics. The largest growth contributors are Memory with 34.6 percent, followed by Analog with 30.9 percent and Logic with 27.3 percent.

For 2022, the global semiconductor is expected for a gradually supply and demand balance, after experiencing full capacity and short supply in 2021. Furthermore, the type and quantity of terminal electronic products also provides strong support for thriving semiconductor market in the coming 2022 with further growth. The global semiconductor market is projected to grow by 8.8 percent to US\$ 601 billion, driven by a double-digit growth of the Sensors and Logic category. All other product categories are also expected to show positive growth rates. All regions are expected to grow in 2022.

3. Significant Marketing Policies

(1) Focus on application areas of seven major products

Facing the increasingly fierce competition in the electronics industry, Zenitron is committed to becoming a "value-added supplier of application design solutions." We strengthen our own research and development capabilities, break away from the trading of traditional components, provide customers with overall solutions, speed up the time for customers to launch their products, and create irreplaceable value. In order to match the solution-oriented marketing mode, the Company integrated the existing marketing team and also commit to training FAE and R&D designers. Currently effectiveness through hard work of application design solutions has gradually shown, and specific solutions in seven areas such as, "handheld devices", "computers and peripherals", "power management", "consumer electronics", "communication and network", "industrial power supply", and "automotive electronics". In addition to focusing on the integration of existing agency line products, we also set up a market development department to actively seek new agency lines to strengthen the competitiveness of various solutions.

(2) Continue to expand product line

In response to the epidemic, the reduction of personnel flow and contact needs will further catalyze the development of IoT technology. Within this technology, related IoT devices used for manufacturing, medical monitoring, and service reception are the main growth drivers. Related IoT devices will integrate AI computing, image recognition, high-speed transmission and other hardware collocations based on requirement of users and environments; related

functions to the processing performance of related semiconductors, Netcom integration, and power consumption are with higher requirements. Therefore, no matter from the upstream chip to the downstream end product, cloud big data, 5G transmission, data center and artificial intelligence will be the focus of future development. The company also focuses on key applications and expands its agent product line to provide better services.

- (3) Strengthen FAE technical support and capabilities of design and development, and focus on solution and marketing strategies

It is the company's business strategy to become a "value-added distributor with leading technology". Therefore, mastering new technologies, training professional R&D talents, and developing high-quality application design solutions are important goals for the company's talent cultivation. By providing solutions, customers' research and development costs and time can be reduced, also customers' loyalty can be cultivated so as to widen the gap with competitors. On the other hand, the development of its own technology will help the company strive for new product agency rights and strengthen the competitiveness of its product line.

- (4) Cooperate with IC Design House to develop new products

Semiconductor component distributors are the bridge between the upstream IC Design House and the downstream system factories. They grasp first-hand market information and can provide reference for upstream suppliers in product development and marketing. The company has established further partnerships with IC Design House at home and abroad, actively participated in the development of new products, and sold through the company's channels to create a win-win situation.

- (5) Establish strategic alliances to increase product agency opportunities

The company is also constantly seeking business opportunities in new markets to increase its competitive advantage. In the long run, the main core of the focus of company's development will still be the semiconductor component channel. In the future, Company will focus on its own business and extend its investment in electronic channel-related businesses, and master technology and semiconductor industry through investment in upstream IC Design House or strategic alliances with peers. Zenitron increases product agency opportunities, creates revenue growth and profit sources, and expands the service depth of the component channel industry for upstream, midstream, and downstream related manufacturers.

4. Future development strategy

Facing the increasingly fierce competition in the electronics industry, Zenitron is committed to becoming a "value-added supplier of application design solutions". To create irreplaceable value of the Company, we strengthen own R&D capabilities, break away from the trading of traditional components, provide customers with overall solutions, and accelerate customers' product launches time schedule. To align with the solution-oriented marketing mode, the company not only integrates the existing marketing team but also strives to train FAE and R&D design personnel. The current efforts in application design solutions have gradually shown results in seven major fields including "Handheld Devices", "Computers and Peripherals", "Consumer Electronics", "Communications and Networks", "Industrial Power", and "Automotive Electronics", all with specific program content. In addition to focusing on the integration of existing agency line products, we also set up a market development department to actively seek new agency lines to strengthen the competitiveness of various solutions.

5. The influence of the external competition environment, the legal environment and the overall operation environment

Changes in the global economic climate, exchange rate fluctuations, interest rate adjustments, updates in relevant policies and regulations, and the international situation uncertainty all affect

company financial business; therefore, in response to the possibility and impact of various risk factors, the company conducts risk control and management in the scope of market, environment, finance and operation.

COVID-19 pandemic has prompted enterprises to accelerate the pace of digital transformation, and important IT infrastructure, such as Netcom and computing industries, is taking advantage of the situation and thriving. Products services such as the Internet of Things, Cloud computing, and industrial computers focus on technologies and scenarios of smart medical care, edge computing, and long-distance non-contact that enhance enterprise resilience and survival flexibility. Constant growth of demand for more types and quantities of semiconductor components will be driven by AI combined with emerging technologies and applications such as the Internet of Things, automotive electronics, and compound semiconductors, and so becoming the main driving force to the growth of the semiconductor industry in the post-epidemic era. Despite the fact that pandemic has impacted the world in 2021, semiconductors, however, not been affected but broke out and shown an explosive growth. In total, 17 manufacturers in worldwide semiconductor supply chain have gained profit reaching more than US\$10 billion, and capital expenditure of semiconductor facilities has set a new record of NT\$4.2 trillion. Looking ahead to 2022, IEK Consulting of the Industrial Technology Research Institute predicts that the global semiconductor flourish is expected to continue, benefiting from emerging applications, digital transformation and policy support.

The company set the goal of becoming an international semiconductor component distributor. The management team shall adhere to stable and conservative operation principles, build a thorough service network by a dense business marketing system, proactively accelerate market share and expand revenue scales, and improve profit level to face the severe challenges in the future.

Attachment II

Zenitron Corporation Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, parent company only financial statement and consolidated financial statement, as well as the proposal of earnings distribution. The financial statements have been certified by Chen, Jin-Chang and Lin, Yi-Fan, CPAs of PwC Taiwan and reports been verified. The aforementioned business report, together with the financial reports and proposal of earnings distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Zenitron Corp., in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Submitted to:

2022 Annual Shareholders' Meeting of Zenitron Corporation

Chairman of the Audit Committee:

Hsu, Jui-Mao

March 22, 2022

Attachment III**Zenitron Corporation****The issuance of the 4th domestic unsecured convertible corporate bonds**

Type of Corporate Bonds	4th domestic unsecured convertible corporate bonds
Date of Board resolution	May 14, 2021
Financial Supervisory Commission (FSC) approval letter number	Official Letter Jin-Guan-Zheng-Fa-Zi No. 1100347020 dated July 12, 2021
Issuance date	August 3, 2021
Total amount	NT\$6 billion
Par value	NT\$100,000
Issue price	NT\$109,180(the 109.18% of face value)
Interest Rate	0%
Maturity	3 years: Matures on August 3, 2024
Trustee	Cathay United Kingdom Commercial Bank Trust Department
Underwriting institution	Capital Securities Corporation
Repayment method	Except when the holder of this convertible corporate bond converts it into the Company's common shares in accordance with Article 10 of these Terms, when the Company exercise the redemption rights in accordance with Article 18 of these Terms or when the Company buys it back from the securities firm, the Company shall pay the par value in a lump sum cash payment to the holder upon maturity.
Reason for Raising Capital and Expected Benefits	The funds will be used to repay bank loans and replenish operating capital, which will lift the Company's financial burden and improve liquidity. It will also strengthen the Company's financial structure and benefit overall business development.
Issuance and conversion, and potential dilution and impact on existing shareholders' equity from the terms of issuance	According to the current conversion price (@29), if it is fully converted, it is estimated that the number of shares that can be converted into ordinary shares is about 18,620,690 shares, which will dilute the current equity by about 8.62%; but the investment of the raised funds will help improve operating performance and profitability, it will be able to give back to shareholders in the future, and its impact on the rights and interests of existing shareholders should still be limited.
Outstanding principal	NT\$540,000,000 (as of April 7, 2022)

Attachment IV

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zenitron Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Zenitron Corporation (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Valuation of allowance for uncollectible accounts receivable

Description

Refer to Note 4(7)(8), Note 5(1) and Note 6(4) for accounting policies on accounts receivable, accounting estimates and assumptions on impairment assessment as well as details of related impairment, respectively.

The Company assesses impairment of accounts receivable based on historical experience and takes into consideration the customers' historical default records and current financial conditions to estimate expected loss rate in recognising loss allowance. In addition, the Company provides for full allowance for uncollectible accounts from individual customers where there is an indication that they are individually identified as impaired or a credit impairment actually occurred. As the assessment of allowance for uncollectible accounts is subject to management's judgment and estimates in determining the future collectability, such as management's assessment of customer's credit risk, we considered the valuation of allowance for uncollectible accounts receivable from individual customers a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and evaluated related policies and internal controls on credit risk management and accounts receivable impairment.
2. Assessed the calculation logic of year-end accounts receivable ageing report provided by management, reviewed the related supporting documents and verified it against the accounting records to ascertain the accuracy of the ageing classification.
3. For those material accounts receivable individually identified by the management to have been impaired, reviewed the supporting documents of impairment assessment provided by the management to assess the reasonableness of collectability.
4. Sampled significant overdue accounts receivable amounts and examined their subsequent collections.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(11), Note 5(2) and Note 6(5) for accounting policies on inventory valuation, accounting estimates and assumptions and details of allowance for valuation losses, respectively.

The Company is mainly engaged in sales of electronic components. The Company measures ending inventories at the lower of cost and net realisable value and provides allowance for inventory valuation losses based on usable condition of inventories that were individually identified as obsolete. As the life cycle of such inventories is short, the market is competitive, and the assessment of allowance for valuation of inventories individually identified as obsolete often involves management's subjective judgment, we considered the estimation of inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and evaluated the internal control procedures over the Company's inventories individually identified as obsolete.
2. Understood the Company's warehousing control procedures, reviewed the annual physical inventory count plan as well as participated and observed the annual physical inventory count in order to assess the effectiveness of the procedures the management used to identify and control obsolete inventories.
3. Obtained the details of inventories that were individually identified as obsolete by the management, reviewed the related supporting documents and verified it against the accounting records.

Appropriateness of warehouse revenue cut-off

Description

Refer to Note 4(23) for accounting policies on revenue recognition.

The Company has two revenue types, including direct shipment from its own warehouses and shipment from distribution warehouses. For shipment from distribution warehouses, revenue is recognised when goods are picked up by customers. The Company's responsible unit regularly obtains the inventory movement records generated from the inventory warehousing system of the customer's distribution warehouses. The supporting documents for revenue recognition include inventory movement records.

As the distribution warehouses are located separately in various regions in China, the process of revenue recognition involves numerous manual procedures. Considering the appropriateness of the timing of distribution warehouses' sales revenue recognition, we considered the recognition of distribution warehouses sales revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood the procedures of revenue recognition for shipment from distribution warehouses, evaluated and sampled the internal controls over two parties' daily reconciliation.
2. Obtained the inventory movement records generated from the inventory warehousing system of the customer's distribution warehouses for a certain period before and after the balance sheet date and checked whether the timing of revenue recognition was reasonable.
3. Observed the physical inventory count or sent out confirmation letters to the distribution warehouses with significant inventory amount.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Chen, Chin-Chang

Yi-Fan Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ZENITRON CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 664,500	4	\$ 562,899	4
Financial assets at fair value through profit or loss - current	6(2)	19,524	-	14,626	-
Financial assets at fair value through other comprehensive income - current	6(3)	727	-	858,856	6
Notes receivable, net	6(4)	7,352	-	11,770	-
Accounts receivable, net	6(4)	4,817,950	29	4,357,461	30
Accounts receivable - related parties	7	1,189,835	7	1,141,133	8
Other receivables		110,238	1	98,069	1
Other receivables - related parties	7	256,356	1	224,194	2
Inventory	6(5)	5,088,935	31	4,297,237	29
Other current assets		104,694	1	72,449	-
Total current assets		12,260,111	74	11,638,694	80
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	938,896	6	46,111	-
Investments accounted for using equity method	6(6)	2,940,529	18	2,536,286	17
Property, plant and equipment	6(7)	369,344	2	376,212	3
Right-of-use assets	6(8)	1,761	-	764	-
Investment property - net	6(10) and 8	36,492	-	37,036	-
Deferred income tax assets	6(23)	55,472	-	50,424	-
Other non-current assets	8	48,396	-	48,442	-
Total non-current assets		4,390,890	26	3,095,275	20
Total assets		\$ 16,651,001	100	\$ 14,733,969	100

(Continued)

ZENITRON CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(11)	\$ 6,919,778	42	\$ 6,381,379	43
Short-term notes and bills payable	6(12)	699,361	4	549,506	4
Notes payable		2,525	-	2,496	-
Accounts payable		2,486,003	15	2,506,644	17
Accounts payable - related parties	7	37,779	-	44,694	-
Other payables		362,451	2	250,499	2
Current income tax liabilities		61,267	-	-	-
Current lease liabilities	6(8)	1,055	-	406	-
Other current liabilities		15,095	-	11,973	-
Total current liabilities		10,585,314	63	9,747,597	66
Non-current liabilities					
Bonds payable	6(13)	577,835	3	-	-
Deferred income tax liabilities	6(23)	115,882	1	114,468	1
Non-current lease liabilities	6(8)	706	-	354	-
Other non-current liabilities	6(14)	79,032	1	69,992	-
Total non-current liabilities		773,455	5	184,814	1
Total liabilities		11,358,769	68	9,932,411	67
Equity					
Share capital	6(15)				
Common stock		2,138,249	13	2,138,249	15
Capital surplus	6(16)				
Capital surplus		1,036,486	6	958,734	7
Retained earnings	6(17)				
Legal reserve		766,625	5	718,200	5
Unappropriated retained earnings		1,066,524	6	643,662	4
Other equity interest					
Other equity interest		284,348	2	342,713	2
Total equity		5,292,232	32	4,801,558	33
Significant contingent liabilities and unrecognised contract commitments	9				
Significant subsequent events	6(17) and 11				
Total liabilities and equity		\$ 16,651,001	100	\$ 14,733,969	100

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

ZENITRON CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating Revenue	6(18) and 7	\$ 21,536,590	100	\$ 20,128,205	100
Operating Costs	6(5) and 7	(20,471,462)	(95)	(19,479,725)	(97)
Gross Profit		1,065,128	5	648,480	3
Unrealised gain from sales		(1,600)	-	(1,600)	-
Realised gain from sales		1,600	-	1,600	-
Net Gross Profit		1,065,128	5	648,480	3
Operating expenses	6(21)				
Selling expenses		(464,050)	(2)	(421,985)	(2)
General and administrative expenses		(212,958)	(1)	(204,174)	(1)
Total operating expenses		(677,008)	(3)	(626,159)	(3)
Operating Profit		388,120	2	22,321	-
Non-operating income and expenses					
Interest income		4,862	-	6,054	-
Other income	6(19)	53,152	-	60,443	-
Other gains and losses	6(20)	67,059	-	100,790	1
Finance costs	6(22)	(62,464)	-	(67,696)	-
Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	503,877	2	355,842	2
Total non-operating income and expenses		566,486	2	455,433	3
Profit before income tax		954,606	4	477,754	3
Income tax expense	6(23)	(76,896)	-	(5,729)	-
Profit for the year		<u>\$ 877,710</u>	<u>4</u>	<u>\$ 472,025</u>	<u>3</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	6(14)	(\$ 10,595)	-	(\$ 5,623)	-
Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	19,523	-	217,244	1
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	2,119	-	1,124	-
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(69,535)	-	(75,020)	-
Other Comprehensive (Loss) Income for the Year		<u>(\$ 58,488)</u>	<u>-</u>	<u>\$ 137,725</u>	<u>1</u>
Total Comprehensive Income for the Year		<u>\$ 819,222</u>	<u>4</u>	<u>\$ 609,750</u>	<u>4</u>
Earnings per Share (in dollars)	6(24)				
Basic earnings per share		\$ 4.10		\$ 2.21	
Diluted earnings per share		\$ 3.94		\$ 2.20	

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

ZENITRON CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings		Other Equity Interest		
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<u>Year ended December 31, 2020</u>								
Balance at January 1, 2020		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	\$ 4,405,708
Net income for the year		-	-	-	472,025	-	-	472,025
Other comprehensive income (loss)		-	-	-	(4,499)	(75,020)	217,244	137,725
Total comprehensive income (loss)		-	-	-	467,526	(75,020)	217,244	609,750
Appropriations and distribution of 2019 earnings	6(17)							
Legal reserve		-	-	23,046	(23,046)	-	-	-
Cash dividends		-	-	-	(207,600)	-	-	(207,600)
Cash payment from capital surplus		-	(6,300)	-	-	-	-	(6,300)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	16,715	-	(16,715)	-
Balance at December 31, 2020		\$ 2,138,249	\$ 958,734	\$ 718,200	\$ 643,662	(\$ 165,691)	\$ 508,404	\$ 4,801,558
<u>Year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 2,138,249	\$ 958,734	\$ 718,200	\$ 643,662	(\$ 165,691)	\$ 508,404	\$ 4,801,558
Net income for the year		-	-	-	877,710	-	-	877,710
Other comprehensive income (loss)		-	-	-	(8,476)	(69,535)	19,523	(58,488)
Total comprehensive income (loss)		-	-	-	869,234	(69,535)	19,523	819,222
Appropriations and distribution of 2020 earnings	6(17)							
Legal reserve		-	-	48,425	(48,425)	-	-	-
Cash dividends		-	-	-	(406,300)	-	-	(406,300)
Equity component of convertible bonds issued by the Company	6(13)	-	75,605	-	-	-	-	75,605
Overdue and unclaimed shareholder dividends		-	2,147	-	-	-	-	2,147
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	8,353	-	(8,353)	-
Balance at December 31, 2021		\$ 2,138,249	\$ 1,036,486	\$ 766,625	\$ 1,066,524	(\$ 235,226)	\$ 519,574	\$ 5,292,232

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

ZENITRON CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 954,606	\$ 477,754
Adjustments			
Adjustments to reconcile profit (loss)			
Unrealised gain from sales		1,600	1,600
Realised gain from sales		(1,600)	(1,600)
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(2,961)	(2,568)
Expected credit (gain) loss	6(4)	(19,242)	(5,674)
Share of profit of subsidiaries and joint ventures accounted for using equity method	6(6)	(503,877)	(355,842)
Depreciation and amortisation	6(21)	15,790	17,743
Loss (gain) on disposal of property, plant and equipment	6(20)	7	(74)
Interest expense	6(22)	62,464	67,696
Interest income		(4,862)	(6,054)
Dividend income	6(19)	(18,360)	(24,105)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(7,799)	20,138
Notes and accounts receivable		(436,829)	(721,124)
Accounts receivable - related parties		(48,702)	(641,903)
Other receivables (including related parties)		(15,731)	(20,367)
Inventories		(791,698)	(1,904,274)
Other current assets		(32,245)	23,909
Changes in operating liabilities			
Notes and accounts payable (including related parties)		(27,527)	774,500
Other payables		112,695	88,815
Other current liabilities		3,121	3,821
Other non-current liabilities		(1,555)	(1,216)
Cash outflow generated from operations		(756,783)	(2,197,477)
Interest received		4,862	6,054
Interest paid		(59,787)	(68,497)
Income tax paid		(14,851)	(49,712)
Net cash flows used in operating activities		(826,559)	(2,309,632)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(29,840)	(74)
Proceeds from disposal of financial assets at fair value through other comprehensive income		13,571	25,892
Proceeds from capital reduction of investments accounted for using equity method		1,136	100,833
Acquisition of property, plant and equipment	6(7)	(4,025)	(6,380)
Proceeds from disposal of property, plant and equipment		71	200
Decrease (increase) in refundable deposits		1,700	(999)
Increase in other receivables - related parties		(794)	(3,000)
Increase in other non-current assets		(5,037)	(1,982)
Dividends received		18,360	25,177
Net cash flows (used in) from investing activities		(4,858)	139,667
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(25)	538,399	2,431,895
Increase in short-term notes and bills payable	6(25)	149,855	50,025
Issuance of corporate bonds	6(13)(25)	649,960	-
Payments of lease liabilities	6(25)	(1,043)	(1,088)
Cash dividends paid	6(17)	(406,300)	(213,900)
Overdue and unclaimed shareholder dividends		2,147	-
Net cash flows from financing activities		933,018	2,266,932
Net increase in cash and cash equivalents		101,601	96,967
Cash and cash equivalents at beginning of year		562,899	465,932
Cash and cash equivalents at end of year		\$ 664,500	\$ 562,899

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zenitron Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Zenitron Corporation and its subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

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 our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. 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.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Valuation of allowance for uncollectible accounts receivable

Description

Refer to Note 4(8)(9), Note 5(1) and Note 6(4) for accounting policies on accounts receivable, accounting estimates and assumptions on impairment assessment as well as details of related impairment, respectively.

The Group assesses impairment of accounts receivable based on historical experience and takes into consideration the customers' historical default records and current financial conditions to estimate expected loss rate in recognising loss allowance. In addition, the Group provides for full allowance for uncollectible accounts from individual customers where there is an indication that they are individually identified as impaired or a credit impairment actually occurred. As the assessment of allowance for uncollectible accounts is subject to management's judgment and estimates in determining the future collectability, such as management's assessment of customer's credit risk, we considered the valuation of allowance for uncollectible accounts receivable from individual customers a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and evaluated related policies and internal controls on credit risk management and accounts receivable impairment.
2. Assessed the calculation logic of year-end accounts receivable ageing report provided by management, reviewed the related supporting documents and verified it against the accounting records to ascertain the accuracy of the ageing classification.
3. For those material accounts receivable individually identified by the management to have been impaired, reviewed the supporting documents of impairment assessment provided by the management to assess the reasonableness of collectability.
4. Sampled significant overdue accounts receivable amounts and examined their subsequent collections.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(11), Note 5(2) and Note 6(5) for accounting policies on inventory valuation, accounting estimates and assumptions and details of allowance for valuation losses, respectively.

The Group is mainly engaged in sales of electronic components. The Group measures ending inventories at the lower of cost and net realisable value and provides allowance for inventory valuation losses based on usable condition of inventories that were individually identified as obsolete. As the life cycle of such inventories is short, the market is competitive, and the assessment of allowance for valuation of inventories individually identified as obsolete often involves management's subjective judgment, we considered the estimation of inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and evaluated the internal control procedures over the Group's inventories individually identified as obsolete.
2. Understood the Group's warehousing control procedures, reviewed the annual physical inventory count plan as well as participated and observed the annual physical inventory count in order to assess the effectiveness of the procedures the management used to identify and control obsolete inventories.
3. Obtained the details of inventories that were individually identified as obsolete by the management, reviewed the related supporting documents and verified it against the accounting records.

Recognition of distribution warehouses sales revenue

Description

Refer to Note 4(22) for accounting policies on revenue recognition.

The Group has two revenue types, including direct shipment from its own warehouses and shipment from distribution warehouses. For shipment from distribution warehouses, revenue is recognised when goods are picked up by customers. The Group's responsible unit regularly obtains the inventory movement records generated from the inventory warehousing system of the customer's distribution warehouses. The supporting documents for revenue recognition include inventory movement records.

As the distribution warehouses are located separately in various regions in China, the process of revenue recognition involves numerous manual procedures. Considering the appropriateness of the timing of distribution warehouses' sales revenue recognition, we considered the recognition of distribution warehouses sales revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood the procedures of revenue recognition for shipment from distribution warehouses, evaluated and sampled the internal controls over the two parties' daily reconciliation.
2. Obtained the inventory movement records generated from the inventory warehousing system of the customer's distribution warehouses for a certain period before and after the balance sheet date and checked whether the timing of revenue recognition was reasonable.
3. Observed the physical inventory count or sent out confirmation letters to the distribution warehouses with significant inventory amount.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Zenitron Corporation as at and for the years ended December 31, 2021 and 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors'

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 that we identify during our audit.

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

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

Chen, Ching Chang

Yi-Fan, Lin

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 22, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 1,615,196	7	\$ 1,676,223	9
Financial assets at fair value through profit or loss - current	6(2)	23,064	-	25,307	-
Financial assets at fair value through other comprehensive income - current	6(3)	727	-	858,856	4
Notes receivable, net	6(4)	286,952	1	220,785	1
Accounts receivable, net	6(4)	9,300,481	43	9,146,660	47
Other receivables		109,955	1	100,253	1
Inventories, net	6(5)	8,655,709	40	6,377,512	33
Other current assets		147,553	1	84,546	1
Total current assets		20,139,637	93	18,490,142	96
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	973,995	5	95,894	1
Property, plant and equipment	6(6)	426,533	2	440,004	2
Right-of-use assets	6(7)	62,087	-	98,306	1
Investment property, net	6(9) and 8	36,492	-	37,036	-
Deferred income tax assets	6(22)	81,454	-	63,504	-
Other non-current assets	8	66,314	-	65,291	-
Total non-current assets		1,646,875	7	800,035	4
Total assets		\$ 21,786,512	100	\$ 19,290,177	100

(Continued)

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(10)	\$ 9,598,056	44	\$ 8,668,103	45
Short-term notes and bills payable	6(11)	699,361	3	549,506	3
Notes payable		2,525	-	2,528	-
Accounts payable		4,616,535	21	4,403,301	23
Other payables		498,566	2	447,222	2
Current income tax liabilities		157,658	1	59,326	-
Current lease liabilities	6(7)	42,730	-	40,234	-
Other current liabilities	6(17)	82,935	1	72,945	1
Total current liabilities		<u>15,698,366</u>	<u>72</u>	<u>14,243,165</u>	<u>74</u>
Non-current liabilities					
Bonds payable	6(12)	577,835	3	-	-
Deferred income tax liabilities	6(22)	115,882	1	114,468	1
Non-current lease liabilities	6(7)	21,307	-	59,073	-
Other non-current liabilities	6(13)	80,890	-	71,913	-
Total non-current liabilities		<u>795,914</u>	<u>4</u>	<u>245,454</u>	<u>1</u>
Total liabilities		<u>16,494,280</u>	<u>76</u>	<u>14,488,619</u>	<u>75</u>
Equity attributable to owners of parent					
Share capital	6(14)				
Common stock		2,138,249	10	2,138,249	11
Capital surplus	6(15)				
Capital surplus		1,036,486	5	958,734	5
Retained earnings	6(16)				
Legal reserve		766,625	3	718,200	4
Unappropriated retained earnings		1,066,524	5	643,662	3
Other equity interest					
Other equity interest		284,348	1	342,713	2
Total equity attributable to owners of parent		<u>5,292,232</u>	<u>24</u>	<u>4,801,558</u>	<u>25</u>
Total equity		<u>5,292,232</u>	<u>24</u>	<u>4,801,558</u>	<u>25</u>
Significant contingent liabilities and unrecognised contract commitments	9				
Significant subsequent events	6(16) and 11				
Total liabilities and equity		<u>\$ 21,786,512</u>	<u>100</u>	<u>\$ 19,290,177</u>	<u>100</u>

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating Revenue	6(17)	\$ 42,044,726	100	\$ 34,401,169	100
Operating Costs	6(5)	(39,557,880)	(94)	(32,779,983)	(95)
Gross Profit		2,486,846	6	1,621,186	5
Operating expenses	6(21)				
Selling expenses		(1,069,211)	(2)	(857,343)	(3)
General and administrative expenses		(353,456)	(1)	(336,866)	(1)
Total operating expenses		(1,422,667)	(3)	(1,194,209)	(4)
Operating Profit		1,064,179	3	426,977	1
Non-operating income and expenses					
Interest income		2,734	-	6,425	-
Other income	6(18)	61,064	-	74,300	-
Other gains and losses	6(19)	69,117	-	169,516	-
Finance costs	6(20)	(116,319)	-	(122,162)	-
Total non-operating income and expenses		16,596	-	128,079	-
Profit before Income Tax		1,080,775	3	555,056	1
Income tax expense	6(22)	(203,065)	(1)	(83,031)	-
Profit for the Year		<u>\$ 877,710</u>	<u>2</u>	<u>\$ 472,025</u>	<u>1</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	6(13)	(\$ 10,595)	-	(\$ 5,623)	-
Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	19,523	-	217,244	1
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	2,119	-	1,124	-
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(69,535)	-	(75,020)	-
Other Comprehensive (Loss) Income for the Year		<u>(\$ 58,488)</u>	<u>-</u>	<u>\$ 137,725</u>	<u>1</u>
Total Comprehensive Income for the Year		<u>\$ 819,222</u>	<u>2</u>	<u>\$ 609,750</u>	<u>2</u>
Profit attributable to:					
Owners of the parent		<u>\$ 877,710</u>	<u>2</u>	<u>\$ 472,025</u>	<u>1</u>
Comprehensive income attributable to:					
Owners of the parent		<u>\$ 819,222</u>	<u>2</u>	<u>\$ 609,750</u>	<u>2</u>
Earnings per Share (in dollars)	6(23)				
Basic earnings per share		<u>\$ 4.10</u>		<u>\$ 2.21</u>	
Diluted earnings per share		<u>\$ 3.94</u>		<u>\$ 2.20</u>	

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent						
		Retained Earnings				Other equity interest		
						Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings			Total equity
<u>Year ended December 31, 2020</u>								
		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	\$ 4,405,708
		-	-	-	472,025	-	-	472,025
	6(3)	-	-	-	(4,499)	(75,020)	217,244	137,725
		-	-	-	467,526	(75,020)	217,244	609,750
	6(16)							
		-	-	23,046	(23,046)	-	-	-
		-	-	-	(207,600)	-	-	(207,600)
	6(16)	-	(6,300)	-	-	-	-	(6,300)
	6(3)	-	-	-	16,715	-	(16,715)	-
		\$ 2,138,249	\$ 958,734	\$ 718,200	\$ 643,662	(\$ 165,691)	\$ 508,404	\$ 4,801,558
<u>Year ended December 31, 2021</u>								
		\$ 2,138,249	\$ 958,734	\$ 718,200	\$ 643,662	(\$ 165,691)	\$ 508,404	\$ 4,801,558
		-	-	-	877,710	-	-	877,710
	6(3)	-	-	-	(8,476)	(69,535)	19,523	(58,488)
		-	-	-	869,234	(69,535)	19,523	819,222
	6(16)							
		-	-	48,425	(48,425)	-	-	-
		-	-	-	(406,300)	-	-	(406,300)
	6(12)	-	75,605	-	-	-	-	75,605
		-	2,147	-	-	-	-	2,147
	6(3)	-	-	-	8,353	-	(8,353)	-
		\$ 2,138,249	\$ 1,036,486	\$ 766,625	\$ 1,066,524	(\$ 235,226)	\$ 519,574	\$ 5,292,232

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,080,775	\$ 555,056
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(19)	3,986 (52,030)
Expected credit (gain) loss	6(4)	(23,123)	12,100
Depreciation and amortisation	6(21)	68,915	71,700
Loss (gain) on disposal of property, plant and equipment		351 (196)
Interest expense	6(20)	116,319	122,162
Interest income		(2,734)	(6,425)
Dividend income	6(18)	(20,566)	(26,654)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(1,683)	96,773
Notes and accounts receivable		(196,865)	(2,227,640)
Other receivables		(13,581)	(19,157)
Inventories		(2,278,197)	(2,192,841)
Other current assets		(63,007)	30,524
Changes in operating liabilities			
Notes and accounts payable		213,231	1,216,988
Other payables		52,949	123,088
Other current liabilities		9,990	18,232
Other non-current liabilities		8,977	(436)
Cash outflow generated from operations		(1,044,263)	(2,278,756)
Interest received		2,734	6,425
Interest paid		(114,505)	(122,972)
Income tax paid		(113,480)	(44,787)
Net cash flows used in operating activities		(1,269,514)	(2,440,090)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(29,840)	(74)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		14,423	11,392
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	13,571	25,892
Acquisition of property, plant and equipment	6(6)	(8,528)	(13,739)
Proceeds from disposal of property, plant and equipment		71	681
Decrease (increase) in refundable deposits		1,463	(1,138)
Increase in other non-current assets		(6,713)	(2,237)
Dividends received		20,566	26,654
Net cash flows from investing activities		5,013	47,431
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(24)	929,953	3,155,795
Increase in short-term notes and bills payable	6(24)	149,855	50,025
Payments of lease liabilities	6(24)	(41,791)	(42,154)
Issuance of corporate bonds	6(24)	649,960	-
Cash dividends paid	6(16)	(406,300)	(213,900)
Overdue and unclaimed shareholder dividends		2,147	-
Net cash flows from financing activities		1,283,824	2,949,766
Effect of exchange rate changes		(80,350)	(79,444)
Net (decrease) increase in cash and cash equivalents		(61,027)	477,663
Cash and cash equivalents at beginning of year		1,676,223	1,198,560
Cash and cash equivalents at end of year		\$ 1,615,196	\$ 1,676,223

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

Attachment V**Zenitron Corporation****2021 Earnings Distribution Table****Unit: NT\$**

Item	Amount
Undistributed Earnings, beginning of period	188,937,425
Plus (Less): Adjustments of 2021 Retained Earnings	(123,706)
Undistributed Earnings after Adjustment	188,813,719
Net profit after tax 2021	877,709,785
Less: Legal Reserve	(87,758,608)
Special Reserve	0
Earnings in 2021 Available for Distribution	789,951,177
Accumulated Retained Earnings Available for Distribution	978,764,896
Less: Distribution Earnings:	
Dividends to Share Holder- Cash (NT\$3.5 per share)	(748,387,024)
Undistributed Earnings, end of period	230,377,872

Note: Earnings in 2021 available for distribution are prioritized for earnings distribution allocation for current year, and the shortfall will be allocated by the balance available for distribution in 2020, and so forth.

Attachment VI**Zenitron Corporation****Comparison Table of the Articles of Incorporation Before and After Amendment**

Article After Amendment	Current Article	Description of Amendment
Article 12 Shareholders meetings are divided into regular meetings and special meetings. Regular meetings are held once a year by the board of directors within 6 months from the end of each accounting year. Special meetings are held in accordance with the law as required. <u>Shareholders meetings can be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	Article 12 Shareholders meetings are divided into regular meetings and special meetings. Regular meetings are held once a year by the board of directors within 6 months from the end of each accounting year. Special meetings are held in accordance with the law as required.	In accordance with the amendments of Article 172-2 of Company Act
Article 28 These Articles of Incorporation were set up on September 13, 1982. The 1st amendment was made on September 20, 1982. (Omitted) The 32nd amendment was made on June 12, 2019. The 33rd amendment was made on June 12, 2020. <u>The 34rd amendment was made on June 8, 2022.</u>	Article 28 These Articles of Incorporation were set up on September 13, 1982. The 1st amendment was made on September 20, 1982. (Omitted) The 32nd amendment was made on June 12, 2019. The 33rd amendment was made on June 12, 2020.	Date and ordinal number of amendments are added

Attachment VII

Zenitron Corporation

Comparison Table of Operational Procedures for Acquisition and Disposal of Assets Before and After Amendment

Article After Amendment	Current Article	Description of Amendment
<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 	<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute 	<p>In accordance with the Article 5 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Article After Amendment	Current Article	Description of Amendment
<p>2. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate,</u> and that they have complied with applicable laws and regulations.</p>	
<p>Article 7 The Procedures of Assets Value Evaluation</p> <p>1. In acquiring or disposing of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (governing details to be disclosed in Attachment I) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval</p>	<p>Article 7 The Procedures of Assets Value Evaluation</p> <p>1. In acquiring or disposing of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (governing details to be disclosed in Attachment I) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction</p>	

Article After Amendment	Current Article	Description of Amendment
<p>in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>render a specific opinion regarding</u> the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of</p>	<p>shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding</u> the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have</p>	<p>In accordance with the Article 9 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Article After Amendment	Current Article	Description of Amendment
<p>paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>3. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Sub-paragraph 4, Paragraph 1, Article 10 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>4. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDE.</u></p> <p>3. <u>Where the Company acquires or disposes of memberships or intangible assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDE.</u></p> <p>4. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Sub-paragraph 4, Paragraph 1, Article 10 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>In accordance with the Article 10 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Article After Amendment	Current Article	Description of Amendment
<p>Article 10 Public announcement and regulatory filing procedures:</p> <p>1.Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B.Merger, demerger, acquisition, or transfer of shares.</p> <p>C.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>D.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>E.Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build</p>	<p>Article 10 Public announcement and regulatory filing procedures:</p> <p>1.Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B.Merger, demerger, acquisition, or transfer of shares.</p> <p>C.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>D.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>E.Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build</p>	

Article After Amendment	Current Article	Description of Amendment
<p>on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area, the amount of transaction reaches 20 percent or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, <u>or subscription of foreign government bonds,</u> or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities</p>	<p>on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area, <u>or the amount of any individual transaction, or the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year, reaches 20 percent or more of paid-in capital or NT\$300 million. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</u> Provided, this shall not apply to the following circumstances:</p>	<p>In accordance with the Article 11 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Article After Amendment	Current Article	Description of Amendment
<p>firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. <u>The amount of transactions above shall be calculated as follows:</u></p> <p>(1) <u>The amount of any individual transaction.</u></p> <p>(2) <u>The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</u></p> <p>(3) <u>The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</u></p> <p>(4) <u>The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</u></p> <p>3. <u>The amount of any individual transaction.</u></p> <p>4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month</p> <p>5. The Company at the time of public announcement makes an error or omission in an item required by</p>	<p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>3. The Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p>	<p>In accordance with the Article 31 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Article After Amendment	Current Article	Description of Amendment
<p>regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>6.The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>7.Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A.Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>B.The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>C.Change to the originally publicly announced and reported information.</p>	<p>4.The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>5.Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A.Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>B.The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>C.Change to the originally publicly announced and reported information.</p>	
<p>Article 14 Resolution Procedure</p> <p><u>1.</u>When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money</p>	<p>Article 14 Resolution Procedure</p> <p>When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money</p>	

Article After Amendment	Current Article	Description of Amendment
<p>market funds issued by domestic securities investment trust enterprises, the execution unit may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and board of directors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</p> <p>(4) The price and the transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions in this Procedure.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>2. With respect to acquisition or disposal of equipment held for business use <u>or right-of-use assets thereof from</u>, when to be conducted between the Company and its subsidiaries, the company's board of directors may, pursuant to Article 9, paragraph 1, subparagraph 6, conduct such matters.</p> <p>3. When a matter is submitted for discussion by the audit committee and the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each director's opinions. If any director objects to or expresses reservations</p>	<p>market funds issued by domestic securities investment trust enterprises, the execution unit may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and board of directors:</p> <p>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a transaction counterparty.</p> <p>3. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.</p> <p>4. The price and the transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions in this Procedure.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 10, <u>paragraph 1, subparagraph 4</u> herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors need not be counted toward the transaction amount.</p> <p>With respect to acquisition or disposal of equipment held for business use, when to be conducted between the Company and its subsidiaries, the company's <u>board of directors may</u>, pursuant to Article 9, paragraph 1, subparagraph 6, conduct</p>	<p>In accordance with the Article 31 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

Article After Amendment	Current Article	Description of Amendment
<p>about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>4. <u>If the company or a subsidiary thereof that is not a domestic public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party and the transaction amount will reach 10 percent or more of the company's total assets, the company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between subsidiaries or between its subsidiaries.</u></p> <p>5. The calculation of the transaction amounts referred to in the <u>paragraph 1 and preceding paragraph</u> shall be made in accordance with <u>Article 10, paragraph 2 herein</u>, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders meeting</u>, audit committee and the board of directors need not be counted toward the transaction amount.</p>	<p>such matters.</p> <p>When a matter is submitted for discussion by the audit committee and the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each director's opinions. If any director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	