



Stock Code: 6148

AZION Corporation

Handbook for the 2024 Annual Meeting of Shareholders

Meeting Time: June 27, 2024

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AZION Corporation

2024 Annual General Meeting Meeting Procedure

- I. Call the meeting to order (report the number of shares in attendance)
- II. Chair's opening remarks
- III. Report Items
- IV. Ratification Items
- V. Extraordinary Motion
- VI. Adjournment

AZION Corporation

2024 Annual General Meeting Meeting Agenda

Time: 9:00 a.m., June 27, 2024 (Thursday)

Location: 5th Floor, No. 30, Beiping East Road, Zhongzheng District, Taipei City (the Company's main meeting room)

Method of meeting: Hybrid AGM

Hybrid AGM platform: Taiwan Depository and Clearing Corporation - shareholder meeting
video conferencing platform: <https://stockservices.tdcc.com.tw>

- I. Call the meeting to order (report the number of shares in attendance)
- II. Chair's opening remarks
- III. Report Items
 - (I) 2023 Business Report.
 - (II) 2023 Audit Committee's Review Report.
 - (III) 2023 Distribution of Employees' and Directors' remuneration
 - (IV) 2023 Distribution of Cash Dividends.
- IV. Ratification Items
 - (I) 2023 Business Reports and Financial statements.
 - (II) Proposal for Distribution of 2023 Earnings
- V. Extraordinary Motion
- VI. Adjournment

I. Call the meeting to order

II. Chair's opening remarks

III. Reports Items

(I) 2023 Business Report.

Description: The Company's 2023 business report is attached. Please refer to Attachment 1 (Pages 5 to 7) of this Handbook.

(II) 2023 Audit Committee's Review Report.

Description: The 2023 Audit Committee's Review Report is attached. Please refer to Attachment 2 (Page 8) of this Handbook.

(III) 2023 Distribution of Employees' and Directors' remuneration.

Description:

1. In accordance with Article 31 of the Company's Articles of Incorporation.
2. After review and approval by the Board of Directors on February 1, 2024, the Company will distribute NTD 3,000 thousand to employees and NTD 4,000 thousand to directors as remuneration in 2023.
3. The above remuneration to employees and directors will be paid in cash .

(IV) 2023 Distribution of Cash Dividends.

Description: In accordance with Article 31-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve the distribution of quarterly cash dividends on a quarterly basis. The distribution of cash dividends by the Company for each quarter in 2023 is as follows:

(Unit: NTD)

Quarter	Cash dividends per share	Total cash dividends	Date approved by the Board of Directors	Distribution date
Q1 - 3 2023	0	0	Omitted	Omitted
Q4 2023	1.20	55,924,508	March 12, 2024	May 2, 2024

IV. Ratification Items

Proposal 1 (Proposed by the Board of Directors)

Proposal: Adoption of the 2023 Business Reports and Financial statements

Description:

1. The Company's 2023 business report, consolidated financial statements and parent company only financial statements have been reviewed and approved by the Audit Committee, and approved by the Board of Directors.
2. The consolidated financial statements and parent company only financial statements referred to above have been audited by CPAs Chun-Ming Hsueh and Chao-Ling Chen of Deloitte Taiwan.
3. The 2023 business report, consolidated financial statements and parent company only financial statements are attached. Please refer to Attachment 1 (Pages 5 to 7) and Attachment 3 (Pages 9 to 20) of this Handbook.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Adoption of the Proposal for Distribution of 2023 Earnings

Description: For the Company's 2023 earnings distribution table, please refer to Attachment 4 (page 21) of this Handbook.

Resolution:

VI. Extraordinary Motion

VII. Adjournment

Attachment 1

AZION Corporation 2023 Business Report

For the year ended December 31, 2023, AZION Group's audited consolidated operating revenue amounted to NTD 885 million and consolidated operating profit amounted to NTD 85.2 million. After adding non-operating income and expenses and deducting tax payable, the consolidated net profit for the year was NTD 76.02 million.

The Company's 2023 business performance and 2024 business outlook are presented as follows:

I. 2023 Business Report

(I) 2023 Business Plan Implementation Outcomes

In 2023, AZION Group's audited consolidated operating revenue amounted to NTD 885 million and consolidated gross profit amounted to NTD 235 million. After deducting consolidated operating expenses of NTD 150 million, consolidated operating profit amounted to NTD 85.2 million.

1. Operating revenue and gross profit

In 2023, AZION Group's consolidated operating revenue amounted to NTD 885 million, an increase of 75.43% compared to NTD 504 million in 2022. In 2023, the consolidated operating gross profit amounted to NTD 235 million, an increase of 56.89% compared to 2022.

2. Operating expenses, non-operating income and net income for the year

In 2023, AZION Group's consolidated operating expense amounted to approximately NTD 150 million, an increase of 21.22% compared to 2022. In 2023, the non-operating income amounted to approximately NTD 12.41 million; including dividend income of NTD 2.5 million and other non-operating income; after deducting the tax payable, the consolidated net profit of the AZION Group in 2023 was NTD 76.02 million.

3. Consolidated operating status of the Group

The consolidated operating revenue of the Group in 2023 is shown below (unit: NTD thousand):

	2023	2022
Consolidated net operating revenue	885,038	504,492
Consolidated operating income	85,207	26,161
Consolidated non-operating income and expenses	12,418	21,983
Net profit before tax	97,625	48,144
Net income for the period	76,026	37,888

(II) Budget execution: Not applicable as the Company does not disclose financial forecast for 2023.

(III) Analysis of financial income, expenditure and profitability (consolidation basis/continuing operations)

Item		2023	2022
Liabilities to assets ratio (%)		51.30%	45.09%
Long-term capital to property, plant and equipment (%)		11300.27%	13090.44%
Current ratio (%)		158.97%	202.10%
Quick ratio (%)		134.97%	163.62%
As a percentage of paid-in capital (%)	Operating profit (loss)	18.28%	5.61%
	Net income (loss) before tax	20.95%	10.33%
Net profit margin (%)		8.59%	7.51%
Earnings per share - basic (NTD)		1.64	0.83

(IV) Research and development status

As a professional system integration service provider, AZION Group focuses on serving customers. Its R&D activities also aim to support customers, products and business needs. The investment in R&D resources is mainly concentrated in the development and application of new technologies, and the introduction of new products and solutions.

As AI applications become the trend of industrial technology development, the "Future AI Laboratory" was established in 2023 by the Group and SWT Solutions Inc. The aim is to help promote innovation and development in the field of AI to enhance its multi-functional applications and fulfill the corporate social responsibility in R&D, promotion and governance. The establishment of the AI Laboratory represents the Company's continuous investment in a sound product supply chain to ensure that customers are provided with upgraded solutions.

II. Summary of the 2024 business plan

The overall outstanding performance of AZION in 2023 was mainly due to the impact of deferral of business performance during the pandemic. In an effort to achieve the business goals promised to shareholders, AZION has gradually adjusted its business focus in recent years. From the original system integration business, to continuously increasing the proportion of maintenance, operation and service businesses, the aim is to create a more stable profit model.

For 2024, the Group's management direction is to continue to enhance the value of services through organizational transformation. The key points of the operational plans of each business unit are as follows:

System integration service: Gradually increase the niche market of maintenance and service business

Enterprise application service: continue to accumulate customers and strengthen technology inheritance

Borderless strategy: Explore different industries and markets and introduce new products and new customers

III. Future development strategies of the Company

After years of organizational reform and adjustment, "Inheritance and Sustainability" are the core business philosophy of AZION, which is performed through the following development strategies:

- ✧ Strengthen the functions of the Board of Directors, and incorporate corporate governance and the spirit of corporate sustainable development into the Company's core values through the establishment of different functional committees and assistance in the operation.
- ✧ Through innovation, R&D and further expansion, corporate value, competitiveness and profitability are being continuously improved, entering a positive cycle of corporate management .
- ✧ Adhere to the corporate vision of "co-creation, sharing, and co-prosperity", we jointly create the foundation for corporate profitability .

IV. Impacts from the external competitive environment, regulatory environment and general business environment

1. External competitive environment and general business environment

The accommodative policies adopted by various countries to stimulate the economy during the pandemic brought about inflation in recent years, coupled with the impact of the Russo-Ukrainian War, the Israel-Palestine conflict, and Taiwan's geopolitical front-end position, there are still many uncertainties in the economic outlook in the short term, and the external and overall economic environment is not optimistic. Azion Group's main customers are government agencies and financial institutions in the Taiwan market, and the short-term impact will be limited. How to continue to operate and expand new profit margins on the basis of the existing customers and markets will be Issues that AZION must face cautiously in its future development.

2. Regulatory environment

(1) Information security

In order to effectively prevent and respond to the possible impact of information security incidents, The Group has introduced ISO 27001-related specifications and passed the certification since 2020. In order to further strengthen the Company's information security management mechanism, the Board of Directors of AZION approved the establishment of an Information Security Office in 2023 to be responsible for the establishment of information security policies and systems, the promotion of information security management activities, review, response, coordination, and improvement of information security incidents. Not only the requirements of the external environment and the competent authorities must be complied with, but we also continue to provide secure information services with the highest standards in order to become the best information security partner for customers.

(2) Corporate sustainability

In response to the global market demand for strengthening corporate governance and ESG trends for enterprises, the competent authorities have successively amended the regulations. A blueprint, including Corporate Governance 3.0 and sustainable development paths for TWSE/TPEX listed companies, etc. have been proposed to promote corporate governance in phases too all listed companies, protecting the rights and interests of shareholders, and implementing the spirit of sustainable development.

The Group has established the Corporate Sustainable Development Committee, and "Inheritance and Sustainability" is the priority goal of the Company's future development. functional committees including the Audit Committee, the Remuneration Committee, and the Nomination Committee have also been set up to assist the operation of the Board of Directors more comprehensively. In doing so, we further improve the corporate governance of the Group.

V. Conclusion

The Company delivered outstanding overall operating performance in 2023 benefitting from the end of the pandemic. Meanwhile, the Company also continued its organizational adjustment and operational transformation. In 2024, "Inheritance and Sustainability" is the core business philosophy of AZION, upholding the corporate vision of "co-creation, sharing, and co-prosperity". Through continuous innovation, R&D, and expansion, we will further improve AZION's corporate value, competitiveness, and profitability in order to give back to shareholders for their support over the years.

AZION Corporation
Audit Committee Report

For approval

The Board of Directors has prepared the Company's 2023 business report, financial statements (including consolidated financial statements) and motion for earnings distribution. The financial statements have been audited by Deloitte Taiwan, with an independent auditor's report issued.

The abovementioned business report, financial statements (including consolidated financial statements) and motion for earnings distribution have been reviewed by the Audit Committee and found no irregularities. Therefore, this report is presented in accordance with the Securities and Exchange Act and the Company Act.

To
2024 Annual General Meeting of AZION Corporation

AZION Corporation
Audit Committee Convener: Hsu Tsai-Chen

March 12, 2024

AZION CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Assets	Code	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents (Notes 4 and 6)	1100	\$ 389,558	32	\$ 279,270	29
Financial assets at amortized cost - current (Notes 4, 8, and 30)	1136	63,649	5	53,408	5
Accounts receivable (Notes 4 and 9)	1172	136,136	11	191,390	20
Accounts receivable from related parties (Notes 4, 9, and 29)	1180	1,602	-	342	-
Finance lease receivable- current (Notes 4, 10, and 29)	1197	125,392	11	97,010	10
Other receivables (Notes 4 and 9)	1200	133	-	137	-
Other receivables from related parties (Notes 4, 9, and 29)	1210	-	-	63	-
Current tax assets (Note 4 and 23)	1220	3,409	-	3,298	-
Inventories (Notes 4 and 11)	1300	69,147	6	102,729	10
Prepayments (Note 29)	1410	58,945	5	44,310	5
Other current assets	1470	468	-	302	-
Total current assets	11XX	848,439	70	772,259	79
Non-current assets					
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1510	18,040	1	18,128	2
Property, plant and equipment (Notes 4, 14 and 29)	1600	6,017	1	4,540	-
Right-of-use assets (Notes 4, 14, and 29)	1755	1,298	-	8,042	1
Other intangible assets (Notes 4, 15, and 26)	1821	6,561	1	2,521	-
Deferred tax assets (Notes 4 and 23)	1840	13,339	1	7,000	1
Refundable deposits (Note 29)	1920	40,011	3	37,977	4
Finance lease receivable - non-current (Notes 4, 10 and 29)	194D	277,908	23	123,168	13
Net defined benefit assets - non-current (Note 4 and 20)	1975	2,018	-	2,786	-
Total non-current assets	15XX	365,192	30	204,162	21
TOTAL	1XXX	\$ 1,213,631	100	\$ 976,421	100
Liabilities and equity	Code				
Current liabilities					
Short-term borrowings (Notes 16, 26, and 30)	2100	\$ 62,510	5	\$ 5,000	1
Contract liabilities - current	2130	27,128	2	41,889	4
Notes payable (Note 17)	2150	358	-	12,378	1
Accounts payables (Note 17)	2170	149,757	13	111,901	11
Accounts payable to related parties (Notes 17 and 29)	2180	20,678	2	22,581	2
Lease liabilities - current (Notes 4, 14, and 26)	2280	2,140	-	9,522	1
Other payables (Notes 18 and 26)	2219	87,088	7	68,384	7
Other payables to related parties (Notes 18 and 29)	2220	444	-	343	-
Current tax liabilities (Note 4 and 23)	2230	25,907	2	631	-
Current provisions (Notes 4 and 19)	2250	84,162	7	44,125	5
Current portion of long-term borrowings payable (Notes 16, 26, and 30)	2320	71,633	6	64,633	7
Other current liabilities	2399	1,889	-	728	-
Total current liabilities	21XX	533,694	44	382,115	39
Non-current liabilities					
Lease liabilities - non-current (Notes 4, 14, and 26)	2580	-	-	2,140	-
Long-term borrowings (Notes 16, 26, and 30)	2540	86,566	7	54,234	6
Deferred tax liabilities (Notes 4 and 23)	2570	684	-	1,063	-
Guarantee deposits (Notes 26 and 29)	2645	1,608	-	728	-
Total non-current liabilities	25XX	88,858	7	58,165	6
Total liabilities	2XXX	622,552	51	440,280	45
Equity attributable to owners of the Company					
Share capital	3100	466,038	39	466,038	48
Capital surplus	3200	11,229	1	5,679	1
Retained earnings					
Legal reserve	3310	20,824	2	17,266	2
Unappropriated earnings	3350	92,988	7	56,163	5
Total retained earnings	3300	113,812	9	73,429	7
Treasury shares	3500	-	-	(9,005)	(1)
Total equity attributable to owners of the Company	31XX	591,079	49	536,141	55
Total equity	3XXX	591,079	49	536,141	55
TOTAL		\$ 1,213,631	100	\$ 976,421	100

AZION CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	Code	2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE(Notes 4 and 29)					
Sales revenue	4100	\$ 402,221	45	\$ 211,910	42
Rental revenue	4300	-	-	47	-
Service revenue	4600	473,193	54	282,254	56
Other operating revenue	4800	<u>9,624</u>	<u>1</u>	<u>10,281</u>	<u>2</u>
Total operating revenue	4000	<u>885,038</u>	<u>100</u>	<u>504,492</u>	<u>100</u>
OPERATING COSTS (Notes 4, 11, 22, and 29)					
Cost of sales	5110	347,254	39	192,525	38
Cost of services	5600	300,042	34	159,356	32
Other operating costs	5800	<u>2,448</u>	<u>-</u>	<u>2,636</u>	<u>-</u>
Total operating costs	5000	<u>649,744</u>	<u>73</u>	<u>354,517</u>	<u>70</u>
GROSS PROFIT	5900	<u>235,294</u>	<u>27</u>	<u>149,975</u>	<u>30</u>
OPERATING EXPENSES (Notes 20, 22, and 29)					
Selling expenses	6100	44,651	5	44,867	9
Administrative expenses	6200	101,188	12	73,891	15
Research and development expenses	6300	3,448	-	4,592	1
Expected credit loss	6450	<u>800</u>	<u>-</u>	<u>464</u>	<u>-</u>
Total operating expenses	6000	<u>150,087</u>	<u>17</u>	<u>123,814</u>	<u>25</u>
OPERATING INCOME	6900	<u>85,207</u>	<u>10</u>	<u>26,161</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 22 and 29)					
Interest revenue	7100	2,152	-	1,035	-
Other income	7010	12,268	1	14,856	3
Other gains and losses	7020	(212)	-	7,538	1
Financial cost	7050	(<u>1,790</u>)	<u>-</u>	(<u>1,446</u>)	<u>-</u>
Total non-operating income and expenses	7000	<u>12,418</u>	<u>1</u>	<u>21,983</u>	<u>4</u>

(Continued)

AZION CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	Code	2023		2022	
		Amount	%	Amount	%
INCOME BEFORE INCOME TAX	7900	\$ 97,625	11	\$ 48,144	9
INCOME TAX EXPENSE (Notes 4 and 23)	7950	<u>21,599</u>	<u>2</u>	<u>10,256</u>	<u>2</u>
NET INCOME	8000	<u>76,026</u>	<u>9</u>	<u>37,888</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20 and 23)					
Items that will not be reclassified subsequently to profit or loss:	8310				
Remeasurement of defined benefit plans	8311	(804)	-	(2,886)	-
Income tax benefit related to items that will not be reclassified subsequently	8349	<u>161</u>	<u>-</u>	<u>577</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	8300	(<u>643</u>)	<u>-</u>	(<u>2,309</u>)	<u>-</u>
TOTAL COMPREHENSIVE INCOME	8500	<u>\$ 75,383</u>	<u>9</u>	<u>\$ 35,579</u>	<u>7</u>
EARNINGS PER SHARE (Note 24)					
Basic earnings per share	9710	<u>\$ 1.64</u>		<u>\$ 0.83</u>	
Diluted earnings per share	9810	<u>\$ 1.64</u>		<u>\$ 0.83</u>	

(Concluded)

AZION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	C o d e	Share capital (Note 21)		Capital Surplus (Note 21)	Retained Earnings (Notes 21 and 23)			Treasury Shares (Note 21 and 25)	Total Equity
		Shares (In thousands)	Amount		Legal Reserve	Unappropriated Earnings	Total		
BALANCE AT JANUARY 1, 2022	A1	46,604	\$ 466,038	\$ 5,679	\$ 12,765	\$ 70,785	\$ 83,550	(\$ 9,005)	\$ 546,262
Appropriation of 2021 earnings									
Legal reserve	B1	-	-	-	4,501	(4,501)	-	-	-
Cash dividends	B5	-	-	-	-	(45,700)	(45,700)	-	(45,700)
Net income for 2022	D1	-	-	-	-	37,888	37,888	-	37,888
Other comprehensive income for 2022	D3	-	-	-	-	(2,309)	(2,309)	-	(2,309)
Total comprehensive income for 2022	D5	-	-	-	-	35,579	35,579	-	35,579
BALANCE AT DECEMBER 31, 2022	Z1	46,604	466,038	5,679	17,266	56,163	73,429	(9,005)	536,141
Appropriation of 2022 earnings									
Legal reserve	B1	-	-	-	3,558	(3,558)	-	-	-
Cash dividends	B5	-	-	-	-	(35,000)	(35,000)	-	(35,000)
Net income for 2023	D1	-	-	-	-	76,026	76,026	-	76,026
Other comprehensive income for 2023	D3	-	-	-	-	(643)	(643)	-	(643)
Total comprehensive income for 2023	D5	-	-	-	-	75,383	75,383	-	75,383
Share-based payment	N1	-	-	5,567	-	-	-	-	5,567
Treasury shares transferred to employees	L1	-	-	-	-	-	-	9,005	9,005
Cancellation of treasury shares	L3	-	-	(17)	-	-	-	-	(17)
BALANCE AT DECEMBER 31, 2023	Z1	46,604	\$ 466,038	\$ 11,229	\$ 20,824	\$ 92,988	\$ 113,812	\$ -	\$ 591,079

AZION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Code	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	A10000	\$ 97,625	\$ 48,144
Adjustments for:	A20010		
Depreciation expense	A20100	11,191	10,019
Amortization expense	A20200	2,444	1,292
Expected credit loss recognized	A20300	800	464
Loss(Gain) on financial assets at fair value through profit or loss	A20400	88	(530)
Interest expense	A20900	1,790	1,446
Interest income	A21200	(2,152)	(1,035)
Dividend income	A21300	(2,500)	(3,000)
Share-based payments	A21900	5,567	-
Gain on disposal of property, plant and equipment, net	A22500	(4)	(7)
Loss on disposal of intangible assets	A22800	87	-
Gain on disposal of right-of-use assets	A23200	-	(250)
Write-down (reversal of write-down) of inventories	A23700	(1,004)	1,279
Loss on disposal of inventory	A23700	6,432	1,734
Unrealized loss on foreign currency exchange, net	A24100	731	1,446
Reversal of pension cost	A29900	(36)	(39)
Changes in operating assets and liabilities	A30000		
Accounts receivable	A31150	54,454	(3,416)
Accounts receivable from related parties	A31160	(1,260)	1,069
Other receivables	A31180	4	669
Other receivables from related parties	A31190	63	-
Inventories	A31200	28,154	(53,469)
Prepayments	A31230	(14,636)	(17,667)
Other current assets	A31240	(165)	(153)
Finance lease receivable	A31990	(183,641)	100,205
Contract liabilities- current	A32125	(14,761)	33,182
Notes payable	A32130	(12,020)	11,963
Accounts payable	A32150	37,423	12,154
Accounts payable to related parties	A32160	(1,903)	4,580
Other payables	A32180	17,245	647
Other payables to related parties	A32190	101	28
Current provisions	A32200	40,037	(24,368)
Other current liabilities	A32230	1,161	(94)
Cash generated from operations	A33000	71,315	126,293
Interest received	A33100	2,152	1,035

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AZION CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Code	2023	2022
Interest paid	A33300	(\$ 1,765)	(\$ 1,524)
Income tax paid	A33500	(<u>2,992</u>)	(<u>14,863</u>)
Net cash generated from operating activities	AAAA	<u>68,710</u>	<u>110,941</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost	B00040	(10,241)	-
Proceeds from disposal of financial assets at amortized cost	B00050	-	10,426
Acquisition of property, plant and equipment	B02700	(4,304)	(4,267)
Proceeds from disposal of property, plant and equipment	B02800	21	26
Increase in refundable deposits	B03700	(2,034)	-
Decrease in refundable deposits	B03800	-	2,743
Acquisition of intangible assets	B04500	(5,571)	(2,841)
Dividends received	B07600	<u>2,500</u>	<u>3,000</u>
Net cash from (used in) investing activities	BBBB	(<u>19,629</u>)	<u>9,087</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Disposal of treasury shares	C05100	8,988	-
Proceeds from short-term borrowings	C00100	57,510	-
Decrease in short-term borrowings	C00200	-	(44,353)
Proceeds from long-term borrowings	C01600	112,000	-
Repayment of long-term borrowings	C01700	(72,668)	(144,395)
Increase in guarantee deposits received		880	-
Return of guarantee deposits received	C03100	-	(307)
Repayment of principal of lease liabilities	C04020	(10,205)	(9,844)
Cash dividends paid	C04500	(<u>35,000</u>)	(<u>45,700</u>)
Net cash from (used in) financing activities	CCCC	<u>61,505</u>	(<u>244,599</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES			
	DDDD	(<u>298</u>)	<u>1,037</u>
NET INCREASE(DRECREASE) IN CASH AND CASH EQUIVALENTS			
	EEEE	110,288	(123,534)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
	E00100	<u>279,270</u>	<u>402,804</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
	E00200	<u>\$ 389,558</u>	<u>\$ 279,270</u>

(Concluded)

AZION CORPORATION
BALANCE SHEETS DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Assets	Code	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents (Notes 4 and 6)	1100	\$ 186,666	25	\$ 163,828	23
Financial assets at amortized cost - current (Notes 4, 8, and 31)	1140	7,209	1	12,855	2
Accounts receivable (Notes 4 and 9)	1172	26,303	4	36,888	5
Accounts receivable from related parties (Notes 4, 9, and 30)	1180	7,680	1	9,282	1
Finance lease receivable- current (Notes 4 and 10)	1197	1,697	-	11,917	2
Other receivables (Notes 4 and 9)	1200	133	-	133	-
Other receivables from related parties (Notes 4, 9, and 30)	1210	22,442	3	3,486	1
Current tax assets (Note 4 and 24)	1220	156	-	46	-
Inventories (Notes 4 and 11)	1300	22,985	3	38,507	6
Prepayments (Note 30)	1410	25,379	4	23,927	3
Other current assets	1470	156	-	-	-
Total current assets	11XX	300,806	41	300,869	43
Non-current assets					
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1510	18,040	2	18,128	3
Investments accounted for using equity method (Notes 4 and 12)	1550	391,211	53	343,447	49
Property, plant and equipment (Notes 4, 13 and 30)	1600	1,923	-	3,461	1
Right-of-use assets (Notes 4 and 14)	1755	550	-	2,678	-
Investment property (Notes 4, 15 and 30)	1760	418	-	4,561	1
Other intangible assets (Notes 4 and 16)	1821	5,100	1	2,503	-
Refundable deposits (Note 30)	1920	20,811	3	18,259	3
Finance leasehold receivable - non-current (Notes 4 and 10)	194D	-	-	2,113	-
Net defined benefit assets - non-current (Note 4 and 21)	1975	2,018	-	2,786	-
Total non-current assets	15XX	440,071	59	397,936	57
TOTAL	1XXX	\$ 740,877	100	\$ 698,805	100
Liabilities and equity	Code				
Current liabilities					
Short-term borrowings (Notes 17, 27, and 31)	2100	\$ 10,000	1	\$ 5,000	1
Contract liabilities - current (Note 4)	2130	26,303	4	27,034	4
Notes payable (Note 18)	2150	342	-	12,350	2
Accounts payable (Note 18)	2170	35,541	5	35,271	5
Accounts payable to related parties (Notes 18 and 30)	2180	21,671	3	24,488	4
Other payables (Note 19)	2200	31,313	4	30,755	4
Other payables to Related parties (Notes 19 and 30)	2220	424	-	286	-
Current provisions (Notes 4 and 20)	2250	20,669	3	14,697	2
Lease liabilities - current (Notes 4, 14, and 27)	2280	1,807	-	9,049	1
Other current liabilities	2399	376	-	425	-
Total current liabilities	21XX	148,446	20	159,355	23
Non-current liabilities					
Deferred tax liabilities (Note 4 and 24)	2570	684	-	1,063	-
Lease liabilities - non-current (Notes 4, 14, and 27)	2580	-	-	1,807	-
Guarantee deposits (Notes 27 and 30)	2645	668	-	439	-
Total non-current liabilities	25XX	1,352	-	3,309	-
Total liabilities	2XXX	149,798	20	162,664	23
Equity					
Share capital	3100	466,038	63	466,038	67
Capital surplus	3200	11,229	2	5,679	1
Retained earnings					
Legal reserve	3310	20,824	3	17,266	2
Unappropriated earnings	3350	92,988	12	56,163	8
Total retained earnings	3300	113,812	15	73,429	10
Treasury shares	3500	-	-	(9,005)	(1)
Total equity	3XXX	591,079	80	536,141	77
TOTAL		\$ 740,877	100	\$ 698,805	100

AZION CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

		2023		2022	
	Code	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 30)					
Sales revenue	4110	\$ 39,174	18	\$ 28,469	19
Service revenue	4651	177,265	82	118,116	80
Other operating revenue	4800	<u>313</u>	<u>-</u>	<u>796</u>	<u>1</u>
Total operating revenue	4000	<u>216,752</u>	<u>100</u>	<u>147,381</u>	<u>100</u>
OPERATING COSTS (Notes 4, 11, 23, and 30)					
Cost of sales	5110	48,319	22	27,397	18
Cost of services	5650	<u>123,586</u>	<u>57</u>	<u>82,368</u>	<u>56</u>
Total operating costs	5000	<u>171,905</u>	<u>79</u>	<u>109,765</u>	<u>74</u>
GROSS PROFIT	5900	<u>44,847</u>	<u>21</u>	<u>37,616</u>	<u>26</u>
OPERATING EXPENSES (Notes 9, 21, 23, and 30)					
Selling expenses	6100	10,560	5	11,861	8
Administrative expenses	6200	37,272	17	30,442	21
Research and development expenses	6300	3,438	2	4,560	3
Expected credit loss	7055	(<u>1</u>)	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	6000	<u>51,269</u>	<u>24</u>	<u>46,863</u>	<u>32</u>
OPERATING INCOME	6900	(<u>6,422</u>)	(<u>3</u>)	(<u>9,247</u>)	(<u>6</u>)
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 30)					
Interest revenue	7100	1,274	1	655	-
Other income	7010	7,449	3	9,437	6
Other gains and losses	7020	(296)	-	8,742	6
Financial cost	7050	(227)	-	(561)	-
Share of profit of subsidiaries and associates accounted for using the equity method	7070	<u>74,030</u>	<u>34</u>	<u>29,184</u>	<u>20</u>
Total non-operating income and expenses	7000	<u>82,230</u>	<u>38</u>	<u>47,457</u>	<u>32</u>

(Continued)

AZION CORPORATION

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	Code	2023		2022	
		Amount	%	Amount	%
INCOME BEFORE INCOME TAX	7900	\$ 75,808	35	\$ 38,210	26
INCOME TAX EXPENSE (Note 4 and 24)	7950	(218)	-	322	-
NET INCOME	8200	76,026	35	37,888	26
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20 and 24)					
Items that will not be reclassified subsequently to profit or loss:	8310				
Remeasurement of defined benefit plan	8311	(804)	-	(2,886)	(2)
Income tax benefit related to items that will not be reclassified subsequently	8349	161	-	577	-
Other comprehensive income (loss) for the year, net of income tax	8300	(643)	-	(2,309)	(2)
TOTAL COMPREHENSIVE INCOME	8500	\$ 75,383	35	\$ 35,579	24
Earnings per share (Note 25)					
Basic earnings per share	9710	\$ 1.64		\$ 0.83	
Diluted earnings per share	9810	\$ 1.64		\$ 0.83	

(Concluded)

AZION CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	C o d e	Share Capital (Note 22)		Capital Surplus (Notes 22 and 26)	Retained Earnings (Notes 22 and 24)		Treasury Shares (Notes 22 and 26)	Total equity
		Shares (In thousands)	Amount		Legal reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2022	A1	46,604	\$ 466,038	\$ 5,679	\$ 12,765	\$ 70,785	(\$ 9,005)	\$ 546,262
Appropriation of 2021 earnings								
Legal reserve	B1	-	-	-	4,501	(4,501)	-	-
Cash dividends	B5	-	-	-	-	(45,700)	-	(45,700)
Net income for 2022	D3	-	-	-	-	37,888	-	37,888
Other comprehensive income for 2022	D1	-	-	-	-	(2,309)	-	(2,309)
Total comprehensive income for 2022	D5	-	-	-	-	35,579	-	35,579
BALANCE AT DECEMBER 31, 2022	Z1	46,604	466,038	5,679	17,266	56,163	(9,005)	536,141
Earnings appropriation and distribution for 2022								
Legal reserve	B1	-	-	-	3,558	(3,558)	-	-
Cash dividends	B5	-	-	-	-	(35,000)	-	(35,000)
Net income for 2023	D1	-	-	-	-	76,026	-	76,026
Other comprehensive income for 2023	D3	-	-	-	-	(643)	-	(643)
Total comprehensive income for 2023	D5	-	-	-	-	75,383	-	75,383
Share-based payment	N1	-	-	5,567	-	-	-	5,567
Treasury shares transferred to employees	L1	-	-	(17)	-	-	9,005	8,988
BALANCE AT DECEMBER 31, 2023	Z1	<u>46,604</u>	<u>\$ 466,038</u>	<u>\$ 11,229</u>	<u>\$ 20,824</u>	<u>\$ 92,988</u>	<u>\$ -</u>	<u>\$ 591,079</u>

AZION CORPORATION
STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Code	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	A10000	\$ 75,808	\$ 38,210
Adjustments for:	A20010		
Depreciation expense	A20100	8,926	7,947
Amortization expense	A20200	1,546	1,236
Expected credit loss recognized	A20300	(1)	-
Loss(Gain) on financial assets at fair value through profit or loss	A20400	88	(530)
Interest expense	A20900	227	561
Interest income	A21200	(1,274)	(655)
Dividend income	A21300	(2,500)	(3,000)
Share-based payments	A21900	5,567	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	A22400	(74,030)	(29,184)
Gain on disposal of property, plant and equipment, net	A22500	(3)	(6)
Loss on disposal of intangible assets	A22800	87	-
Gains on disposal of right-of-use assets	A22900	-	(250)
Gain on reversal of decline in value of inventories	A23800	(506)	-
Write-down (reversal of write-down) of inventories	A23700	59	392
Unrealized loss on foreign currency exchange, net	A24100	294	(1,042)
Reversal of pension cost	A29900	(36)	(39)
Changes in operating assets and liabilities	A30000		
Accounts receivable	A31150	10,586	(1,447)
Accounts receivable from related parties	A31160	1,602	(1,011)
Other receivables	A31180	-	587
Other receivables from related parties	A31190	1,044	797
Inventories	A31200	15,969	(17,107)
Prepayments	A31230	(1,452)	(11,979)
Other current assets	A31240	(156)	19
Finance lease receivable	A31990	11,216	11,212
Contract liabilities - current	A32125	(731)	24,548
Notes payable	A32130	(12,008)	11,948
Accounts payable	A32150	270	19,367
Accounts payable to related parties	A32160	(2,817)	(3,021)

(Continued)

AZION CORPORATION
STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Code	2023	2022
Other payables	A32180	\$ 564	\$ 2,187
Other payables to related parties	A32190	138	(314)
Current provisions	A32200	5,972	1,355
Other current liabilities	A32230	(49)	(98)
Cash generated from operations	A33000	44,400	50,683
Interest received	A33100	1,274	655
Interest paid	A33300	(233)	(552)
Income tax paid	A33500	(110)	(435)
Net cash generated from operating activities	AAAA	<u>45,331</u>	<u>50,351</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost	B00040	-	(1,077)
Proceeds from disposal of financial assets at amortized cost	B00050	5,646	-
Dividends received from investments accounted for using equity method	B07600	26,266	31,012
Dividends received from associates	B07600	2,500	3,000
Increase in other receivables from related parties	B04300	(20,000)	-
Acquisition of property, plant and equipment	B02700	-	(3,374)
Proceeds from disposal of property, plant and equipment	B02800	3	17
Increase in refundable deposits	B03700	(2,552)	(2,870)
Acquisition of intangible assets	B04500	(4,230)	(2,842)
Net cash used in investing activities	BBBB	<u>7,633</u>	<u>23,866</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Disposal of treasury shares	C05000	8,988	-
Proceeds from short-term borrowings	C00100	5,000	5,000
Repayment of principal of lease liabilities	C04020	(9,049)	(8,787)
Increase in guarantee deposits received	C03000	229	-
Return of guarantee deposits received	C03100	-	(268)
Cash dividends paid	C04500	(35,000)	(45,700)
Net cash used in financing activities	CCCC	<u>(29,832)</u>	<u>(49,755)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES			
	DDDD	(294)	<u>1,042</u>
NET INCREASE(DRECREASE) IN CASH AND CASH EQUIVALENTS			
	EEEE	22,838	25,504
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
	E00100	<u>163,828</u>	<u>138,324</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
	E00200	<u>\$ 186,666</u>	<u>\$ 163,828</u>

(Concluded)

Attachment 4

AZION Corporation 2023 Earnings Distribution Table

Unit: NTD

Item	Amount
Unappropriated earnings at the beginning of the period	17,604,578
Add: Net income of 2023	76,026,113
Less: Remeasurement of defined benefit plans	(642,693)
Subtotal	92,987,998
Appropriation: Legal reserve	(7,538,342)
Earnings available for distribution	85,449,656
Item of distribution	
Cash dividends from Q1 to Q3 of 2023	0
Cash dividends in Q4 2023 (NTD 1.2 per share)	(55,924,508)
Unappropriated earnings at the end of the period	29,525,148

Note1 : Cash dividends are handled by the Company's Board of Directors and are reported to the shareholders' meeting.

Chairman	Liao Wentoh
President	Liao Wentoh
Principal accounting officer	Yeh Jih Fang

Appendix 1

AZION Corporation **Rules of Procedure for Shareholders' Meetings**

(2000) He-Mi-Zi No. 0001 dated April 28, 2000

Approved by the Board of Directors on March 12, 2002, and amended by (2002) He-Mi-Zi No. 0002

Approved by the shareholders' meeting on June 25, 2003, and amended by (2003) He-Mi-Zi No. 0004

Approved by the shareholders' meeting on June 13, 2012, and amended by (2012) He-Mi-Zi No. 0003

Approved by the shareholders' meeting on June 19, 2013, and amended by (2013) He-Mi-Zi No. 0002

Approved by the shareholders' meeting on June 29, 2020

Approved by the shareholders' meeting on June 28, 2022, and amended by (2022) He-Mi-Zi No. 0002

Approved by the shareholders' meeting on June 28, 2023

- I. These Rules of Procedure for Board Meetings are established in accordance with the relevant regulations of the Financial Supervisory Commission and the actual needs of the Company.
- II. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders' meeting in person.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

- II-I. To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice

- (I) How shareholders attend the virtual meeting and exercise their rights.
- (II) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - 1. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - 2. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - 3. In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - 4. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

(III) To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

III. Attendance and voting at shareholders meetings shall be calculated based on numbers of shares.

IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chair, the vice chairman or the chairman shall appoint one of the managing directors to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

VI. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting.

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

VII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

VIII. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with the requirements.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

- IX. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

After the said meeting is adjourned, shareholders may not elect another chair to hold another meeting at the same place or at any other place. During the session of a shareholders meeting, if the chair declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chair of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

- X. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 10 to 11 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

- XII. When a legal person is appointed to attend as proxy, he/she may designate only one person to represent himself/herself in the meeting.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

- XIV. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

- XIV-I. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company

avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- XIV-II. The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

- XVI. When a meeting is in progress, the chair may announce a break based on time considerations.

- XVII. Except as otherwise provided in applicable laws and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

- XVIII-I. When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have

withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

- XIX. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".

XIX-I. Handling of digital drop

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

- XX. These Rules of Procedure for Board Meetings, and any amendments hereto, shall come into force upon the approval of the Shareholders' Meeting.

Appendix2

AZION Corporation Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is duly incorporated in accordance with the Company Act, and its name is AZION Corporation.
- Article 2 The Company's line of business is as follow:
1. F118010 Wholesale of Computer Software
 2. F218010 Retail Sale of Computer Software
 3. E605010 Computer Equipment Installation
 4. E701010 Telecommunications Construction
 5. I301010 Information Software Services
 6. I301020 Data Processing Services
 7. I301030 Electronic Information Supply Services
 8. F113050 Wholesale of Office Machinery and Equipment
 9. F213030 Retail Sale of Office Machinery and Equipment
 10. CC01110 Computer and Peripheral Equipment Manufacturing.
 11. F401181 Measuring Instruments Import
 12. IZ12010 Manpower Dispatched
 13. IF01010 Fire Safety Equipment Inspection and Repair
 14. E603040 Fire Safety Equipment Installation Engineering
 15. F401010 International Trade
 16. F117010 Wholesale of Fire Safety Equipment
 17. F217010 Retail Sale of Fire Safety Equipment
 18. JE01010 Rental and Leasing
 19. I103060 Management Consulting
 20. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may provide external guarantees and reinvest in other businesses where necessary for its business; the total amount of external guarantees is limited to 150% of the net worth of the Company's most recent financial statements audited or reviewed by a CPA. The amount of guarantee shall not exceed 100% of the net worth of the Company's most recent financial statements audited or reviewed by a CPA. The total amount of reinvestment is not limited by Article 13 of the Company Act.
- Article 4 The Company has its head office in Taipei City and may establish branch offices at other appropriate locations when necessary. The establishment and abolishment of branch offices shall be determined by the Board of Directors.
- Article 5 Deleted

Chapter 2 Shares

- Article 6 The total capital of the Company shall be NTD 2 billion, divided into 200 million shares, at a value of NTD 10 per share. The Board of Directors is authorized to issue the shares in installments.
- Within the above capital amount, NTD 150 million is reserved for the issuance of employee stock options for a total of 15 million shares at NTD 10 per share, which may be issued in installments as resolved by the Board of Directors.
- Article 7 The share certificates of the Company shall be registered, issued after being affixed with the signature or personal seal of the director representing the Company and with the name seal of the Company and certified in accordance with the laws. The Company's issued shares are exempted from printing any share certificate; however they shall be registered with a centralized securities depository enterprise.
- Article 8 If it is necessary for the Company's shares to be registered in the custody of Taiwan Depository & Clearing Corporation, the Company may merge and exchange for larger-denomination securities at the request of the Company.
- Article 9 Except as otherwise provided by laws and regulations and securities regulations, the Company's shareholders shall handle stock affairs such as transfer, loss report, inheritance, donation, seal loss change or address change, pursuant to the "Regulations Governing the Administration of Shareholder Services of Public Companies".
- Article 10 Deleted
- Article 11 Deleted
- Article 12 Deleted

- Article 13 The transfer of shares shall be suspended within 60 days prior to the date of an annual general meeting, or within 30 days prior to the date of an extraordinary shareholders' meeting, or within 5 days prior to the record date on which the Company decides to distribute dividends or other benefits.

Chapter 3 Shareholders' Meeting

- Article 14 The shareholders meeting is divided into annual general meetings and extraordinary general meetings. The general meeting shall be convened by the board of directors once a year within 6 months after the end of fiscal year. The special meeting is convened when necessary.
The Company may hold shareholders' meetings by videoconference or in other manners as announced by the central competent authority. Unless otherwise specified by the competent authority, the conditions, operating procedures, and other matters required for video-conference shall be followed.
- Article 14-1 Shareholders who hold one percent or more of the total number of shares of the Company may submit proposals in writing to the Company at the annual general meeting in accordance with Article 172-1 of the Company Act.
- Article 15 Shareholders of the Company shall be entitled to one vote for each share held, unless otherwise provided in the law .
- Article 15-1 If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization in accordance with Article 177 of the Company Act. Unless otherwise provided for in the Company Act, this shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.
- Article 16 The chairman shall preside over the meeting. In the absence of the chairman, the chairman shall designate a director to be act as the chair. If the chairman does not make such a designation, the directors shall select from among themselves one person to serve as the chair.
- Article 17 Unless otherwise provided by the Company Act, resolutions at a shareholders' meeting shall be made by a majority vote of the shareholders present, who represent more than half of the total number of outstanding shares.
- Article 17-1 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall record the year, month, day, place of the meeting, the name of the chair, the method of resolution, the methods by which resolutions were adopted, the proceedings and the results thereof, together with the attendance register and the proxy forms, shall be kept with the Company. The preparation and distribution of the meeting minutes in the preceding paragraph may be effected by means of public announcement.

Chapter 4 Board of Directors

- Article 18 The Company has five to nine directors for the organization of the Board of Directors. All directors are elected using the candidate nomination system in accordance with Article 192-1 of the Company Act. The term of office shall not exceed three years; but he/she may be eligible for re-election. The total number of shares held by all directors is subject to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".
- Article 18-1 In accordance with Article 14-2 of the Securities and Exchange Act and Article 183, among the abovementioned number of directors, the number of independent directors shall not be less than two, and shall not be less than two and one-fifth of the number of director seats. The shareholders' meeting elects the independent directors from the list of candidates under the candidate nomination system.
The professional qualifications, shareholdings, restrictions on concurrent positions held, determination of independence, nomination methods and other compliance matters of the independent directors shall be subject to the competent authority that governs the securities affairs.
- Article 18-2 The Company's Board of Directors shall have one chairman and one vice chairman or an executive director. Their election method and duties shall be in accordance with the provisions of Article 208, Paragraphs 1 and 3 of the Company Act.
- Article 18-3 The Company has set up an audit committee pursuant to Article 14-4 of the Securities and Exchange Act. The audit committee shall be made up by all independent directors. The audit committee or members of the audit committee are responsible for performing duties of supervisors set out in the Company Act, the Securities and Exchange Act and other laws and regulations.
- Article 19 The Board of Directors shall be organized by the directors. The chairman shall be elected from among the directors with the attendance of more than two-thirds of the directors and the consent of more than half of the directors present. The chairman represents the Company externally.
When the Board of Directors is not in session, the chair shall perform the functions and powers of the Board of Directors, but major business management matters shall be submitted to the Board of Directors for ratification.
- Article 20 The functions and powers of the Board of Directors are as follows:
Determination on the business plan.
Preparation of important articles of association and contracts.
Establishment and abolishment of branches.
Preparation of budgets and final accounts.
Appointment and dismissal of key employees.

Other matters required by the Company Act, Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and these articles.

- Article 20-1 In order to achieve the objectives of corporate governance, the Company's Board of Directors may, as needed, set up special committees with different functions, such as audit, nomination, and remuneration committees. The organization, responsibilities, and methods of hiring/appointment of members shall be determined by the Board of Directors with reference to the relevant provisions of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
- Article 20-2 The remuneration to the Company's directors shall be determined by the Board of Directors or the remuneration committee after weighing the duties undertaken by each director and their performance, and then negotiate them in a fair and equitable manner.
- Article 20-3 If the Company's directors or shareholders are also employees, their salary may be paid as an ordinary employee (formerly Paragraph 2, Article 20-1)
- Article 20-4 The Company may purchase liability insurance for directors to reduce the risk of accusations by shareholders or other related parties due to the performance of their duties in accordance with the law.
- Article 20-5 A notice of the reasons for convening a board meeting shall be given to each director and supervisor before seven days before the meeting is convened. The notice of the meeting shall be given by electronic means. In emergency circumstances, however, a board meeting may be called on shorter notice.
- Article 21 Unless otherwise provided for in the Company Act, meetings of the Board of Directors shall be convened by the chairman and chaired by the chairman. When the chairman of the board of directors is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint a director to act on his/her behalf. Where the chairman does not make such a designation, the directors shall be elected from each other to act as the chair of the meeting. The meeting shall be convened by a party with the right to convene other than the Board of Directors, and that party shall act as the chair of the meeting. If there are two or more such convening parties, they shall mutually select one person to chair the meeting.
- Article 22 Except as otherwise stated in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.
- Article 23 If a director is unable to attend a board meeting for any reason, he/she may appoint another director to attend as a proxy. Each proxy shall act in the name of and on behalf of only one other director.

Chapter 5 Deleted

- Article 24 Deleted
- Article 24-1 Deleted
- Article 25 Deleted
- Article 26 Deleted

Chapter 6 Manager

- Article 27 The Company may have one general manager who may be the CEO; the general manager follows the resolutions and directions of the Board of Directors are to manage all the Company's business. The appointment, dismissal and remuneration of the general manager are subject to the consent of more than half of all the directors.
- Article 27-1 The Company has several deputy general managers, assistant managers or equivalent managers. Their appointment, dismissal and remuneration shall be determined by the general manager upon the request of the Board of Directors with the attendance of more than half of the directors and the consent of more than half of the directors present.
- Personnel below the position of deputy general manager shall not sign contracts, memorandums or agreements with friends, merchants or customers on behalf of the Company, except with the authorization of the chairman or the general manager.
- Article 27-2 For the following matters, the general manager shall submit to the Board of Directors for approval before implementation:
1. Business plan.
 2. Internal control and internal audit regulations, and the operating rules for personnel salary management.
 3. The establishment, change and cancellation of tier-one units of the Company.
 4. Lease, trade, or construction of self-use real estate.
 5. Budget preparation and presentation of final accounts.
 6. Investment plans with an amount over NTD 30 million.
 7. Other matters resolved by the Board of Directors and subject to the review or approval of the Board of Directors.
- In order to improve the operating efficiency, the third paragraph of the preceding paragraph can be executed with the consent of the chairman and sent to the Board of Directors for ratification.

- Article 27-3 The following matters shall be determined and executed by the general manager, or assigned to the staff to execute:
1. Oversee the Company's business operations in accordance with the business plan approved by the Board of Directors, and to sign the documents required by the general business on behalf of the Board of Directors.
 2. Formulate general management regulations within the Company.
 3. Matters assigned by the Board of Directors and required business according to laws.
 4. Supervise and command the staff to carry out their duties.
 5. Formulate and implement the Company's plan to increase revenue and reduce expenditure.
 6. Other matters authorized by the Board of Directors.

Article 28 Deleted

Chapter 7 Accounting

Article 29 The Company's fiscal year is from January 1 to December 31.

Article 30 After the Company's annual settlement of accounts, the Board of Directors shall prepare the following reports and submit them to the shareholders' meeting for approval:

1. Business report.
2. Financial statements
3. Proposal for earnings distribution or loss off-setting.

The Company's earnings distribution or loss off-setting may be made after the end of each quarter.

Article 31 If the Company makes a profit for the year, the remuneration to employees and directors to be distributed is as follows:

- I. 0.1% to 8% as remuneration to employees
- II. Under 5% as remuneration to directors

Remuneration to employees may be distributed in the form of share capital increase. However, if the Company still has accumulated losses, an amount shall first be reserved to offset them. The above remuneration may be distributed to employees of the subordinate company who meet the criteria set forth by the Board of Directors or its authorized personnel.

Article 31-1 The Company may distribute earnings or loss off-setting funds at the end of each quarter. If there is a surplus at the end of each quarter, the taxes payable shall be estimated and retained, the accumulated losses shall be offset (including the adjustment of the amount of undistributed earnings), remuneration, and a 10% appropriation shall be set aside as the legal reserve, unless the legal reserve has reached the amount of the paid-in capital. When necessary, the special reserve may be appropriated or reversed depending on the operational needs of the Company, or as required by the competent authority. If there is any unappropriated surplus, the remaining balance, together with the accumulated unappropriated balance of the previous quarter, will be used as distributable dividends and shall be proposed by the Board of Directors for the distribution of earnings. In the case of distribution of new shares, a resolution shall be adopted by the shareholders' meeting for distribution.

The distribution of dividends or the legal reserve and capital reserve in whole or in part shall be made in cash only after authorization of the attendance of two-thirds of the total number of board directors and the consent of at least half of the directors present at the meeting, and shall be reported to the shareholders meeting.

In principle, at least 20% of cash dividends are distributed in cash. The dividends meet the needs of the Company's operation and growth while taking into account the balance of dividends and shareholders' equity.

Chapter 8 Notes

Article 32 The Company's organizational structure and division of powers were established separately.

Article 33 Matters not provided for in the Articles of Incorporation shall be handled in accordance with the Company Act.

Article 34 The Articles of Incorporation were established on December 21, 1991.

The 1st amendment was made on May 25, 1993.

The 2nd amendment was made on August 8, 1994.

The 3rd amendment was made on August 29, 1994.

The 4th amendment was made on December 22, 1994.

The 5th amendment was made on April 17, 1995.

The 6th amendment was made on March 3, 1996.

The 7th amendment was made on May 22, 1996.

The 8th amendment was made on July 19, 1997.

The 9th amendment was made on September 30, 1997.

The 10th amendment was made on July 21, 1998.

The 11th amendment was made on December 10, 1998.

The 12th amendment was made on June 25, 1999.

The 13th amendment was made on November 20, 1999.

The 14th amendment was made on April 28, 2000.
The 15th amendment was made on April 28, 2000.
The 16th amendment was made on November 1, 2000.
The 17th amendment was made on May 2, 2001.
The 18th amendment was made on April 25, 2002.
The 19th amendment was made on April 25, 2002.
The 20th amendment was made on June 25, 2003.
The 21st amendment was made on June 25, 2003.
The 22nd amendment was made on January 19, 2005.
The 23rd amendment was made on June 14, 2005.
The 24th amendment was made on August 22, 2005.
The 25th amendment was made on June 15, 2006.
The 26th amendment was made on October 12, 2006.
The 27th amendment was made on June 28, 2007.
The 28th amendment was made on June 13, 2008.
The 29th amendment was made on June 16, 2009.
The 30th amendment was made on June 13, 2012.
The 31st amendment was made on June 19, 2013.
The 32nd amendment was made on June 18, 2015.
The 33rd amendment was made on June 28, 2016.
The 34th amendment was made on June 28, 2017.
The 35th amendment was made on June 29, 2020.
The 36th amendment was made on August 9, 2021.
The 37th amendment was made on June 28, 2022.

Appendix 3

AZION Corporation

Current Shareholding of Directors

(I) Minimum number of shares held by all directors

Title	Minimum shareholding	Number of shares registered on the shareholder register (Note)
Director	3,728,300	3,804,953

(II) Breakdown of number of shares held by directors

Title	Name	Number of shares registered on the shareholder register
Chairman	PicaBLD Corp. Representative: Liao Wentoh	187,000
Director	Loyal Chemical Industrial Corp. Representative: Ho Hung-Jung	2,227,750
Director	Loyal Chemical Industrial Corp. Representative: Liao Hsiang-Ju	
Director	IRONYUN AI INC. Representative: Lin Hao-Yu	1,011,000
Director	JL Investment Taiwan Ltd	379,203
Independent Director	Cheng Chia-Jiun	0
Independent Director	Chin Le-Pong	0
Independent Director	Hsu Tsai-Chen	0
Independent Director	Feng Shen-Te	0

Note: Recorded in the shareholder register as of the book closure date (April 29, 2024)