

2022Annual Shareholders' Meeting
Meeting Agenda
(Translation)

June 8, 2022

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Zenitron Corporation
2022 Annual Shareholders' Meeting
Meeting Agenda

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

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 2021 Business Report.
- (2) The 2021 Audit Committee's Review Report.
- (3) The 2021 employees' profit sharing bonus and directors' compensation.
- (4) The 2021 Earnings Distribution of cash dividends.
- (5) The issuance of the 4th domestic unsecured convertible corporate bonds

4. Proposed Resolutions:

- (1) Adoption of the 2021 Business Report and Financial Statements.
- (2) Adoption of the 2021 Earnings Distribution.

5. Matters for Discussion:

- (1) Amendment to the Articles of Incorporation.
- (2) Amendment to the Operational Procedures for Acquisition and Disposal of Assets.

6. Extemporaneous Motions

7. Adjournment

Report Items

1. The 2021 Business Report.

Please refer to P. 5-8 of Attachment I for the 2021 Business Report.

2. The 2021 Audit Committee's Review Report.

Please refer to P. 9 of Attachment II for the 2021 Audit Committee's Review Report.

3. The 2021 employees' profit sharing bonus and directors' compensation.

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

4. The 2021 Earnings Distribution of cash dividends.

(1) The Board of Directors approved the cash dividends distributed from surplus as NT\$748,387,024 (NT\$3.5 per share).

(2) The cash dividend is to be distributed to each share based on the percentage of actual holding shares on the record date for distribution and shall be rounded down to the nearest dollar. The total of any fractional amount less than one dollar will be adjusted, where number from the decimal point is from large to small and the account number is adjusted from front to back to meet the total cash dividend allocation.

(3) In the event that proposed distribution of earnings is affected by a change in the Company's outstanding common shares, the Chairman shall be authorized to handle such revision.

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

Please refer to P.10 of Attachment III for the issuance of the 4th domestic unsecured convertible corporate bonds.

Proposed Resolutions

Proposal 1 (Proposed by Board of Directors)

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

Explanation:

1. The business report, parent company only financial report and consolidated financial report of 2021 of the company have been accomplished.
2. The aforementioned financial statements have been certified by Chen, Jin-Chang and Lin, Yi-Fan, CPAs of PwC Taiwan, and reports have been verified.
3. Enclosed with attachments:
 - a. Business Report (Please refer to P.5-8 of Attachments I)
 - b. Independent Auditors' Report and the Financial Statements (including consolidated financial statement) (Please refer to P. 11-32 of Attachments IV)
4. Please kindly ratify the 2021 Business Report and Financial Statements.

Resolution:

Proposal 2 (Proposed by Board of Directors)

Subject: Adoption of the 2021 Earnings Distribution.

Explanation:

1. The 2021 Earnings Distribution table has been accomplished. (Please refer to P.33 of Attachment IV)
2. Please kindly ratify the 2021 Earnings Distribution

Resolution:

Matters for Discussion

Proposal 1 (Proposed by Board of Directors)

Subject: Amendment to the Articles of Incorporation.

Explanation:

In accordance with the amendments to related commercial laws, the company hereby proposes to amend the Articles of Incorporation. Please refer to P. 34 of Attachement VI for the comparison table of the Articles of Incorporation before and after amendments..

Resolution:

Proposal 2 (Proposed by Board of Directors)

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

Explanation:

In accordance with the amendments and conform to to related commercial laws, the company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets. Please refer to P.35-44 of Attachement VII for the comparison table of the Operational Procedures for Acquisition and Disposal of Assets before and after amendments.

Resolution:

Extemporary Motions

Adjournment

Attachment I

I. The 2021 Business report.

1. Implementation results of business plan

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

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

2. Budget execution status

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

3. Analysis of financial income and expenditure and profitability :

(Parent Company Only)

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

(Consolidated)

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

II. 2021 Business Plan Overview

1. Operating policies

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

2. Expected sales volume and its basis:

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

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

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

3. Significant Marketing Policies

(1) Focus on application areas of seven major products

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

(2) Continue to expand product line

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

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

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

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

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

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

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

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

4. Future development strategy

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

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

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

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

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

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

Attachment II

Zenitron Corporation Audit Committee's Review Report

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

Submitted to:

2022 Annual Shareholders' Meeting of Zenitron Corporation

Chairman of the Audit Committee:

Hsu, Jui-Mao

March 22, 2022

Attachment III

Zenitron Corporation

The issuance of the 4th domestic unsecured convertible corporate bonds

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zenitron Corporation

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Valuation of allowance for uncollectible accounts receivable

Description

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

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

How our audit addressed the matter

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

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

Assessment of allowance for inventory valuation losses

Description

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

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

How our audit addressed the matter

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

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

Appropriateness of warehouse revenue cut-off

Description

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

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

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

How our audit addressed the matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chen, Chin-Chang

Yi-Fan Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2022

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zenitron Corporation

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Valuation of allowance for uncollectible accounts receivable

Description

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

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

How our audit addressed the matter

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

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

Assessment of allowance for inventory valuation losses

Description

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

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

How our audit addressed the matter

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

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

Recognition of distribution warehouses sales revenue

Description

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

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

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

How our audit addressed the matter

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

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

Other matter – Parent company only financial reports

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

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Chen, Ching Chang

Lin, Yi-Fan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 22, 2022

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

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

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

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

(Continued)

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

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

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

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

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

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

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent						Total equity	
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Other equity interest		
						Exchange differences on translation of foreign financial statements		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income
Year ended December 31, 2020								
Balance at January 1, 2020		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	
Net income for the year		-	-	-	472,025	-	-	
Other comprehensive income (loss)	6(3)	-	-	-	(4,499)	(75,020)	217,244	
Total comprehensive income (loss)		-	-	-	467,526	(75,020)	217,244	
Appropriations and distribution of 2019 earnings	6(16)							
Legal reserve		-	-	23,046	(23,046)	-	-	
Cash dividends		-	-	-	(207,600)	-	-	
Cash payment from capital surplus	6(16)	-	(6,300)	-	-	-	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	16,715	-	(16,715)	
Balance at December 31, 2020		\$ 2,138,249	\$ 958,734	\$ 718,200	\$ 643,662	(\$ 165,691)	\$ 508,404	
Year ended December 31, 2021								
Balance at January 1, 2021		\$ 2,138,249	\$ 958,734	\$ 718,200	\$ 643,662	(\$ 165,691)	\$ 508,404	
Net income for the year		-	-	-	877,710	-	-	
Other comprehensive income (loss)	6(3)	-	-	-	(8,476)	(69,535)	19,523	
Total comprehensive income (loss)		-	-	-	869,234	(69,535)	19,523	
Appropriations and distribution of 2020 earnings	6(16)							
Legal reserve		-	-	48,425	(48,425)	-	-	
Cash dividends		-	-	-	(406,300)	-	-	
Equity component of convertible bonds issued by the Company	6(12)	-	75,605	-	-	-	-	
Overdue and unclaimed shareholder dividends		-	2,147	-	-	-	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	8,353	-	(8,353)	
Balance at December 31, 2021		\$ 2,138,249	\$ 1,036,486	\$ 766,625	\$ 1,066,524	(\$ 235,226)	\$ 519,574	
							\$ 5,292,232	

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

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

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

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

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

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

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

Attachment VI

Zenitron Corporation

Comparison Table of the Articles of Incorporation Before and After Amendment

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

Attachment VII

Zenitron Corporation

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

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

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

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

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

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

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

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

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

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

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

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. ZZ999999 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.

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 10st 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 13rd 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.

Appendix III

Zenitron Corporation

Operational Procedures for Acquisition and Disposal of Assets

Chapter I General Principles

Article 1

Purpose and Governing Regulations

To ensure assets management reinforcement and all relevant information is disclosed publicly, these procedures are promulgated pursuant to the provisions of Article 36-1 of the Securities and Exchange Act, Regulations Governing the Acquisition and Disposal of Assets by Public Companies and are adopted in accordance with company requirements.

Article 2

Scope of Assets

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real estate (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3

Terms used in these Regulations are defined as follows

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the

provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 5

With respect to Company's acquisition or disposal of assets that is subject to the approval of an audit committee and the board of directors under the company's procedures or other laws or regulations, the procedures shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, it shall be recorded in the minutes of the board of directors meeting.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the audit committee and the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each director's opinions. If a director objects to or expresses reservations about any

matter, it shall be recorded in the minutes of the board of directors meeting.

Article 6

The Scope and Limitation of investment by the Company and its Subsidiary

1. The total amount of acquisition of real estate and right-of-use assets for non-operating purpose shall not exceed 20 percent of the Company current net value.
2. The amount of investment in each short-term respective security shall not exceed 20 percent of the Company current net value, and its accumulated total amount shall not exceed 20 percent of the Company current net value.
3. The total amount of investment in each long-term respective security shall not exceed 40 percent of the Company current net value, and its accumulated total amount shall not exceed 40 percent of the Company current net value.

Chapter II Acquisition or Disposal of Assets

Article 7

The Procedures of Assets Value Evaluation

1. In acquiring or disposing of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (governing details to be disclosed in Attachment I) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
 - B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 - D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
2. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
3. Where the Company acquires or disposes of memberships or intangible assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the

CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

4. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Sub-paragraph 4, Paragraph 1, Article 10 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8

Appraisal procedures:

1. Where the Company acquiring or disposing long and short-term respective securities or engaging in derivatives trading, the financial department shall conduct cost-effectiveness analysis and assess potential risks. Where the Company acquiring and disposing real-estate and other assets, all relevant departments shall initiate capital expenditure planning and conduct feasibility assessment on the purpose of acquisition or disposal and anticipated benefits.
2. Where the Company engages in any acquisition or disposal of assets, in addition to adopting opinions from professional appraiser, CPA's or other professionals in compliance with the provisions of this Procedure, the method of resolutions over prices and reference basis shall further comply with the following provisions:
 - A. The acquiring or disposing of real estate or equipment shall be negotiated with reference to announced present value, assessed present value, actual transaction price or book value of neighboring real estate, quotations from suppliers, special price and so on. When the Company that acquires real estate or acquires or disposes other assets thereof from a related party, assessment shall be obtained pursuant to Chapter three in this Procedure to evaluate the reasonableness of the transaction costs and terms.
 - B. Acquisition or disposal of respective securities:
 - (1) Securities traded on centralized exchange market or Taipei Exchange shall be determined based on the current equity or bond prices.
 - (2) Securities not traded on centralized exchange market or Taipei Exchange shall be taken into consideration with net value per share, technology and profitability, future development potential, market interest rates, bond coupon rates and debtor's credit as well as the most recent trading price.
 - C. Acquisition or disposal of memberships or intangible assets, potential benefits shall be considered as well as most recent trading price. Acquisition or disposal of intangible assets, international or market practices, lifetime and the impact on Company's technology and business shall be considered.
 - D. Company engaging in derivatives trading shall pay attention to the trading conditions of futures market, exchange rate and interest rate trends and so on.
 - E. Company that conducts a merger, demerger, acquisition, or transfer of shares shall review business nature, net value per share, asset worth, technology and profitability, production capacity and future development potential.

Article 9

Operating procedures

1. Delegation amount and level
 - A. Securities: The chairman shall be authorized to conduct transactions once within limitation regulated in Article six in this Procedure, and if transaction meets the requirements in Article ten as notification and reporting standard, submission for ratification by the most recent Board of Directors must be conducted. Where acquiring and disposing stocks, corporate bonds and private placements of securities not traded on centralized exchange market or Taipei Exchange and trading amount meets notification and reporting standard shall be submitted for ratification by Board of Directors. Investments from Mainland China shall be conducted in accordance with relevant laws and regulations of MOEAIC, Investment Commission, Ministry of Economic Affairs.
 - B. Derivatives:

(1) Delegation of Authority for hedge trades: Based on Company turnover and risk position fluctuation, senior managers and above of the financial department shall be authorized to conduct trading in the daily cumulative transaction below US\$5 million, including equivalent currency. If transaction exceeds the authorized amount, trading shall be submitted for approval by Chairman.

(2) Delegation of Authority for non-hedge trades: To mitigate risk, Chairman shall be authorized to approve transactions when cumulative open interest position of non-hedge trading does not exceed US\$5 million, including equivalent currency. If transaction exceeds the authorized amount, relevant trading shall be submitted for approval in Board of Directors.

C. Acquisition or disposal of real estate from or to a related party or acquisition or disposal of other assets from or to a related party: Relevant materials in compliance with the provisions of Chapter three in this Procedure shall be prepared and submitted to Audit Committee and Board of Directors for approval.

D. Merger, demerger, acquisition, or transfer of shares: Relevant procedures and materials shall be obtained and prepared in compliance with the provisions of Chapter five in this Procedure. Merger, demerger and acquisition shall be submitted for approval in the shareholders meeting, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Transfer of shares shall be approved by Board of Directors.

E. Acquisition or disposal of memberships and intangible assets shall be assessed by executive units. When transaction amount reaches 20 percent of Company's paid-in capital or less than NT\$300 million, Chairman shall be authorized for resolution. If transaction amount reaches notification and reporting standard publicly announced in Article ten, trading shall be submitted for approval in Board of Directors.

F. Acquisition or disposal of equipment for operation use or its right-of-use assets between the Company and its subsidiaries shall be assessed by executive units. When transaction amount reaches 20 percent of Company's paid-in capital, 10 percent of total capital or less than NT\$300 million, Chairman is authorized for resolution, and then submitted for ratification in the most recent Board of Directors.

G. Others: it shall be conducted in compliance with procedures stipulated by the internal control system and delegation of authority. When transaction amount reaches notification and reporting standard publicly announced in Article ten, acquisition or disposal of equipment for operation use may be reported to the Board of Directors for ratification, and the others shall be submitted for resolution in Board of Directors. If any matter stipulated in Article 185 of the Company Law, it shall be approved firstly by resolution of the shareholders' meeting.

2. Execution unit and transaction process

The execution unit of the company for long and short-term respective securities investment and derivatives trading is the financial department and the personnel designated by the chairman; the execution unit of real estate and equipment, membership, or intangible assets is the user department and relevant authorities; the execution unit of merger, demerger, acquisition or transfer of shares shall be designated by the chairman. After the acquisition or disposal of assets is evaluated and approved in accordance with the regulations, the execution unit shall conduct the transaction processes such as contracting, payment, delivery and acceptance, and shall conduct the operation process pursuant to the internal control system based on the nature of the assets. In addition, transactions with related parties, engaging in derivative trades, mergers, demergers, acquisitions or transfer of shares shall be conducted in compliance with the provisions of Chapters 3 to 5 of this Procedure.

Article 10

Public announcement and regulatory filing procedures:

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to

trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

B. Merger, demerger, acquisition, or transfer of shares.

C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.

D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.

E. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.

F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area, or the amount of any individual transaction, or the cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year, or the cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year, reaches 20 percent or more of paid-in capital or NT\$300 million. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. Provided, this shall not apply to the following circumstances:

(4) Trading of domestic government bonds.

(5) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

(6) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

3. The Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

4. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

5. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

D. Change, termination, or rescission of a contract signed in regard to the original transaction.

E. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

F. Change to the originally publicly announced and reported information.

Article 11

Control procedures for the acquisition and disposal of assets by subsidiaries:

1. The subsidiaries of Company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations, approved by the board of directors, and the same applies when the procedures are amended.
2. The subsidiaries of the company acquiring or disposing of assets shall handle in accordance with their respective regulations of "Internal Control Systems" and "Procedures for Acquisition or Disposal of Assets." The cumulative transaction amount of the same nature exceeds NT\$100 million and the case of engaging in derivative transactions as of the end of the previous month shall be reported to the company in a written summary. The audit unit of the company shall periodically audit the acquisition or disposal of assets of the subsidiaries, and the audit circumstance shall be listed as a necessary item in audit report toward the audit committee and the board of directors.
3. If any subsidiary of the company is not a public company, and its announcement and report of acquisition and disposal of assets meet the standard, the Company shall report (in the prescribed format and via the Internet-based information system) the information in compliance within the day when the fact occurs upon notification.
4. "20 percent of the company's paid-in capital or 10 percent of the total assets" mentioned in the announcement and reporting standards of the subsidiary is based on the Company's paid-in capital or total assets.

Article 12

Penalties

When the relevant contractors of the company's acquisition or disposal of assets violate the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the competent authority or this handling procedure, their assessment shall be submitted pursuant to the Company's personnel management measures and employee handbook and their punishment shall be conducted according to the severity of the situation.

Section III Related Party Transactions

Article 13

Recognition Basis

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 7 paragraph 4 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 14

Resolution Procedure

When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the execution unit may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and board of directors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in

accordance with Article 15 and Article 16.

- (4)The price and the transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (5)Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6)An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions in this Procedure.
- (7)Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 10, paragraph 1, subparagraph 4 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors need not be counted toward the transaction amount.

With respect to acquisition or disposal of equipment held for business use, when to be conducted between the Company and its subsidiaries, the company's board of directors may, pursuant to Article 9, paragraph 1, subparagraph 6, conduct such matters.

When a matter is submitted for discussion by the audit committee and the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each director's opinions. If any director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Article 15

Evaluation of the reasonableness of the transaction terms

The Company that acquires real estate or right-of-use assets thereof from a related party, except for the following four situations, such as the related party acquired the real estate or right-of-use assets thereof through inheritance or as a gift; or more than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate or right-of-use assets thereof to the signing date for the current transaction; or the real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land; or the real estate right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, shall evaluate the reasonableness of the transaction costs by the following means, and request for CPA's review and specific opinions:

- 1.Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- 2.Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- 3.Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

Article 16

Conduct of reasonableness of uniformly lower than the transaction price

Proof and Conduct Items:

When the results of the Company's appraisal conducted in accordance with paragraphs of the preceding Article are uniformly lower than the transaction price, except for the following situations and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, the matter shall

be handled in compliance with Article 3 in this Procedure.

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - C. Completed transactions by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are similar after calculation of reasonable price discrepancies in floor land prices in accordance with standard property market leasing practices.
2. Where the Company acquiring real estate or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
3. Where the Company acquires real estate or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 15 and Article 16 are uniformly lower than the transaction price, and there is no such circumstances as paragraph 1 and 2 in this Article, the following steps shall be taken: Where the Company acquires real estate from a related party and the results of appraisals conducted in accordance with Article 15 and Article 16 are uniformly lower than the transaction price, and there is no such circumstances as paragraph 1 and 2 in this Article, the following steps shall be taken:
 - A. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. A special reserve may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

Where the Company uses the equity method to account for its investment in another company and the other company complies with one of the transaction terms, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - B. The independent director members of the audit committee shall comply with Article 218 of the Company Act.
 - C. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

When the Company obtains real estate or right-of-use assets thereof from a related party, it shall also comply with the paragraph 3 if there is other evidence indicating that the acquisition was not an arm's length transaction.

Section IV Engaging in Derivatives Trading

Article 17

Trading principles and strategies:

Trading principles and strategies of this Procedure shall include the types of derivatives that may be traded, operating or hedging strategies, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts, segregation of duties, and essentials of performance evaluation, and details as follows:

- 1.Types of trades: The types of derivatives that may be traded are derivatives specified in Chapter 1, Article 3, Paragraph 1 in this Procedure.
2. Operating or hedging strategies: Derivatives trades of the Company are categorized for hedging purposes and non-hedging purposes (that is, trading purposes). The strategy shall be avoiding business risks as main purpose, and the selection of trading commodities shall focus on avoiding risks generated from the Company business, such as foreign exchange income, expenditure, assets and liabilities. If due to changes in the objective environment, the Company shall choose an appropriate timing to enter the market to engage in "non-hedging transactions" of derivatives, as of expectation to increase non-operating income or reduce non-operating losses. In addition, the counterparty of the transaction shall choose financial institutes having business dealing with the Company as much as possible to avoid credit risk. The type of transaction such as hedging or financial operations in pursuit of investment income shall be clearly defined before the trades so as the basis for accounting.
- 3.Total amount of derivatives contracts traded:
 - A.Hedging transaction: The monthly trading foreign exchange position (including the position expected to be generated in the future) is the upper limit
 - B.Non-Hedging transaction: Transaction may be conducted with the approval of Chairman, and the cumulative open interest transaction amount may not exceed US\$5 million. If transaction amount exceeds approval limit authorized by Chairman, it shall be submitted to Board of Directors for approval to conduct relevant transactions.
- 4.The maximum trading loss limit on aggregate losses or losses on individual contracts:
 - A.Hedging transaction: When the following situations occur, an assessment and countermeasures shall be made according to the established position and shall be submitted in response to the corresponding authority and responsibility units for rulings every week.
 - (1) Loss limit is 20 percent of the contract amount for any individual contract.
 - (2) Loss limit is 20 percent of the contract amount for all contracts on an aggregated basis.
 - B. Non-Hedging transaction: After the position is established, a stop loss point shall be set up to prevent excessive losses. The stop loss point setting shall not exceed 10 percent of the transaction contract amount as the upper limit, and the total cumulative loss throughout the year shall not exceed the limit of US\$ 300,000.
- 5.Segregation of duties: Delegation of the Company engaged in derivatives is as follows:
 - A.Personnel of trading: Engaging in derivatives trading as execution and personnel shall be designated by Chairman, and responsible for conducting trading strategies, executing trading orders, disclosing future trading risks within its authorized scope, and providing concurrent information to relevant departments for reference.
 - B.Accounting department: Engaging in confirmation of transaction. Booking and keeping transaction records in compliance with relevant regulations, conducting fair market value assessments periodically for the positions held, providing its report to designated transaction personnel, and disclosing the relevant matters of derivatives in the financial statements.
 - C.Financial department: Engaging in settlement of derivatives.
- 6.Essentials of performance evaluation:
 - A.Regular evaluation of derivatives transactions shall be conducted monthly, and the foreign exchange position evaluation report shall be provided by financial department, in summary of the exchange profit and loss of the month and the open interest positions of non-hedging transactions, and be submitted to the senior management personnel or chairman authorized by the board of directors for management reference and performance evaluation.
 - B.Positions held by derivatives trading shall be taking market price assessment as principle. Derivatives trading positions held for hedge trades required by operation use shall be

evaluated at least twice per month and others shall be evaluated once per week; Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

Article 18

Risk management measures

The company engaging in derivatives trading, the scope of risk management and the risk management measures to be adopted shall be taken as follows:

- 1.Credit Risk Control: Credit risk is controlled by choosing the financial institutes or future brokers that Company may deal with are internationally renowned and are able to provide sufficient information.
- 2.Market/Price Risk Control: The losses that may arise from future market price fluctuations of derivatives are uncertain, so the stop loss setting shall be strictly adhered to after the position is established
- 3.Liquidity Risk Control: In order to ensure the liquidity of trading commodities, counterparties shall be controlled by restricting to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.
- 4.Operating Risk Control: Delegation systems and operating procedures set forth herein are employed to control operating risks and shall be strictly adhered to.
- 5.Legal Risk Control: Any contract documents signed with financial institutes shall use international standard documents to avoid legal risks.
- 6.Commodity Risk Control: Insiders shall be competent with thorough and correct professional understanding about the derivatives to avoid losses due to misuse of derivatives.
- 7.Cash Flow: Authorized traders shall strictly abide by the regulations of delegation, and shall pay constant attention to the company's cash flow to maintain adequate level of credits to meet the cash settlement requirement.
- 8.Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- 9.Confirmation personnel shall periodically reconcile or confirm with the correspondent bank, and review spontaneously if the total transaction amount exceeds the upper limit stipulated in this Procedure.
- 10.Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph (8) and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
- 11.Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors. (Note, that is, senior management personnel designated shall not be execution units.)

Article 19

Internal audit system

- 1.Internal audit personnel of the Company shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trades, and analyze trading cycle and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.
- 2.The Company shall report the audit report in the preceding paragraph along with the implementation of the annual audit plan for internal audit operations to the Financial Regulatory Commission before the end of February of the following year, and report the improvement of irregular matters to the Financial Regulatory Commission for reference by the end of May of the following year.

Article 20

Periodical evaluation measures and irregular circumstances management

- 1.Senior management personnel designated by the Company shall pay continuous attention to monitoring and controlling derivatives trading risk. Board of Directors shall periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk

undertaken is within the company's permitted scope of tolerance.

2. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

A. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" formulated by authorities and its Procedures for engaging in derivatives trading.

B. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

C. The company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for engaging in derivatives trading.

3. The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, monthly or weekly periodic assessment report, and matters required to be carefully evaluated by board of directors and senior management authorized by board of directors shall be recorded in detail in the log book.

Section V Mergers, Demergers, Acquisitions, and Transfer of Shares

Article 21

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 22

The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to any cause, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 23

The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting with other participating companies on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent; the Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction with other participating companies.

Article 24

Share exchange ratio or acquisition price

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 25

Contract details record

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the participating companies, circumstances of the share exchange ratio or acquisition price as regulated in preceding article, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 26

Company participating in a merger, demerger, acquisition, or transfer of shares, the following steps shall be taken:

1. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall be demanded to issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
2. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
3. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a public company, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of Article 4 this Procedure.
4. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:
 - A. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's

shares prior to disclosure of the information.

B.Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

C.Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 4, item 1 and 2 of the preceding paragraphs to the FSC for recordation.

Chapter IV Additional Provisions

Article 27

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 28

Any other matters not set forth in the Procedures shall be governed in accordance with the applicable laws, rules, and regulations.

Appendix IV

Zenitron Corporation
Shareholdings of All Directors

As the book closure date (April 10, 2022), 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	2.40%
Vice Chairman	CHEN, HSIN-YI	2,674,390	1.24%
Director	YEH, LU-CHENG	700,000	0.32%
Director	YUTSENG INVESTMENT CO., LTD. Representative: CHOU, CHUN-KUANG	6,090,840	2.82%
Director	ZENITEX INVESTMENT CO., LTD. Representative: CHOU, CHUN-HSIEN	9,862,828	4.57%
Director	HSIEH, SHIH-FU	1,770,802	0.82%
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	HSIAO, MIN-CHIH	0	0.00%
Total		26,362,801	12.21%

Note 1: Total shares issued: 215,893,819 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.