

Minutes of 2021 Annual Shareholders' Meeting

(Translation)

Time : 9:00 a.m., Monday, July 5, 2021

Place : Zenitron Corp. Headquarters Meeting Room

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

Quorum : 136,457,651 shares were represented by the shareholders and proxies present ((Including 17,643,386 shares from electronic voting), which amounted to 63.81% of the Company's 213,824,864 issued and outstanding shares.

Board Member Present : CHOU YEOU-YIH, CHEN HSIN-YIH, The representative of YUTSENG INVESTMENT : CHOU CHUN-KUANG , The representative of ZENITEX INVESTMENT : CHOU CHUN-HSIEN , FANG YI-HSIUNG, HSIEH SHIH-FU, HSU JUI-MAO (Independent Director), LIU CHUN (Independent Director) , HSIAO MIN-CHIH (Independent Director).
9 members of Board of Directors are present.

In attendance : CPA of PwC Taiwan : CHEN JIN-CHANG

Lawyer of Security & Integrity Law firm : Yetty Chen

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

Recorder : Alicia Huang

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

Chairman's Address : (Omitted)

Report Items

1. The 2020 Business Report. (Please refer to Attachment I)
2. The 2020 Audit Committee's Review Report. (Please refer to Attachment II)
3. Report of 2020 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\$18,000,000 and NT\$15,000,000, respectively, and all in cash.
4. Report of the 2020 Cash Dividends.
 - a. The Board of Directors approved the cash dividends distributed from surplus as NT\$406,300,000 (NT\$1.9 per share).
 - b. 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.

Ratification Items

Proposal 1 (Proposed by the Board of Directors)

Subject: Adoption of the 2020 Business Report and Financial Statements.

Explanation:

1. The business report, individual financial report and consolidated financial report of 2020 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 Attachment I)
 - b. Independent Auditors' Report and the Financial Statements (including consolidated financial statement) (Please refer to Attachment III)
4. Please kindly ratify the 2020 Business Report and Financial Statements.

Resolution:

Voting Results: Shares represented at the time of voting: 136,457,651

Voting Results	in person/ by proxy votes	electronic votes	total votes	percentage
approval votes	118,814,265	10,428,710	129,242,975	94.71%
disapproval votes	0	19,995	19,995	0.01%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	7,194,681	7,194,681	5.27%

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

Proposal 2 (Proposed by the Board of Directors)

Subject: Adoption of the 2020 Earnings Distribution.

Explanation:

1. The 2020 Earnings Distribution table has been accomplished. (Please refer to Attachment IV)
2. Please kindly ratify the 2020 Earnings Distribution

Resolution:

Voting Results: Shares represented at the time of voting: 136,457,651

Voting Results	in person/ by proxy votes	electronic votes	total votes	percentage
approval votes	118,814,265	10,696,606	129,510,871	94.90%
disapproval votes	0	20,100	20,100	0.01%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	6,926,680	6,926,680	5.07%

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

Election and Discussion Items

Proposal 1 (Proposed by the Board of Directors)

Subject: Election of Directors.

Explanation:

1. The term of the current members of the Board of Directors will expire on June 11, 2021; therefore, the company proposes to duly elect new Board members at this year's Annual Shareholders' Meeting.

2. In accordance with Article 17 of the Articles of Incorporation, a total of ten directors (including three independent directors) shall be elected adopting candidates' nomination system, and the shareholders shall elect the directors from the nominated director candidates. The nomination list has been resolved by the Board meeting dated March 22, 2021, and please refers to Attachment V for the nomination list of directors and independent directors.
3. The term of office of the new directors will be three years from June 11, 2021 to June 10, 2024. The term of office of the original directors shall expire when this Annual Shareholders' Meeting finishes.
4. This election is conducted in accordance with Company's Procedures for Election of Directors.

Further Explanation: In accordance with "Measures for public companies to postpone shareholders' meetings for pandemic prevention", the Company postponed the convening of the shareholders' meetings. The term of office of the new directors was revised from July 5, 2021 to July 4, 2024.

Election result:

Directors

Account / ID Number	Name	Received votes
1	CHOU,YEOU-YIH	168,755,825
2	CHEN,HSIN-YI	133,369,629
107	YUTSENG INVESTMENT Co., Ltd.	133,086,565
57	ZENITEX INVESTMENT Co., Ltd.	132,812,314
4615	YEH,LU-CHANG	132,657,373
440	FANG,YI-HSIUNG	131,974,983
31	HSIEH,SHIH-FU	131,290,795

Independent Directors

Account / ID Number	Name	Received votes
F10322*****	HSU,JUI-MAO	109,374,930
M12019*****	LIU,CHUN	109,372,583
M10183*****	LIAO, FU-LUNG	109,277,844

Proposal 2 (Proposed by the Board of Directors)

Subject: Releasing Directors and the representatives from Non-competition restrictions.

Explanation:

1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure its approval.
2. If a 2021 newly elected director or the representative may do anything for himself or on behalf of another person that is within or similar to the scope of the company's business or investment, it is proposed to release the non-competition restriction of newly elected director or the representative. For information of the non-competition restriction of newly elected directors and independent directors, please refer to of Attachement VI.
3. Please kindly ratify the proposal for the removal of the non-competition restriction on directors and the representatives.

Resolution:

Voting Results: Shares represented at the time of voting: 136,457,651

Voting Results	in person/ by proxy votes	electronic votes	toatl votes	percentage
approval votes	118,814,265	10,445,905	129,260,170	94.72%
disapproval votes	0	218,620	218,620	0.16%
invalid votes	0	0	0	0.00%
abstention votes /No Votes	0	6,978,861	6,978,861	5.11%

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

Extemporary Motions: None.

Adjournment: 09:23 AM, July 5, 2021

Attachment I

1. The 2020 Business report.

(1) Implementation results of business plan

The revenue of 2020 was NT\$20,128,205 thousand, an increase of NT\$4,658,334 thousand and a growth rate of 30.11% over NT\$15,469,871 thousand in 2019. Net income before tax in 2020 was NT\$477,754 thousand, an increase of NT\$198,815 thousand and a growth rate of 71.28% over NT\$278,939 thousand in 2019.

Consolidated revenue has reached NT\$34,401,169 thousand in 2020, an increase of NT\$7,408,300 thousand and a growth rate of 27.45% over NT\$26,992,869 thousand. Net income before tax in 2020 was NT\$555,056 thousand, an increase of NT\$247,629 thousand and a growth rate of 80.55% over NT\$307,427 thousand in 2019.

2. Budget execution status

Financial forecast for 2020 is undisclosed so there is no budget execution status available.

3. Analysis of financial income and expenditure and profitability 2020:

(Parent Company Only)

Items of analysis		Year	Financial Analysis	
			2019	2020
Financial Structure (%)	Debt to assets ratio		59.98	67.41
	The ratio of long-term funds to property, plant and equipment		1,198.26	1,325.41
Profitability	Return on asset (%)		2.59	4.08
	Return on equity (%)		5.25	10.25
	Ratio of Pre-tax Profit to Paid-in capital (%)		13.04	22.34
	Profit ratio (%)		1.49	2.34
	Earnings per share (NT\$)		1.08	2.21

(Consolidated)

Items of analysis		Year	Financial Analysis	
			2019	2020
Financial Structure (%)	Debt to assets ratio		69.03	75.10
	The ratio of long-term funds to property, plant and equipment		1,022.64	1,147.03
Profitability	Return on asset (%)		2.48	3.39
	Return on equity (%)		5.25	10.25
	Ratio of Pre-tax Profit to Paid-in capital (%)		14.37	25.95
	Profit ratio (%)		0.85	1.37
	Earnings per share (NT\$)		1.08	2.21

2. 2021 Business Plan Overview

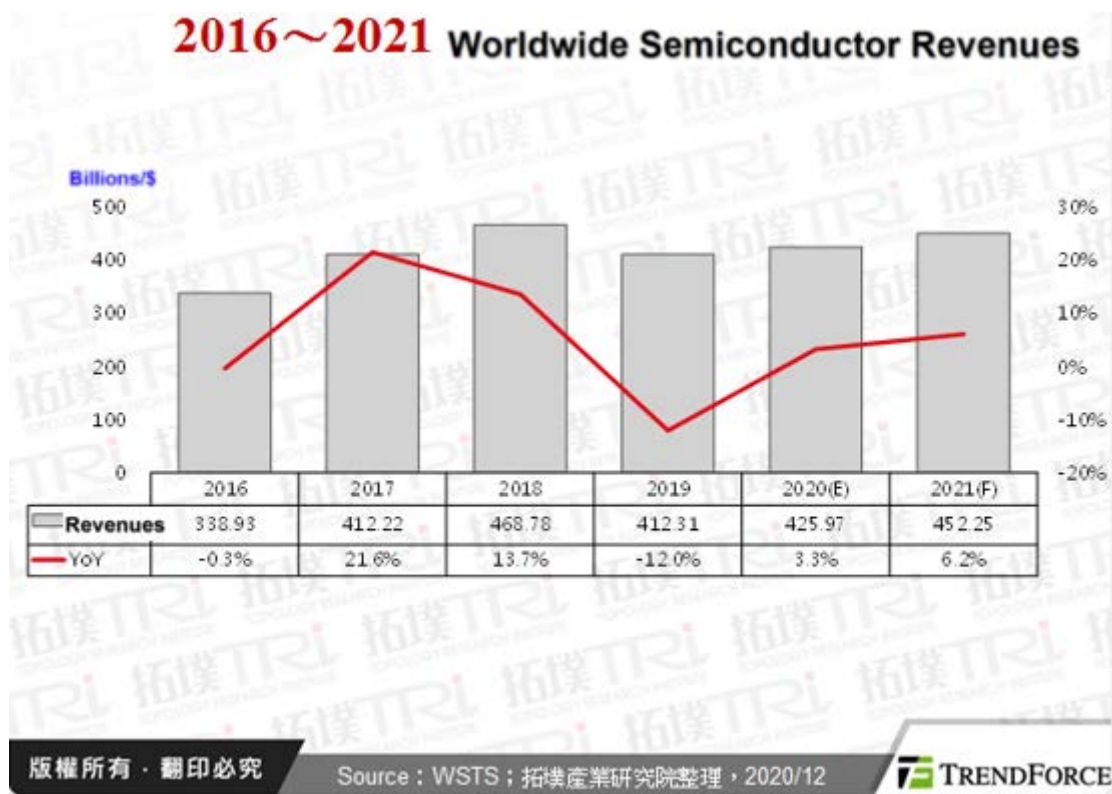
A. Operating policies

- (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.

B. Expected sales volume and its basis:

The future growth of the semiconductor industry globally is estimated to be 6.2% annually.

Under the continuous impact of the epidemic in 2020, the end consumer market has been significantly affected, and overall demand has fallen sharply. Benefited from IC inventory replenishment and the COVID-19 pandemic, it has promoted the growth of remote applications, boosted 5G infrastructure and demand of high-performance computing (HPC), notebook and so on. World Semiconductor Trade Statistics (WSTS) organization predicts that the global semiconductor market (including memory) in 2020 is expected to grow by 3.3%, reaching 426 billion US dollars. Almost every industry has been severely hit by the impact of the COVID-19, and only the semiconductor industry can maintain growth. Looking forward to 2021, HPC, 5G and AI will become the three major growth drivers. WSTS predicts that the global semiconductor industry will grow by 6.2% annually.



The new normal life in the era of COVID-19 epidemic will continue to drive remote business opportunities. With continuous increase of Stay-at-Home economy and medical demand, in addition to the gradually mature of 5G communication applications in 2021, remote business opportunities shall sustain, as well as online working, learning, shopping and other behaviors shall become the norm. Coupled with the fever of stay-at-home economy products such as Chromebooks, the momentum is expected to continue into the first quarter of 2021.

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; in addition, functions such as Always On and gesture operations will become another development focus, with related semiconductor processing efficiency, Netcom integration, and power consumption for higher request.

The development direction that major manufacturers are actively trying to achieve currently is multi-computing architecture (such as multi-core or CPU+GPU+ASIC). Through the optimal work distribution of multi-variable computing, while accomplishing the computing requests and at the same time to meet the power consumption limit. With the continuous development of emerging applications, the computing ability and low power consumption of ASICs (Application Specific Integrated Circuits) in specific applications are the focus of the application of multiple computing architectures, attracting investment from many companies and startup teams, and will drive changes in the industrial structure.

In 2020, driven by the demand for 5G communication technology and HPC high-efficiency computing, the semiconducting industry will have a substantial growth, driving the advanced process of foundry and the demand for high-end wafer packaging and testing. By the proliferation of networking applications drives, IC designs will fuel the future growth of the Netcom applications and automotive chips.

In 2021, global 5G innovation application cases will increase. Due to the technical limitations of the 4G applications in IoT in the past, the development of large-scale IoT systems (especially industrial IoT systems) is limited. With the help of new connectivity capabilities, 5G allows developers and consumers to combine many different devices and sensors into a large-scale system, even covering the entire city. It gradually will make smart cities realizable, not just a vision. 5G used in the Internet of Things system, its data processing capabilities will be improved, and so to assist in detecting and preventing dangerous situations, and manage complex supply chains.

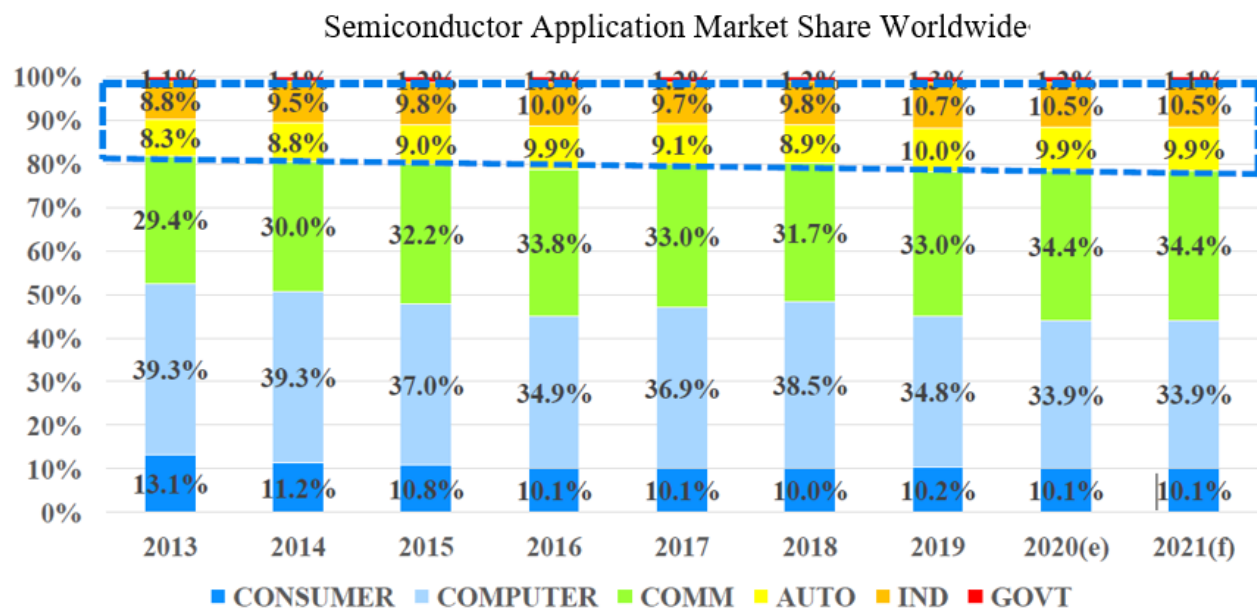
5G will dominate the market by vertical fields, and a wide range of vertical application fields will become 5G killer applications (smart health, smart transportation, etc.), rather than being completely driven by technology to dominate the market. The application transformation driven by industry demand can improve WiFi problems, including: (1) Information security; (2) Performance: interference, capacity, etc.; (3) Mobility: Among them, the 5G O-RAN is conducive to digital integration (IT+CT+OT) as well as AR and VR applications. Through the integration of virtual reality to assist smart manufacturing to reduce error rates and highly integrated Video as IoT Sensor to completely change the safety mechanism, move towards smarter manufacturing and improve the accuracy of Autonomous Guided Vehicle (AGV)

The semiconductor market of non-3C application grows year by year

In 3C applications, the market share of semiconductor applications for consumer electronics and computer applications continues to decline from 52.4% in 2013, and is expected to fall to 44.0% by 2021. On the other hand, the share of semiconductor applications for communication applications is showing an increasing trend.

The market for semiconductors for non-3C applications is growing year by year. Automotive and industrial semiconductors have continued to grow in recent years thanks to the development of

smart and automated products; due to the impact of the epidemic in 2020, and the increase demand for computers and consumer electronics, it shows a slight proportion decline.



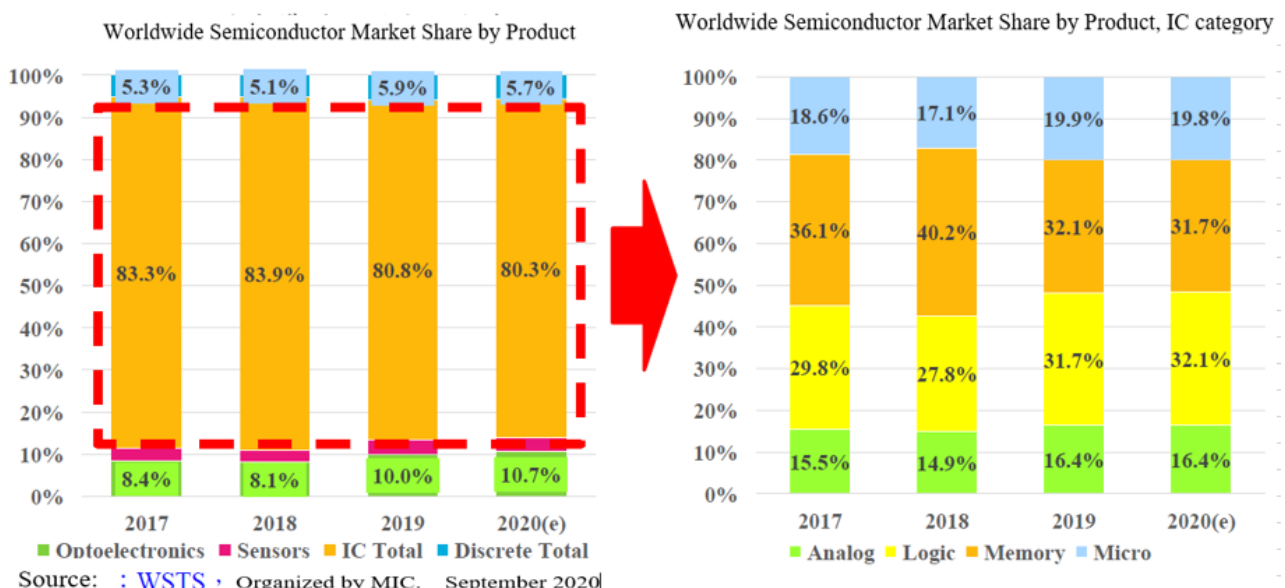
Source: [Gartner](#) , Organized by MIC. September 2020

The global semiconductor market is dominated by IC chips, of which Memory has the highest proportion.

The global semiconductor market is dominated by IC chips, accounting for more than 80% of the overall market; optoelectronic semiconductors are the second.

Memory ICs have benefited from their risen prices caused by the increased demand in recent years, and they belong to the category of the highest output value together with Logic IC. In 2018, the proportion has increased significantly due to the increase in mobile phone memory capacity, the demand for mining machines and the launch of 4K TV.

The proportion and output value of Analog and Logic, except for the impact of memory in 2018, mostly show a steady growth trend.



The time for the market to recover depends on the situation of pandemic control. If the pandemic

can be significantly controlled when the vaccine launches in the market, the overall semiconductor market is expected to resume growth momentum in the second quarter of 2021.

If the US government strengthens the scope of export controls on Huawei, it will have a short-term impact on Taiwan's semiconductor industry. However, Taiwan's manufacturers will be able to resume their growth momentum by shifting their market share in the long run.

In the past few decades, the development of the global semiconductor industry was mainly led by PCs, NBs, wireless communication products, and cloud computing, and the industry evolution will be carried on in the future. However, due to the epidemic in 2020, various countries and cities were partially or completely blocked, so the risk of individual unemployment and corporate bankruptcy has increased rapidly, resulting in a sharp drop in the demand for non-essential consumer electronic products.

Although the work, living habits, and consumer behavior have been impacted by COVID-19, and the industries in relation to electronics as well as corporates of component and assembly have been affected, new demands are at the same time generated as well. Including,

Epidemic prevention medical equipment: respirator, forehead thermometer, ear thermometer, blood oxygen machine

Government expenditure: 5G infrastructure (base stations, small base stations, optical fiber networks)

Stay-at-Home economic consumption expenditure: ultra-large data centers, servers, solid state drives, game consoles, head-mounted devices, smart watches, true Bluetooth wireless headsets

Online office teaching hardware: NB, Chrombook, Surface

The descriptions in several important application markets are as follows

a. Handheld Devices (including cellphones, smart watches and bracelets, etc)

According to the report of Topology Research Institute, in 2020, affected by COVID-19, terminal consumption is sluggish and smartphone shipments have declined for two consecutive years. Looking forward to 2021 while the epidemic slows down, the economy recovers and the base period is low, smartphones will resume back to its growth track, with an annual increase of 9%. In 2020, the penetration rate of 5G mobile phones will increase from 1% to 19%, and is expected to reach 38% in 2021. In 2020, Huawei and Apple have occupied more than 60% of the market, but in 2021, Xiaomi, OPPO and vivo will supplement the legacy of 5G mobile phone market share from Huawei.

Due to the sluggish growth of smart phones, brand manufacturers have begun to attempt versatility of product layouts, including smart watches/bands, TWS Bluetooth phones, AR/VR devices, and other emerging products that can be used as extensions of smart phone functions. For example, smart video can be transferred to the AR/VR device, and then equipped with functions such as motion tracking operation; the audio can be extended to the TWS Bluetooth headset, and can be used with the voice assistant to connect various functional applications; the smart watch/band can handle the message notification from smart phone, as a device for physiological data sensing and collection.

Therefore, even when the overall wearable device market in 2020 were hit by COVID-19, but with the increased investment of brand manufacturers, the overall market can still maintain an upward growth megatrend. It is estimated that smart bracelets will increase by 3% to 82.9 million in 2020, while smart watches will grow 30.2% reached 78.9 million. The reason why the growth rate of smart bracelets is lower than that of smart watches is not only the higher base period, but also the fact that when manufacturers increase their investment in this industry, they are less likely to choose smart bracelets because of their lower prices and limited functionality. Mostly market target will be development of smart watches. Therefore, although the existing brand manufacturers in the market continue to launch low-priced bracelet products, they are more focused on watch products. New entrants will also use the smart watch market as the main entry

point, leading to the prosperous growth of smart watch market in 2020.

b. Computer and its peripherals (PC including desktop and traditional notebook)

Market research agency Canalys recently released a PC market outlook report, pointing out that global PC shipments have continued to increase since the second quarter of 2020. It is expected that total shipments in 2020 will reach 458 million units, an annual increase of 17%; it is worth mentioning, due to the impact of the epidemic, the demand for desktop replacement from enterprises and education has greatly reduced, causing desktop shipments in 2020 to decline by 23.1%. Looking ahead to 2021, Canalys predicts to continue to benefit from nonstop growth of laptops, global PC shipments will increase by 1.4% annually and reach 464 million units.

Looking back at the global PC market in 2020, Canalys survey shows that, benefiting from remote business opportunities, the global demand for laptops and tablets has grown rapidly, which has boosted overall sales of PC. By the fourth quarter of 2020, PC shipments (including desktops, laptops, and tablets) are expected to reach 143 million units, an increase of 35% over the same period last year; and overall PC shipments in 2020 are expected to reach 458 million units, an annual increase of 17%.

Among them, due to the strong demand for remote work and learning, notebook shipments in 2020 are expected to reach 241 million units, an increase of 27.9% compared to 188 million units last year; while tablet shipments will reach 156 million units, an increase of 26.5% compared to 123 million units last year.

However, compared to the sharp growth of laptops and tablets, the sales volume of desktop computers this year has become very bleak. The overall shipment volume in 2020 is estimated to be around 60 million units, which is a drop of 23.1% compared to 79 million units last year; mainly due to the impact of the epidemic, the demand for desktop replacements from enterprises and education has greatly reduced.

Looking forward to 2021, Rushabh Doshi, Canalys Research Director, said that there will be four major trends that will continue to drive overall PC growth, namely remote work, digital learning, device as a service, and emerging application cases. With the advent of vaccines and the post-epidemic era, companies and consumers will pay more attention to the use of PCs. There will be many new opportunities not only in hardware but also in software and services. Companies will formulate flexible and active remote work policies for employees, and this requires efficient and safer PC products, especially in the financial industry and government public sectors.

Therefore, Canalys predicts that under the constant demand for remote work and learning, the growth power of PC will last until 2021. Notebook shipments will continue to grow, but the strength will slow down and the annual growth rate will shrink to 3.3%; however, driven by laptops, global PC shipments are expected to continue to grow in 2021, with an annual increase of 1.4% to about 464 million units.

c. Consumer Electronics

Consumer electronic products refer to electronic products used by consumers in daily life, and they belong to specific household appliances, containing electronic components. They are usually used for entertainment, communication, and clerical purposes, such as audio equipment, televisions, DVD players and even electronic clocks. An important feature of consumer electronics products is that they tend to lower their prices over time. Due to the efficiency of manufacturers and the improvement of technology, consumer electronics products can continue to be innovative.

The COVID-19 in 2020 has drastically changed the lifestyles of human beings around the world. The habits of going to work, school, consumption, and traveling have been forced to change from traditional basis as people movement. Under the new normal living conditions brought about by the impact of the epidemic, people, isolated at home, have gradually experienced more

convenience, energy saving and higher security that brought by smart home devices. The stay-at-home economy is on the rise, and features such as energy saving, automation, convenience, health promotion, and affordable prices will be the key to the continued growth of the smart home IoT device market.

According to Guidehouse Insights, despite the impact of the epidemic on the global economy, the smart home device market remains basically stable, as many consumers continue to purchase smart home devices that can improve their lives and provide added value. However, he also reminded that the side effects of the economic downturn brought about by the epidemic will still affect the consumer market to some extent, including large-scale unemployment, which will cause the overall market growth to be at a standstill in the short term.

However, Strategy Analytics predicts that the overall market is expected to gradually recover ever since 2021, and related consumer spending will reach US\$62 billion and grow to US\$88 billion in 2025 with a CAGR of 15%. The report pointed out that the overall market is mainly supported by smart thermometers, smart surveillance cameras, smart doorbells, smart sensor lights, etc. that are easy to install, can be purchased online and delivered to your home. In contrast, demand of smart home devices that are more complex and require professional installation has declined, because during the epidemic, people still have concerns about contact with outsiders or even living in the same space. It is expected that the overall market will not return to normal until 2023 or beyond.

Bill Ablondi, Director of Strategy Analytics' Smart Home Strategies team, pointed out that surveys of consumers and suppliers show that some smart home devices have increased demand due to the epidemic, such as security surveillance cameras, smart doorbells, smart thermometers, etc., especially for younger people with the most willingness to purchase.

d. Telecom&Communication

Market Intelligence & Consulting Institute (MIC) looks forward to the development of the worldwide communications industry in 2021, and anticipates that the four major markets of "consumer end (such as smartphones)", "5G telecommunication network", "enterprise network" and "data center" will fuel the growth of the global communications market in 2021, with an estimated output value growth of 8.1%, reaching US\$613.3 billion, of which mobile devices account for about 70%. Global shipments of smartphones were hit by the epidemic in 2020 but is expected to grow by 9% in 2021, with shipments reaching 1.35 billion units. For 5G mobile phones, shipment output was 230 million units in 2020, with a penetration rate of 18.4%, of which mainland China accounts for more than 60%. The top three brands of 5G mobile phones are Huawei (33%), Apple (31%) and Samsung (13%), and it is estimated that 5G mobile phone shipments will reach 540 million units in 2021, with an annual growth rate of 136%.

There are three significant trends in the communications industry in 2021.

The first is smart phones. When the United States continues to tighten controls on Huawei and after Huawei loses the mobile phone market, a new world will inevitably emerge. Market Intelligence & Consulting Institute (MIC) stated that the key point will be whether Apple actively develops low-priced models. If Apple supports China's local supply chain, this will have a partial negative impact on the revenue performance of Taiwan's mobile communications industry. On the other hand, as continuous upgrade of product functions and software/hardware specifications with 5G support on large bandwidths, screens, lenses, artificial intelligence and so on, Taiwan's communications industry in 2021 can still look forward to the business opportunities brought by the wave of 5G replacement. The second key is the South Korean 5G commercial enlightenment, which will become an important reference for domestic telecom companies. According to MIC, since its commercialization in April 2019, South Korean telecom companies' ARPU has performed better than the 4G era, and even turned positive from negative. 5G will be beneficial to telecom operators' revenue, and 5G applications provided by telecom companies such as

high-quality AR/VR audio and video and cloud game services stand for the opportunity to bring higher traffic and service volume than 4G for the users. In addition, European and American mobile telecommunications companies will accelerate the construction of 5G networks in 2021, broadcasting themes such as open networks, private networks, and marginal computing. The promotion of market enthusiasm will be another focus of 5G. The third key is the field of Netcom. The observatory focus is that fixed-line service providers continue to expand the construction of FTTH networks, promote 1Gbps+ home services, and introduce a new generation of 10G PON networks; in addition, the 25G optical fiber field are driven by 5G networks, and the demand for related Netcom equipment of future enterprises and data centers is expected to have positive performance.

e. Industrial Electronics

The output value of Taiwan's industrial computers in the first three quarters of 2020 was about 26 billion, a 2.7% decline compared to 2019. This was mainly due to the shortage of components and unsatisfactory logistics caused by COVID-19, as well as project development delays. Furthermore, the overall economic environment is declining, and manufacturers are more conservative and cautious, all have resulted that orders for industrial computers are limited. However, from the demand side, in response to epidemic prevention and medical needs, the promotion of temperature detection systems, respirators and medical equipment, etc., is expected to reach NT\$35.4 billion in 2020.

Looking forward to 2021, although the global economy still takes time to recover, as order delays ease, countries increase investment in public infrastructure to revitalize the economy, and the new normal life was brought about by COVID-19, the pace of digital transformation of vertical applications will be driven. For example, the implementation of smart manufacturing in the manufacturing industry can improve its "survival resilience." In the retail industry, in response to the "non-contact" interactive situation, digital transformation is imperative. The logistics industry increases the demand for AMR/AGV to reduce human dependence. To revitalize the economy, countries increase public infrastructure budgets. There is the opportunity to grow for Taiwan's industrial computer output, and to usher in new business opportunities by taking advantage of the Internet of Things and AI technology development.

f. Automotive Electronics

According to Topology Research Institute, with the gradual recovery of global consumer market demand, global automobile shipments are expected to reach 83.5 million in 2021. In the fourth quarter of this year, major automobile corporates and Tier 1 companies began stock replenishment, which in turn led to an increase in demand for automotive semiconductors. It is estimated that the global automotive chip production value in 2020 will reach 18.67 billion U.S. dollars; in 2021, it will increase to 21 billion U.S. dollars, with an annual growth rate of 12.5%.

In 2020, the automotive chip market has been hit by China-US trade frictions and the epidemic. In addition to the supply side, factories have been shut down due to the impact of the epidemic since the beginning of the year. On the demand side, the people's willingness to buy vehicles has been greatly reduced due to home quarantine and other related policies. The disconnection of the supply chain also makes international automotive manufacturers postpone the launch of new cars on the market, which in turn has a significant impact on the automotive market.

Even though the automotive market is facing severe challenges, the major automotive semiconductor corporates still actively develop and expand the automotive chip market. The main reason is that the verification time of newly developed automotive chips is longer, and specifications of certification vary among each automotive manufacturer to be fulfilled. If it can

be deployed in advance, there will be the opportunity to enter the supply chain of new vehicles to be released after 2023. For example, NXP has cooperated with Taiwan Semiconductor Manufacturing Company (TSMC) for 5nm automotive processors; STMicroelectronics (ST) and Bosch are in cooperation to develop automotive microcontrollers; After the acquisition of Cypress by Infineon, Cypress's automotive NOR Flash and microcontroller (MCU) have strengthened the integrity of Infineon's automotive-related solutions.

In all, telematics, ADAS, self-driving cars and electric vehicles have become irreversible development trends in the automotive industry, and they are also such a significant factor to driving the growth of automotive semiconductors. Whether they can succeed in the market in the future will depend on the speed of introduction of advanced processes and mastery of the production capacity of automotive power semiconductors. Topology Research Institute also specifically pointed out that the current global semiconductor industry is limited by the shortage of fab capacity, and if the shortage of goods cannot be resolved in the short term, it is expected that the automotive industry will also face a similar situation. Therefore, IDM manufacturers who has its own fab will have a greater competitive advantage in the automotive market

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

Turbulence can be said to be the best portrayal of 2020. The US-China trade war was in the ascendant before, and the black swan COVID-19 pandemic followed in the next century. The epidemic spread to the world has caused the World Bank to predict that real GDP in 2020 will decline by 4.3 %. The worst times may also be the best times. The remote business opportunities and the demand for terminal products driven by the new normal life after the epidemic, in addition to the 5G construction boom, caused many industries to operate against the wind. From the perspective of the semiconductor industry, major packaging and testing factories are actively investing in capital expenditures, foundry capacity continues to be fully loaded, and IC design is boosting alive when the global supply chain and the transportation industry resumes.

The COVID-19 epidemic has prompted companies to accelerate the pace of digital transformation. As an important information infrastructure, Netcom and computing industries are also enjoying their prosperity. Products and services such as the Internet of Things, cloud computing and industrial computers focus on smart healthcare, edge computing, and remote non-contact to improve corporate resilience and technology of survival flexibility and scenario mining. If it extends further from the enterprise to the public, the momentum of Work-From-Home (WFH) and Stay-at-Home economy will boost the demand for smart terminals, and the demand for related products such as TVs, speakers, watches, laptops, etc.

will rebound in the second half of 2020. The volume of goods is therefore showing a growth trend, and to a certain extent, it has also increased the shipment of IT panels.

Looking forward to the dawn of epidemic prevention in 2021, relevant remote, non-contact, AI, image recognition and other technical tools will take 5G and the Internet of Things as the key to development, and then further deepen the integration with industry, medical, and Internet of Vehicles. The application scenarios of the company have spawned business models and industrial forms. For example, smart medical care will focus on remote medical care, wearable devices and status tracking, making detection capabilities and accuracy the key to products. On the other hand, the growth momentum of smart life comes from automated comfort, home safety, and environmental sanitation monitoring. As the demand for smart terminals has not faded, in addition to the health application physiological data measurement re-emphasized due to COVID-19, and new products that are expected to be released as well as international games and activities with one-year postponement and so as other issues to enable various products to maintain their outstanding performance in 2021. In view of 5G communications, consumer electronics, and the expected recovery of the automotive market and mobile phone consumption power, the demand for upstream key components as IC design, packaging and testing, and foundry of semiconductors can be cautiously optimistic. Overall, the business opportunities derived from the post-epidemic era not only affect the development trend of the industry, but also change the lifestyle of consumers. Through the trials and tribulations in 2020, companies and consumers believe that in 2021, they will be able to face the epidemic more positively, diversified, and actively, and based on the new normal, after a storm comes a calm, to welcome the recovery of the industry.

Attachment II

Zenitron Corporation Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 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:

2021 Annual General Meeting of Zenitron Corporation

Chairman of the Audit Committee:

Hsu, Jui-Mao

March 22, 2021

Attachment III

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, 2020 and 2019, 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, 2020 and 2019, 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 audit of the parent company only financial statements as at and for the year ended December 31, 2020 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; and in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Financial Supervisory Commission No. 1090360805 of February 25, 2020 and generally accepted auditing standards in the Republic of China for our audit of the parent company only financial statements as at and for the year ended December 31, 2019. 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 2020 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 2020 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 control of the credit risk management and accounts receivable impairment.
2. Assessed the calculation logic of year-end accounts receivable ageing report provided by management, reviewed the related supporting documents and verified it against the accounting records to ascertain the accuracy of the ageing classification.
3. For those material accounts receivable individually identified by the management to have been impaired, reviewed the supporting documents of impairment assessment provided by the management to assess the reasonableness of collectability.
4. 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 loss a key audit matter.

How our audit addressed the matter

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

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

Appropriateness of warehouse revenue cut-off

Description

Refer to Note 4(22) 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 control of the two parties' daily reconciliation.
2. Obtained the inventory movement records generated from the inventory warehousing system of the customer's distribution warehouses in 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, 2021

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, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 562,899	4	\$ 465,932	4
Financial assets at fair value through profit or loss - current	6(2)	14,626	-	32,196	-
Financial assets at fair value through other comprehensive income - current	6(3)	858,856	6	667,431	6
Notes receivable, net	6(4)	11,770	-	9,313	-
Accounts receivable, net	6(4)	4,357,461	30	3,644,468	33
Accounts receivable - related parties, net	7	1,141,133	8	499,230	5
Other receivables		98,069	1	73,357	1
Other receivables - related parties	7	224,194	2	220,435	2
Inventories, net	6(5)	4,297,237	29	2,392,963	22
Other current assets		72,449	-	96,358	1
Total current assets		11,638,694	80	8,101,683	74
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	46,111	-	46,111	-
Investments accounted for using equity method	6(6)	2,536,286	17	2,357,370	20
Property, plant and equipment	6(7)	376,212	3	382,711	4
Right-of-use assets	6(8)	764	-	995	-
Investment property, net	6(10) and 8	37,036	-	37,579	-
Deferred income tax assets	6(22)	50,424	-	35,543	-
Other non-current assets	8	48,442	-	48,822	2
Total non-current assets		3,095,275	20	2,909,131	26
Total assets		\$ 14,733,969	100	\$ 11,010,814	100

(Continued)

ZENITRON CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(11)	\$ 6,381,379	43	\$ 3,949,484	36
Short-term notes and bills payable	6(12)	549,506	4	499,481	5
Notes payable		2,496	-	3,664	-
Accounts payable		2,506,644	17	1,760,945	16
Accounts payable - related parties	7	44,694	-	14,725	-
Other payables		250,499	2	162,485	1
Current income tax liabilities		-	-	25,123	-
Current lease liabilities	6(8)	406	-	871	-
Other current liabilities		11,973	-	8,152	-
Total current liabilities		9,747,597	66	6,424,930	58
Non-current liabilities					
Deferred income tax liabilities	6(22)	114,468	1	114,468	1
Non-current lease liabilities	6(8)	354	-	123	-
Other non-current liabilities	6(13)	69,992	-	65,585	1
Total non-current liabilities		184,814	1	180,176	2
Total liabilities		9,932,411	67	6,605,106	60
Equity					
Share capital	6(14)				
Common stock		2,138,249	15	2,138,249	19
Capital surplus	6(15)				
Capital surplus		958,734	7	965,034	9
Retained earnings	6(16)				
Legal reserve		718,200	5	695,154	6
Unappropriated retained earnings		643,662	4	390,067	4
Other equity interest					
Other equity interest		342,713	2	217,204	2
Total equity		4,801,558	33	4,405,708	40
Significant contingent liabilities and unrecognised contract commitments	9				
Significant subsequent events	6(16) and 11				
Total liabilities and equity		\$ 14,733,969	100	\$ 11,010,814	100

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

ZENITRON CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

Items	Notes	Year ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating Revenue	6(17) and 7	\$ 20,128,205	100	\$ 15,469,871	100
Operating Costs	6(5) and 7	(19,479,725)	(97)	(14,777,080)	(96)
Gross Profit		648,480	3	692,791	4
Unrealised gain from sales		(1,600)	-	(1,600)	-
Realised gain from sales		1,600	-	1,600	-
Net Gross Profit		648,480	3	692,791	4
Operating Expenses	6(20)				
Selling expenses		(421,985)	(2)	(353,160)	(2)
General and administrative expenses		(204,174)	(1)	(160,032)	(1)
Total operating expenses		(626,159)	(3)	(513,192)	(3)
Operating Profit		22,321	-	179,599	1
Non-operating Income and Expenses					
Interest income		6,054	-	7,867	-
Other income	6(18)	60,443	-	63,529	-
Other gains and losses	6(19)	100,790	1	47,432	-
Finance costs	6(21)	(67,696)	-	(109,397)	(1)
Share of profit of subsidiaries and joint ventures accounted for using equity method	6(6)	355,842	2	89,909	1
Total non-operating income and expenses		455,433	3	99,340	-
Profit before Income Tax		477,754	3	278,939	1
Income tax expense	6(22)	(5,729)	-	(48,358)	-
Profit for the Year		<u>\$ 472,025</u>	<u>3</u>	<u>\$ 230,581</u>	<u>1</u>
Other Comprehensive Income					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plan	6(13)	(\$ 5,623)	-	(\$ 147)	-
Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	217,244	1	224,144	1
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	1,124	-	30	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(75,020)	-	(51,752)	-
Other Comprehensive Income for the Year		<u>\$ 137,725</u>	<u>1</u>	<u>\$ 172,275</u>	<u>1</u>
Total Comprehensive Income		<u>\$ 609,750</u>	<u>4</u>	<u>\$ 402,856</u>	<u>2</u>
Earnings per Share (in dollars)	6(23)				
Basic earnings per share		\$ 2.21		\$ 1.08	
Diluted earnings per share		\$ 2.20		\$ 1.08	

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, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

		Retained Earnings			Other Equity Interest			
	Notes	Share capital – common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<u>Year ended December 31, 2019</u>								
Balance at January 1, 2019		\$ 2,138,249	\$ 965,034	\$ 654,490	\$ 563,767	(\$ 38,919)	\$ 83,731	\$ 4,366,352
Net income for the year		-	-	-	230,581	-	-	230,581
Other comprehensive income (loss)		-	-	-	(117)	(51,752)	224,144	172,275
Total comprehensive income (loss)		-	-	-	230,464	(51,752)	224,144	402,856
Appropriations and distribution of 2018 earnings	6(16)							
Legal reserve		-	-	40,664	(40,664)	-	-	-
Cash dividends		-	-	-	(363,500)	-	-	(363,500)
Balance at December 31, 2019		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	\$ 4,405,708
<u>Year ended December 31, 2020</u>								
Balance at January 1, 2020		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	\$ 4,405,708
Net income for the year		-	-	-	472,025	-	-	472,025
Other comprehensive income (loss)		-	-	-	(4,499)	(75,020)	217,244	137,725
Total comprehensive income (loss)		-	-	-	467,526	(75,020)	217,244	609,750
Appropriations and distribution of 2019 earnings	6(16)							
Legal reserve		-	-	23,046	(23,046)	-	-	-
Cash dividends		-	-	-	(207,600)	-	-	(207,600)
Cash payment from capital surplus	6(16)	-	(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

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, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

		Year ended December 31	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 477,754	\$ 278,939
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(19)	(2,568)	(10,696)
Expected credit loss (gain)	6(4)	5,674	(2,095)
Share of profit of subsidiaries and joint ventures accounted for using equity method	6(6)	(355,842)	(89,909)
Depreciation and amortisation	6(20)	17,743	18,281
(Gain) loss on disposal of property, plant and equipment	6(19)	(74)	161
Interest expense	6(21)	67,696	109,397
Interest income	(	6,054)	(7,867)
Dividend income	6(18)	(24,105)	(20,593)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		20,138	5,701
Notes and accounts receivable	(	721,124)	342,762
Accounts receivable - related parties	(	641,903)	1,218,097
Other receivables (including related parties)	(	20,367)	(23,353)
Inventories	(	1,904,274)	1,203,829
Increase in other current assets		23,909	25,459
Changes in operating liabilities			
Notes and accounts payable (including related parties)		774,500	(738,470)
Other payables		88,815	(123,803)
Other current liabilities		3,821	(8,435)
Other non-current liabilities	(	1,216)	396
Cash (outflow) inflow generated from operations	(	2,197,477)	2,177,801
Interest received		6,054	7,867
Interest paid	(	68,497)	(120,778)
Income tax paid	(	49,712)	(74,689)
Net cash flows (used in) from operating activities	(	2,309,632)	1,990,201
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	(	74)	(36,570)
Proceeds from disposal of financial assets at fair value through other comprehensive income		25,892	-
Proceeds from capital reduction of investments accounted for using equity method		100,833	-
Acquisition of property, plant and equipment	6(7)	(6,380)	(10,260)
Proceeds from disposal of property, plant and equipment		200	786
(Increase) decrease in refundable deposits	(	999)	27
(Increase) decrease in other receivables - related parties	(	3,000)	8,491
Increase in other current assets	(	1,982)	(1,938)
Dividends received		25,177	20,593
Net cash flows from (used in) investing activities		139,667	(18,871)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	6(24)	2,431,895	(1,492,382)
Increase (decrease) in short-term notes and bills payable	6(24)	50,025	(99,922)
Payments of lease liabilities	6(24)	(1,088)	(1,144)
Cash dividends paid	6(16)	(213,900)	(363,500)
Net cash flows from (used in) financing activities		2,266,932	(1,956,948)
Net increase in cash and cash equivalents		96,967	14,382
Cash and cash equivalents at beginning of year		465,932	451,550
Cash and cash equivalents at end of year	\$	562,899	\$ 465,932

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, 2020 and 2019, 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, 2020 and 2019, 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 audit of the consolidated financial statements as at and for the year ended December 31, 2020 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; and in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Financial Supervisory Commission Letter No. 1090360805 of February 25, 2020 and generally accepted auditing standards in the Republic of China for our audit of the consolidated financial statements as at and for the year ended December 31, 2019. 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 2020 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 2020 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 control of the credit risk management and accounts receivable impairment.
2. Assessed the calculation logic of year-end accounts receivable ageing report provided by management, reviewed the related supporting documents and verified it against the accounting records to ascertain the accuracy of the ageing classification.
3. For those material accounts receivable individually identified by the management to have been impaired, reviewed the supporting documents of impairment assessment provided by the management to assess the reasonableness of collectability.
4. 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 loss a key audit matter.

How our audit addressed the matter

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

1. Understood and evaluated the internal control procedures over the 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(21) 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 control of the two parties' daily reconciliation.
2. Obtained the inventory movement records generated from the inventory warehousing system of the customer's distribution warehouses in 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, 2020 and 2019.

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, Chin-Chang

Yi-Fan Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2021

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 report of independent accountants 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, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 1,676,223	9	\$ 1,198,560	8
Financial assets at fair value through profit or loss - current	6(2)	25,307	-	70,050	-
Financial assets at fair value through other comprehensive income - current	6(3)	858,856	4	667,431	5
Notes receivable, net	6(4)	220,785	1	247,446	2
Accounts receivable, net	6(4)	9,146,660	47	6,904,459	49
Other receivables		100,253	1	105,692	1
Inventories, net	6(5)	6,377,512	33	4,184,671	29
Other current assets		84,546	1	115,070	1
Total current assets		18,490,142	96	13,493,379	95
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	6(3)	95,894	1	110,509	1
Property, plant and equipment	6(6)	440,004	2	449,200	3
Right-of-use assets	6(7)	98,306	1	21,563	-
Investment property, net	6(9) and 8	37,036	-	37,579	-
Deferred income tax assets	6(21)	63,504	-	48,809	-
Other non-current assets	8	65,291	-	66,061	1
Total non-current assets		800,035	4	733,721	5
Total assets		\$ 19,290,177	100	\$ 14,227,100	100

(Continued)

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(10)	\$ 8,668,103	45	\$ 5,512,308	39
Short-term notes and bills payable	6(11)	549,506	3	499,481	4
Notes payable		2,528	-	3,664	-
Accounts payable		4,403,301	23	3,185,177	22
Other payables		447,222	2	324,944	2
Current income tax liabilities		59,326	-	32,573	-
Current lease liabilities	6(7)	40,234	-	20,499	-
Other current liabilities		72,945	1	54,713	-
Total current liabilities		<u>14,243,165</u>	<u>74</u>	<u>9,633,359</u>	<u>67</u>
Non-current liabilities					
Deferred income tax liabilities	6(21)	114,468	1	114,468	1
Non-current lease liabilities	6(7)	59,073	-	1,216	-
Other non-current liabilities	6(12)	71,913	-	72,349	1
Total non-current liabilities		<u>245,454</u>	<u>1</u>	<u>188,033</u>	<u>2</u>
Total liabilities		<u>14,488,619</u>	<u>75</u>	<u>9,821,392</u>	<u>69</u>
Equity attributable to owners of parent					
Share capital	6(13)				
Common stock		2,138,249	11	2,138,249	15
Capital surplus	6(14)				
Capital surplus		958,734	5	965,034	6
Retained earnings	6(15)				
Legal reserve		718,200	4	695,154	5
Unappropriated retained earnings		643,662	3	390,067	3
Other equity interest					
Other equity interest		342,713	2	217,204	2
Total equity attributable to owners of parent		<u>4,801,558</u>	<u>25</u>	<u>4,405,708</u>	<u>31</u>
Total equity		<u>4,801,558</u>	<u>25</u>	<u>4,405,708</u>	<u>31</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant subsequent events	6(15) and 11				
Total liabilities and equity		<u>\$ 19,290,177</u>	<u>100</u>	<u>\$ 14,227,100</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, 2020 AND 2019

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

Items	Notes	Year ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating Revenue	6(16)	\$ 34,401,169	100	\$ 26,992,869	100
Operating Costs	6(5)	(32,779,983)	(95)	(25,509,080)	(95)
Gross Profit		<u>1,621,186</u>	<u>5</u>	<u>1,483,789</u>	<u>5</u>
Operating Expenses	6(20)				
Selling expenses		(857,343)	(3)	(812,972)	(3)
General and administrative expenses		(336,866)	(1)	(285,248)	(1)
Total operating expenses		(1,194,209)	(4)	(1,098,220)	(4)
Operating Profit		<u>426,977</u>	<u>1</u>	<u>385,569</u>	<u>1</u>
Non-operating Income and Expenses					
Interest income		6,425	-	7,551	-
Other income	6(17)	74,300	-	74,214	-
Other gains and losses	6(18)	169,516	-	33,320	-
Finance costs	6(19)	(122,162)	-	(193,227)	-
Total non-operating income and expenses		<u>128,079</u>	<u>-</u>	<u>(78,142)</u>	<u>-</u>
Profit before Income Tax		<u>555,056</u>	<u>1</u>	<u>307,427</u>	<u>1</u>
Income tax expense	6(21)	(83,031)	-	(76,846)	-
Profit for the Year		<u>\$ 472,025</u>	<u>1</u>	<u>\$ 230,581</u>	<u>1</u>
Other Comprehensive Income					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans	6(12)	(\$ 5,623)	-	(\$ 147)	-
Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	217,244	1	224,144	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	1,124	-	30	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(75,020)	-	(51,752)	-
Other Comprehensive Income for the Year		<u>\$ 137,725</u>	<u>1</u>	<u>\$ 172,275</u>	<u>-</u>
Total Comprehensive Income		<u>\$ 609,750</u>	<u>2</u>	<u>\$ 402,856</u>	<u>1</u>
Net profit attributable to:					
Owners of the parent		\$ 472,025	1	\$ 230,581	1
Non-controlling interest		-	-	-	-
		<u>\$ 472,025</u>	<u>1</u>	<u>\$ 230,581</u>	<u>1</u>
Comprehensive income attributable to:					
Owners of the parent		\$ 609,750	2	\$ 402,856	1
Non-controlling interest		-	-	-	-
		<u>\$ 609,750</u>	<u>2</u>	<u>\$ 402,856</u>	<u>1</u>
Earnings per Share (in dollars)	6(22)				
Basic earnings per share		\$ 2.21		\$ 1.08	
Diluted earnings per share		\$ 2.20		\$ 1.08	

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, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent						
		Retained Earnings				Other Equity Interest		
						Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
	Notes	Share capital – common stock	Capital surplus	Legal reserve	Unappropriated retained earnings			Total equity
<u>Year ended December 31, 2019</u>								
Balance at January 1, 2019		\$ 2,138,249	\$ 965,034	\$ 654,490	\$ 563,767	(\$ 38,919)	\$ 83,731	\$ 4,366,352
Net income for the year		-	-	-	230,581	-	-	230,581
Other comprehensive income (loss)	6(3)	-	-	-	(117)	(51,752)	224,144	172,275
Total comprehensive income (loss)		-	-	-	230,464	(51,752)	224,144	402,856
Appropriation and distribution of 2018 earnings	6(15)							
Legal reserve		-	-	40,664	(40,664)	-	-	-
Cash dividends		-	-	-	(363,500)	-	-	(363,500)
Balance at December 31, 2019		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	\$ 4,405,708
<u>Year ended December 31, 2020</u>								
Balance at January 1, 2020		\$ 2,138,249	\$ 965,034	\$ 695,154	\$ 390,067	(\$ 90,671)	\$ 307,875	\$ 4,405,708
Net income for the year		-	-	-	472,025	-	-	472,025
Other comprehensive income (loss)	6(3)	-	-	-	(4,499)	(75,020)	217,244	137,725
Total comprehensive income (loss)		-	-	-	467,526	(75,020)	217,244	609,750
Appropriation and distribution of 2019 earnings	6(15)							
Legal reserve		-	-	23,046	(23,046)	-	-	-
Cash dividends		-	-	-	(207,600)	-	-	(207,600)
Cash payment from capital surplus	6(15)	-	(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

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, 2020 AND 2019
(Expressed in thousands of New Taiwan Dollars)

		Year ended December 31	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 555,056	\$ 307,427
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(18)	(52,030)	(12,983)
Expected credit loss (gain)	6(4)	12,100	6,523
Depreciation and amortisation	6(20)	71,700	73,937
Loss (gain) on disposal of property, plant and equipment	6(18)	(196)	396
Interest expense	6(19)	122,162	193,227
Interest income	(	6,425)	(7,551)
Dividend income	6(17)	(26,654)	(23,782)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		96,773	9,451
Notes and accounts receivable	(	2,227,640)	983,210
Other receivables	(	19,157)	(21,528)
Inventories	(	2,192,841)	1,626,845
Other current assets		30,524	11,214
Changes in operating liabilities			
Notes and accounts payable		1,216,988	(399,894)
Other payables		123,088	(133,510)
Other current liabilities		18,232	(5,930)
Other non-current liabilities	(	436)	5,403
Cash (outflow) inflow generated from operations	(	2,278,756)	2,599,409
Interest received		6,425	7,551
Interest paid	(	122,972)	(206,702)
Income tax paid	(	44,787)	(134,807)
Net cash flows (used in) from operating activities	(	2,440,090)	2,265,451
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	(	74)	(36,570)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		11,392	24,728
Proceeds from disposal of financial assets at fair value through other comprehensive income		25,892	-
Acquisition of property, plant and equipment	6(6)	(13,739)	(16,615)
Proceeds from disposal of property, plant and equipment		681	913
(Increase) decrease in refundable deposits	(	1,138)	1,329
Increase in other non-current assets	(	2,237)	(3,042)
Dividends received		26,654	23,782
Net cash flows from (used in) investing activities		47,431	(5,475)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	6(23)	3,155,795	(1,868,987)
Increase (decrease) in short-term notes and bills payable	6(23)	50,025	(99,921)
Payments of lease liabilities	6(23)	(42,154)	(42,776)
Cash dividends paid	6(15)	(213,900)	(363,500)
Net cash flows from (used in) financing activities		2,949,766	(2,375,184)
Effect of exchange rate changes	(	79,444)	(49,966)
Net increase (decrease) in cash and cash equivalents		477,663	(165,174)
Cash and cash equivalents at beginning of year		1,198,560	1,363,734
Cash and cash equivalents at end of year		\$ 1,676,223	\$ 1,198,560

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

Attachment IV**Zenitron Corporation****2020 Earnings Distribution Table****Unit: NT\$**

Item	Amount
Undistributed Earnings, beginning of period	159,419,631
Plus (Less): Adjustments of 2020 Retained Earnings	12,216,493
Undistributed Earnings after Adjustment	171,636,124
Net profit after tax 2020	472,025,500
Less: Legal Reserve	(48,424,199)
Special Reserve	0
Earnings in 2020 Available for Distribution	423,601,301
Accumulated Retained Earnings Available for Distribution	595,237,425
Less: Distribution Earnings:	
Dividends to Shareholders- Cash (NT\$1.9 per share)	(406,300,000)
Undistributed Earnings, end of period	188,937,425

Note: Earnings in 2020 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 2019, and so forth.

Attachment V

List of Director and Independent Director Candidates

Title	Name or Account	Educational Background/ Main Experience
Director	CHOU,YEOU-YIH	Asian Institute of Management-MDP Tatung Institute of Technology-Department of Electrical Engineering Chairman, Zenitron Corporation
Director	CHEN,HSIN-YI	Tatung Institute of Technology-Department of Electrical Engineering Vice Chairman, Zenitron Corporation
Director	YUTSENG INVESTMENT CO., LTD.	Director, Zenitron Corporation
Director	ZENITEX INVESTMENT CO., LTD.	Director, Zenitron Corporation
Director	YEH, LU-CHANG	MBA, NTU President/CFO, Zenitron Corporation
Director	FANG,YI-HSIUNG	TAFE Queensland – Ipswich President, I-SHENG ELECTRIC WIRE & CABLE CO., LTD.
Director	HSIEH,SHIH-FU	Taipei Institute of Technology- Department of Electrical Engineering Director, AUSTIN TECHNOLOGY CO., LTD. President, FDK TAIWAN LTD.
Independent Director	LIU,CHUN	National Tsing Hua University-Master of Computer science Chairman, ADLINK Technology CO., LTD
Independent Director	HSU,JUI-MAO	EMBA, NTU Fudan University-Master of Business Administration University of Missouri-Master of Business Administration Independent director, SHINIH ENTERPRISE CO., LTD. President, IBT Securities Co., Ltd.
Independent Director	LIAO, FU-LONG	Taipei Institute of Business- Department of Accounting Independent director, Well Shin Technology Co., Ltd. Senior Associate Vice President, E.Sun Bank

Attachment VI

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

Title	Name	Concurrent Position/Title Held in Other Company
Director	CHOU,YEOU-YIH	Chairman, ZENITRON (H.K.) LIMITED-Zenitron legal representative Chairman, SUPERTRONIC INTERNATIONAL CORP. -Zenitron legal representative Chairman, ZENIBOSS CORPORATION. Director, CORDIAL INVESTMENT CORP. - Zenitron legal representative Director, Nu Inc. - Zenitron legal representative Director, Capital Investment Development Corp.-SUPERTRONIC legal representative Director, I-SHENG ELECTRIC WIRE & CABLE CO., LTD. Director, ADLINK Technology Director, YUTSENG INVESTMENT CO., LTD. Supervisor, ZENITEX INVESTMENT CO., LTD.
Director	CHEN,HSIN-YI	Director, ZENITRON (H.K.) LIMITED-Zenitron legal representative Director, ZENITRON (SHENZHEN) TECHNOLOGY CO., LTD - Zenitron (H.K) legal representative Supervisor, ZTHC (SHANGHAI) CO., LTD-Zenitron (H.K) legal representative Director, SHANGHAI ZENITRON ELECTRONIC TRADING CO., LTD. -Zenitron (H.K) legal representative
Director	YEH, LU-CHANG	Director, ZeniCom (HK) Limited-SUPERTRONIC legal representative Supervisor, ZeniCom CORPORATION -Zenitron legal representative Director, ZTHC (SHANGHAI) CO., LTD - Zenitron (H.K) legal representative Supervisor, ZENITRON (SHANGHAI) INTERNATIONAL TRADING CO.,LTD- Zenitron (H.K) legal representative
Director	FANG,YI-HSIUNG	Director, DRAGONJET CORPORATION Director, I-SHENG ELECTRIC WIRE&PLASTIC(KUNSHAN) CO.,LTD President, I-SHENG ELECTRIC WIRE & CABLE CO., LTD.
Director	HSIEH,SHIH-FU	Director, AUSTIN TECHNOLOGY CO., LTD.

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Title	Name	Concurrent Position/Title Held in Other Company
Independent Director	LIU,CHUN	Chairman, ADLINK Technology Chairman, ADLINK INTERNATIONAL CO., LTD - ADLINK Technology legal representative Chairman, ADLINK TECHNOLOGY (HK) CO., LIMITED- ADLINK Technology legal representative Director, ADLINK TECHNOLOGY (China) CO., LIMITED - ADLINK Technology legal representative Director, ADLINK Technology Japan Co. Chairman, Ampro ADLINK Technology Inc. - ADLINK Technology legal representative Director, ADLINK Technology Holding GmbH- ADLINK Technology legal representative Director, ADLINK (Dong-Guang) Technology Inc.- ADLINK Technology legal representative Director, ADLINK Technology GmbH Director, ADLINK Technology Limited Director, ADLINK Technology Korea Limited
Independent Director	HSU,JUI-MAO	Independent director, SHINIH ENTERPRISE CO., LTD.
Independent Director	LIAO, FU-LONG	Independent director, Well Shin Technology Co., Ltd.