



2024 Annual Shareholders' Meeting

Handbook

(Translation)

June 12, 2024

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Zenitron Corporation
2024 Annual Shareholders' Meeting
Meeting Agenda

Time : 9:00 a.m., Wednesday, June 12, 2024

Place : Zenitron Corp. Headquarters Meeting Room
(No. 8, Lane 250, Xinhua Road, Neihu District, Taipei City, Taiwan 114)

1. Call Meeting to Order (report shareholders' count at present)

2. Chairman's Address

3. Report Items:

- (1) The 2023 Business Report.
- (2) The 2023 Audit Committee's Review Report.
- (3) The 2023 employees' profit sharing bonus and directors' compensation.
- (4) The 2023 Earnings Distribution of cash dividends and Cash distribution from capital surplus.

4. Proposed Resolutions:

- (1) Adoption of the 2023 Business Report and Financial Statements.
- (2) Adoption of the 2023 Earnings Distribution.

5. Matters for Election and Discussion:

- (1) Election of Directors.
- (2) Releasing Directors and the representatives from Non-competition restrictions.

6. Extemporary Motions

7. Adjournment

Report Items

1. The 2023 Business Report.

Please refer to P. 6-9 of Attachment I for the 2023 Business Report.

2. The 2023 Audit Committee's Review Report.

Please refer to P. 10 of Attachment II for the 2023 Audit Committee's Review Report.

3. The 2023 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\$22,000,000 and NT\$19,000,000, respectively, and all in cash.

4. The 2023 Earnings Distribution of cash dividends and Cash distribution from capital surplus.

(1) The Board of Directors approved the cash dividends distributed from earnings as

NT\$420,070,115 (NT\$1.8 per share) and the cash distribution from capital surplus as NT\$46,674,457 (NT\$0.2 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 and cash distribution from capital surplus 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.

Proposed Resolutions

Proposal 1 (Proposed by Board of Directors)

Subject: Adoption of the 2023 Business Report and Financial Statements.

Explanation:

1. The business report, parent company only financial report and consolidated financial report of 2023 of the company have been accomplished.
2. The aforementioned financial statements have been certified by Chen, Jin-Chang and Liao, Fu-Ming, CPAs of PwC Taiwan, and reports have been verified.
3. Enclosed with attachments:
 - a. Business Report (Please refer to P. 6-9 of Attachment I)
 - b. Independent Auditors' Report and the Financial Statements (including consolidated financial statement) (Please refer to P. 11-34 of Attachment III)
4. Please kindly ratify the 2023 Business Report and Financial Statements.

Resolution:

Proposal 2 (Proposed by Board of Directors)

Subject: Adoption of the 2023 Earnings Distribution.

Explanation:

1. The 2023 Earnings Distribution table has been accomplished. (Please refer to P.35 of Attachment IV)
2. Please kindly ratify the 2023 Earnings Distribution

Resolution:

Matters for Election and Discussion

Proposal 1 (Proposed by Board of Directors)

Subject: Election of Directors.

Explanation:

1. The term of the current members of the Board of Directors will end on July 4, 2024; therefore, the company proposes to duly elect new Board members at this year's Annual Shareholders' Meeting.
2. According to Article 17 of the Articles of Incorporation, a total of ten directors (including four independent directors) shall be elected adopting candidates' nomination system, and the shareholders shall elect the directors from the nominated director candidates. The nomination list has been resolved by the Board meeting dated April 29, 2024, and please refers to P. 36 of Attachment V for the nomination list of directors and independent directors.
3. The tenure of office of the new directors will be three years from June 12, 2024 to June 11, 2027. The term of office of the original directors shall expire on the same date as the term when this Annual Shareholders' Meeting finishes.
4. This election is conducted in accordance with Company's Procedures for Election of Directors.

Election result:

Proposal 2 (Proposed by Board of Directors)

Subject: Releasing Director from Non-competition restrictions.

Explanation:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval.
2. In order to benefit from the expertise and relevant experience of the directors of the Company, the Company shall release the restrictions on the competitive behavior of the newly elected directors and submit it to the Shareholders' Meeting for approval in accordance with the law. For information of the non-competition restriction of newly elected directors and independent directors, please refer to P. 37 of Attachment VI.

Resolution:

Extemporaneous Motions

Adjournment

Business Report

I. The 2023 Business report

1. Implementation results of business plan

The revenue of 2023 was NT\$14,367,156 thousand, a decrease of NT\$5,085,704 thousand and a decay rate of 26.14% over NT\$19,452,860 thousand in 2022. Net income before tax in 2023 was NT\$598,701 thousand, a decrease of NT\$223,105 thousand and a decay rate of 27.15% over NT\$821,806 thousand in 2022.

Consolidated revenue has reached NT\$32,574,018 thousand in 2023, a decrease of NT\$7,448,904 thousand and a decay rate of 18.61% over NT\$40,022,922 thousand in 2022. Net income before tax in 2023 was NT\$604,945 thousand, a decrease of NT\$301,734 thousand and a decay rate of 33.28% over NT\$906,679 thousand in 2022.

2. Budget execution status

Financial forecast for 2023 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	
			2022	2023
Financial Structure (%)	Debt to assets ratio		67.23	62.70
	The ratio of long-term funds to property, plant and equipment		1,678.92	1,637.56
Profitability	Return on asset (%)		5.03	3.96
	Return on equity (%)		13.21	8.07
	Ratio of Pre-tax Profit to Paid-in capital (%)		37.61	25.72
	Profit ratio (%)		3.67	3.17
	Earnings per share (NT\$)		3.30	2.03

(Consolidated)

Items of analysis		Year	Financial Analysis	
			2022	2023
Financial Structure (%)	Debt to assets ratio		74.59	72.63
	The ratio of long-term funds to property, plant and equipment		1,467.75	1,463.46
Profitability	Return on asset (%)		4.46	3.89
	Return on equity (%)		13.21	8.07
	Ratio of Pre-tax Profit to Paid-in capital (%)		41.49	25.99
	Profit ratio (%)		1.78	1.39
	Earnings per share (NT\$)		3.30	2.03

II. 2024 Business Plan Overview

Looking back at the international circumstances in 2023, the Russia-Ukraine war sustains and Israel–Hamas war has arisen. The global economic outlook encounters several downside risks, including the constant raising interest rates by major central banks in the United States and Europe, as well as the tightening financial conditions. While the economy was affected by the high inflation and wars, consumption has been suppressed, leading to decrease shipments of terminal electronic products such as PCs and mobile phones. In 2023, the semiconductor industry was impacted by the world economy and the main activity of the overall supply chain was inventory adjustment.

Looking forward to 2024, the semiconductor industry is expected to experience a recovery, forecasting total worldwide market scale to reach US\$600 billion in revenue, where automotive-related applications shall become the main growth driver of semiconductors in the next few years; automotive high-performance computing (HPC), in particular, anticipates the most growth. In addition, driven by generative AI, the global Graphic Processor (GPU) Chip Market boosted by rising and registered as high as 56.7% in 2023. AI craze was kicked off by ChatGPT in 2023, generative AI has accelerated the industrial demand for the high-speed computing and corresponding industries. Compared with ordinary server, AI server has boosted demand for performance and efficiency in peripheral industries, such as power supplies and cooling related products. AI with emerging technologies and applications combined with IoT, automotive electronics and compound semiconductor will drive the continuous growth of demand for more types and volumes of semiconductor components and will also become the key driving force for the growth of the semiconductor industry.

Furthermore, under the circumstances that communication applications still dominate the semiconductor market revenue, 5G chips will promote the development of communication technology, and automotive applications will also create high demand and growth to 5G chips, including innovative applications such as Internet of Vehicles-related communication systems, autonomous driving, and smart cockpits, which are all achievable by 5G chips. In particular, the second wave of 5G Advanced technological innovation shall bring more business opportunities, and such technologies will also become the basis for 6G development, when various countries are actively forming alliances to lead 6G communication standard technologies.

In reply to the importance of environmental sustainability, the semiconductor industry constantly conducts the development of new-generation semiconductors in its efforts to save energy and reduce carbon emissions and the development of silicon carbide (SiC) and gallium nitride (GaN) has been rising and evolving continuously. Among them, SiC is compatible of voltages above 800V. For the development of automotive electronics, the electrical energy conversion efficiency of overall vehicle can be increased. For the development of electric vehicles, the battery life and vehicle charging speed can be improved. The development of GaN, due to its characteristics of high-frequency conversion is expected to dominate the communications market and be an inevitable part of market applications such as 5G base stations, satellite communications, and military radars.

In response to the development trends in various application fields of the industry, the Company adopts the following significant sales strategies:

1. Focus on application areas of seven major products

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 regard to market changes and demand for AI and high-efficiency computing, the company continues to cooperate with OEM to research and discuss the evolution and market launch of new process products. In power components, the application of high-efficiency components is continuously promoted and there are higher requirements for the processing performance, network integration, and power consumption of related semiconductors to the relative functions. Therefore, from upstream chips to downstream end products, data centers and AI applications, automotive electronics, industrial control, 5G/6G transmission, optical communications, WiFi 6/7, green energy and renewable energy 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.

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. 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. Additionally, 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.

The inventory adjustment in 2023 is reaching to its end along with the driving force of applications, such as AI, 5G and high-efficiency computing, the growth of 2024 can be boosted. The dispute between the United States and China has impacted the development of globalization. The United States has implemented chip export controls for China and has actively formed international alliances against China to enhance the "security" and "resilience" of the semiconductor supply chain, including reducing the world's dependence in China for manufacturing chips. Affected by rising global geopolitical risks, major countries continue to promote the localization and regionalization of key material supply chains. Countries such as the US and Europe have successively introduced chips Act to consolidate the security of the semiconductor supply chains, and this may reform the division of labor in the global supply chain.

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.

Zenitron Corporation
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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 Liao, Fu-Ming, 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:

2024 Annual Shareholders' Meeting of Zenitron Corporation

Chairman of the Audit Committee:

Hsu, Jui-Mao

March 08, 2024

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, 2023 and 2022, 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 material 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, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 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 2023 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(2) 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 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 control of the 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. Selected samples of 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 loss 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.
4. Selected samples of inventory items and examined whether the net realisable value basis was consistent with the Company's policies, and checked the accuracy of the net realisable value calculation on individual inventory item numbers.

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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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

Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 803,025	5	\$ 689,960	4
Financial assets at fair value through profit or loss - current	6(2)	32,651	-	16,994	-
Financial assets at fair value through other comprehensive income - current	6(3)	790	-	810	-
Notes receivable, net	6(4)	6,340	-	11,996	-
Accounts receivable, net	6(4)	3,629,422	24	3,970,521	24
Accounts receivable - related parties	7	603,155	4	917,381	5
Other receivables		49,785	-	59,460	-
Other receivables - related parties	7	668,306	4	663,182	4
Inventories, net	6(5)	4,736,142	31	5,493,321	33
Other current assets		182,642	1	198,726	1
Total current assets		10,712,258	69	12,022,351	71
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2)	45,948	-	7,116	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	520,256	4	572,561	4
Investments accounted for using equity method	6(6)	3,615,886	23	3,647,334	22
Property, plant and equipment	6(7)	363,093	3	367,295	2
Right-of-use assets	6(8)	4,001	-	699	-
Investment property, net	6(10) and 8	35,405	-	35,948	-
Deferred income tax assets	6(23)	113,546	1	153,144	1
Other non-current assets	8	53,872	-	46,488	-
Total non-current assets		4,752,007	31	4,830,585	29
Total assets		\$ 15,464,265	100	\$ 16,852,936	100

(Continued)

ZENITRON CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(11)	\$ 5,849,533	38	\$ 7,560,518	45
Short-term notes and bills payable	6(12)	897,895	6	897,758	5
Notes payable		2,537	-	2,477	-
Accounts payable		1,950,797	13	1,278,043	8
Accounts payable - related parties	7	83,761	-	44,815	-
Other payables		317,324	2	335,488	2
Other payables - related parties	7	172,228	1	394,256	2
Current income tax liabilities		102,348	1	152,445	1
Current lease liabilities	6(8)	2,930	-	570	-
Long-term liabilities, current portion	6(13)	108,068	1	-	-
Other current liabilities	6(18)	30,965	-	19,967	-
Total current liabilities		<u>9,518,386</u>	<u>62</u>	<u>10,686,337</u>	<u>63</u>
Non-current liabilities					
Bonds payable	6(13)	-	-	456,426	3
Deferred income tax liabilities	6(23)	114,468	1	114,479	1
Non-current lease liabilities	6(8)	1,086	-	129	-
Other non-current liabilities	6(14)	63,019	-	74,002	-
Total non-current liabilities		<u>178,573</u>	<u>1</u>	<u>645,036</u>	<u>4</u>
Total liabilities		<u>9,696,959</u>	<u>63</u>	<u>11,331,373</u>	<u>67</u>
Equity					
Share capital	6(15)				
Common stock		2,282,388	15	2,184,054	13
Certificate of entitlement to new shares from convertible bonds	6(13)	44,532	-	841	-
Capital surplus	6(16)				
Capital surplus		1,329,391	9	1,118,544	6
Retained earnings	6(17)				
Legal reserve		941,886	6	854,384	5
Unappropriated retained earnings		899,726	6	1,105,399	7
Other equity interest					
Other equity interest		269,383	1	258,341	2
Total equity		<u>5,767,306</u>	<u>37</u>	<u>5,521,563</u>	<u>33</u>
Significant contingent liabilities and unrecognised contract commitments	9				
Significant subsequent events	11				
Total liabilities and equity		<u>\$ 15,464,265</u>	<u>100</u>	<u>\$ 16,852,936</u>	<u>100</u>

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(18) and 7	\$ 14,367,156	100	\$ 19,452,860	100
Operating costs	6(5) and 7	(12,936,842)	(90)	(18,139,539)	(93)
Gross Profit		1,430,314	10	1,313,321	7
Unrealised gain from sales		(1,600)	-	(1,600)	-
Realised gain from sales		1,600	-	1,600	-
Net Gross Profit		1,430,314	10	1,313,321	7
Operating expenses	6(21)				
Selling expenses		(482,470)	(3)	(509,278)	(3)
General and administrative expenses		(223,933)	(2)	(232,986)	(1)
Expected credit impairment (loss) gain	6(4)	(610)	-	722	-
Total operating expenses		(707,013)	(5)	(741,542)	(4)
Operating profit		723,301	5	571,779	3
Non-operating income and expenses					
Interest income	7	24,043	-	7,216	-
Other income	6(19) and 7	60,699	-	55,818	-
Other gains and losses	6(20)	68,829	1 (	26,001)	-
Finance costs	6(22) and 7	(231,099)	(2)	(162,153)	(1)
Share of (loss) profit of associates and joint ventures accounted for using equity method, net	6(6)	(47,072)	-	375,147	2
Total non-operating income and expenses		(124,600)	(1)	250,027	1
Profit before income tax		598,701	4	821,806	4
Income tax expense	6(23)	(142,727)	(1)	(107,234)	(1)
Profit for the year		<u>\$ 455,974</u>	<u>3</u>	<u>\$ 714,572</u>	<u>3</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
(Losses) gains on remeasurements of defined benefit plan	6(14)	(\$ 4,613)	-	\$ 3,547	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	85,353	1 (	122,886)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		27,918	-	-	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	922	- (	709)	-
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(12,293)	-	254,490	1
Other comprehensive income for the year		<u>\$ 97,287</u>	<u>1</u>	<u>\$ 134,442</u>	<u>1</u>
Total comprehensive income for the year		<u>\$ 553,261</u>	<u>4</u>	<u>\$ 849,014</u>	<u>4</u>
Earnings per Share (in dollars)	6(24)				
Basic earnings per share		<u>\$ 2.03</u>		<u>\$ 3.30</u>	
Diluted earnings per share		<u>\$ 1.93</u>		<u>\$ 3.03</u>	

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Capital			Retained Earnings		Other Equity Interest		
	Notes	Share capital - common stock	Certificate of entitlement to new shares from convertible bond	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, 2022</u>									
Balance at January 1, 2022		\$ 2,138,249	\$ -	\$ 1,036,486	\$ 766,625	\$ 1,066,524	(\$ 235,226)	\$ 519,574	\$ 5,292,232
Net income for the year		-	-	-	-	714,572	-	-	714,572
Other comprehensive income (loss)	6(3)	-	-	-	-	2,838	254,490	(122,886)	134,442
Total comprehensive income (loss)		-	-	-	-	717,410	254,490	(122,886)	849,014
Appropriations and distribution of 2021 earnings	6(17)								
Cash dividends		-	-	-	-	(748,387)	-	-	(748,387)
Legal reserve		-	-	-	87,759	(87,759)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	157,611	-	(157,611)	-
Conversion of convertible bonds	6(13)(15)(16)	45,805	841	82,058	-	-	-	-	128,704
Balance at December 31, 2022		<u>\$ 2,184,054</u>	<u>\$ 841</u>	<u>\$ 1,118,544</u>	<u>\$ 854,384</u>	<u>\$ 1,105,399</u>	<u>\$ 19,264</u>	<u>\$ 239,077</u>	<u>\$ 5,521,563</u>
<u>Year ended December 31, 2023</u>									
Balance at January 1, 2023		\$ 2,184,054	\$ 841	\$ 1,118,544	\$ 854,384	\$ 1,105,399	\$ 19,264	\$ 239,077	\$ 5,521,563
Net income for the year		-	-	-	-	455,974	-	-	455,974
Other comprehensive income (loss)	6(3)	-	-	-	-	(3,902)	(12,293)	113,482	97,287
Total comprehensive income (loss)		-	-	-	-	452,072	(12,293)	113,482	553,261
Appropriations and distribution of 2022 earnings	6(17)								
Cash dividends		-	-	-	-	(660,390)	-	-	(660,390)
Legal reserve		-	-	-	87,502	(87,502)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	90,147	-	(90,147)	-
Conversion of convertible bonds	6(13)(15)(16)	98,334	43,691	210,847	-	-	-	-	352,872
Balance at December 31, 2023		<u>\$ 2,282,388</u>	<u>\$ 44,532</u>	<u>\$ 1,329,391</u>	<u>\$ 941,886</u>	<u>\$ 899,726</u>	<u>\$ 6,971</u>	<u>\$ 262,412</u>	<u>\$ 5,767,306</u>

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 598,701	\$ 821,806
Adjustments			
Adjustments to reconcile profit (loss)			
Unrealised gain from sales		1,600	1,600
Realised gain from sales		(1,600)	(1,600)
Depreciation and amortisation	6(21)	16,709	14,714
Expected credit loss (gain)	6(4)	610	(722)
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(2,990)	(1,155)
Interest expense	6(22)	231,099	162,153
Interest income		(24,043)	(7,216)
Dividend income	6(19)	(26,077)	(11,348)
Share of loss (profit) of subsidiaries and joint ventures accounted for using equity method	6(6)	47,072	(375,147)
Gain on disposal of property, plant and equipment	6(20)	-	(9)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(11,696)	4,001
Notes and accounts receivable		346,145	843,507
Accounts receivable - related parties		314,226	272,454
Other receivables		10,613	47,936
Inventories, net		757,179	(404,386)
Other current assets		16,084	(94,032)
Changes in operating liabilities			
Notes and accounts payable (including related parties)		711,760	(1,200,972)
Other payables (including related parties)		(235,776)	357,432
Other current liabilities		10,998	4,872
Other non-current liabilities		(15,596)	(1,483)
Cash inflow generated from operations		2,745,018	432,405
Interest received		24,043	7,216
Interest paid		(230,981)	(144,928)
Income tax paid		(153,250)	(112,998)
Net cash flows from operating activities		2,384,830	181,695

(Continued)

ZENITRON CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		\$ -	(\$ 29,920)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	137,677	273,286
Acquisition of financial assets at fair value through profit or loss - non-current		(39,824)	(7,500)
Increase in investments accounted for using equity method		-	(150,000)
Proceeds from capital reduction of investments accounted for using equity method		-	66,266
Acquisition of property, plant and equipment	6(7)	(5,831)	(7,991)
Proceeds from disposal of property, plant and equipment		-	171
(Increase) decrease in refundable deposits		(929)	518
Increase in other receivables - related parties		(5,124)	(400,261)
Increase in other non-current assets		(10,039)	(1,865)
Dividends received		26,077	11,348
Net cash flows from (used in) investing activities		102,007	(245,948)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term loans	6(26)	(1,710,985)	640,740
Increase in short-term notes and bills payable	6(26)	137	198,397
Payment of lease liabilities	6(26)	(2,534)	(1,037)
Payment of cash dividends	6(17)	(660,390)	(748,387)
Net cash flows (used in) from financing activities		(2,373,772)	89,713
Net increase in cash and cash equivalents		113,065	25,460
Cash and cash equivalents at beginning of year		689,960	664,500
Cash and cash equivalents at end of year		\$ 803,025	\$ 689,960

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, 2023 and 2022, 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 material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of 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 2023 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 2023 consolidated financial statements are stated as follows:

Valuation of allowance for uncollectible accounts receivable

Description

Refer to Note 4(8)(9), Note 5(2) 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 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. Selected samples of significant overdue accounts receivable amounts and examined their subsequent collections.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(12), 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.
4. Selected samples of inventory items and examined whether the net realisable value basis was consistent with the Company's policies, and checked the accuracy of the net realisable value calculation on individual inventory item numbers.

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, 2023 and 2022.

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 that came into effect 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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

Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 1,486,278	7	\$ 1,374,575	6
Financial assets at fair value through profit or loss - current	6(2)	35,759	-	20,259	-
Financial assets at fair value through other comprehensive income - current	6(3)	790	-	810	-
Notes receivable, net	6(4)	270,656	1	164,073	1
Accounts receivable, net	6(4)	8,183,865	39	7,438,333	35
Other receivables		110,650	1	74,863	-
Inventories, net	6(5)	9,392,977	45	11,095,522	51
Other current assets		236,221	1	236,324	1
Total current assets		19,717,196	94	20,404,759	94
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2)	45,948	-	7,116	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	580,774	3	605,360	3
Property, plant and equipment	6(6)	409,940	2	420,424	2
Right-of-use assets	6(7)	87,248	-	25,521	-
Investment property, net	6(9) and 8	35,405	-	35,948	-
Deferred income tax assets	6(22)	124,574	1	168,060	1
Other non-current assets	8	75,382	-	65,527	-
Total non-current assets		1,359,271	6	1,327,956	6
Total assets		\$ 21,076,467	100	\$ 21,732,715	100

(Continued)

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(10)	\$ 8,834,145	42	\$ 11,159,622	51
Short-term notes and bills payable	6(11)	897,895	4	897,758	4
Notes payable		2,536	-	2,477	-
Accounts payable		4,408,776	21	2,563,319	12
Other payables		506,495	3	595,540	3
Current income tax liabilities		105,106	-	157,745	1
Current lease liabilities	6(7)	36,613	-	23,872	-
Long-term liabilities, current portion	6(12)	108,068	1	-	-
Other current liabilities	6(17)	177,491	1	161,589	1
Total current liabilities		<u>15,077,125</u>	<u>72</u>	<u>15,561,922</u>	<u>72</u>
Non-current liabilities					
Bonds payable	6(12)	-	-	456,426	2
Deferred income tax liabilities	6(22)	115,676	1	114,479	1
Non-current lease liabilities	6(7)	50,921	-	2,263	-
Other non-current liabilities	6(13)	65,439	-	76,062	-
Total non-current liabilities		<u>232,036</u>	<u>1</u>	<u>649,230</u>	<u>3</u>
Total liabilities		<u>15,309,161</u>	<u>73</u>	<u>16,211,152</u>	<u>75</u>
Equity attributable to owners of parent					
Share capital	6(14)				
Common stock		2,282,388	11	2,184,054	10
Certificate of entitlement to new shares from convertible bonds	6(12)	44,532	-	841	-
Capital surplus	6(15)				
Capital surplus		1,329,391	6	1,118,544	5
Retained earnings	6(16)				
Legal reserve		941,886	5	854,384	4
Unappropriated retained earnings		899,726	4	1,105,399	5
Other equity interest					
Other equity interest		269,383	1	258,341	1
Total equity		<u>5,767,306</u>	<u>27</u>	<u>5,521,563</u>	<u>25</u>
Significant contingent liabilities and unrecognised contract commitments	9				
Significant subsequent events	11				
Total liabilities and equity		<u>\$ 21,076,467</u>	<u>100</u>	<u>\$ 21,732,715</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, 2023 AND 2022

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

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Operating Revenue	6(17)	\$ 32,574,018	100	\$ 40,022,922	100
Operating Costs	6(5)	(30,182,703)	(93)	(37,297,722)	(93)
Gross Profit		<u>2,391,315</u>	<u>7</u>	<u>2,725,200</u>	<u>7</u>
Operating Expenses	6(21)				
Selling expenses		(1,089,968)	(3)	(1,116,524)	(3)
General and administrative expenses		(382,059)	(1)	(396,288)	(1)
Expected credit impairment gain	6(4)	3,137	-	2,400	-
Total operating expenses		(1,468,890)	(4)	(1,510,412)	(4)
Operating Profit		<u>922,425</u>	<u>3</u>	<u>1,214,788</u>	<u>3</u>
Non-operating income and expenses					
Interest income		17,820	-	7,295	-
Other income	6(18)	90,060	-	64,804	-
Other gains and losses	6(19)	46,534	-	(58,880)	-
Finance costs	6(20)	(471,894)	(1)	(321,328)	(1)
Total non-operating income and expenses		(317,480)	(1)	(308,109)	(1)
Profit before Income Tax		<u>604,945</u>	<u>2</u>	<u>906,679</u>	<u>2</u>
Income tax expense	6(22)	(148,971)	-	(192,107)	-
Profit for the Year		<u>\$ 455,974</u>	<u>2</u>	<u>\$ 714,572</u>	<u>2</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
(Losses) gains on remeasurements of defined benefit plans	6(13)	(\$ 4,824)	-	\$ 3,547	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	113,482	-	(122,886)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	922	-	(709)	-
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(12,293)	-	254,490	-
Other Comprehensive Income for the Year		<u>\$ 97,287</u>	<u>-</u>	<u>\$ 134,442</u>	<u>-</u>
Total comprehensive income		<u>\$ 553,261</u>	<u>2</u>	<u>\$ 849,014</u>	<u>2</u>
Profit attributable to:					
Owners of the parent		<u>\$ 455,974</u>	<u>2</u>	<u>\$ 714,572</u>	<u>2</u>
Comprehensive income attributable to:					
Owners of the parent		<u>\$ 553,261</u>	<u>2</u>	<u>\$ 849,014</u>	<u>2</u>
Earnings per Share (in dollars)	6(23)				
Basic earnings per share		<u>\$ 2.03</u>		<u>\$ 3.30</u>	
Diluted earnings per share		<u>\$ 1.93</u>		<u>\$ 3.03</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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
		Capital			Retained Earnings		Other Equity Interest		
			Certificate of entitlement to new shares from convertible bonds				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
Year ended December 31, 2022									
		\$ 2,138,249	\$ -	\$ 1,036,486	\$ 766,625	\$ 1,066,524	(\$ 235,226)	\$ 519,574	\$ 5,292,232
		-	-	-	-	714,572	-	-	714,572
	6(3)	-	-	-	-	2,838	254,490	(122,886)	134,442
		-	-	-	-	717,410	254,490	(122,886)	849,014
Appropriations and distribution of 2021 earnings									
	6(16)								
		-	-	-	-	(748,387)	-	-	(748,387)
		-	-	-	87,759	(87,759)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income									
	6(3)	-	-	-	-	157,611	-	(157,611)	-
Conversion of convertible bonds									
	6(12)(14)(15)	45,805	841	82,058	-	-	-	-	128,704
		\$ 2,184,054	\$ 841	\$ 1,118,544	\$ 854,384	\$ 1,105,399	\$ 19,264	\$ 239,077	\$ 5,521,563
Year ended December 31, 2023									
		\$ 2,184,054	\$ 841	\$ 1,118,544	\$ 854,384	\$ 1,105,399	\$ 19,264	\$ 239,077	\$ 5,521,563
		-	-	-	-	455,974	-	-	455,974
	6(3)	-	-	-	-	(3,902)	(12,293)	113,482	97,287
		-	-	-	-	452,072	(12,293)	113,482	553,261
Appropriations and distribution of 2022 earnings									
	6(16)								
		-	-	-	-	(660,390)	-	-	(660,390)
		-	-	-	87,502	(87,502)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income									
	6(3)	-	-	-	-	90,147	-	(90,147)	-
Conversion of convertible bonds									
	6(12)(14)(15)	98,334	43,691	210,847	-	-	-	-	352,872
		\$ 2,282,388	\$ 44,532	\$ 1,329,391	\$ 941,886	\$ 899,726	\$ 6,971	\$ 262,412	\$ 5,767,306

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 604,945	\$ 906,679
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(21)	67,302	69,927
Expected credit gain	6(4)	(3,137)	(2,400)
Net gain on financial assets at fair value through profit or loss	6(2)(19)	(2,833)	(880)
Interest expense	6(20)	471,894	321,328
Interest income	(	17,820)	(7,295)
Dividend income	6(18)	(26,077)	(12,558)
Loss on disposal of property, plant and equipment	6(19)	209	91
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	(	11,696)	4,001
Notes and accounts receivable	(	848,978)	1,987,427
Other receivables		14,268	43,148
Inventories		1,702,545	(2,439,813)
Other current assets		103	(88,771)
Changes in operating liabilities			
Notes and accounts payable		1,845,516	(2,053,264)
Other payables	(	76,944)	56,360
Other current liabilities		15,902	78,654
Other non-current liabilities	(	15,447)	(1,281)
Cash inflow (outflow) generated from operations		3,719,752	(1,138,647)
Interest received		17,820	7,295
Interest paid	(	483,995)	(280,714)
Income tax paid	(	206,060)	(292,685)
Net cash flows from (used in) operating activities		<u>3,047,517</u>	<u>(1,704,751)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss - non-current	(	39,824)	(7,500)
Acquisition of financial assets at fair value through other comprehensive income		-	(29,920)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	137,677	273,286
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		-	6,142
Acquisition of property, plant and equipment	6(6)	(9,329)	(12,397)
Proceeds from disposal of property, plant and equipment		-	171
Increase in refundable deposits	(	3,973)	(823)
Increase in other non-current assets	(	10,670)	(2,902)
Dividends received		26,077	12,558
Net cash flows from investing activities		<u>99,958</u>	<u>238,615</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term loans	6(25)	(2,325,477)	1,561,566
Increase in short-term notes and bills payable	6(25)	137	198,397
Payment of lease liabilities	6(25)	(43,016)	(47,945)
Payment of cash dividends	6(16)	(660,390)	(748,387)
Net cash flows (used in) from financing activities	(	3,028,746)	963,631
Effect of exchange rate changes	(	7,026)	261,884
Net increase (decrease) in cash and cash equivalents		111,703	(240,621)
Cash and cash equivalents at beginning of year		1,374,575	1,615,196
Cash and cash equivalents at end of year		<u>\$ 1,486,278</u>	<u>\$ 1,374,575</u>

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

Attachment IV**Zenitron Corporation****2023 Earnings Distribution Table****Unit: NT\$**

Item	Amount
Undistributed Earnings, beginning of period	357,506,344
Plus (Less): Adjustments of 2023 Retained Earnings	86,245,707
Undistributed Earnings after Adjustment	443,752,051
Net profit after tax 2023	455,974,342
Less: Legal Reserve	(54,222,005)
Special Reserve	0
Earnings in 2023 Available for Distribution	401,752,337
Accumulated Retained Earnings Available for Distribution	845,504,388
Less: Distribution Earnings:	
Dividends to Share Holder- Cash (NT\$1.8 per share)	(420,070,115)
Undistributed Earnings, end of period	425,434,273

Note:1.Earnings in 2023 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 2022, and so forth.

2.Distribution of dividends is based on 233,372,286 Shares Outstanding on February 29, 2024.

Attachment V

List of Director and Independent Director Candidates

Title	Name or Account	Educational Background/ Main Experience	Current position
Director	CHOU,YEOU-YIH	Completed MDP class in Asia University College of Management Department of Electrical Engineering, College of Engineering, Tatung University Director of Electronic Design, Tatung Co. Chairman, Zenitron Corporation	Chairman, Zenitron Corporation
Director	CHEN,HSIN-YI	Department of Electrical Engineering, College of Engineering, Tatung University Vice Chairman, Zenitron Corporation	Vice Chairman, Zenitron Corporation
Director	FANG,YI-HSIUNG	Ibiza College of Australia Engineering Management Section President, I-SHENG Electric Wire & Cable Co., Ltd.	
Director	YUTSENG INVESTMENT CO., LTD.	N/A	Director, Zenitron Corporation
Director	ZENITEX INVESTMENT CO., LTD.	N/A	Director, Zenitron Corporation
Director	ZENIBOSS CORPORATION	N/A	N/A
Independent Director	HSU,JUI-MAO	EMBA, National Taiwan University Master of Business Administration, Fudan University Master of Business Administration, University of Missouri President, IBT Securities Co., Ltd. Independent director, SHINIH Enterprise Co., Ltd.	Independent director, Zenitron Corporation
Independent Director	LIAO, FU-LONG	Department of Accounting, National Taipei University of Business Senior Manager, E.Sun Bank	Independent director, Well Shin Technology Co., Ltd.
Independent Director	YEH, FU-LING	Master of Business Administration, Katz School, University of Pittsburgh Master of City Planning, University of Pennsylvania Department of Sociology, National Taiwan University Vice President, Industrial Technology Investment Corporation. Chairman, Choice Biotech Founder, CTY Ventures	Independent Director, Tainergy Tech Co., Ltd
Independent Director	LI ,WEI-CHIEN	Master of Sociology, National Taiwan University Representative of the directors of Etron Technology Inc. Director of Kai Chun Investment Co., Ltd.	Vice President of Coretronic Corp. Independent Director, of ADLINK Technology Inc.

Attachment VI

Release of the Non-Competition Restrictions of Directors and Independent Directors

Name	Company Names and Positions engaging in similar business activities that are undertaken simultaneously
CHOU,YEOU-YIH	Director, Nu Inc. - Zenitron legal representative Director, ADLINK Technology Director, I-SHENG ELECTRIC WIRE & CABLE CO., LTD.
FANG,YI-HSIUNG	Director, DRAGONJET CORPORATION President, I-SHENG ELECTRIC WIRE & CABLE CO., LTD.
LIAO, FU-LONG	Independent director, Well Shin Technology Co., Ltd.
YEH, FU-LING	Independent Director, Tainergy Tech Co., Ltd
LI ,WEI-CHIEN	Vice President of Coretronic Corp. Independent Director, of ADLINK Technology

Appendix I

Zenitron Corporation Rules and Procedures of Shareholders' Meeting

Approved by Shareholders' Meeting, May 21, 2002
Amendment by Shareholders' Meeting, June 11, 2014
Amendment by Shareholders' Meeting, June 15, 2016

1. Shareholders' Meeting of the Company shall be conducted in accordance with these Rules and Procedures, unless otherwise specified in laws and regulations.
2. Shareholders in these Rules and Procedures are shareholders themselves and representatives entrusted by shareholders for attendance.
3. The company shall specify in the notice of meeting the time and location of the registration office for shareholders, as well as other matters that should be paid attention to. The time for accepting the registration of shareholders in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked, and adequately qualified personnel shall be dispatched to handle the registration.
The attending shareholders or the proxy attending shareholders should complete the sign-in procedure. The sign-in procedure shall be replaced by submitting the attendance sign-in card. The number of shares in attendance shall be calculated by the paid attendance sign-in card plus the number of shares exercising voting rights by correspondence or electronically.
4. Attendance and resolution at shareholders' meetings shall be calculated based on numbers of shares.
5. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
6. The Chairman of the Board of Directors shall be the chairman presiding at the Meeting. In case where the Chairman is on leave or unable to exercise the powers of the Chairman for any reason, the vice chairman of the Board shall do so in place of the Chairman. If the Vice Chairman of the Board of Directors is also on leave or for any reason unable to act for any reason, the Chairman shall appoint one of the directors to act as chair in substitute. If Chairman does not make such a designation, the directors shall select from among themselves one person to act on the behalf of the Chairman.
If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If such person is more than one, then chairman shall be elected among them all.
7. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.

8. The process of the Meeting shall be tape-recorded or video-taped and these tapes shall be preserved for at least one year.
9. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made by shareholders' present at the Meeting with more than half of the voting rights, in accordance with Section 1 of Article 175 of the Company Act.

If after the process of the tentative resolutions above mentioned, the number of outstanding shares represented by the shareholders present becomes statutory to constitute the quorum, the chairman may call the Meeting to order at any time, and submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act.

10. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

11. When a shareholder presents at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in

speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

12. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.
13. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.
When legal entity appoints two or more representatives to attend the Meeting, only one of the representatives so appointed may speak on the same proposal.
14. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
15. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
16. Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. When voting on each proposal, the chairperson or any person designated thereby shall announce the number of votes represented by the members present at the Members' Meeting and then the members shall vote on each proposal. On the same day after the shareholders' Meeting, such resolutions of consent, opposition and waiver shall be uploaded onto the MOPS.
17. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
18. During the Meeting, the chairman may, at his discretion, set time for intermission.
19. Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting.
20. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
21. The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges for

identification purpose when assisting in keeping order of the Meeting.

22. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
23. Any matter not provided in these Rules and Procedures shall be handled in accordance with Company Act and the Articles of Incorporation of the Company.
24. These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Appendix II

Articles of Incorporation of Zenitron Corporation

Chapter 1: General Provisions

Article 1

The Corporation shall be incorporated, as a company limited by shares, under the Company Act and is named 增你強股份有限公司 in the Chinese language, and ZENITRON CORPORATION in English.

Article 2

The scope of business of the Corporation shall be as follows:

1. General Import and Export Trade Business (Except those are subject to special approval)
2. Import and Export of kinds of electronic components and assembly. (controlled item excluded)
3. Agency for domestic and foreign manufacturers related product distribution and bidding quotation business. (Futures excluded)
4. CC01050 Data Storage Media Units Manufacturing
5. CC01070 Telecommunication Equipment and Apparatus Manufacturing
6. CC01080 Electronic Parts and Components Manufacturing
7. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
8. F113070 Wholesale of Telecom Instruments.
9. F213060 Retail Sale of Telecommunication Apparatus.
10. I301010 Software Design Services
11. F113030 Wholesale of Precision Instruments.
12. F116010 Wholesale of Photographic Equipment.
13. F401010 International Trade.
14. F213040 Retail Sale of Precision Instruments.
15. F216010 Retail Sale of Camera Equipment.
16. E205010 Apparatus Installation Construction.
17. CB01020 Office Machines Manufacturing.
18. CB01010 Mechanical Equipment Manufacturing.
19. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.
20. CC01040 Electric Wires and Cables Manufacturing
21. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
22. CC01090 Manufacture of Batteries and Accumulators.
23. CE01010 General Instrument Manufacturing.
24. CE01030 Optical Instruments Manufacturing.
25. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
(Electrical switch photoelectric converter, optical fiber electrical coupling connector).
26. CG01010 Jewelry and Precious Metals Products Manufacturing.
27. E701010 Telecommunications Construction
28. E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction.

29. F113020 Wholesale of Household Appliance.
30. F113050 Wholesale of Computers and Clerical Machinery Equipment.
31. F118010 Wholesale of Computer Software.
32. F119010 Wholesale of Electronic Materials.
33. F213010 Retail Sale of Electrical Appliances.
34. F213110 Retail Sale of Batteries.
35. F214010 Retail Sale of Motor Vehicles.
36. F208050 Retail Over-the-counter drugs class B.
37. C199990 Manufacture of Other Food Products Not Elsewhere Classified.
38. F203010 Retail sale of Food Products and Groceries.
39. F102160 Wholesale of Assist Food Products.
40. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1

The Company may provide endorsement and guarantee and act as a guarantor.

Article 2-2

The total amount of investment by the Company in other limited liability companies, as per business requirement, is not limited to the restrictions under Article 13 of the Company Act.

Article 2-3

The Company shall purchase liability insurance for the director's legal liability for compensation for the scope of its business execution during the term of office.

Article 3

The Company shall have its head office in Taipei City and may establish domestic and overseas branches as required through board resolutions.

Article 4

Deleted

Chapter 2: Shares

Article 5

The total capital stock of the Company shall be in the amount of NT\$3.5 billion (Including employee stock option certificates worth NT\$200 million), divided into 350,000,000 shares, at NT\$10 each, and may be paid-up in installments by resolutions of the Board of Directors

Article 5-1

The company may issue employee stock warrants with a subscription price lower than the closing price of the company's common stock on published date. However, must be issued when shareholders' meeting representing more than half of the total number of issued shares, more than two-thirds of the shareholders' voting rights agree.

The company's treasury stocks that are lower than the average price of the shares actually bought back to employees should be proposed for the resolution of Board Meeting, where more than half of the total number of issued shares are present and more than two-thirds of the total voting rights of attending shareholders agree.

Article 5-2

The transfer objects of buy-back shares, issuance of employee stock option certificates, objects of new shares with restricted employee rights and objects of new shares acquisition, in accordance with laws and regulations, are all employees of affiliated companies that meet certain conditions, and the conditions and distribution methods are authorized by Board of Directors after resolution.

Article 6

All Company's shares are registered shares and shall be affixed with the signatures and seals of directors who represent the Company, in addition to seal of Company logo and number, and issued after legal certification. For the shares to be issued by a company, the issuing company may be exempted from printing any share certificate for the shares issued; however, a company not printing its share certificate shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 7

All stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies" and other relevant regulations.

Article 8

(Deleted.)

Article 9

(Deleted.)

Article 10

Cost and handling fee shall be charged when stocks are transferred or loss.

Article 11

The entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits. The periods specified in the preceding two Paragraphs shall commence from the applicable convening date of shareholders' meeting or from the applicable target date, as the case may be.

Chapter 3: Shareholders' Meeting

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.

Shareholders meetings can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 13

Any shareholder who cannot attend a shareholders meeting for any reason may issue a proxy printed by the Company and affixed with its signature and seal, to designate a representative to attend the meeting on its behalf, in accordance with Article 177 of the Company Act.

Article 14

Each shareholder of the Company is entitled to one voting right, except restricted shares or shares without voting rights in accordance with the Company Act.

Article 15

Resolutions of Shareholders' Meeting shall be determined by more than one half of the total issued shares with more than one half of the total shareholders present at the Meeting, unless specified otherwise by law and securities regulations.

Article 16

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, with the signature or seal of the chairman of the meeting affixed thereon and Article 183 of the Company Act shall apply.

Chapter 4: Directors

Article 17

The Company shall have 7 to 10 directors, to be elected from a list of candidates by the shareholders meeting adopting candidates' nomination system. The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.

Among the number of directors under the previous Article, there shall be no less than 3 independent directors, and the nomination method shall be conducted in accordance with Article 192-1 of Company Act.

Article 18

The Board of Directors is constituted by Directors and the Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors, all in accordance with Article 208 of Company Act. The chairman shall conduct all business affairs abide by laws and regulations, and resolutions of Shareholders' Meeting and Board Meetings.

Article 19

In compliance with Articles 14-4 of the Securities and Exchange Act, the Corporation shall establish an Audit Committee, which shall consist of all independent directors.

Article 20

Despite the profit or loss of annual revenue, the board of directors is authorized to determine the

remuneration for the directors of the Company, taking into account the extent and value of the services provided for the management of the Company and the standards of the same industry.

Article 21

The operating policies and other significant matters of the Company are resolved by the board of directors. The chairman internally is the chairman of the shareholders meeting and the board of directors, and externally is the representative of the Company. When gathering the Board Meeting, If the chairman shall not perform his duties, the vice-chairman is the substitute, and if there is no such vice chairman or the vice chairman is also unable to perform his duties, the chairman shall appoint one of the directors to act on his/her behalf. If such designation is not available, the directors shall elect among themselves for the one to preside the Meeting as substitute.

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors, and chairman shall be the chair of the Meeting. If the chairman shall not perform his duties, the vice-chairman is the substitute, and if there is no such vice chairman or the vice chairman is also unable to perform his duties, the chairman shall appoint one of the directors to act on his/her behalf. If such designation is not available, the directors shall elect among themselves for the one to preside the Meeting as substitute. The Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting, and When there are more than two persons with the right to convene, one person shall be recommended to each other.

Article 21-1

The board of directors of the Company may set up a remuneration committee or other functional committees due to the needs of business operations.

Article 22

The meetings of the Board of Directors shall be convened once in a quarter, and to convene a board meeting, a notice shall be given to each director 7 days in advance, with the agenda specified.

However, in case of emergencies, board meetings may be held at any time. The notice under the previous paragraph may be given in writing, by fax or by email.

The resolutions of the board of directors, unless otherwise stipulated by the Company Act, shall be adopted by more than half of the votes represented by more than half of the total directors present at the Meeting. The results of voting shall be signed and sealed by chairman and placed on record and kept in storage in the Company, in addition, the meeting minutes shall be distributed no more than twenty days after the date of Meeting. The directors can assign other directors as proxy on his/her behalf to attend the meeting of the board of directors.

Chapter 5: Manager

Article 23

The company shall appoint managers whose appointment, dismissal, and remuneration shall be handled according to Article 29 of the Company Act.

Chapter 6: Accounting

Article 24

After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance: 1. Business Report; 2. Financial Statements; 3. Proposal Concerning Appropriation of Earnings or Covering of Losses.

Article 24-1

If the Company has profit in the year, 3% to 12% shall be provided as employees' compensation and no more than 3% as directors' compensation. However, if the Company has accumulated losses, the amount of compensation shall firstly be retained for impairment loss and afterwards provided in regards of balance basis.

The employees are entitled to shares or cash as remuneration, and under such paragraph, employees shall include employees of the subsidiaries who meet certain conditions.

Article 25

The net profit of the Company after yearly closing shall, other than paying the income tax payable by law, first be used to compensate losses from the past years. Then 10% of the balance amount shall be provided as legal reserve (unless the amount of legal reserve has reached the total amount of capital). Special reserve shall also be provided in accordance with the law as required. The rest shall be used to distribute dividend. If there is any profit remaining, it shall be combined with the undistributed profit in the beginning of the period, subject to a dividend distribution proposal to be prepared by the board of directors and submitted to the shareholders meeting for resolution for distribution.

The company's dividends are distributed based on more than 50% of the distributable surplus of current year, of which the cash dividends allocated each year shall not be less than 20% of the actual surplus distribution of the current year.

Article 25-1

Deleted

Article 25-2

Employees' profit sharing bonuses are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors. All or partial of the appropriated dividends and bonus shall be distributed by cash and shall be reported to the latest shareholders' meeting.

Article 25-3

Legal reserve (the part exceeding 25% of the paid-in capital) and capital reserve in accordance with regulations of Company Act, when there is no loss of the Company, are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors. All or partial of aforementioned reserve shall be distributed by cash and shall be reported to the latest shareholders' meeting.

Article 26

The organizational regulations of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 27

In regard to all matters not provided for in these Articles of Incorporation, the Company Act and relevant laws and regulations shall govern.

Article 28

These Articles of Incorporation were set up on September 13, 1982.

The 1st amendment was made on September 20, 1982.

The 2nd amendment was made on July 1, 1984.

The 3rd amendment was made on July 30, 1984.

The 4th amendment was made on September 25, 1985.

The 5th amendment was made on July 11, 1988.

The 6th amendment was made on July 1, 1991.

The 7th amendment was made on July 20, 1991.

The 8th amendment was made on October 1, 1993.

The 9th amendment was made on March 3, 1995.

The 10th amendment was made on November 15, 1995.

The 11th amendment was made on March 22, 1996.

The 12th amendment was made on May 16, 1997.

The 13th amendment was made on September 26, 1997.

The 14th amendment was made on June 27, 1998.

The 15th amendment was made on March 26, 1999.

The 16th amendment was made on April 26, 2000.

The 17th amendment was made on April 9, 2001.

The 18th amendment was made on May 21, 2002.

The 19th amendment was made on June 11, 2004.

The 20th amendment was made on June 14, 2005.

The 21st amendment was made on September 15, 2005.

The 22nd amendment was made on June 14, 2006.

The 23rd amendment was made on June 15, 2007.

The 24th amendment was made on June 13, 2008.

The 25th amendment was made on June 10, 2009.

The 26th amendment was made on June 17, 2010.

The 27th amendment was made on June 15, 2012.

The 28th amendment was made on June 13, 2013.

The 29th amendment was made on June 11, 2014.

The 30th amendment was made on June 10, 2015.

The 31st amendment was made on June 15, 2016.

The 32nd amendment was made on June 12, 2019.

The 33rd amendment was made on June 12, 2020.

The 34th amendment was made on June 8, 2022.

Appendix III

Zenitron Corporation Procedures for Election of Directors

Regulated on March 23, 2015

- Article 1 Unless otherwise provided in the laws and regulations or the Articles of Incorporation of this Company, the directors of this Company shall be elected in accordance with the rules specified herein.
- Article 2 The directors of the Company shall be elected under the nomination accumulated method. Each share shall be entitled the number of voting rights that is the same as the number of directors to be elected. The voting rights may be casted to elect one or more persons.
- Article 3 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 4 The number of voting rights for independent directors and non-independent directors shall be calculated separately in accordance with the articles of association of the Company and the number of seats determined by board resolution. The elected persons shall be in the order of the number of voting rights received. If two or more persons receive the same number of voting rights and, as a result, the number of elected persons exceeds the number of seats available, a random draw shall be organized among the persons who have received the same number of votes. If any such person is not present, the chairman may participate in the random draw on such person's behalf.
- Article 5 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 6 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 7 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the board of directors.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with

those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number).
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 8 The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

The ballots for the election matters in the preceding paragraph shall be properly kept and kept in storage for at least one year. However, if a shareholder initiates a lawsuit in accordance with the Company Act, it shall be kept until the end of the lawsuit.

Article 9 This Company shall issue notifications to the directors elected.

Article 10 These Procedures and any revision thereof shall become effective after approval at the shareholders' meeting

Appendix IV

Zenitron Corporation
Shareholdings of All Directors

As the book closure date (April 14, 2024), the shareholders of directors recorded in the shareholders register is as follows:

Title	Name	Current Shareholdings	
		Shares	Percentage
Chairman	CHOU,YEOU-YIH	5,192,074	2.22%
Vice Chairman	CHEN,HSIN-YI	2,674,390	1.14%
Director	YUTSENG INVESTMENT CO., LTD. Representative: CHOU,CHUN- KUANG	6,090,840	2.60%
Director	ZENITEX INVESTMENT CO., LTD. Representative: CHOU,CHUN- HSIEN	9,862,828	4.21%
Director	HSIEH,SHIH-FU	1,770,802	0.76%
Director	FANG,YI-HSIUNG	71,867	0.03%
Independent Director	HSU,JUI-MAO	0	0.00%
Independent Director	LIU,CHUN	0	0.00%
Independent Director	LIAO, FU-LUNG	0	0.00%
Total		25,662,801	10.96%

Note 1: Total shares issued: 224,127,697 shares.

Note 2: In accordance with Article 26 of the Securities Exchange Act, Zenitron's Directors are required to hold in the aggregate not less than 12,000,000 shares. (Note 3)

Note 3: In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.

Note 4: The number of shares held by all directors of the company has reached the statutory minimum ratio.